

Kempower

Company report

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Pauli Lohi
+35845 134 7790
pauli.lohi@inderes.fi

✓ Inderes corporate customer

This report is a summary translation of the report "Uutisvirta ei tue odotuksia myynnin vahvistumisesta" published on 9/3/2024 at 7:25 am EEST.

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res.**

News flow does not support expectations for stronger sales

The change of sales director and the sluggish market increase uncertainty about the expected order growth for the rest of the year. The electrification of transportation is currently in an intermediate phase, from which it could return to a growth path if, for example, electric cars become cheaper, and interest rates continue to fall. In the short term, however, we see risks of further declining sales and increased price competition due to overcapacity in the industry. We lower our recommendation to Reduce (was Accumulate) and the target price to EUR 10 (was EUR 16).

Significant rebound in H2 less likely than before

We have expected and continue to expect Kempower's order intake to improve in H2 compared to the sharp decline in H1 (-33% y/y). However, in light of the recent news flow, we think the probability of a stronger growth turnaround is lower than before. In our view, the departure of Kempower's sales director, announced on the morning of September 2, will increase uncertainty about the near-term sales outlook. We also estimate that the orders announced during Q3 have been moderate in size. Sales of electric vehicles remained sluggish over the summer (January-July sales in Europe flat year-on-year), which is unlikely to encourage charging operators to accelerate investments in the short term. However, we are unlikely to see another sharp decline in orders as in H1, also due to easier comparison figures. In addition, an increase in the number of new Kempower customers in H1 and a slow unwinding of inventory levels by long-term customers could support sales. We now expect H2 order intake to decline 3% year-on-year (previously 9% growth).

Market is taking a gap year or two in terms of growth

On an annual basis, we have lowered our revenue forecasts by 5-8% between 2024 and 2026 for the reasons outlined above. We cut our EBIT forecasts by 17% for 2026. We forecast revenue growth of 30% p.a. in 2025-26. Kempower itself estimates that the DC charger market in Europe and North America will grow by an average of 33% per year between 2023-30. Due to the early stage of development of the market, growth is uneven. We believe that the electrification of motoring is currently in a slower phase before electric cars are introduced on a larger scale by Western car manufacturers in the lower price segment. Competition in the DC charger market has intensified. Kempower is not the only manufacturer that has had a difficult year, but we also see competitors that have continued to grow. A decline in interest rates and the development of the supply of EVs in the coming years could reverse the direction of the market towards significant growth.

Long-term growth prospects harder to rely on for valuation when visibility on competitiveness weakens

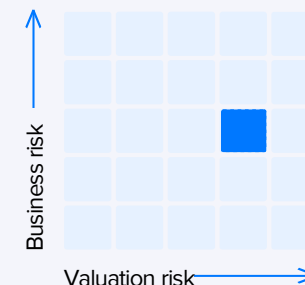
Assessing the long-term investment story is very challenging in the current market and competitive environment. Kempower's margins are among the best in the market, which should support its competitive position as price competition intensifies. On the other hand, the company is losing in scale to at least some of its strong competitors, which in part limits cost competitiveness. With our current forecasts for 2026-27, EV/EBIT multiples fall to 18x and 13x, respectively, which could be considered attractive levels in a fast-growing market with better visibility. However, the disruption of the favorable market share trend and ongoing sales challenges threaten the company's aspirational position among the industry majors, adding uncertainty to our long-term forecasts of good margins and global growth. We do not forecast a profit warning in 2024, but the possibility cannot be ruled out. In particular, further evidence of market share growth would be required to strengthen the investment story.

Recommendation

Reduce
(was Accumulate)

EUR 10.00
(was 16.00 EUR)

Share price:
11.98 EUR



Key figures

	2023	2024e	2025e	2026e
Revenue	283.6	226.9	294.9	383.4
growth-%	174%	-20%	30%	30%
EBIT adj.	40.7	-25.8	12.1	34.9
EBIT-% adj.	14.4 %	-11.4 %	4.1 %	9.1 %
Net Income	33.8	-22.4	10.0	27.9
EPS (adj.)	0.61	-0.39	0.18	0.51
P/E (adj.)	46.9	neg.	66.4	23.7
P/B	11.9	6.0	5.5	4.5
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	37.2	neg.	52.2	17.7
EV/EBITDA	32.1	neg.	27.1	12.4
EV/S	5.3	2.8	2.1	1.6

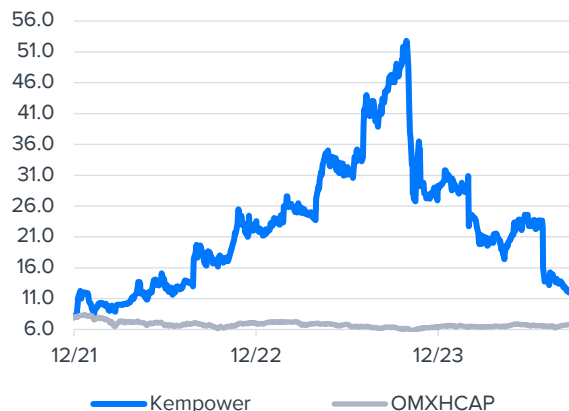
Source: Inderes

Guidance

(Unchanged)

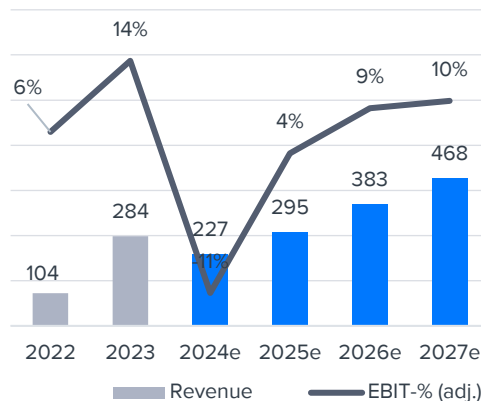
2024 revenue; 220-260 MEUR, assuming no major impact of foreign currency exchange rates. 2023 operative EBIT margin is negative.

