

Spinnova

Company report

11/28/2024



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✓ Inderes corporate customer

This report is a summary translation of the report “Viive horjuttaa, mutta ei vielä tyrmää” published on 11/28/2024 at 9:03 am EET

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Destabilized by the delay, but not knocked out yet

We lower our target price for Spinnova to EUR 1.10 (was EUR 2.00), as the company's announcement last week of a delay in the 20,000-ton factory plan with Suzano shifted our projections and increased our required return. While a setback at the very first tangible checkpoint of the new strategy was a clear disappointment for us and a concrete reminder of the risks associated with early-stage businesses, we believe that Spinnova and Suzano will be able to overcome the techno-economic challenges in less than a year. We think that this scenario would offer good return potential from a drastically reduced enterprise value (2024e: EV 12 MEUR), so we reiterate our Accumulate recommendation for the company. However, the risk level of investing in the company is now high.

Suzano's investment in SPINNOVA® fiber production will not move to the next phase this year

Last week, Spinnova reported that the factory project of about 20,000 tons planned by Suzano for the production of SPINNOVA® fiber has been delayed due to the fact that the target parameters required to move to pre-engineering have not been reached within the original timeline. In practice, Spinnova and Suzano will not be able to secure process efficiency metrics at the targeted capital and operating expenditure levels this year. Yet this was a prerequisite for the project to move into the pre-engineering phase, which would bring revenue to Spinnova. Spinnova did not provide a new timeline for the completion of the process. Based on the comments in the press release and the lack of a timetable, we suspect that the root cause of the unresolved issues lies in the raw material side of the project, namely the properties of the microfibrillated cellulose, for which Suzano is responsible. This is a critical issue for Spinnova's growth trajectory, as reducing the investment and production costs associated with its technology is a prerequisite for the successful commercialization of the company's technology in both the short and long term. Thus, the penalty loop at the first checkpoint of the new strategy understandably spooked investors and also reminded them of the worst-case scenarios, although we believe that the problems can be solved in the light of current knowledge.

We pushed back our revenue estimates for Suzano by roughly one year

Due to the delay, we pushed back our forecasts for Spinnova's projects with Suzano by about one year for almost the entire forecast horizon, as we do not expect Suzano to advance multiple high-risk projects at the same time, at least in this decade. We did not update our estimates for other cellulose (incl. apparel fiber) and leather waste projects, as we do not expect the delay to be relevant to them and their commercialization is progressing at a slower pace in our forecasts compared to the commercialization of wood pulp material (i.e., Suzano projects), which has been the most advanced. As a result of these changes, our revenue forecasts for Spinnova this year and next have been reduced by approximately 70% and the company's rise to positive EBIT has been delayed by one year to 2030 (vs. the company's continued target of positive EBIT in 2028-2030). Our predictions for the 2030s have also shifted slightly forward.

As the bar gets lower, high risks are not enough to scare off a greedy investor

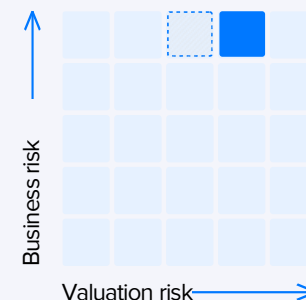
We raised the required return used in our valuation of Spinnova significantly, as the threat of longer delays than our assumptions has become tangible due to the lack of a timeline and the probability of the worst-case scenario (i.e. failure of the development) has also increased. With an estimated enterprise value of around 12 MEUR at the end of the current year (e.g. DCF around EUR 1.3/share), we consider the earnings potential of the stock to be cautiously attractive, even considering the risks. However, investing in the company requires patience and a high risk tolerance, as there is still a long and rocky road ahead before reaching the scalable growth phase enabled by the business model and market size.

Recommendation

Accumulate
(was Accumulate)

EUR 1.10
(was EUR 2.00)

Share price:
EUR 0.88



Key figures

	2023	2024e	2025e	2026e
Revenue	10.6	0.7	2.5	20.5
growth-%	-56%	-94%	278%	721%
EBIT adj.	-20.9	-18.5	-16.4	-4.4
EBIT-% adj.	-197%	-2792%	-656%	-22%
Net Income	-19.6	-17.3	-16.4	-4.5
EPS (adj.)	-0.38	-0.33	-0.31	-0.09

P/E (adj.)	neg.	neg.	neg.	neg.
P/B	1.4	0.7	0.9	0.9
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	neg.	neg.	neg.	neg.
EV/EBITDA	neg.	neg.	neg.	neg.
EV/S	6.4	18.6	12.3	1.8

Source: Inderes

Guidance

(Unchanged)

