

Recommendation: Buy

Price target: 37.00 BGN (previous: 31.00 BGN)

Upside potential: +71 percent

Share data

Share price	21.60 BGN
Number of shares (in m)	18.00
Market cap. (in BGN m)	388.8
Enterprise Value (in BGN m)	366.3
Code	BUL:A4L
ISIN	BG1100003166

Performance

52 week-high (in BGN)	22.60
52 week-low (in BGN)	14.00
3 M relative to CDAX	+6.5%
6 M relative to CDAX	+7.6%



Quelle: Capital IQ

Shareholder

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

Calendar

Q4 2022	01 March 2023
Annual Report 2022	28 April 2023

Changes in estimates

	2022e	2023e	2024e
Sales (old)	90.0	125.0	160.0
Δ in %	3.2%	3.2%	7.5%
EBIT (old)	20.6	30.6	39.2
Δ in %	3.2%	3.2%	7.5%
EPS (old)	0.96	1.41	1.78
Δ in %	3.1%	2.8%	7.9%

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Comment 20. January 2023

Allterco exceeds its twice increased guidance

On Monday afternoon, Allterco reported preliminary top-line results for the fiscal year just ended. In 2022, the company generated total sales of BGN 92.9m (EUR 47.5m), corresponding to 56.1% growth yoy. This means that in December Allterco exceeded its increased sales guidance for the second time. Although the company has supplied no information on the bottom-line, we also anticipate an outperformance based on the recent development.

Allterco Guidance 2022	06/22	11/22	12/22	2022p	MONe
Sales	85.1	88.0-90.0	c. 90.0	92.9	90.0
EBIT	18.8	19.6-20.5	c. 20.5	n.a.	20.6

Source: Company, Montega

Figures in BGN m

This strong year-end performance is expected to primarily have been driven by ongoing demand for energy-efficient products, which should also have boosted the Black Week. It was successfully completed with an increase in sales of some 44% yoy. Based on the cross-sector data of payment provider Klarna, revenues of the Black Week were some 14% above the prior-year figures in the DACH region.

As already announced, Allterco also published that it has **completed the acquisition** of 60% of the Slovenian IoT provider GOAP d.o.o. at the beginning of this year. Beside a market-leading position in equipping cruise ships with control elements for HVAC, the company sells Smart Home products under its Qubino brand on the basis of the Z-Wave standard. Allterco intends to use the development skills, which the company has demonstrated in its own products, to significantly reduce the selling price of the Qubino products (c. 30%) without burdening the margin profile. Additionally, the products are planned to be integrated into the distribution structure of Shelly to substantially increase sales. The product portfolio should be highly attractive in the USA given that the Z-Wave standard is very popular there in the home security area.

Adjustment of forecast and guidance: We have raised our forecast on the back of the better-than-expected preliminary results. The medium-term guidance published in June provided for 2023 sales of BGN 122.0m (EUR 62.5m) with growth of 44.0% and an EBIT margin of 24.0%. Based on the strong performance in 2022, we expect the company to raise its guidance for 2023, while our own estimates are above these figures. Additionally, we have rolled over the DCF model into the current year.

Conclusion: The preliminary results have exceeded the high goals set by Allterco for 2022. Given the individual and market-driven growth perspectives, we have a very positive view of 2023 and expect profitability to grow as well given the increasing economies of scale. We therefore confirm our buy rating with an increased price target of BGN 37.00 (previous: BGN 31.00).

FYend: 31.12.	2020	2021	2022e	2023e	2024e
Sales	46.3	59.5	92.9	129.0	172.0
Growth yoy	39.1%	28.4%	56.1%	38.9%	33.3%
EBITDA	13.4	19.8	23.1	34.4	46.3
EBIT	12.4	18.7	21.3	31.6	42.1
Net income	13.4	16.0	17.8	26.2	34.5
Gross profit margin	46.8%	55.1%	50.0%	49.0%	48.0%
EBITDA margin	28.9%	33.2%	24.9%	26.7%	26.9%
EBIT margin	26.7%	31.4%	22.9%	24.5%	24.5%
Net Debt	-21.9	-28.0	-22.5	-33.7	-47.6
Net Debt/EBITDA	-1.6	-1.4	-1.0	-1.0	-1.0
ROCE	43.0%	51.5%	44.8%	50.2%	55.2%
EPS	0.90	0.89	0.99	1.45	1.92
FCF per share	0.08	0.36	-0.11	0.82	1.06
Dividend	0.10	0.20	0.20	0.29	0.38
Dividend yield	0.5%	0.9%	0.9%	1.3%	1.8%
EV/Sales	7.9	6.2	3.9	2.8	2.1
EV/EBITDA	27.3	18.5	15.8	10.6	7.9
EV/EBIT	29.7	19.6	17.2	11.6	8.7
PER	24.0	24.3	21.8	14.9	11.3
P/B	6.8	5.9	4.9	3.8	3.0