Share price



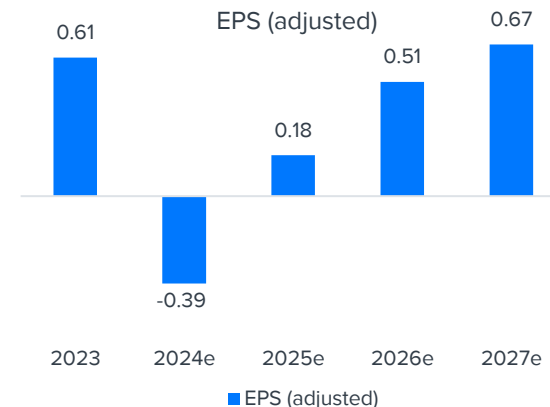
Source: Millstream Market Data AB

Revenue and EBIT-%



Source: Inderes

EPS and dividend



Source: Inderes



Value drivers

- Electrification of transport creates a huge need for efficient and versatile charging capacity
- Product margins are strong and have historically allowed for market share growth
- Growing the distribution channel would allow the company to become one of the big global manufacturers
- Long-term product development



Risk factors

- Rapidly growing the organization has slowed profitability development in the short term
- Uncertainty about long-term profitability levels in the industry
- Changes in technological competitiveness could threaten growth and pricing
- Slowdown in demand growth and narrowing technological gaps are likely trends in the long term
- A high valuation based on long-term earnings growth carries significant risk

Valuation	2024e	2025e	2026e
Share price	12.0	12.0	12.0
Number of shares, millions	55.3	55.3	55.3
Market cap	662	662	662
EV	627	632	618
P/E (adj.)	neg.	66.4	23.7
P/E	neg.	66.4	23.7
P/B	6.0	5.5	4.5
P/S	2.9	2.2	1.7
EV/Sales	2.8	2.1	1.6
EV/EBITDA	neg.	27.1	12.4
EV/EBIT (adj.)	neg.	52.2	17.7
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

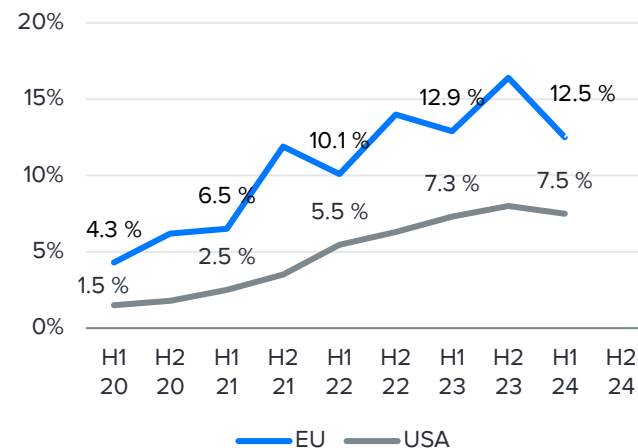
Source: Inderes

Year-end unlikely to provide quick relief from growth concerns

Sales front signals still nothing to write home about

- On September 2, Kempower announced that it had concluded its change negotiations. The cost savings implemented by the company are in line with previous communications. We believe that the overall savings are quite modest, and we also believe that a return to profitability will require a rebound in sales.
- On September 2, it was also announced that a member of Kempower's management team, the sales director, would be leaving the company, although as usual the reasons were not disclosed. Kempower's CEO will take over sales until a new sales director is found. We see that the change may signal the company's current sales challenges, which also means that the probability of a rapid growth turnaround in H2 is lower than before.
- Kempower has not reported any new orders exceeding the stock exchange release threshold in Q3. The last trade above the stock exchange release threshold was in June 2023, so orders of this size are not very common. Thus, the absence of said releases does not necessarily imply poor order intake, although it does increase the likelihood of poor order intake.
- Electric vehicle sales in Europe from January to July were roughly flat year-on-year, with a slight decline in July. The number of electric cars on the road is growing, but the reversal of the sales trend is not encouraging charging operators to invest.
- We have lowered our revenue and EBIT forecasts due to increased uncertainty about the near-term sales outlook. We see the change of sales director, the sluggish demand for electric cars and the lack of large orders as weak signals. We also believe that the layoffs in for all the staff in Finland for the rest of the year are a weak signal for near-term growth.

Share of all-electric cars in new passenger car registrations



Source: ACEA, EIA

Estimate revisions	2024e	2024e	Change	2025e	2025e	Change	2026e	2026e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	238	227	-5%	319	295	-8%	415	383	-8%
EBITDA	-14.9	-16.0	-7%	28.0	23.3	-17%	57.7	49.9	-13%
EBIT (exc. NRIs)	-24.7	-25.8	-4%	16.5	12.1	-27%	42.2	34.9	-17%
EBIT	-25.8	-26.9	-4%	16.5	12.1	-27%	42.2	34.9	-17%
PTP	-25.3	-26.4	-4%	17.0	12.6	-26%	42.7	35.4	-17%
EPS (excl. NRIs)	-0.37	-0.39	-4%	0.24	0.18	-26%	0.61	0.51	-17%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

Investment story gradually weakened (1/2)

Valuation not justified by near-term results

In our view, Kempower's high share price in recent years was based on strong evidence of earnings growth in 2022-2023 and the market's expectation that the company's large opex investments in 2023-2024 would pay off quickly. The equity story has changed due to a sudden drop in demand, with the result that the payback periods for investments made, such as expanding the organization and opening new plants, are no longer clearly assessable. The profitability already achieved in 2023 is temporarily buried under a mass of fixed costs and partly lost due to a decrease in revenue. The 2025 adj. EV/EBIT multiple is high at 52x. The valuation of the stock is based on the company's long-term earnings growth prospects, which increases the risk level of the investment.

