

Divestopia - Financial Fact Book

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Lead section

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Lead income statement

Lead section

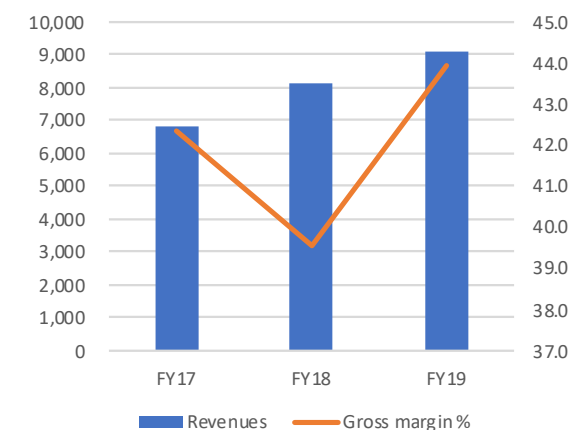
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Currency: \$ 000	Ref				In % of revenues		
		FY17	FY18	FY19	FY17	FY18	FY19
Revenues		6,821	8,163	9,103	100.0	100.0	100.0
Cost of sales		(3,931)	(4,934)	(5,103)	(57.6)	(60.4)	(56.1)
Gross margin		2,890	3,229	4,000	42.4	39.6	43.9
Salaries		(1,432)	(1,574)	(2,018)	(21.0)	(19.3)	(22.2)
Housing		(374)	(481)	(410)	(5.5)	(5.9)	(4.5)
Selling expenses		(231)	(243)	(213)	(3.4)	(3.0)	(2.3)
Administrative expenses		(129)	(184)	(122)	(1.9)	(2.3)	(1.3)
Other		(201)	(150)	(106)	(2.9)	(1.8)	(1.2)
<i>Total operating expenses</i>		<i>(2,367)</i>	<i>(2,632)</i>	<i>(2,869)</i>	<i>(34.7)</i>	<i>(32.2)</i>	<i>(31.5)</i>
Reported EBITDA		523	597	1,131	7.7	7.3	12.4
Depreciation		(117)	(357)	(454)	(1.7)	(4.4)	(5.0)
Operating income		406	240	677	6.0	2.9	7.4
Interest expenses		(222)	(324)	(418)	(3.3)	(4.0)	(4.6)
Interest income		216	386	478	3.2	4.7	5.3
Profit before tax		400	302	737	5.9	3.7	8.1
Income tax		(87)	(89)	(187)	(1.3)	(1.1)	(2.1)
Net result		313	213	550	4.6	2.6	6.0
KPIs							
Y-o-y revenue growth		n.a.	19.7	11.5			
Average number of FTE		21.0	22.6	29.0			
Salaries per FTE		68.2	69.6	69.6			
Income tax as % of PBT		21.8	29.5	25.4			

Lead section - Lead income statement

Source: Trial balance and annual financial statement

Revenue and gross margin overview



Lead balance sheet / capital employed

Lead section

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<i>Currency: \$ 000</i>	Ref	Dec17	Dec18	Dec19
Tangible fixed assets		2,131	1,973	2,410
Intangible fixed assets		231	311	313
Goodwill		103	87	51
Fixed assets		2,465	2,371	2,774
Inventories		512	618	712
Trade receivables		351	461	218
Trade payables		(241)	(319)	(441)
Trade net working capital		622	760	489
Payroll liabilities		(64)	(75)	(84)
Income tax payable		(21)	(32)	(27)
Other taxes payables		(46)	(39)	(41)
Other payables		(210)	(303)	(231)
Other receivables		103	173	219
Net working capital		384	484	325
Net assets		2,849	2,855	3,099
Equity		(2,394)	(2,375)	(2,925)
Provisions		(123)	(281)	(116)
Long-term loans		(351)	(512)	(419)
Cash at banks		19	313	361
Capital employed		(2,849)	(2,855)	(3,099)

[Lead section - Lead balance sheet / capital employed](#)

Source: Trial balance and annual financial statement

Lead cash flow statement

Lead section

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<i>Currency: \$ 000</i>	Ref	FY17	FY18	FY19
Reported EBITDA		523	597	1,131
Capex		(196)	(182)	(810)
Change in net working capital		81	(100)	159
Taxes paid		(72)	(78)	(192)
Free cash flow		336	237	288
<i>Cash conversion in %</i>		<i>64.2</i>	<i>39.7</i>	<i>25.5</i>

[Lead section - Lead cash flow statement](#)

[Source: Trial balance and annual financial statement](#)

Valuation drivers section

Sheet name	Tab name	Page
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Enterprise value to equity value bridge

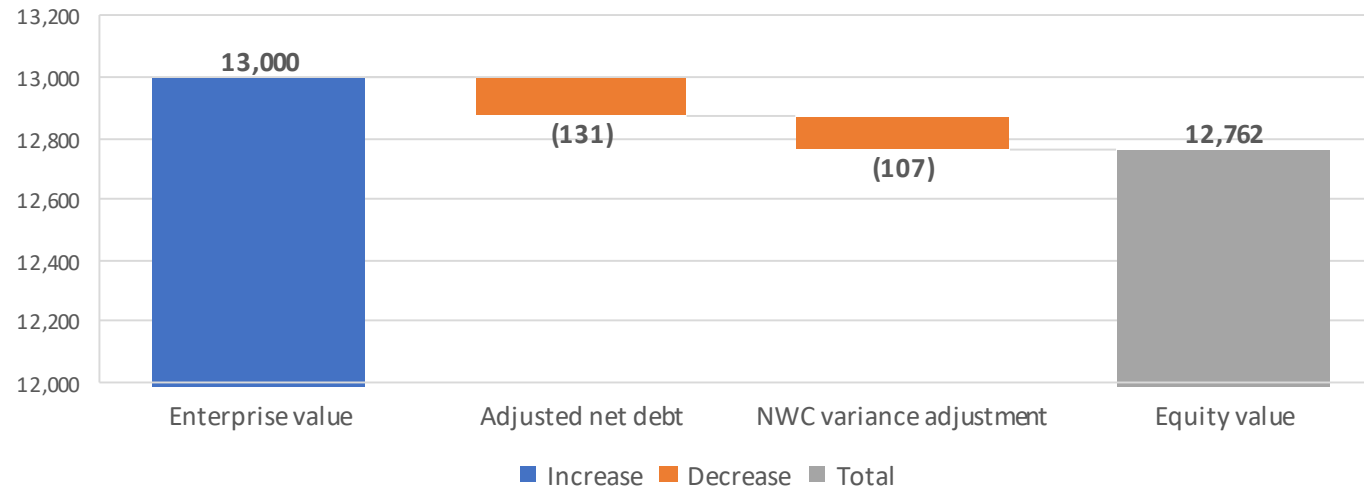
Valuation drivers section

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Currency: \$ 000		Ref
Enterprise value		13,000
Adjusted net debt		(131)
Normal NWC	505	
Actual NWC at Dec19	<u>398</u>	
NWC variance adjustment		(107)
Equity value		12,762