Source: Company data, Montega, Capital IQ

Figures in Lev (BGN) m, EPS in BGN / 1 BGN = 0.51129 EUR Price: 21.60 BGN

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	59.5 BGN m / 30.4 EUR m
Sector	Technology	EBIT	18.7 BGN m / 9.6 EUR m
Employees	90	EBIT margin	31.4%
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 (42%), Southern Europe (28%), Northern Europe (11%), Rest of Europe (9%), RoW (6%)		

Source: Company

Status: 31.12.2021

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. 90 employees (at the end of FY 2021), 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
- 2022** LOI for the 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



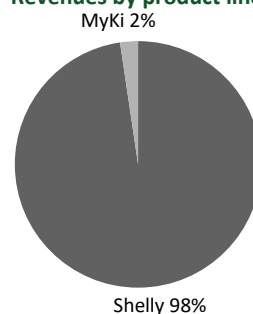
Source: Company

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

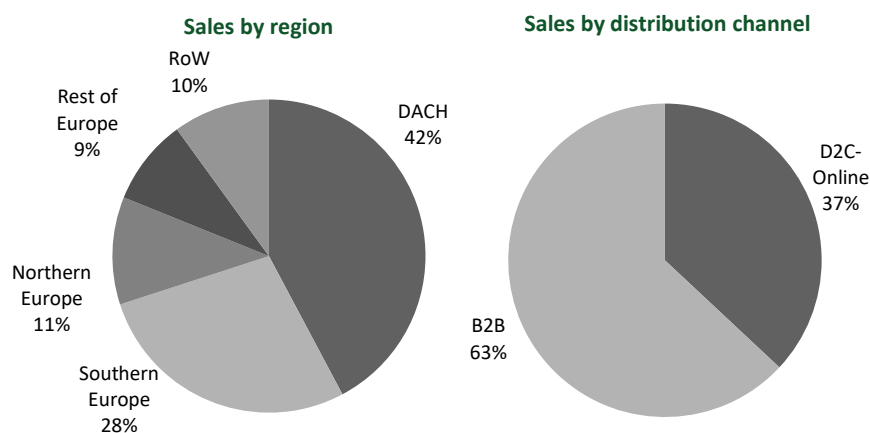
Smartwatch and tracking products of the **MyKi** brand play a subordinate role in our view (revenue share: < 5%). The product portfolio is composed of **smartwatches** specifically designed for children. Primarily, these are watches equipped with a nano sim card and different localization technologies (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 (42%) and in South Europe (28%). The North European market ranks third with only 11% 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 9% and 10% 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 40% 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 20% of B2B revenue and 10% of total revenues 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 on the next page summarizes the ESG goals of Allterco.

ESG objective of Allterco

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

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.



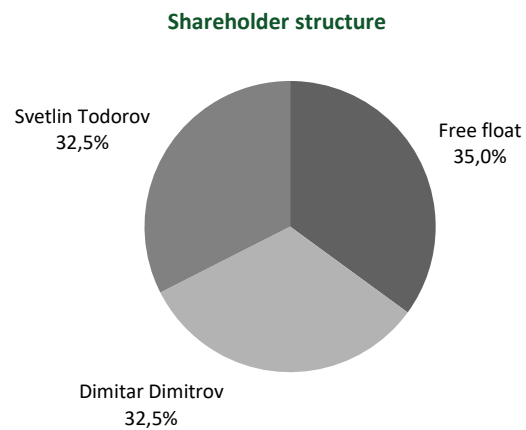
Dimitar Dimitrov is the founder of Allterco, CEO of the Bulgarian holding company, and one of the biggest individual shareholders with a stake of some 33%. In addition to administrative topics at group level, Mr. Dimitrov is primarily responsible for R&D. Mr. Dimitrov had already established other IT 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>	38.9%	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	-6.5	-10.9	-16.1	-17.6	-17.9	-12.8	-3.9	-1.0
- Capex	-7.7	-8.6	-8.7	-10.8	-13.5	-11.6	-10.7	-10.9
<i>Capex in % of Sales</i>	6.0%	5.0%	4.0%	4.0%	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)	1.1	14.8	19.2	25.9	35.3	46.2	59.0	71.0
WACC	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%
Present value	13.6	16.1	19.8	24.6	29.4	34.2	37.5	475.4
Total present value	13.6	29.7	49.5	74.1	103.5	137.7	175.2	650.6