Market growth will return to strong in the medium term

The sharp change in Kempower's earnings growth outlook in the coming years is largely due, in our view, to fluctuations in market demand and the negative impact of the exceptional market situation in 2022-2023 due to increased customer inventories. Sales growth of electric cars has slowed, which could be reversed, for example, by the introduction of cheaper electric car models and a further decline in interest rates. Kempower itself has estimated an average annual growth rate of 33% for its target market in 2023-30, and we believe it is possible that market growth will return to this trajectory in the coming years, driven by the above factors.

Development of competitiveness raises questions

Between 2022 and 2023, Kempower managed to

increase its market share very rapidly and its gross margins were among the best in the market. The company's satellite-type charging solution stands out from most competitors on the market, although recently the Polish company EkoEnergetyka, among others, has launched a similar system, albeit with only 6 cars charging simultaneously (Kempower has 8).

Many competitors have suffered as much or more than Kempower from the market downturn. For example, Tritium went bankrupt and ABB e-Mobility's orders were down 45% year-on-year in H1'24. Meanwhile, one of the strongest players in the market, Alpitronic, has continued its success as a supplier to major charging operators and expects to continue to grow its revenue by 10-20% year-on-year (the midpoint of Kempower's guidance assumes a 15% decline in revenue). Kempower has not been able to win the deals from the largest international charging operators, which we believe is due to factors such as pricing and a high value-added business model. For example, many of Kempower's customers are relatively small operators or retailers who want turnkey solutions rather than designing their own charging solutions or developing the embedded software as some of the larger operators do.

Valuation	2024e	2025e	2026e
Share price	12.0	12.0	12.0
Number of shares, millions	55.3	55.3	55.3
Market cap	662	662	662
EV	627	632	618
P/E (adj.)	neg.	66.4	23.7
P/E	neg.	66.4	23.7
P/B	6.0	5.5	4.5
P/S	2.9	2.2	1.7
EV/Sales	2.8	2.1	1.6
EV/EBITDA	neg.	27.1	12.4
EV/EBIT (adj.)	neg.	52.2	17.7
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Investment story gradually weakened (2/2)

However, if Kempower's Q3 sales continue to be subdued, as we suspect, we see a risk that the company's market share could decline, raising questions about the competitiveness of the company's products or its core customer base. However, comparing market share with competitors' performance is challenging due to limited public data.

Scenario-based valuation

We have moved the review year in our scenario-based valuation methodology closer, to 2027. In the baseline scenario, we forecast Kempower's revenue to reach 468 MEUR and its EBIT margin to reach 9.9% in 2027, which would value the stock at just under EUR 14 at 15x EV/EBIT. Discounted to the present day, this would be equivalent to a value of just over EUR 10 per share.

In our positive scenario, the company would achieve its revenue and longer-term profitability targets, which would increase the share value to EUR 33 (EUR 25 discounted to today's level).

In our negative scenario, revenue would fall to the midpoint of the 2024 guidance, forcing the company to downsize its manufacturing network and possibly even abandon its US growth plans. This would bring the EBIT margin to a positive 5% with extensive additional cost reductions. At 12x EV/EBIT, the stock would be worth only EUR 2.6 per share, weighed down by, among other things, the 2025-26 losses and the additional cost of cost cutting. In the negative scenario, the company would not become one of the big players in the industry but would remain a niche player serving a specific customer base.

DCF

Our cash flow-based valuation indicates a fair value of EUR 12.0 per Kempower share (total market cap 666 MEUR). As part of the forecast changes, we lowered our long-term EBIT margin forecast to 10% (was 12%). We also raised our WACC assumption to 9.1% (previously 8.5%), justified by the recent increase in the level of business risk. The level of risk is elevated as we see a further decline in sales in H2 as more likely than before, while the competitive landscape is also showing signs of tightening as described on the previous page.

Scenario-based valuation

MEUR 2027e	Negative scenario	Baseline scenario	Positive scenario
Revenue	240	468	750
EBIT-%	5.0%	9.9%	15.0%
EBIT	12	46	113
EV/EBIT multiple (x)	12x	15x	15x
EV	144	696	1688
Cumulative cash flow 24-27e	-30	-10	60
Cash assets 2023	75	75	75
Market cap 2027e (MEUR)	189	761	1822
Share price 2027e (EUR)	3.4	13.8	33.0
Discounted present value (EUR)	2.6	10.4	24.9
Difference to current price	-79%	-13%	107%