Valuation drivers section - Enterprise value to equity value bridge

Source: Management information



Adjusted EBITDA

Valuation drivers section

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Currency: \$ 000	Ref	FY17	FY18	FY19
Net result		313	213	550
Income tax		87	89	187
Interest income		(216)	(386)	(478)
Interest expenses		222	324	418
Depreciation		117	357	454
Reported EBITDA	1	523	597	1,131
<u>Adjustments:</u>				
Double salary new CFO	2	-	-	36
Recruitment cost new CFO	3	-	-	65
Release provision	4	-	100	(100)
One-off advisory cost	5	-	46	79
Debtor write-off below EBITDA	6	(21)	-	-
<i>Total EBITDA adjustments</i>		<i>(21)</i>	<i>146</i>	<i>80</i>
Adjusted EBITDA		502	743	1,211
<u>Pro forma adjustments:</u>				
New salary owner	7	120	120	120
Change rental contract	8	(35)	(35)	(35)
<i>Total pro forma adjustments</i>		<i>85</i>	<i>85</i>	<i>85</i>
Pro forma adjusted EBITDA		587	828	1,296
<u>In % of revenues:</u>				
<i>Reported EBITDA</i>		<i>7.7</i>	<i>7.3</i>	<i>12.4</i>
<i>Adjusted EBITDA</i>		<i>7.4</i>	<i>9.1</i>	<i>13.3</i>
<i>Pro forma adjusted EBITDA</i>		<i>8.6</i>	<i>10.1</i>	<i>14.2</i>

Valuation drivers section - Adjusted EBITDA

Source: Management information

Comments:

- 1. Net result to EBITDA:** The items below EBITDA, such as income tax, interest and depreciation do not contain operational items to be considered in EBITDA, except for a debtor write-off in FY17 which was recorded as part of depreciation.
- 2. Double salary new CFO:** In October 2019, a new CFO started in the Company. The prior CFO was active in the period from October to December 2019 as well. From 2020, the new CFO will act alone. The double salary of the old CFO (\$12k per month) is adjusted in EBITDA.
- 3. Recruitment costs new CFO:** An external agency was engaged to find the new CFO. The recruitment cost incurred by this agency are adjusted.
- 4. Release provision:** In FY18, the provision for claims was increased by \$100k. However, in FY19, the lawsuit was won in our favor and the provision could be released.
- 5. One-off advisory costs:** During FY18 and FY19, the Company incurred external advisory costs related to the implementation of a new ERP system.
- 6. Debtor write-off below EBITDA:** Starting FY18, all debtors write-offs are recorded in selling expenses above EBITDA. The FY17 charge was recorded in depreciation.
- 7. New salary owner:** Post-acquisition the owner will continue as an employee within the Company. The owners salary will decrease by \$10k per month.
- 8. Change rental contract:** Currently, the real estate is owned by a related company of the owner. The rental price is below what is common in the market. Post-acquisition a new rental contract will be agreed with a market price. The difference between the current and market price is adjusted in EBITDA.

Net debt overview

Valuation drivers section

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Currency: \$ 000	Ref	Dec19
Long-term loans		419
Cash at banks		(361)
Reported net debt	1	58
<i>Debt- or (cash)-like items:</i>		
Corporate income tax payable	2	27
One-off IT advisory cost payable	3	20
Accrued interest	4	16
Shareholder payable	5	10
<i>Total debt like items</i>		<i>73</i>
Adjusted net debt		131

Valuation drivers section - Net debt overview

Source: Management information

Comments:

1. Reported net debt: The reported net debt includes \$419k long-term loan at the Citibank and \$361k cash in banks. The cash in banks is freely available.

2. Corporate income tax payable: The corporate income tax payable is the open payable position as of Dec19. The final tax declaration has been submitted.

3. One-off IT advisory cost payable: During FY18 and FY19, the Company hired an external advisor for the implementation of a new ERP system. The total engagement is \$125k, of which \$20k is still payable at Dec19.

4. Accrued interest: The interest of the long-term loan is accrued as other payables.

5. Shareholder payable: The other payables include an aged payable to the Shareholder.

Normalized net working capital overview

Valuation drivers section

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Currency: \$ 000	Ref	Dec17	Dec18	Dec19	Averages		
					L3M	L6M	LTM
Inventories		512	618	712	651	662	666
Trade receivables		351	461	218	328	305	328
Trade payables		(241)	(319)	(441)	(387)	(402)	(403)
Trade net working capital		622	760	489	593	566	591
Payroll liabilities		(64)	(75)	(84)	(82)	(80)	(80)
Income tax payable		(21)	(32)	(27)	(30)	(29)	(29)
Other taxes payables		(46)	(39)	(41)	(40)	(40)	(40)
Other payables		(210)	(303)	(231)	(268)	(277)	(269)
Other receivables		103	173	219	203	198	201
Reported net working capital		384	484	325	377	338	375
<i>Adjustments:</i>							
Corporate income tax payable		21	32	27	30	29	29
One-off IT advisory cost payable		0	46	20	90	108	83
Accrued interest		14	20	16	15	12	8
Shareholder payable		10	10	10	10	10	10
<i>Total adjustments</i>	1	45	108	73	145	159	130
Adjusted net working capital		429	592	398	521	497	505
<i>Variance with Dec19 NWC</i>	2				(123)	(99)	(107)

Valuation drivers section - Normalized net working capital overview

Source: Trial balance and annual financial statement

Comments:

1. Debt-like items:

For details on the debt-like items refer to the net debt section.

2. NWC variance adjustment:

Depending on which average level to consider as normal (e.g., either the last 3 months, last 6 months or last twelve months), the net working capital variance adjustment is \$123k, \$99k or \$107k debt-like, respectively.