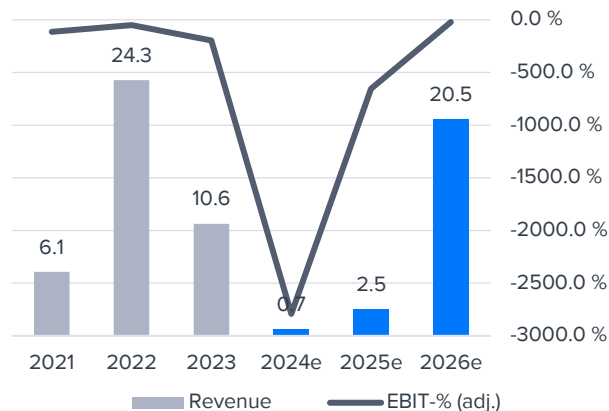
In 2024, revenue is expected to be lower than in 2023. EBIT is expected to improve from 2023, but to be negative.

Share price



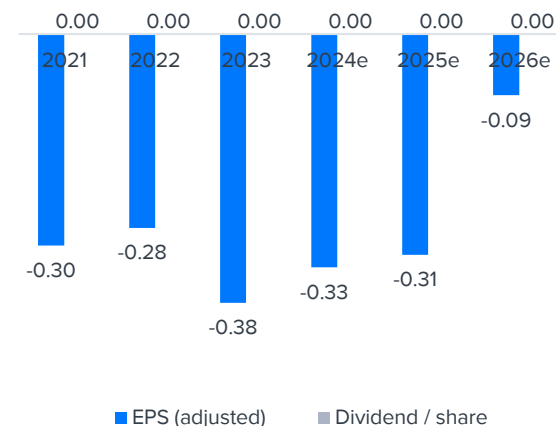
Source: Millstream Market Data AB

Revenue and EBIT-%



Source: Inderes

EPS and dividend



Source: Inderes



Value drivers

- Differentiation enabled by unique technology
- Excellent environmental performance of the fiber
- Potential first-mover advantage of new fiber technologies
- Large target market
- An inherently scalable and capital-light business model makes profitable growth highly valuable
- Increased confidence in commercialization success



Risk factors

- Failure to reduce technology investment and operating costs
- Postponement of investments due to external factors
- Dependence on individual customers, in particular Suzano
- Slowdown in sustainability trend in consumer markets

Valuation	2024e	2025e	2026e
Share price	0.88	0.88	0.88
Number of shares, millions	52.3	52.3	52.3
Market cap	46	46	46
EV	12	31	38
P/E (adj.)	neg.	neg.	neg.
P/E	neg.	neg.	neg.
P/B	0.7	0.9	0.9
P/S	69.4	18.4	2.2
EV/Sales	18.6	12.3	1.8
EV/EBITDA	neg.	neg.	neg.
EV/EBIT (adj.)	neg.	neg.	neg.
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

We pushed back revenue related to Suzano by roughly one year

Estimate revisions 2024e-2026e

- The delay did not affect Spinnova's guidance for the current year, according to which the company's revenue in 2024 is expected to be lower than in 2023. Spinnova expects the operating result to improve this year compared to 2023, but to be negative. Longer-term targets were also not affected by the delay.
- Due to the delay, we removed the milestone payment from our H2 forecasts, which lowered the current year's revenue forecasts by around 70%. We now expect Spinnova's revenue to drop by more than 90% this year, as the company has not had any technology delivery projects underway. We estimate that this revenue decline should also not trigger a profit warning, as it should have been issued in the context of the delay announcement.
- We shifted our estimates for Suzano projects back by roughly one year, which significantly lowered our 2024-2025 revenue forecasts and generally pushed back our forecasts for later years as well. The changes were significant because Suzano is Spinnova's largest customer by far in our projections, accounting for roughly two-thirds of revenue over the forecast horizon.
- We also included in our estimates the loan from Business Finland, which should boost the company's gross cash position by a total of around 8 MEUR in the coming years.