Detailed estimates

MEUR	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	Terminal period
Order intake			7	37	209	275	223	303						
- growth %				427%	459%	32%	-19%	36%						
Order book			4	14	119	111	107	115						
				261%	768%	-7%	-4%	8%						
Revenue	0	0	3	27	104	284	227	295	383	468	561	617	679	
- growth %		68%	909%	730%	278%	174%	-20%	30%	30%	22%	20%	10%	10%	3%
Revenue by geography														
Nordics	0	0	2	23	58	114	94	91	98	105				
- growth %					150%	97%	-17%	-3%	7%	8%				
Rest of Europe	0	0	1	4	41	144	95	133	180	218				
- growth %					893%	254%	-34%	39%	36%	21%				
North America	0	0	0	0	2	11	24	51	78	111				
- growth %							116%	110%	52%	42%				
Rest of the world	0	0	0	0	4	14	13	20	27	34				
- growth %							-7%	50%	40%	25%				
Gross margin %			54.5%	47.1%	46.5%	52.1%	47.6%	47.0%	46.0%	45.2%	44.4%	43.8%	43.2%	
Fixed costs				-13	-39	-101	-124	-115	-129	-152	-176	-186	-201	
EBITDA	-0.6	-2.2	-2.1	0.5	9.5	47.1	-16.0	23.3	47.1	59.5	73.4	84.2	92.5	
- % of revenue				1.8%	9.2%	16.6%	-7.0%	7.9%	12.3%	12.7%	13.1%	13.6%	13.6%	
Depreciation and amortization	0.0	0.0	-0.1	-1.1	-3.4	-6.5	-10.9	-11.2	-12.3	-13.1	-13.5	-14.2	-14.9	
EBIT	-0.6	-2.2	-2.2	-0.7	6.1	40.6	-26.9	12.1	34.9	46.4	59.9	70.0	77.6	
- % of revenue				-2.6%	5.9%	14.3%	-11.8%	4.1%	9.1%	9.9%	10.7%	11.3%	11.4%	10.0%
Financing expenses				-0.2	-1.3	2.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	
Taxes				1.1	-1.2	-9.3	4.0	-2.6	-7.4	-9.9	-12.7	-14.8	-16.4	
- Tax rate %				122%	25%	22%	15%	21%	21%	21%	21%	21%	21%	21%
Net profit				0.3	3.6	33.7	-22.4	10.0	27.9	37.1	47.7	55.7	61.7	
EPS (EUR)				0.01	0.07	0.61	-0.39	0.18	0.51	0.67	0.86	1.01	1.12	
Investments (incl. capitalization of leasing contracts)			0	4	23	23	23	20	22	23	24	24	25	
Net working capital			3	4	21	18	23	29	36	42	48	52	58	
Net cash assets			1	89	58	75	35	30	44	66	98	139	185	
Headcount (at the end of year)	5	17	38	136	375	737	830							