Income statement section

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Other possible income statement analyses	PL5	17

Recast income statement

Income statement section

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Currency: \$ 000	Ref	Reported			Adjustments			Recasted		
		FY17	FY18	FY19	FY17	FY18	FY19	FY17	FY18	FY19
Revenues		6,821	8,163	9,103	-	-	-	6,821	8,163	9,103
Cost of sales		(3,931)	(4,934)	(5,103)	-	-	-	(3,931)	(4,934)	(5,103)
Gross margin		2,890	3,229	4,000	-	-	-	2,890	3,229	4,000
Salaries		(1,432)	(1,574)	(2,018)	-	-	101	(1,432)	(1,574)	(1,917)
Housing		(374)	(481)	(410)	-	-	-	(374)	(481)	(410)
Selling expenses		(231)	(243)	(213)	(21)	-	-	(252)	(243)	(213)
Administrative expenses		(129)	(184)	(122)	-	46	79	(129)	(138)	(43)
Other		(201)	(150)	(106)	-	100	(100)	(201)	(50)	(206)
<i>Total operating expenses</i>		<i>(2,367)</i>	<i>(2,632)</i>	<i>(2,869)</i>	<i>(21)</i>	<i>146</i>	<i>80</i>	<i>(2,388)</i>	<i>(2,486)</i>	<i>(2,789)</i>
EBITDA		523	597	1,131	(21)	146	80	502	743	1,211

[Income statement section - Recast income statement](#)

[Source: Trial balance and annual financial statement](#)

Revenue breakdown

Income statement section

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Revenue by product

Currency: \$ 000	Ref	FY17	FY18	FY19
Product 1		2,719	3,272	3,816
Product 2		1,807	1,861	1,582
Product 3		1,084	1,263	1,471
Product 4		521	628	756
Product 5		312	571	871
Product 6		378	568	607
Revenues		6,821	8,163	9,103

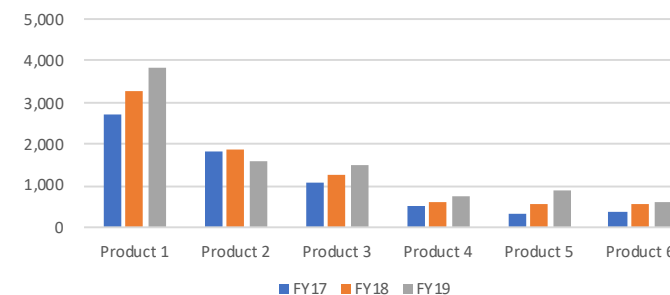
Income statement section - Revenue breakdown

Source: Sales details

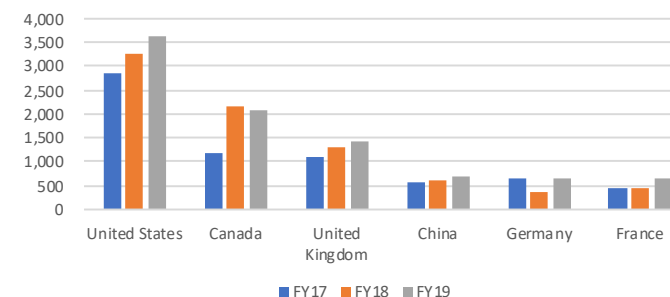
In %

	FY17	FY18	FY19
Product 1	39.9	40.1	41.9
Product 2	26.5	22.8	17.4
Product 3	15.9	15.5	16.2
Product 4	7.6	7.7	8.3
Product 5	4.6	7.0	9.6
Product 6	5.5	7.0	6.7
Revenues	100.0	100.0	100.0

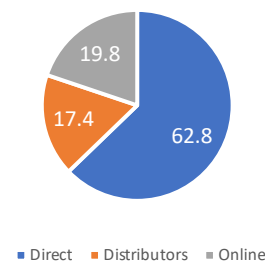
Revenue by product



Revenue by country



Revenue by channel in % in FY19



Revenue by country

Currency: \$ 000	Ref	FY17	FY18	FY19
United States		2,859	3,254	3,649
Canada		1,185	2,163	2,075
United Kingdom		1,102	1,297	1,408
China		566	624	700
Germany		653	373	637
France		455	452	633
Revenues		6,821	8,163	9,103

Income statement section - Revenue breakdown

Source: Sales details

In %

	FY17	FY18	FY19
United States	41.9	39.9	40.1
Canada	17.4	26.5	22.8
United Kingdom	16.2	15.9	15.5
China	8.3	7.6	7.7
Germany	9.6	4.6	7.0
France	6.7	5.5	7.0
Revenues	100.0	100.0	100.0

Revenue by channel

Currency: \$ 000	Ref	FY17	FY18	FY19
Direct		3,710	4,618	5,716
Distributors		2,027	2,139	1,582
Online		1,084	1,406	1,805
Revenues		6,821	8,163	9,103

Income statement section - Revenue breakdown

Source: Sales details

In %

	FY17	FY18	FY19
Direct	54.4	56.6	62.8
Distributors	29.7	26.2	17.4
Online	15.9	17.2	19.8
Revenues	100.0	100.0	100.0

Cost of sales breakdown

Income statement section

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<i>Currency: \$ 000</i>	Ref	FY17	FY18	FY19
Raw materials		1,671	1,781	2,716
Direct materials		1,032	1,273	1,421
Indirect materials		461	612	481
Overhead manufacturing		163	310	175
Price difference		351	471	281
Freight		253	487	29
Cost of sales		3,931	4,934	5,103

[Income statement section - Cost of sales breakdown](#)

Source: Trial balance and annual financial statement

Salaries and other expenses breakdown

Income statement section

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<i>Currency: \$ 000</i>	Ref	FY17	FY18	FY19
Gross salaries		1,021	1,162	1,482
Social charges		319	329	461
Bonus		92	83	75
Salaries		1,432	1,574	2,018
Rental costs		325	330	335
Maintenance		49	151	75
Housing		374	481	410
Marketing		162	151	174
Website		69	58	18
Debtor write-off		0	34	21
Selling expenses		231	243	213
Insurance		23	36	24
Accounting		52	69	43
Other		54	79	55
Administrative expenses		129	184	122
Professional fees		162	87	46
Other		39	63	60
Other		201	150	106
Operating expenses		2,367	2,632	2,869

[Income statement section - Salaries and other expenses breakdown](#)

[Source: Trial balance and annual financial statement](#)

Other possible income statement analyses

Income statement section

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Examples of other analyses

Revenue price and volume analyses

Gross margin per product, type and region

Revenue, gross margin and EBITDA per location / plant

Headcount development per month and per department

Monthly operating expenses breakdown

Foreign exchange exposure

Constant currency income statement

[Income statement section - Other possible income statement analyses](#)

Source: www.divestopia.com



Balance sheet section

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Traditional balance sheet overview

Balance sheet section

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<i>Currency: \$ 000</i>	Ref	Dec17	Dec18	Dec19
Tangible fixed assets		2,131	1,973	2,410
Intangible fixed assets		231	311	313
Goodwill		103	87	51
Fixed assets		2,465	2,371	2,774
Inventories		512	618	712
Trade receivables		351	461	218
Other receivables		103	173	219
Cash at banks		19	313	361
Current assets		985	1,565	1,510
Total assets		3,450	3,936	4,284
Equity		2,394	2,375	2,925
Provisions		123	281	116
Long-term loans		351	512	419
Long-term liabilities		474	793	535
Trade payables		241	319	441
Payroll liabilities		64	75	84
Income tax payable		21	32	27
Other taxes payables		46	39	41
Other payables		210	303	231
Short-term liabilities		582	768	824
Total equity and liabilities		3,450	3,936	4,284