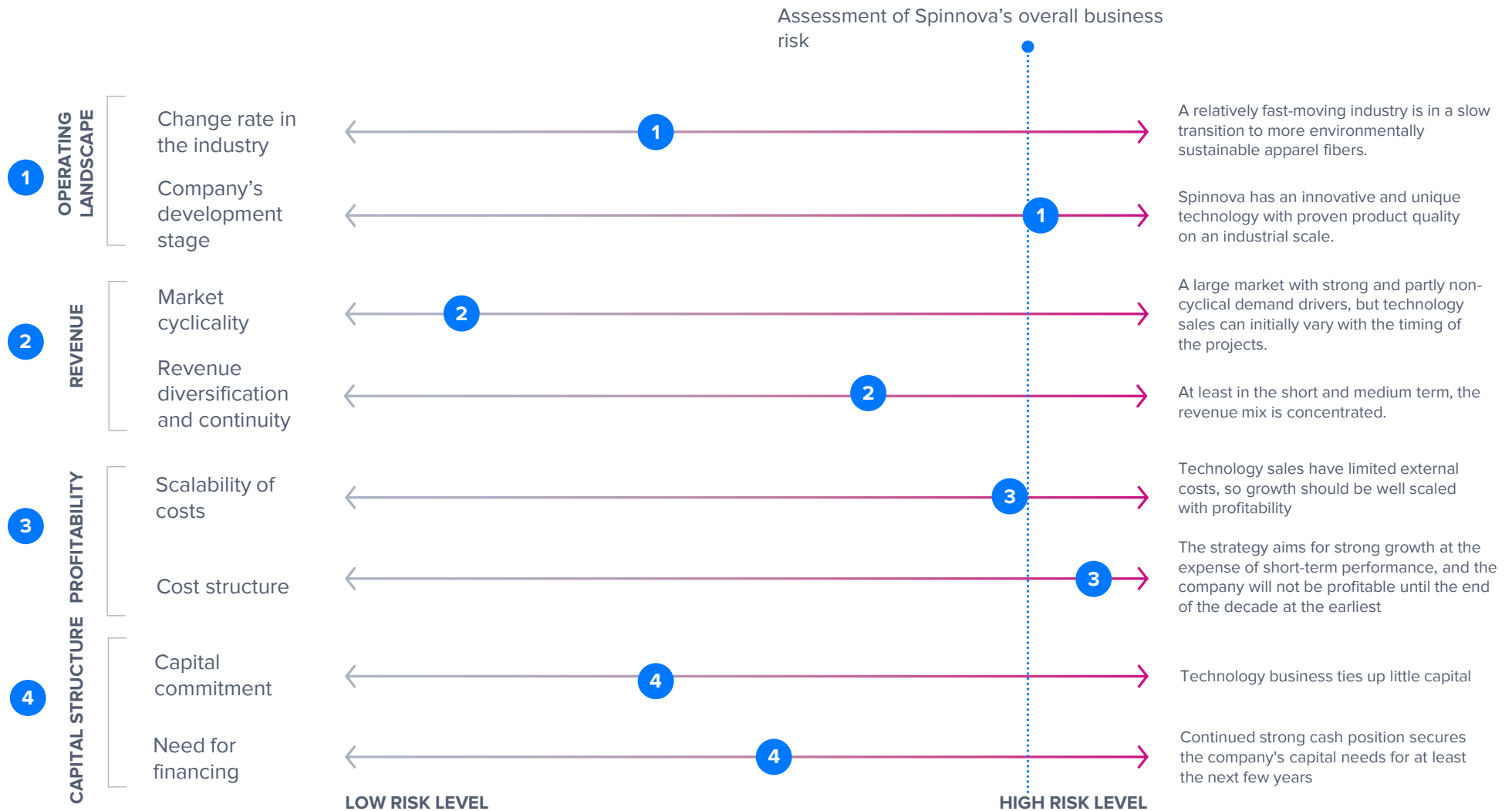
Operational result drivers 2024e–2026e:

- We continue to project that Spinnova will be able to commercialize its technology to customers that use recycled clothing waste and leather as a raw material, in addition to the wood pulp-based Suzano. Progress towards commercialization will require a significant reduction in the production and investment costs of the technology, so that the price level of the fiber can be competitive and the market that can be reached is sufficiently large.
- Since Spinnova operates in the project business, the timing of projects will have a significant impact on the company's revenue and earnings levels in individual years. We do not expect Spinnova's evolution in the early stages of commercialization in the 2020s to be linear, but revenue and earnings levels may vary from year to year.
- We believe that with its current cash position (incl. the funding from Business Finland), Spinnova can still make it to the positive cash flow generation phase, but the tightest cash position will only come towards the end of the decade, and significant development missteps may no longer be allowed.

Estimate revisions	2024e	2024e	Change	2025e	2025e	Change	2026e	2026e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	2.0	0.7	-66%	8.4	2.5	-70%	21.0	20.5	-2%
EBITDA	-14.6	-15.8		-9.4	-13.5		-1.4	-1.2	
EBIT (exc. NRIs)	-17.3	-18.5		-12.3	-16.4		-4.6	-4.4	
EBIT	-17.3	-18.5		-12.3	-16.4		-4.6	-4.4	
PTP	-15.9	-17.1		-12.2	-16.4		-4.6	-4.5	
EPS (excl. NRIs)	-0.31	-0.33		-0.23	-0.31		-0.09	-0.09	
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

Risk profile of the business model



Expected value has remained positive

Valuation relies on uncertain future potential

In our opinion, it is essential in Spinnova's valuation to assess the value creation potential of its business, its likelihood of achieving the potential and the market's readiness to price this. We would also like to point out that Spinnova's valuation and market pricing is sensitive to the market situation, as investors' readiness to price companies through long-term potential can vary significantly, depending on, e.g., interest rate levels, the general willingness to take risks and the pace at which the company's story unfolds.