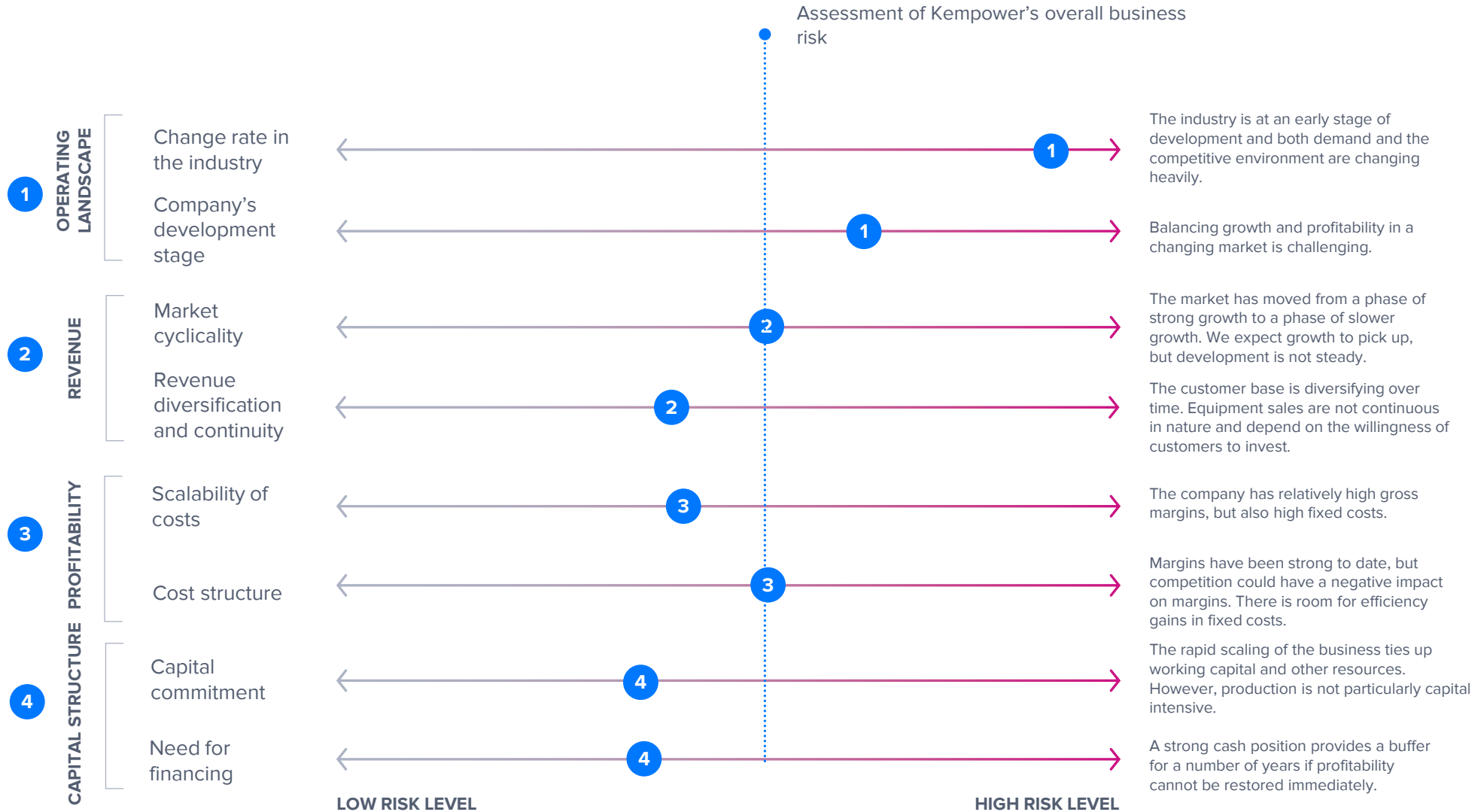
Source: Inderes

Consensus estimates

	Inderes estimates				Consensus estimates				Inderes vs consensus		
	Q3'24	2024e	2025e	2026e	Q3'24	2024e	2025e	2026e	2024e	2025e	2026e
Revenue	62	227	295	383	59.7	228	322	431	-0.7%	-8.5%	-11.0%
-growth	-15%	-20%	30%	30%	-18%	-19%	41.2%	33.6%			
EBIT	-5.9	-25.8	12.1	34.9	-6.7	-23.7	7.8	33.9	8.7%	55.4%	2.8%
EBIT-%	-9.5%	-11.4%	4.1%	9.1%	-11.2%	-10.4%	2.4%	7.9%	-1 pp	-1.7 pp	-1.2 pp
EPS	-0.09	-0.39	0.18	0.51	-0.10	-0.40	0.12	0.47	-3.6%	56.8%	8.4%

Source: Inderes and Bloomberg consensus (8 analysts)

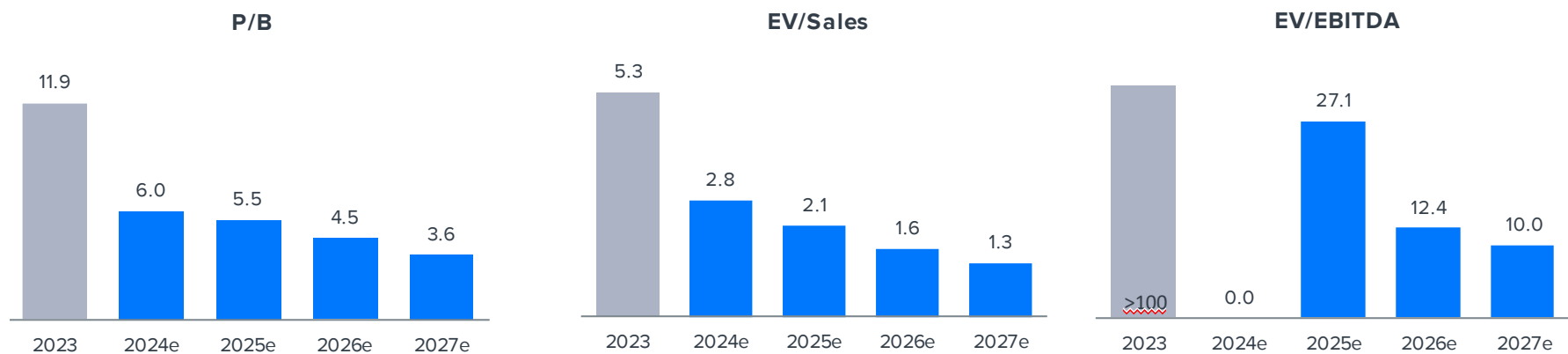
Risk profile of the business model



Valuation table

Valuation	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e
Share price	28.7	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Number of shares, millions	55.3	55.3	55.3	55.3	55.3	55.3	55.3	55.3	55.3
Market cap	1588	662	662	662	662	662	662	662	662
EV	1513	627	632	618	596	565	524	478	427
P/E (adj.)	46.9	neg.	66.4	23.7	17.9	13.9	11.9	10.7	9.8
P/E	47.0	neg.	66.4	23.7	17.9	13.9	11.9	10.7	9.8
P/B	11.9	6.0	5.5	4.5	3.6	2.8	2.3	1.9	1.6
P/S	5.6	2.9	2.2	1.7	1.4	1.2	1.1	1.0	0.9
EV/Sales	5.3	2.8	2.1	1.6	1.3	1.0	0.8	0.7	0.6
EV/EBITDA	32.1	neg.	27.1	12.4	10.0	7.7	6.2	5.2	4.3
EV/EBIT (adj.)	37.2	neg.	52.2	17.7	12.8	9.4	7.5	6.2	5.0
Payout ratio (%)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

Source: Inderes



Income statement

Income statement	2021	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24	Q2'24	Q3'24e	Q4'24e	2024e	2025e	2026e	2027e
Revenue	27.4	104	55.8	72.5	72.6	82.8	284	42.6	57.1	61.7	65.5	227	295	383	468
EBITDA	0.5	9.5	7.9	15.4	16.0	7.8	47.1	-8.6	-6.9	-2.9	2.4	-16.0	23.3	49.9	59.5
Depreciation	-1.1	-3.4	-1.1	-1.5	-1.7	-2.3	-6.5	-2.3	-2.5	-3.0	-3.1	-10.9	-11.2	-15.1	-13.1
EBIT (excl. NRI)	-0.6	6.7	6.9	13.9	14.4	5.5	40.7	-10.8	-8.5	-5.9	-0.6	-25.8	12.1	34.9	46.4
EBIT	-0.6	6.1	6.8	13.9	14.4	5.5	40.6	-10.9	-9.5	-5.9	-0.6	-26.9	12.1	34.9	46.4
Net financial items	-0.2	-1.3	0.2	0.3	0.2	1.8	2.5	0.3	-0.1	0.1	0.2	0.5	0.5	0.5	0.5
PTP	-0.8	4.8	7.0	14.2	14.6	7.3	43.1	-10.6	-9.5	-5.8	-0.5	-26.4	12.6	35.4	46.9
Taxes	1.1	-1.4	-1.3	-3.2	-2.9	-1.9	-9.3	1.9	1.7	0.6	-0.2	4.0	-2.6	-7.4	-9.9
Net earnings	0.3	3.4	5.7	11.0	11.7	5.4	33.8	-8.8	-7.8	-5.2	-0.7	-22.4	10.0	27.9	37.1
EPS (adj.)	0.01	0.07	0.10	0.20	0.21	0.10	0.61	-0.16	-0.12	-0.09	-0.01	-0.39	0.18	0.51	0.67
EPS (rep.)	0.01	0.06	0.10	0.20	0.21	0.10	0.61	-0.16	-0.14	-0.09	-0.01	-0.41	0.18	0.51	0.67