[Balance sheet section - Traditional balance sheet overview](#)

[Source: Trial balance and annual financial statement](#)

Inventory breakdown

Balance sheet section

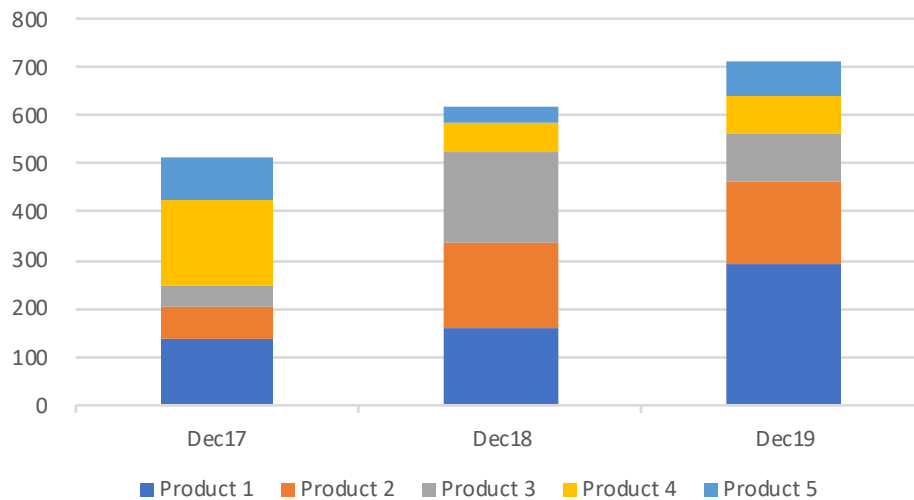
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Currency: \$ 000	Ref	Dec17	Dec18	Dec19	In %		
					Dec17	Dec18	Dec19
Product 1		138	162	290	27.0	26.2	40.7
Product 2		64	175	171	12.5	28.3	24.0
Product 3		48	185	100	9.4	29.9	14.0
Product 4		172	63	81	33.6	10.2	11.4
Product 5		90	33	70	17.6	5.3	9.8
Inventories		512	618	712	100.0	100.0	100.0

Balance sheet section - Inventory breakdown

Source: Trial balance and annual financial statement

Inventory overview



Trade receivable ageing

Balance sheet section

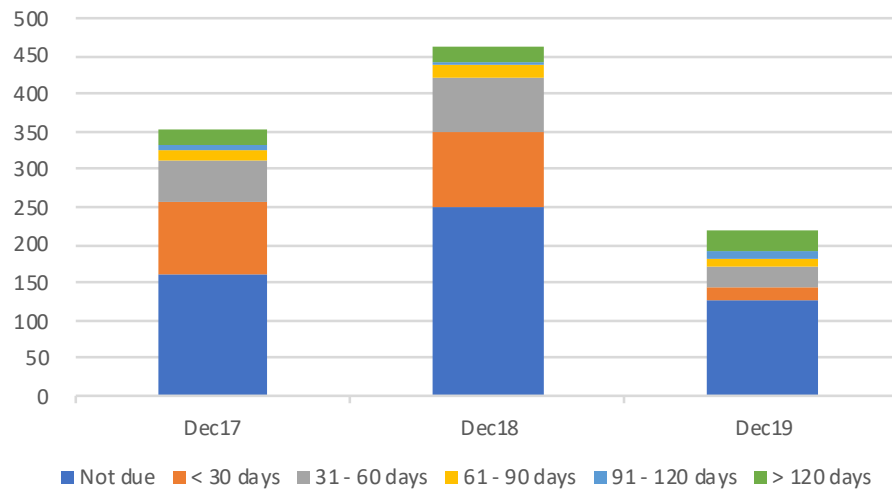
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Currency: \$ 000	Ref				In %		
		Dec17	Dec18	Dec19	Dec17	Dec18	Dec19
Not due		162	251	128	46.2	54.4	58.7
< 30 days		95	99	17	27.1	21.5	7.8
31 - 60 days		53	71	25	15.1	15.4	11.5
61 - 90 days		15	17	13	4.3	3.7	6.0
91 - 120 days		8	5	9	2.3	1.1	4.1
> 120 days		18	18	26	5.1	3.9	11.9
Trade receivables		351	461	218	100.0	100.0	100.0

Balance sheet section - Trade receivable ageing

Source: Trial balance and annual financial statement

Trade receivable ageing overview



Trade payable ageing

Balance sheet section

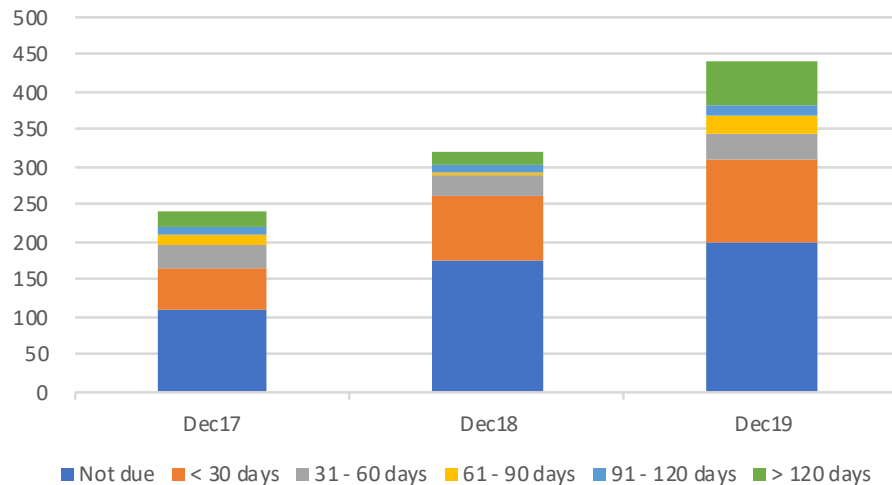
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Currency: \$ 000	Ref	Dec17	Dec18	Dec19	In %		
					Dec17	Dec18	Dec19
Not due		110	175	201	45.6	54.9	45.6
< 30 days		54	86	110	22.4	27.0	24.9
31 - 60 days		33	27	35	13.7	8.5	7.9
61 - 90 days		14	4	23	5.8	1.3	5.2
91 - 120 days		9	12	14	3.7	3.8	3.2
> 120 days		21	15	58	8.7	4.7	13.2
Trade payables		241	319	441	100.0	100.0	100.0