Valuation

Total present value (Tpv)	650.6
Terminal Value	475.4
Share of TV on Tpv	73%
Liabilities	2.6
Liquidity	25.0
Equity value	673.1

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)	37.39
+Upside / -Downside	73%
Share price	21.60
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%	32.47	33.84	34.59	35.40	37.18
9.90%	33.64	35.13	35.95	36.82	38.77
9.65%	34.89	36.50	37.39	38.35	40.49
9.40%	36.22	37.98	38.95	40.00	42.35
9.15%	37.65	39.57	40.63	41.79	44.38

Sensitivity Value per Share (Lev)

WACC	EBIT-margin from 2030e				
	19.50%	19.75%	20.00%	20.25%	20.50%
10.15%	33.99	34.29	34.59	34.90	35.20
9.90%	35.31	35.63	35.95	36.26	36.58
9.65%	36.72	37.06	37.39	37.73	38.07
9.40%	38.24	38.60	38.95	39.31	39.66
9.15%	39.88	40.26	40.63	41.01	41.38

Source: Montega

P&L (in Lev m) Allterco JSCO	2019	2020	2021	2022e	2023e	2024e
Sales	33.3	46.3	59.5	92.9	129.0	172.0
Cost of sales	19.6	24.6	26.7	46.5	65.8	89.4
Gross profit	13.7	21.7	32.8	46.5	63.2	82.6
Research and development	0.0	0.0	0.0	0.0	0.0	0.0
Sales and marketing	0.4	0.5	2.7	4.2	5.8	7.7
General and administration	7.8	8.7	12.2	20.7	25.8	32.7
Other operating expenses	5.6	1.1	0.7	1.2	1.3	1.7
Other operating income	0.2	1.0	1.5	0.9	1.3	1.7
EBITDA	1.1	13.4	19.8	23.1	34.4	46.3
Depreciation on fixed assets	0.5	0.6	0.5	0.9	1.3	2.1
EBITA	0.5	12.8	19.2	22.2	33.2	44.2
Amortisation of intangible assets	0.4	0.5	0.5	0.9	1.5	2.1
Impairment charges and Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	0.1	12.4	18.7	21.3	31.6	42.1
Financial result	8.2	2.6	0.0	-0.1	-0.1	-0.1
Result from ordinary operations	8.3	14.9	18.7	21.2	31.5	42.1
Extraordinary result	0.0	0.0	0.0	0.0	0.0	0.0
EBT	8.3	14.9	18.7	21.2	31.5	42.1
Taxes	1.0	1.5	2.8	3.4	5.4	7.6
Net Profit of continued operations	7.3	13.4	16.0	17.8	26.2	34.5
Net Profit of discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0
Net profit before minorities	7.3	13.4	16.0	17.8	26.2	34.5
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	7.3	13.4	16.0	17.8	26.2	34.5

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

P&L (in % of Sales) Allterco JSCO	2019	2020	2021	2022e	2023e	2024e
Sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of sales	58.9%	53.2%	44.9%	50.0%	51.0%	52.0%
Gross profit	41.1%	46.8%	55.1%	50.0%	49.0%	48.0%
Research and development	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sales and marketing	1.3%	1.2%	4.5%	4.5%	4.5%	4.5%
General and administration	23.3%	18.8%	20.5%	22.3%	20.0%	19.0%
Other operating expenses	16.8%	2.4%	1.2%	1.3%	1.0%	1.0%
Other operating income	0.5%	2.2%	2.5%	1.0%	1.0%	1.0%
EBITDA	3.2%	28.9%	33.2%	24.9%	26.7%	26.9%
Depreciation on fixed assets	1.6%	1.2%	0.9%	1.0%	1.0%	1.2%
EBITA	1.6%	27.7%	32.3%	23.9%	25.7%	25.7%
Amortisation of intangible assets	1.3%	1.1%	0.9%	1.0%	1.2%	1.2%
Impairment charges and Amortisation of goodwill	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBIT	0.3%	26.7%	31.4%	22.9%	24.5%	24.5%
Financial result	24.7%	5.6%	0.0%	-0.1%	-0.1%	0.0%
Result from ordinary operations	25.0%	32.3%	31.5%	22.8%	24.4%	24.5%
Extraordinary result	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBT	25.0%	32.3%	31.5%	22.8%	24.4%	24.5%
Taxes	3.0%	3.3%	4.6%	3.7%	4.2%	4.4%
Net Profit of continued operations	21.9%	29.0%	26.8%	19.2%	20.3%	20.1%
Net Profit of discontinued operations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net profit before minorities	21.9%	29.0%	26.8%	19.2%	20.3%	20.1%
Minority interests	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net profit	21.9%	29.0%	26.8%	19.2%	20.3%	20.1%