Key figures	2021	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24	Q2'24	Q3'24e	Q4'24e	2024e	2025e	2026e	2027e
Revenue growth-%	730.3 %	278.1 %	384.9 %	235.5 %	122.0 %	119.0 %	173.7 %	-23.6 %	-21.2 %	-15.0 %	-20.9 %	-20.0 %	30.0 %	30.0 %	22.0 %
Adjusted EBIT growth-%			-788.8 %	671.5 %	504.7 %		507.5 %	-256.5 %	-161.1 %	-140.6 %	-111.7 %	-163.3 %	-147.0 %	187.7 %	33.1 %
EBITDA-%			14.1 %	21.2 %	22.1 %	9.4 %	16.6 %	-20.1 %	-12.2 %	-4.6 %	3.7 %	-7.0 %	7.9 %	13.0 %	12.7 %
Adjusted EBIT-%			12.4 %	19.2 %	19.8 %	6.7 %	14.4 %	-25.3 %	-14.9 %	-9.5 %	-1.0 %	-11.4 %	4.1 %	9.1 %	9.9 %
Net earnings-%			10.2 %	15.2 %	16.1 %	6.5 %	11.9 %	-20.6 %	-13.7 %	-8.4 %	-1.0 %	-9.9 %	3.4 %	7.3 %	7.9 %

Source: Inderes

Balance sheet

Assets	2022	2023	2024e	2025e	2026e
Non-current assets	24.3	44.2	56.3	65.1	71.5
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	2.6	1.8	1.8	1.8	1.8
Tangible assets	21.1	38.2	50.3	59.1	65.5
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.0	1.4	1.4	1.4	1.4
Deferred tax assets	0.6	2.8	2.8	2.8	2.8
Current assets	130	194	215	314	430
Inventories	27.1	51.6	52.2	67.8	86.3
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	28.7	42.1	53.3	66.4	82.4
Cash and equivalents	74.0	99.8	110	180	261
Balance sheet total	154	238	272	379	501

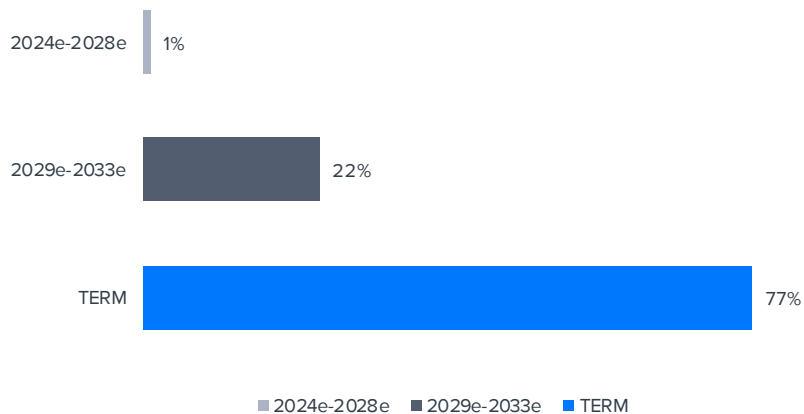
Source: Inderes

Liabilities & equity	2022	2023	2024e	2025e	2026e
Equity	101	133	110	120	148
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	6.4	42.4	20.0	30.0	57.9
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	94.2	90.4	90.4	90.4	90.4
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	16.0	24.4	64.6	126	180
Deferred tax liabilities	0.4	0.0	0.0	0.0	0.0
Provisions	2.4	3.8	3.8	3.8	3.8
Interest bearing debt	13.3	20.5	60.7	122	176
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	0.1	0.1	0.1	0.1
Current liabilities	37.5	80.4	96.7	133	173
Interest bearing debt	2.4	4.7	13.9	28.0	40.4
Payables	35.1	75.7	82.8	105	132
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	154	238	272	379	501

DCF calculation

DCF model	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	TERM
Revenue growth-%	173.7 %	-20.0 %	30.0 %	30.0 %	22.0 %	20.0 %	10.0 %	10.0 %	10.0 %	10.0 %	3.0 %	3.0 %
EBIT-%	14.3 %	-11.8 %	4.1 %	9.1 %	9.9 %	10.7 %	11.3 %	11.4 %	11.4 %	10.0 %	10.0 %	10.0 %
EBIT (operating profit)	40.6	-26.9	12.1	34.9	46.4	59.9	70.0	77.6	85.3	82.2	84.7	
+ Depreciation	6.5	10.9	11.2	15.1	13.1	13.5	14.2	14.9	15.1	16.6	17.9	
- Paid taxes	-11.9	4.0	-2.6	-7.4	-9.9	-12.7	-14.8	-16.4	-18.0	-17.4	-17.9	
- Tax, financial expenses	0.5	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	2.8	-4.7	-6.8	-6.9	-5.7	-5.6	-4.8	-5.2	-5.8	-2.2	-2.0	
Operating cash flow	38.5	-16.6	14.0	35.7	44.1	55.2	64.8	71.0	76.8	79.3	82.8	
+ Change in other long-term liabilities		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX		-23.0	-20.0	-21.5	-22.7	-23.8	-24.4	-25.0	-25.6	-25.6	-22.0	
Free operating cash flow		-39.6	-6.0	14.2	21.4	31.3	40.3	46.0	51.1	53.7	60.8	
+/- Other		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF		-39.6	-6.0	14.2	21.4	31.3	40.3	46.0	51.1	53.7	60.8	1025
Discounted FCFF		-38.5	-5.4	11.6	16.0	21.5	25.4	26.5	27.0	26.0	27.0	454
Sum of FCFF present value		591	630	635	624	608	586	561	534	507	481	454
Enterprise value DCF		591										
- Interest bearing debt		-25.2										
+ Cash and cash equivalents		99.8										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		666										
Equity value DCF per share		12.0										