In our view, the overall risk appetite has not changed significantly compared to our previous expectations. The delay in the Suzano factory project has increased the risks, especially for the worst-case scenario (i.e. failure to commercialize), and investors' willingness to look into the distant future has also been understandably weakened by the undeniable setback. For this reason, we increased our required return on the company by around 3 percentage points in this update.

DCF value still above the share price

The DCF model offers an indication of the company's valuation based on its long-term potential. At the current stage of development, the model's assumptions contain extreme uncertainty and its positive cash flows are mostly concentrated in the 2030s. The DCF value for equity for Spinnova is about EUR 1.3 per share, which is clearly above the stock market price. As such, in our view, the DCF provides a cautiously attractive signal of the stock's risk/reward ratio. However, the value of the model dropped significantly from the previous update due to a shift in forecasts and an increase in the required return.




Near-term EV multiples are high

Spinnova's EV/S multiples based on the 2024 and 2025 forecasts are 18x and 12x, respectively. The multiples for both years are high, despite the company's large target market and inherently scalable business model. Thus, the stock cannot be considered cheap relative to near-term revenue expectations, and even to justify present value, the company needs to grow. The EV/S multiple for 2026 is cautiously attractive at less than 2x, but of course this requires Suzano's first project to progress to the construction phase. The valuation multiples are higher than those of the peer group, but of course the peer group is only seemingly correlated with Spinnova.

Valuation image remains unchanged

In our view, the fair value of Spinnova's share is in the range of EUR 0.5-2.0 based on current assumptions, especially the DCF model and short-term absolute and relative EV/S multiples. In just over 3 years as a public company, Spinnova has built a path to commercialization, although the company has not yet reached the stage of sustainable growth and the growth phase has been further delayed by the latest setback. The next few years will be critical for Spinnova's investment story, as the company will need to prove the techno-economic viability of its concept on an industrial scale, thus laying the foundation for more rapid scaling of the business (including in particular lower investment and production costs) from the turn of the decade.

Development of share value in different scenarios

	 Negative¹	 Forecast²	 Positive³
Successful technology sales	Failing in the 2020s	In line with forecasts	Broad market penetration and continued growth
Likelihood	Possible	Possible	Possible
EBIT 2036e and the path there	Negative, or company not independent	Estimates	100 MEUR, path better than forecast
Present share value	IPR sales value (>0)	EUR >1 (DCF)	EUR 2.8-5.8 (multiples 2036e)

- 1) In this scenario, Spinnova's own commercialization fails in the 2020s, the company's cash flow dwindles, and the company needs to find a way to realize the remaining value as quickly as possible by selling the IPR.
- 2) In a scenario broadly consistent with our projections, commercialization will occur only in the textile value chain and with a limited feedstock base over the next 15 years, after which growth prospects will slow and the profitability profile will stabilize.
- 3) Commercialization will be at least in line with our projections, and growth prospects for the 2040s remain strong, either in the textile industry (including other feedstocks) and/or in other end-use applications.

Source: Inderes' estimate

We still consider the expected return attractive

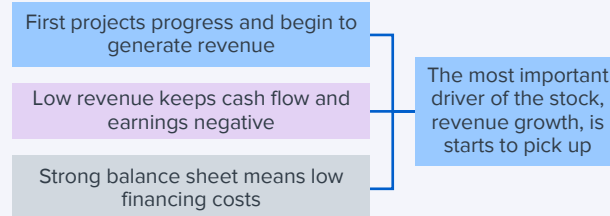
We still see a reasonable chance of success, although the risks are significant and even on the rise. Similarly, the return potential for investors in the company would be huge in the long run (see our positive scenario aligned with the company's targets) if Spinnova manages to enter a phase of scalable and capital-light growth roughly in line with its targets. In addition, we believe that Spinnova's technology development is reasonably advanced, i.e. entering the industrial phase, which supports the risk/reward for the investor. Thus, even in a negative scenario (i.e., the company fails to commercialize on its own in the coming years), we believe that a somewhat higher value than zero can be justified for the company's IPR. As a result, we do not consider the probability of a complete destruction of investor capital to be particularly high, although this cannot be ruled out if negative surprises persist.