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

Balance sheet (in Lev m) Allterco JSCO	2019	2020	2021	2022e	2023e	2024e
ASSETS						
Intangible assets	6.5	6.4	3.4	3.4	3.1	2.8
Property, plant & equipment	4.5	5.1	4.8	9.4	14.6	19.4
Financial assets	3.1	6.6	2.7	2.7	2.7	2.7
Fixed assets	14.1	18.1	10.9	15.5	20.4	24.9
Inventories	1.3	3.7	7.6	13.3	14.3	19.1
Accounts receivable	5.4	13.9	19.2	29.3	35.3	42.4
Liquid assets	10.9	26.1	30.5	25.0	36.2	50.1
Other assets	8.0	3.9	4.3	4.3	4.3	4.3
Current assets	25.7	47.6	61.5	71.9	90.1	115.9
Total assets	39.8	65.6	72.4	87.4	110.5	140.8
LIABILITIES AND SHAREHOLDERS' EQUITY						
Shareholders' equity	30.2	57.1	65.6	79.8	102.4	131.7
Minority Interest	0.1	-0.3	0.0	0.0	0.0	0.0
Provisions	0.2	1.2	0.0	0.0	0.0	0.0
Financial liabilities	2.9	3.0	2.6	2.6	2.6	2.6
Accounts payable	1.4	1.5	1.5	2.3	2.8	3.8
Other liabilities	5.0	3.0	2.8	2.8	2.8	2.8
Liabilities	9.4	8.8	6.8	7.6	8.1	9.1
Total liabilities and shareholders' equity	39.8	65.6	72.4	87.4	110.5	140.8

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

Balance sheet (in %) Allterco JSCO	2019	2020	2021	2022e	2023e	2024e
ASSETS						
Intangible assets	16.4%	9.8%	4.7%	3.9%	2.8%	2.0%
Property, plant & equipment	11.4%	7.7%	6.6%	10.8%	13.2%	13.8%
Financial assets	7.7%	10.0%	3.7%	3.1%	2.4%	1.9%
Fixed assets	35.5%	27.5%	15.0%	17.8%	18.5%	17.7%
Inventories	3.2%	5.6%	10.4%	15.2%	12.9%	13.6%
Accounts receivable	13.6%	21.3%	26.5%	33.5%	31.9%	30.1%
Liquid assets	27.5%	39.7%	42.2%	28.7%	32.8%	35.6%
Other assets	20.2%	6.0%	5.9%	4.9%	3.9%	3.0%
Current assets	64.5%	72.5%	85.0%	82.3%	81.6%	82.3%
Total Assets	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
LIABILITIES AND SHAREHOLDERS' EQUITY						
Shareholders' equity	75.9%	87.1%	90.6%	91.3%	92.7%	93.5%
Minority Interest	0.3%	-0.5%	0.0%	0.0%	0.0%	0.0%
Provisions	0.4%	1.8%	0.0%	0.0%	0.0%	0.0%
Financial liabilities	7.4%	4.6%	3.6%	3.0%	2.3%	1.8%
Accounts payable	3.5%	2.4%	2.1%	2.6%	2.5%	2.7%
Other liabilities	12.4%	4.6%	3.8%	3.2%	2.5%	2.0%
Total Liabilities	23.7%	13.4%	9.4%	8.7%	7.4%	6.5%
Total Liabilities and Shareholders' Equity	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