Cash flow distribution

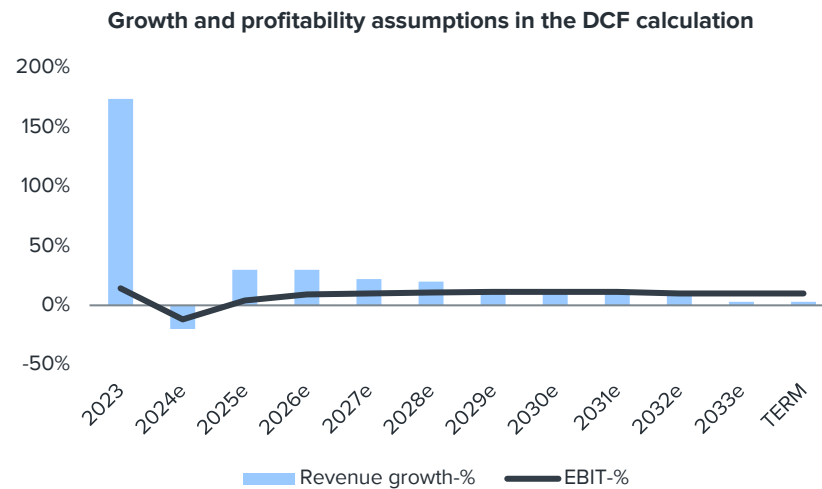
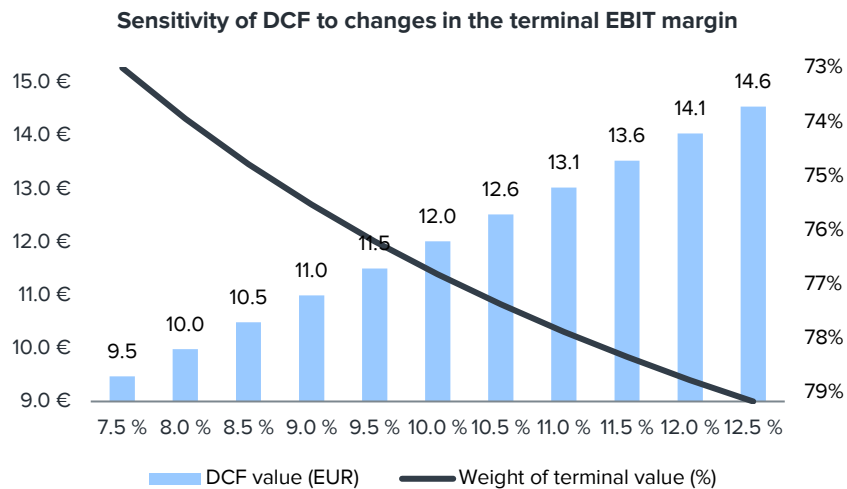
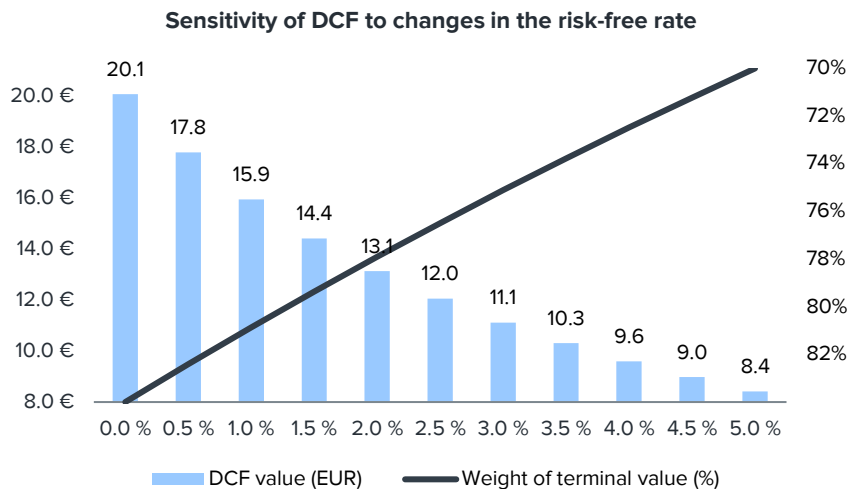
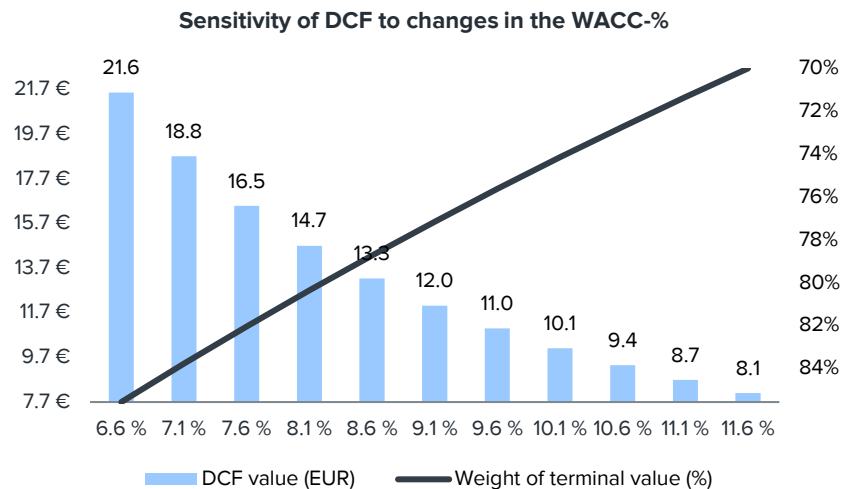