In view of the overall valuation picture, we reiterate our Accumulate recommendation for Spinnova and lower our target price to EUR 1.10 (was EUR 2.00) due to the shift in forecasts and the increase in the required return. In our view, the expected return, which is boosted by significant short- and long-term potential, is still moderately above our required return reflecting high and elevated risk levels. At the current enterprise value (EV) of 12 MEUR, the bar for the near-term trajectory is starting to get low, although for companies burning through cash, the absolute support provided by the EV may remain illusory. We also point out that Spinnova, at its current stage of development, is only suitable for the portfolio of investors with a high risk tolerance. There are also no immediate drivers for the stock, as positive news flow will have to wait until the second half of next year at best.

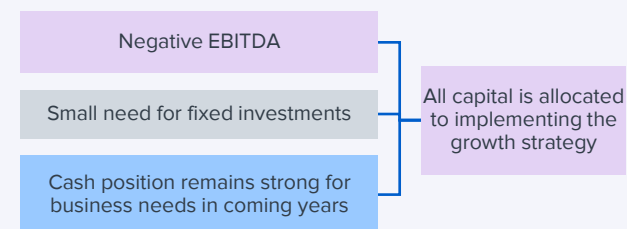
TSR drivers H1'24 LTM-2028e

■ Positive ■ Neutral ■ Negative

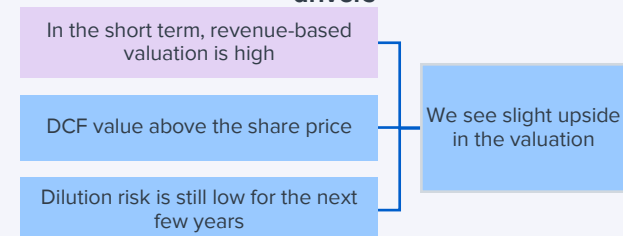
Profit drivers



Dividend yield drivers



Valuation multiple drivers



The stock's expected return moderately exceeds our high required return

Investment profile

- 1. Innovative production technology that is in the early stages of scaling up**
- 2. Proprietary and protected IP suitable for a broad raw material base**
- 3. Large potential target market**
- 4. Scalable and capital-light business model**
- 5. Growth focus and strategic goals years away, but negative cash flow until the end of the decade**

Potential



- Regulation and consumer demand drive apparel industry toward more sustainable materials
- Spinnova's product features are good enough and the brand has a great reputation
- Partnership with Suzano in particular, but also with other actors, will help scale up
- Target market is global and large
- Innovative and protected proprietary IP gives your company a technological edge

Risks



- Cost-competitiveness of the technology has yet to be proven, and scaling to significant volumes will require improvements in cost efficiency (CAPEX and OPEX).
- Successful delivery of Suzano's first industrial factory is a "must" for all parties involved
- Dependence on partners and a top-down customer structure
- Scaling up is slow at best
- Reputation risks

SWOT analysis



Strengths

- A distinctive end product as well as scalable and advanced technology
- Environmental performance of the end product and excellent reputation among brand companies
- Strong partners, in particular Suzano, an investment-ready company with a strategic interest in the textile value chain
- Sufficient liquidity to execute a technology sales-based strategy through at least the end of the decade



Opportunities

- Suzano's first project provides techno-economic proof of concept and generates revenue for the company
- Accelerating emissions reductions in the textile industry and a growing sense of urgency among brands as emissions target deadlines approach
- Tightening regulation, especially in the EU
- The applicability of the technology to a broad feedstock base and different applications sets the stage for very long-term business expansion



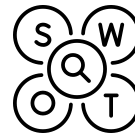
Weaknesses

- Technology investment and production costs still far too high for mass market
- Scaling up will be time-consuming at best
- Customer structure will be very concentrated for a long time
- The value chain in the textile industry is fragile, as pricing power has traditionally been concentrated in the hands of brands



Threats

- Failure of Suzano's first project, for one reason or another, would be at least a major setback to the commercialization of the business
- Persistently high inflation and interest rates as well as their slowing and shifting effects on investment
- Failure to protect IPR
- Reducing or postponing brand climate and emissions targets



Valuation table

Valuation	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e
Share price			13.4	6.50	2.40	0.88	0.88	0.88	0.88
Number of shares, millions			51.3	51.3	51.3	52.3	52.3	52.3	52.3
Market cap			689	334	123	46	46	46	46
EV			589	257	69	12	31	38	43
P/E (adj.)			neg.	neg.	neg.	neg.	neg.	neg.	neg.
P/E			neg.	neg.	neg.	neg.	neg.	neg.	neg.
P/B			6.1	3.3	1.4	0.7	0.9	0.9	1.0
P/S			>100	13.7	11.6	69.4	18.4	2.2	2.0
EV/Sales			97.2	10.6	6.4	18.6	12.3	1.8	1.9
EV/EBITDA			neg.	neg.	neg.	neg.	neg.	neg.	>100
EV/EBIT (adj.)			neg.	neg.	neg.	neg.	neg.	neg.	neg.
Payout ratio (%)			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 %