Balance sheet section - Trade payable ageing

Source: Trial balance and annual financial statement

Trade payable ageing overview



Other possible balance sheet analyses

Balance sheet section

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Examples of other analyses

Fixed asset roll forward schedule

Overview of fixed assets per type and location

Breakdown of other receivables

Breakdown of other payables

Calculation of provision for bad debt

Calculation of provision for obsolete inventories

Overview of cash per country

Equity roll forward schedule

Calculation of provisions

Overview of reported net debt, including terms and conditions

Calculation of loan covenants

Deferred tax asset or deferred tax liability breakdown

Breakdown of payroll liabilities

[Balance sheet section - Other possible balance sheet analyses](#)

Source: www.divestopia.com

Cash flow section

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Monthly DSO, DIO and DPO overview	CF3	29

Capex breakdown

Cash flow section

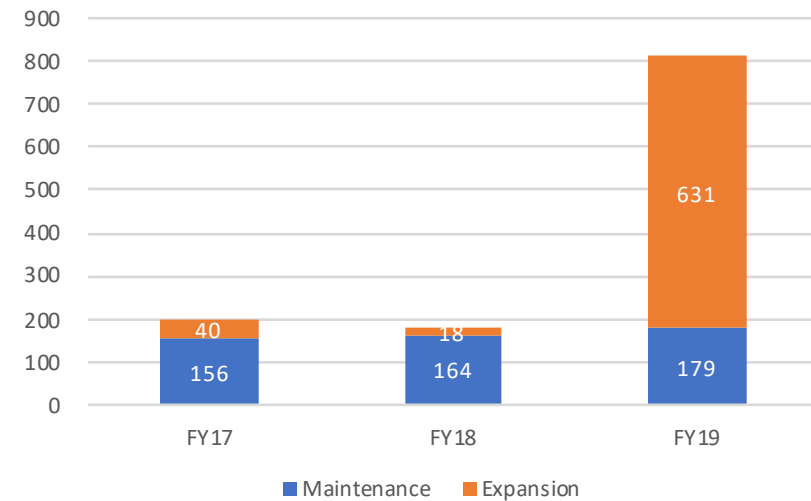
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Currency: \$ 000	Ref	FY17	FY18	FY19
Machinery		71	42	71
Installations		39	25	21
Trucks		32	38	34
Building improvement		15	24	576
Hygiene		21	34	54
Safety		12	15	42
Other		6	4	12
Capex		196	182	810
<i>Of which:</i>				
Maintenance		156	164	179
Expansion		40	18	631
Capex		196	182	810

Cash flow section - Capex breakdown

Source: Trial balance and annual financial statement

Capex overview by type



Monthly net working capital overview

Cash flow section

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<i>Currency: \$ 000</i>	Ref	Jan17	Jun17	Dec17	Jun18	Dec18	Jun19	Dec19
Inventories		485	455	512	566	618	693	712
Trade receivables		333	335	351	402	461	314	218
Trade payables		(208)	(234)	(241)	(260)	(319)	(380)	(441)
Trade net working capital		610	556	622	708	760	627	489
Payroll liabilities		(55)	(48)	(64)	(72)	(75)	(83)	(84)
Income tax payable		(17)	(16)	(21)	(22)	(32)	(28)	(27)
Other taxes payables		(43)	(40)	(46)	(44)	(39)	(41)	(41)
Other payables		(178)	(175)	(210)	(282)	(303)	(234)	(231)
Other receivables		94	103	103	120	173	219	219
Reported net working capital		411	380	384	408	484	460	325

Adjustments:

Corporate income tax payable		17	16	21	22	32	28	27
One-off IT advisory cost payable		0	0	0	0	46	125	20
Accrued interest		0	6	14	8	20	7	16
Shareholder payable		10	10	10	10	10	10	10
Total adjustments		27	32	45	40	108	170	73

Recast net working capital

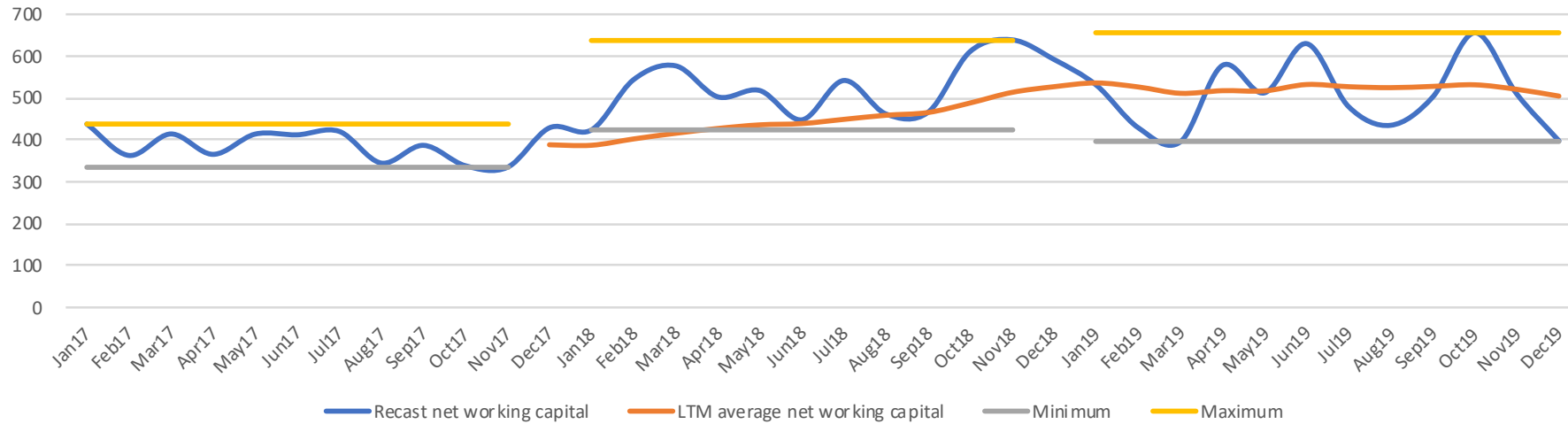
<i>Currency: \$ 000</i>	Ref	Jan17	Jun17	Dec17	Jun18	Dec18	Jun19	Dec19
Inventories		485	455	512	566	618	693	712
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Trade net working capital		610	556	622	708	760	627	489
Payroll liabilities		(55)	(48)	(64)	(72)	(75)	(83)	(84)
Other taxes payables		(43)	(40)	(46)	(44)	(39)	(41)	(41)
Other payables		(168)	(159)	(186)	(264)	(227)	(92)	(185)
Other receivables		94	103	103	120	173	219	219
Recast net working capital		438	412	429	448	592	630	398
<i>LTM average net working capital</i>				388	439	527	532	505
<i>Minimum</i>		335	335		424		396	396
<i>Maximum</i>		438	438		639		656	656
<u><i>Days metrics:</i></u>								
<i>DIO</i>		43	36	57	35	59	46	51
<i>DSO</i>		17	13	11	16	12	10	7
<i>DPO</i>		13	14	20	12	22	20	24
CCC		47	35	48	40	50	35	34