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

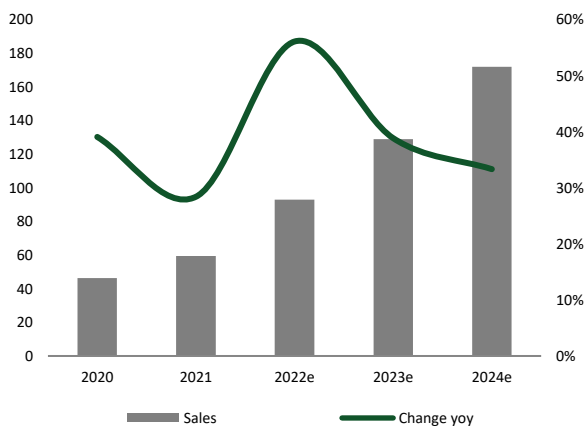
Statement of cash flows (in Lev m) Allterco JSCO	2019	2020	2021	2022e	2023e	2024e
Net income	7.3	13.4	16.0	17.8	26.2	34.5
Depreciation of fixed assets	0.5	0.6	0.5	0.9	1.3	2.1
Amortisation of intangible assets	0.4	0.5	0.5	0.9	1.5	2.1
Increase/decrease in long-term provisions	0.0	0.0	0.0	0.0	0.0	0.0
Other non-cash related payments	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow	8.3	14.5	17.0	19.7	29.0	38.6
Increase / decrease in working capital	-1.9	-10.4	-8.9	-15.1	-6.5	-10.9
Cash flow from operating activities	6.4	4.1	8.1	4.6	22.5	27.7
CAPEX	-1.8	-2.9	-1.6	-6.5	-7.7	-8.6
Other	10.1	4.8	2.1	0.0	0.0	0.0
Cash flow from investing activities	8.3	1.9	0.5	-6.5	-7.7	-8.6
Dividends paid	0.0	-0.2	-3.4	-3.6	-3.6	-5.2
Change in financial liabilities	0.0	0.1	-0.5	0.0	0.0	0.0
Other	-3.7	9.3	-0.2	0.0	0.0	0.0
Cash flow from financing activities	-3.7	9.2	-4.1	-3.6	-3.6	-5.2
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0
Change in liquid funds	10.9	15.2	4.5	-5.5	11.2	13.9
Liquid assets at end of period	11.4	26.1	30.5	25.0	36.2	50.1

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

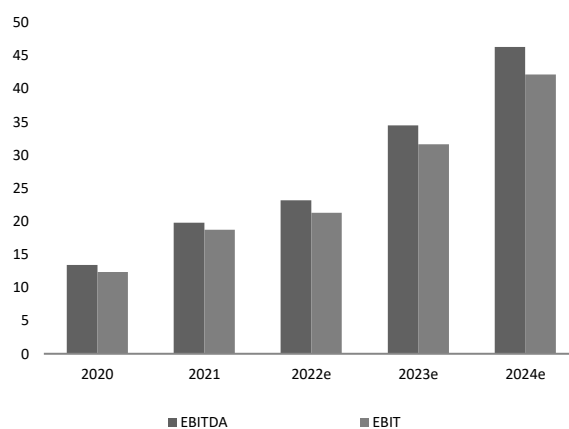
Key figures Allterco JSCO	2019	2020	2021	2022e	2023e	2024e
Earnings margins						
Gross margin (%)	41.1%	46.8%	55.1%	50.0%	49.0%	48.0%
EBITDA margin (%)	3.2%	28.9%	33.2%	24.9%	26.7%	26.9%
EBIT margin (%)	0.3%	26.7%	31.4%	22.9%	24.5%	24.5%
EBT margin (%)	25.0%	32.3%	31.5%	22.8%	24.4%	24.5%
Net income margin (%)	21.9%	29.0%	26.8%	19.2%	20.3%	20.1%
Return on capital						
ROCE (%)	0.3%	43.0%	51.5%	44.8%	50.2%	55.2%
ROE (%)	25.3%	44.3%	28.1%	27.2%	32.8%	33.7%
ROA (%)	18.4%	20.5%	22.0%	20.4%	23.7%	24.5%
Solvency						
YE net debt (in EUR)	-7.8	-21.9	-28.0	-22.5	-33.7	-47.6
Net debt / EBITDA	-7.4	-1.6	-1.4	-1.0	-1.0	-1.0
Net gearing (Net debt/equity)	-0.3	-0.4	-0.4	-0.3	-0.3	-0.4
Cash Flow						
Free cash flow (EUR m)	4.5	1.2	6.5	-1.9	14.8	19.1
Capex / sales (%)	5.4%	6.2%	2.7%	7.0%	6.0%	5.0%
Working capital / sales (%)	22%	26%	36%	37%	35%	32%
Valuation						
EV/Sales	11.0	7.9	6.2	3.9	2.8	2.1
EV/EBITDA	347.9	27.3	18.5	15.8	10.6	7.9
EV/EBIT	4,116.0	29.7	19.6	17.2	11.6	8.7
EV/FCF	80.6	305.9	56.0	-	24.8	19.2
PE	44.1	24.0	24.3	21.8	14.9	11.3
KBV	12.9	6.8	5.9	4.9	3.8	3.0
Dividend yield	0.0%	0.5%	0.9%	0.9%	1.3%	1.8%