Source: Inderes

Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/S		P/B 2024e
			2024e	2025e	
Betolar	23	14	7.2	2.4	3.3
Aiforia	130	122	30.4	17.4	3.8
Biorettec	58	55	11.0	5.5	14.4
Optomed	95	87	5.4	3.6	4.2
Nightingale	138	69	11.5	7.7	2.9
Spinova (Inderes)	46	12	18.6	12.3	0.7
Average			13.1	7.3	5.7
Median			11.0	5.5	3.8
Diff-% to median			70%	125%	-83%

Source: Refinitiv / Inderes

Income statement

Income statement	H1'22	H2'22	2022	H1'23	H2'23	2023	H1'24	H2'24e	2024e	2025e	2026e	2027e
Revenue	7.6	16.6	24.3	8.8	1.8	10.6	0.4	0.3	0.7	2.5	20.5	23.0
Group	7.6	16.6	24.3	8.8	1.8	10.6	0.4	0.3	0.7	2.5	20.5	23.0
EBITDA	-5.3	-6.0	-11.4	-9.7	-8.7	-18.4	-8.6	-7.2	-15.8	-13.5	-1.2	0.1
Depreciation	-0.5	-0.5	-1.0	-1.3	-1.2	-2.5	-1.3	-1.4	-2.7	-2.9	-3.2	-3.5
EBIT (excl. NRI)	-5.8	-6.5	-12.3	-11.0	-9.9	-20.9	-9.9	-8.6	-18.5	-16.4	-4.4	-3.4
EBIT	-5.8	-6.5	-12.3	-11.0	-9.9	-20.9	-9.9	-8.6	-18.5	-16.4	-4.4	-3.4
Group	-5.8	-6.5	-12.3	-11.0	-9.9	-20.9	-9.9	-8.6	-18.5	-16.4	-4.4	-3.4
Net financial items	-1.7	-0.1	-1.8	0.5	1.1	1.6	0.9	0.5	1.4	0.0	-0.1	-0.4
PTP	-7.5	-6.6	-14.1	-10.4	-8.8	-19.3	-9.0	-8.1	-17.1	-16.4	-4.5	-3.8
Taxes	0.0	0.0	0.0	-0.1	-0.2	-0.3	-0.2	-0.1	-0.3	0.0	0.0	0.0
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	-7.5	-6.6	-14.1	-10.6	-9.0	-19.6	-9.2	-8.2	-17.3	-16.4	-4.5	-3.8
EPS (adj.)	-0.15	-0.13	-0.28	-0.21	-0.18	-0.38	-0.18	-0.16	-0.33	-0.31	-0.09	-0.07
EPS (rep.)	-0.15	-0.13	-0.28	-0.21	-0.18	-0.38	-0.18	-0.16	-0.33	-0.31	-0.09	-0.07
Key figures	H1'22	H2'22	2022	H1'23	H2'23	2023	H1'24	H2'24e	2024e	2025e	2026e	2027e
Revenue growth-%	1964%	192%	300%	16%	-89%	-56%	-96%	-84%	-94%	278%	721%	12%
EBITDA-%	-70%	-36%	-47%	-110%	-477%	-173%	-2372%	-2408%	-2388%	-541%	-6%	0%
Adjusted EBIT-%	-76%	-39%	-51%	-125%	-546%	-197%	-2736%	-2858%	-2792%	-656%	-22%	-15%
Net earnings-%	-99%	-40%	-58%	-120%	-496%	-184%	-2528%	-2725%	-2617%	-656%	-22%	-17%

Source: Inderes

Balance sheet

Assets	2022	2023	2024e	2025e	2026e
Non-current assets	25.7	33.9	38.2	40.3	42.1
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	10.9	11.7	15.6	17.5	19.0
Tangible assets	1.6	3.1	3.5	3.8	4.1
Associated companies	13.2	18.9	18.9	18.9	18.9
Other investments	0.0	0.1	0.1	0.1	0.1
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
Current assets	89.3	64.7	42.7	28.6	27.8
Inventories	0.0	0.0	0.0	0.0	0.4
Other current assets	1.1	1.0	1.0	1.0	1.0
Receivables	5.5	2.3	0.1	0.5	4.1
Cash and equivalents	82.7	61.5	41.6	27.1	22.3
Balance sheet total	115	98.6	80.9	68.9	69.9