Cash flow section - Monthly net working capital overview

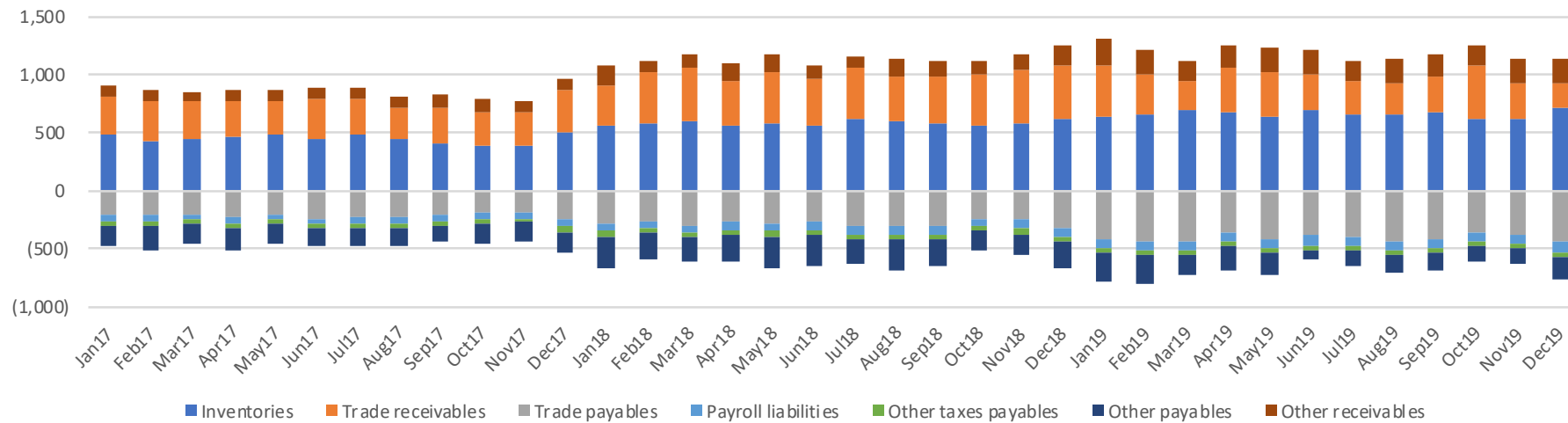
Source: Trial balance and annual financial statement



Recast net working capital overview



Recast net working capital by account



Monthly DSO, DIO and DPO overview

Cash flow section

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Days sales outstanding

Number of days	Ref	FY17	FY18	FY19
Jan		16.8	13.8	13.8
Feb		13.9	15.1	10.3
Mar		16.2	21.0	7.7
Apr		16.3	16.8	13.1
May		15.6	17.3	11.8
Jun		12.9	16.1	9.8
Jul		9.4	11.8	10.8
Aug		14.0	16.1	9.0
Sep		16.2	16.0	10.4
Oct		13.0	16.4	16.6
Nov		15.6	19.5	10.0
Dec		11.4	12.4	7.4
Average		14.3	16.0	10.9

Cash flow section - Monthly DSO, DIO and DPO overview

Source: Trial balance and annual financial statement

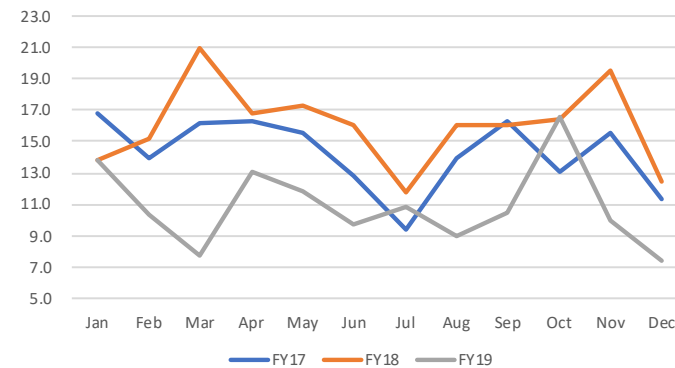
Days inventory outstanding

Number of days	Ref	FY17	FY18	FY19
Jan		42.7	43.4	46.5
Feb		39.4	42.8	47.2
Mar		45.7	41.3	49.5
Apr		38.9	41.7	52.6
May		49.0	42.7	46.9
Jun		35.8	35.4	46.0
Jul		40.3	44.3	48.6
Aug		46.0	45.2	47.9
Sep		32.6	45.2	52.2
Oct		39.7	40.4	42.3
Nov		43.0	44.0	42.8
Dec		56.7	58.9	50.6
Average		42.5	43.8	47.7

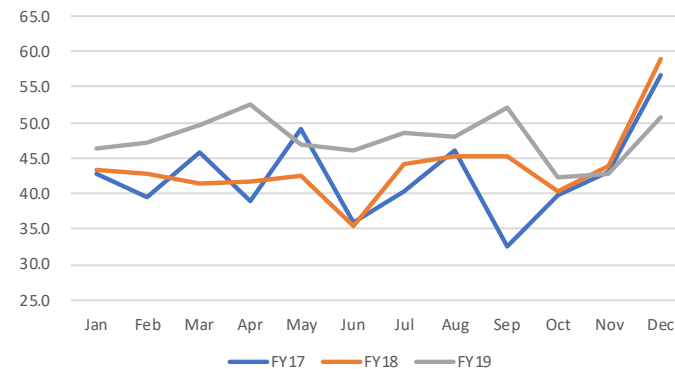
Cash flow section - Monthly DSO, DIO and DPO overview

Source: Trial balance and annual financial statement

Days sales outstanding overview



Days inventory outstanding overview



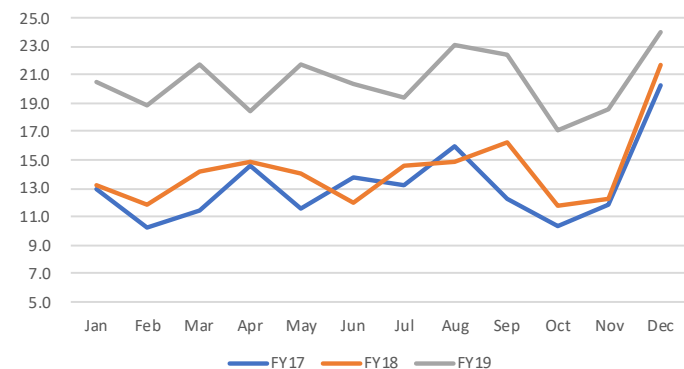
Days payable outstanding

Number of days	Ref	FY17	FY18	FY19
Jan		12.9	13.2	20.5
Feb		10.2	11.9	18.8
Mar		11.4	14.2	21.7
Apr		14.6	14.8	18.4
May		11.6	14.1	21.7
Jun		13.7	12.0	20.3
Jul		13.3	14.6	19.4
Aug		15.9	14.9	23.0
Sep		12.2	16.2	22.4
Oct		10.4	11.8	17.1
Nov		11.9	12.2	18.5
Dec		20.2	21.7	24.0
Average		13.2	14.3	20.5