WACC

Tax-% (WACC)	22.0 %
Target debt ratio (D/(D+E))	10.0 %
Cost of debt	3.0 %
Equity Beta	1.55
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.5 %
Cost of equity	9.9 %
Weighted average cost of capital (WACC)	9.1 %

Source: Inderes

DCF sensitivity calculations and key assumptions in graphs



Source: Inderes. Note that the weight of the terminal value (%) is shown on an inverse scale for clarity.

Summary

Income statement	2021	2022	2023	2024e	2025e	Per share data	2021	2022	2023	2024e	2025e
Revenue	27.4	103.6	283.6	226.9	294.9	EPS (reported)	0.01	0.06	0.61	-0.41	0.18
EBITDA	0.5	9.5	47.1	-16.0	23.3	EPS (adj.)	0.01	0.07	0.61	-0.39	0.18
EBIT	-0.6	6.1	40.6	-26.9	12.1	OCF / share	0.00	-0.16	0.70	-0.30	0.25
PTP	-0.8	4.8	43.1	-26.4	12.6	FCF / share	-0.14	-0.53	0.29	-0.72	-0.11
Net Income	0.3	3.4	33.8	-22.4	10.0	Book value / share	1.76	1.81	2.40	2.00	2.18
Extraordinary items	0.0	-0.6	-0.1	-1.1	0.0	Dividend / share	0.00	0.00	0.00	0.00	0.00
Balance sheet	2021	2022	2023	2024e	2025e	Growth and profitability	2021	2022	2023	2024e	2025e
Balance sheet total	108.5	154.2	237.7	271.8	379.3	Revenue growth-%	730%	278%	174%	-20%	30%
Equity capital	97.5	100.7	132.9	110.5	120.4	EBITDA growth-%	-124%	1800%	396%	-134%	-246%
Goodwill	0.0	0.0	0.0	0.0	0.0	EBIT (adj.) growth-%	-73%	-1217%	507%	-163%	-147%
Net debt	-89.3	-58.3	-74.6	-35.4	-29.7	EPS (adj.) growth-%		1287%	718%	-163%	-147%
Cash flow	2021	2022	2023	2024e	2025e	EBITDA-%	1.8 %	9.2 %	16.6 %	-7.0 %	7.9 %
EBITDA	0.5	9.5	47.1	-16.0	23.3	EBIT (adj.)-%	-2.2 %	6.5 %	14.4 %	-11.4 %	4.1 %
Change in working capital	-0.6	-17.2	2.8	-4.7	-6.8	EBIT-%	-2.2 %	5.9 %	14.3 %	-11.8 %	4.1 %
Operating cash flow	-0.1	-8.6	38.5	-16.6	14.0	ROE-%	0.6 %	3.5 %	28.9 %	-18.4 %	8.6 %
CAPEX	-4.4	-23.2	-24.2	-23.0	-20.0	ROI-%	-1.2 %	5.7 %	29.6 %	-15.7 %	5.3 %
Free cash flow	-7.7	-29.7	15.8	-39.6	-6.0	Equity ratio	89.9 %	65.3 %	55.9 %	40.6 %	31.8 %
Valuation multiples	2021	2022	2023	2024e	2025e	Gearing	-91.5 %	-57.9 %	-56.1 %	-32.0 %	-24.7 %
EV/S	20.2	10.0	5.3	2.8	2.1						
EV/EBITDA	>100	>100	32.1	neg.	27.1						
EV/EBIT (adj.)	neg.	>100	37.2	neg.	52.2						
P/E (adj.)	>100	>100	46.9	neg.	66.4						
P/B	6.6	10.8	11.9	6.0	5.5						
Dividend-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %						

Source: Inderes

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Date	Recommendation	Target	Share price
8/15/2022	Accumulate	20.00 €	18.35 €
10/30/2022	Accumulate	22.00 €	19.64 €
2/15/2023	Reduce	27.00 €	27.56 €
4/14/2023	Accumulate	30.00 €	27.30 €
4/20/2023	Accumulate	32.00 €	28.80 €
7/19/2023	Accumulate	43.00 €	41.68 €
7/25/2023	Reduce	43.00 €	42.84 €
9/18/2023	Accumulate	52.00 €	46.10 €
10/19/2023	Accumulate	44.00 €	37.88 €
10/31/2023	Buy	44.00 €	29.59 €
2/9/2024	Buy	41.00 €	28.72 €
2/15/2024	Buy	32.00 €	22.72 €
3/25/2024	Buy	32.00 €	19.55 €
4/25/2024	Buy	28.00 €	17.37 €
7/12/2024	Reduce	19.00 €	22.40 €
7/24/2024	Accumulate	16.00 €	13.17 €
9/3/2024	Reduce	10.00 €	11.98 €



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Inderes Oyj

Itämerentori 2

FI-00180 Helsinki, Finland

+358 10 219 4690

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