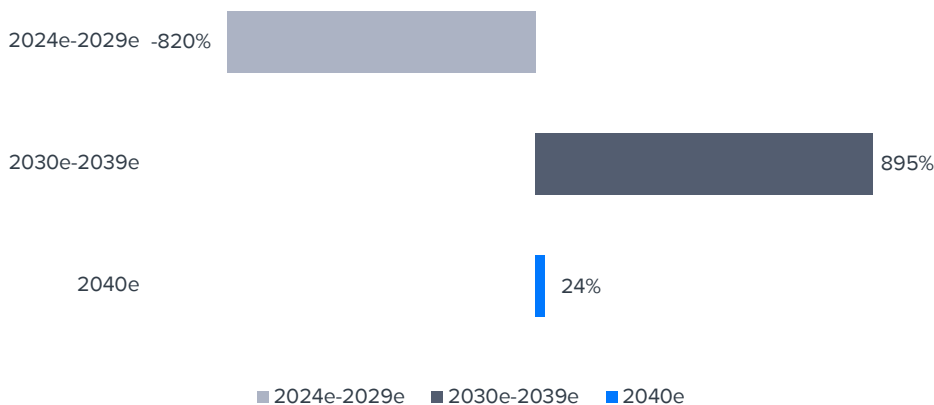
Source: Inderes

Liabilities & equity	2022	2023	2024e	2025e	2026e
Equity	100	87.3	70.1	53.7	49.1
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	-39.9	-47.8	-65.1	-81.5	-86.0
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	140	135	135	135	135
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	5.4	5.7	6.7	9.7	11.7
Deferred tax liabilities	0.0	0.7	0.7	0.7	0.7
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	5.4	5.0	6.0	9.0	11.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	0.0	0.0	0.0	0.0
Current liabilities	9.6	5.6	4.1	5.5	9.1
Interest bearing debt	1.0	2.0	2.0	3.0	3.0
Payables	6.5	1.6	0.1	0.5	4.1
Other current liabilities	2.1	2.0	2.0	2.0	2.0
Balance sheet total	115	98.6	80.9	68.9	69.9

DCF calculation

DCF model	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e	2037e	2038e	2039e	2040e
Revenue growth-%	-56.2 %	-93.8 %	277.6 %	721.2 %	12.2 %	-44.3 %	9.0 %	239.0 %	45.5 %	-25.7 %	59.7 %	59.7 %	55.5 %	11.9 %	11.5 %	11.7 %	3.5 %	2.0 %
EBIT-%	-196.7 %	-2791.5 %	-656.4 %	-21.5 %	-14.7 %	-61.8 %	-50.6 %	12.0 %	22.5 %	10.4 %	29.5 %	29.5 %	45.7 %	48.0 %	49.6 %	50.8 %	49.0 %	15.0 %
EBIT (operating profit)	-20.9	-18.5	-16.4	-4.4	-3.4	-7.9	-7.1	5.7	15.5	5.3	24.1	58.2	68.4	78.7	90.1	89.9	28.1	
+ Depreciation	2.5	2.7	2.9	3.2	3.5	4.0	4.2	5.5	6.7	7.4	8.2	8.8	9.5	10.0	10.6	11.1	11.5	
- Paid taxes	0.4	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-13.7	-15.8	-18.2	-18.2	-5.8	
- Tax, financial expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.2	-0.2	-0.2	-0.2	-0.2	
+ 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	0.0	0.2	0.3	0.3	0.4	0.3	
- Change in working capital	-1.7	0.7	0.0	-0.4	-0.3	0.3	0.0	-1.0	-0.6	0.5	-0.9	-1.4	-0.5	-0.5	-0.6	-0.2	-0.1	
Operating cash flow	-19.8	-14.4	-12.6	-0.6	0.8	-2.6	-2.3	10.8	22.3	14.0	32.1	66.0	64.1	72.8	82.4	82.9	33.8	
+ 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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-5.0	-7.0	-5.0	-5.0	-5.0	-5.0	-7.0	-9.0	-10.0	-11.0	-11.0	-12.0	-12.0	-13.0	-13.0	-13.0	-13.0	
Free operating cash flow	-24.8	-21.4	-17.6	-5.6	-4.2	-7.6	-9.3	1.8	12.3	3.0	21.1	54.0	52.1	59.8	69.4	69.9	20.8	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-24.8	-21.4	-17.6	-5.6	-4.2	-7.6	-9.3	1.8	12.3	3.0	21.1	54.0	52.1	59.8	69.4	69.9	20.8	
Discounted FCFF		-21.1	-14.7	-4.0	-2.5	-3.9	-4.1	0.7	3.9	0.8	4.8	10.5	8.6	8.4	8.3	7.1	1.8	1.5
Sum of FCFF present value		15.9	36.9	51.7	55.6	58.2	62.1	66.2	65.5	61.6	60.8	56.0	45.5	36.8	28.4	20.1	13.0	11.2
Enterprise value DCF		15.9																
- Interest bearing debt		-7.0																
+ Cash and cash equivalents		61.5																
-Minorities		0.0																
-Dividend/capital return		0.0																
Equity value DCF		70.3																
Equity value DCF per share		1.3																