Cash flow section - Monthly DSO, DIO and DPO overview

Source: Trial balance and annual financial statement

Days payable outstanding overview



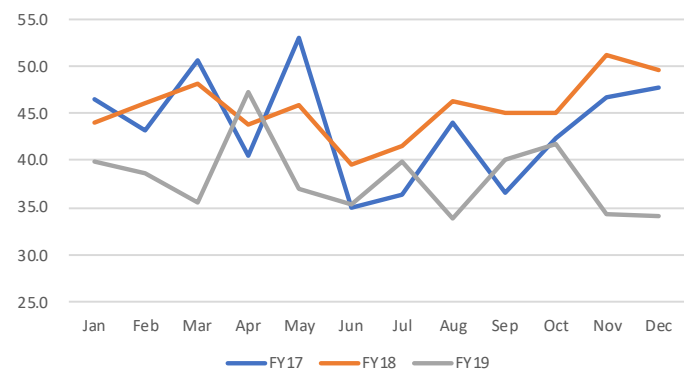
Cash conversion cycle

Number of days	Ref	FY17	FY18	FY19
Jan		46.6	44.0	39.8
Feb		43.1	46.1	38.7
Mar		50.6	48.1	35.5
Apr		40.6	43.8	47.3
May		53.0	45.9	37.0
Jun		35.0	39.6	35.4
Jul		36.5	41.5	39.9
Aug		44.1	46.4	33.8
Sep		36.6	45.0	40.2
Oct		42.4	45.0	41.8
Nov		46.6	51.2	34.3
Dec		47.8	49.7	34.0
Average		43.6	45.5	38.2

Cash flow section - Monthly DSO, DIO and DPO overview

Source: Trial balance and annual financial statement

Cash conversion cycle overview





Forecast section

<u>Sheet name</u>	<u>Tab name</u>	<u>Page</u>
<u>Income statement FY19 - FY25</u>	FC1	32
<u>Balance sheet Dec19 - Dec25</u>	FC2	33
<u>Cash flow FY19 - FY25</u>	FC3	35
<u>Forecast assumptions</u>	FC4	36

Income statement FY19 - FY25

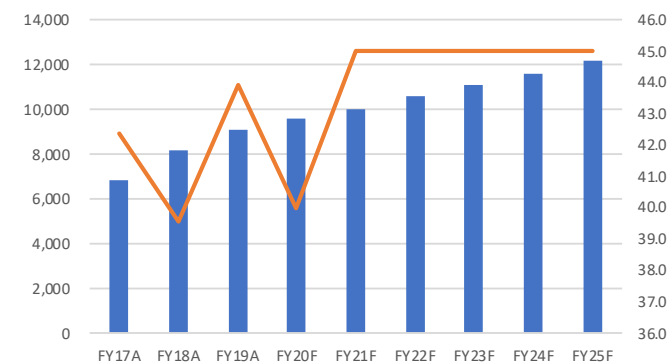
Forecast section

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Currency: \$ 000	Ref	FY19A	FY20F	FY21F	FY22F	FY23F	FY24F	FY25F
Revenues		9,103	9,558	10,036	10,538	11,065	11,618	12,199
Cost of sales		(5,103)	(5,735)	(5,520)	(5,796)	(6,086)	(6,390)	(6,709)
Gross margin		4,000	3,823	4,516	4,742	4,979	5,228	5,490
Salaries		(2,018)	(1,800)	(2,000)	(2,150)	(2,250)	(2,275)	(2,300)
Housing		(410)	(375)	(379)	(383)	(386)	(390)	(394)
Selling expenses		(213)	(200)	(202)	(204)	(206)	(208)	(210)
Administrative expenses		(122)	(100)	(101)	(102)	(103)	(104)	(105)
Other		(106)	(75)	(75)	(75)	(75)	(75)	(75)
<i>Total operating expenses</i>		<i>(2,869)</i>	<i>(2,550)</i>	<i>(2,757)</i>	<i>(2,914)</i>	<i>(3,020)</i>	<i>(3,052)</i>	<i>(3,084)</i>
Reported EBITDA		1,131	1,273	1,759	1,828	1,959	2,176	2,405
Depreciation		(454)	(450)	(450)	(450)	(450)	(450)	(450)
Operating income		677	823	1,309	1,378	1,509	1,726	1,955
Interest expenses		(418)	(150)	(150)	(150)	(150)	(150)	(150)
Interest income		478	150	150	150	150	150	150
Profit before tax		737	823	1,309	1,378	1,509	1,726	1,955
Income tax		(187)	(206)	(327)	(345)	(377)	(431)	(489)
Net result		550	617	982	1,034	1,132	1,294	1,466
KPIs								
Y-o-y revenue growth		11.5	5.0	5.0	5.0	5.0	5.0	5.0
<u>In % of revenues:</u>								
Gross margin		43.9	40.0	45.0	45.0	45.0	45.0	45.0
Operating expenses		31.5	26.7	27.5	27.6	27.3	26.3	25.3
EBITDA		12.4	13.3	17.5	17.4	17.7	18.7	19.7
Average number of FTE		29.0	30.0	32.0	34.0	35.0	35.0	35.0
Salaries per FTE		69.6	60.0	62.5	63.2	64.3	65.0	65.7
Income tax as % of PBT		25.4	25.0	25.0	25.0	25.0	25.0	25.0