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

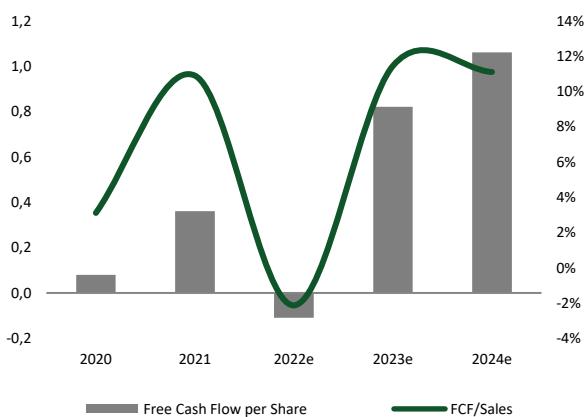
Sales development



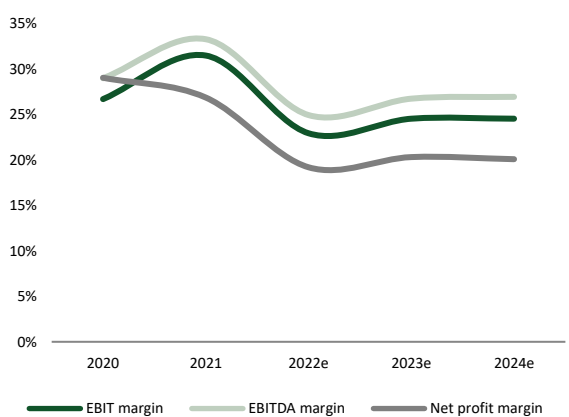
Earnings development



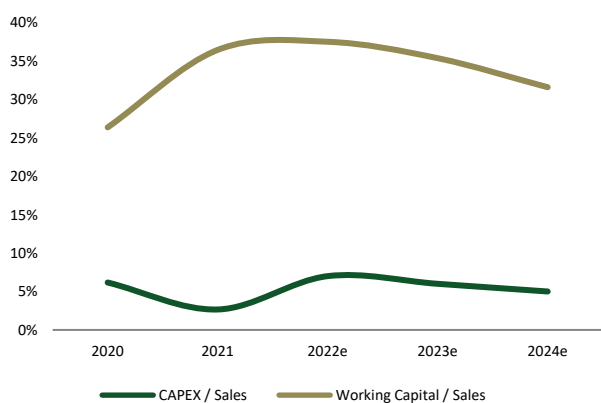
Free-Cash-Flow development



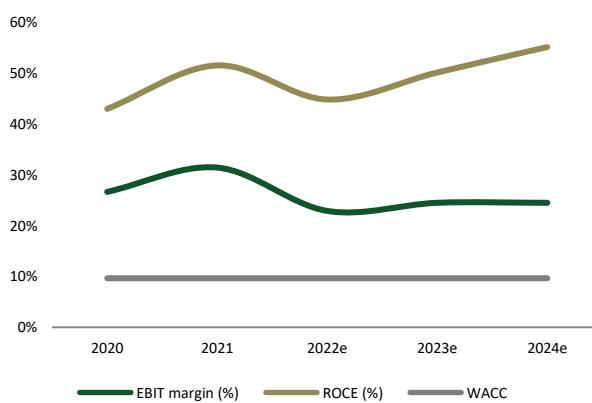
Margin development



CAPEX / Working Capital



EBIT-Yield / ROCE



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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.

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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:

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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%