Forecast section - Income statement FY19 - FY25

Source: Business plan

Revenue and gross margin overview


Balance sheet Dec19 - Dec25

Forecast section

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Currency: \$ 000	Ref	Dec17A	Dec18A	Dec19A	Dec20F	Dec21F	Dec22F	Dec23F	Dec24F	Dec25F
Tangible fixed assets		2,131	1,973	2,410	2,500	2,750	2,500	2,400	2,300	2,200
Intangible fixed assets		231	311	313	300	300	300	300	300	300
Goodwill		103	87	51	45	40	35	30	25	20
Fixed assets		2,465	2,371	2,774	2,845	3,090	2,835	2,730	2,625	2,520
Inventories		512	618	712	850	1,000	1,050	1,103	1,158	1,216
Trade receivables		351	461	218	250	263	276	289	304	319
Trade payables		(241)	(319)	(441)	(425)	(446)	(469)	(492)	(517)	(542)
Trade net working capital		622	760	489	675	816	857	900	945	992
Payroll liabilities		(64)	(75)	(84)	(90)	(90)	(90)	(90)	(90)	(90)
Income tax payable		(21)	(32)	(27)	(25)	(25)	(25)	(25)	(25)	(25)
Other taxes payables		(46)	(39)	(41)	(45)	(45)	(45)	(45)	(45)	(45)
Other payables		(210)	(303)	(231)	(100)	(100)	(100)	(100)	(100)	(100)
Other receivables		103	173	219	100	100	100	100	100	100
Net working capital		384	484	325	515	656	697	740	785	832
Net assets		2,849	2,855	3,099	3,360	3,746	3,532	3,470	3,410	3,352
Equity		(2,394)	(2,375)	(2,925)	(3,542)	(4,525)	(5,558)	(6,690)	(7,984)	(9,450)
Provisions		(123)	(281)	(116)	(100)	(100)	(100)	(100)	(100)	(100)
Long-term loans		(351)	(512)	(419)	(400)	(300)	(200)	(100)	0	0
Cash at banks		19	313	361	682	1,178	2,326	3,420	4,674	6,198
Capital employed		(2,849)	(2,855)	(3,099)	(3,360)	(3,747)	(3,532)	(3,470)	(3,410)	(3,352)

Forecast section - Balance sheet Dec19 - Dec25

Source: Business plan

Traditional balance sheet

<i>Currency: \$ 000</i>	Ref	Dec17A	Dec18A	Dec19A	Dec20F	Dec21F	Dec22F	Dec23F	Dec24F	Dec25F
Tangible fixed assets		2,131	1,973	2,410	2,500	2,750	2,500	2,400	2,300	2,200
Intangible fixed assets		231	311	313	300	300	300	300	300	300
Goodwill		103	87	51	45	40	35	30	25	20
Fixed assets		2,465	2,371	2,774	2,845	3,090	2,835	2,730	2,625	2,520
Inventories		512	618	712	850	1,000	1,050	1,103	1,158	1,216
Trade receivables		351	461	218	250	263	276	289	304	319
Other receivables		103	173	219	100	100	100	100	100	100
Cash at banks		19	313	361	682	1,178	2,326	3,420	4,674	6,198
Current assets		985	1,565	1,510	1,882	2,541	3,752	4,912	6,236	7,833
Total assets		3,450	3,936	4,284	4,727	5,631	6,587	7,642	8,861	10,353
Equity		2,394	2,375	2,925	3,542	4,525	5,558	6,690	7,984	9,450
Provisions		123	281	116	100	100	100	100	100	100
Long-term loans		351	512	419	400	300	200	100	0	0
Long-term liabilities		474	793	535	500	400	300	200	100	100
Trade payables		241	319	441	425	446	469	492	517	542
Payroll liabilities		64	75	84	90	90	90	90	90	90
Income tax payable		21	32	27	25	25	25	25	25	25
Other taxes payables		46	39	41	45	45	45	45	45	45
Other payables		210	303	231	100	100	100	100	100	100
Short-term liabilities		582	768	824	685	706	729	752	777	802
Total equity and liabilities		3,450	3,936	4,284	4,727	5,631	6,587	7,642	8,861	10,353

Forecast section - Balance sheet Dec19 - Dec25

Source: Business plan

Cash flow FY19 - FY25

Forecast section

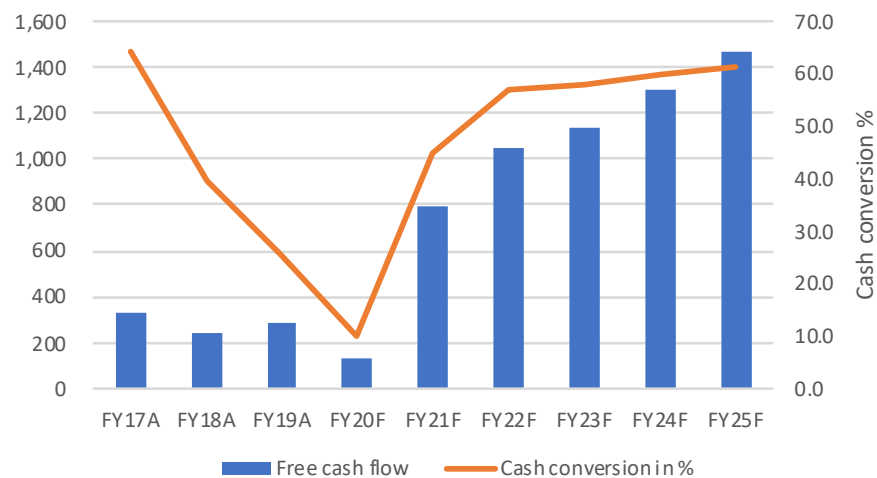
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Currency: \$ 000	Ref	FY17A	FY18A	FY19A	FY20F	FY21F	FY22F	FY23F	FY24F	FY25F
Reported EBITDA		523	597	1,131	1,273	1,759	1,828	1,959	2,176	2,405
Capex		(196)	(182)	(810)	(750)	(500)	(400)	(400)	(400)	(400)
Change in net working capital		81	(100)	159	(190)	(141)	(41)	(43)	(45)	(47)
Taxes paid		(72)	(78)	(192)	(206)	(327)	(345)	(377)	(431)	(489)
Free cash flow		336	237	288	127	791	1,043	1,139	1,299	1,469
Cash conversion in %		64.2	39.7	25.5	10.0	44.9	57.0	58.1	59.7	61.1

Forecast section - Cash flow FY19 - FY25

Source: Business plan

Free cash flow overview



Forecast assumptions

Forecast section

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Forecast assumptions:

Revenues: Revenues increased on average 16% in the last two years. For coming years a conservative growth percentage of 5% per annum is assumed.

Gross margin: Due to new cost initiatives the gross margin will initially decline to 40%. However, when the new initiatives are fully operative the gross margin is expected to increase to 45%, driven by new supplier terms.

Payroll: Given the change in the salary of the owner post-acquisition the salary costs per FTE are expected to decline in FY20F. As from FY21F onwards a small increase in number of FTE and average salary is expected to support increasing revenue levels.

Operating costs: Several cost saving initiatives are initiated in FY19, which will decline operating costs. For next years a growth of 1% is assumed (mainly inflationary increases).

Interest: Interest expense is assumed similar to interest income. This is conservative given the declining long-term loan balance in upcoming years.

Corporate income tax: No carry forward losses are available. As such, assumed the effective rate to be similar to the normal tax rate of 25%.