Cash flow distribution



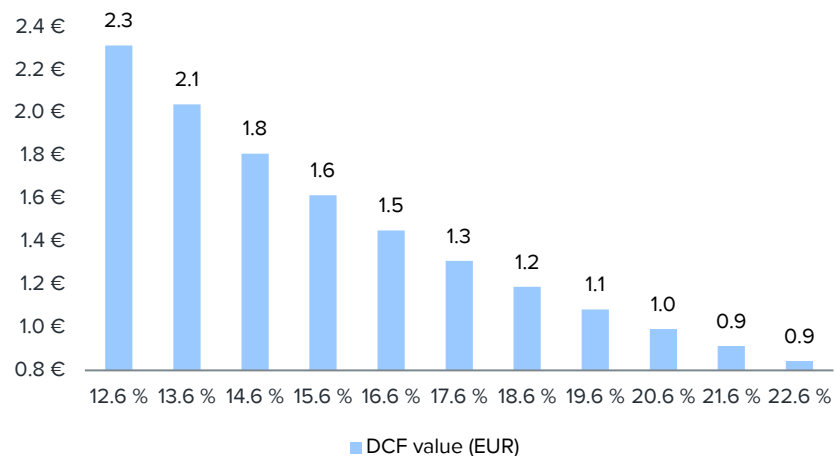
WACC

Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	10.0 %
Cost of debt	5.0 %
Equity Beta	3.50
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.5 %
Cost of equity	19.1 %
Weighted average cost of capital (WACC)	17.6 %

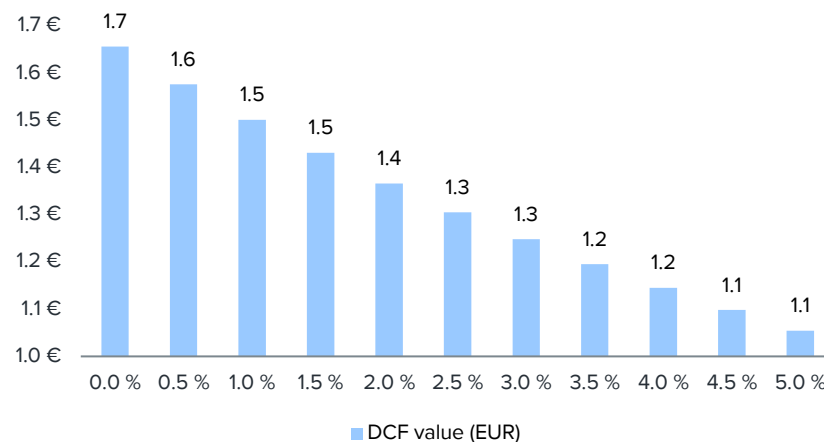
Source: Inderes

DCF sensitivity calculations and key assumptions in graphs

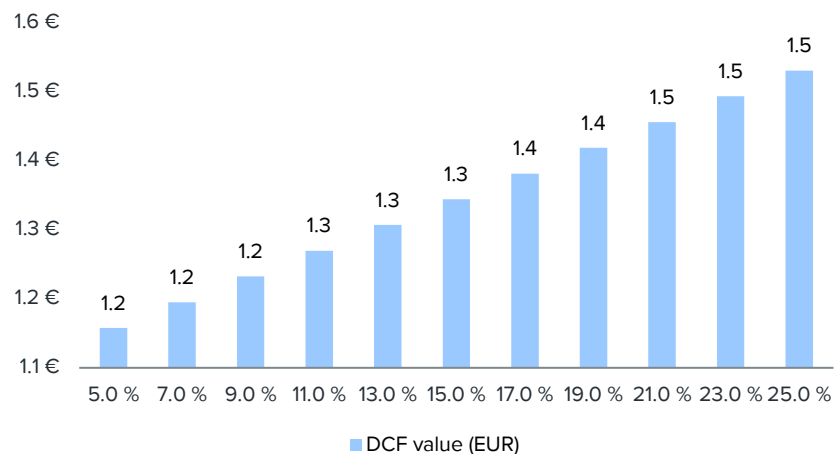
Sensitivity of DCF to changes in the WACC-%



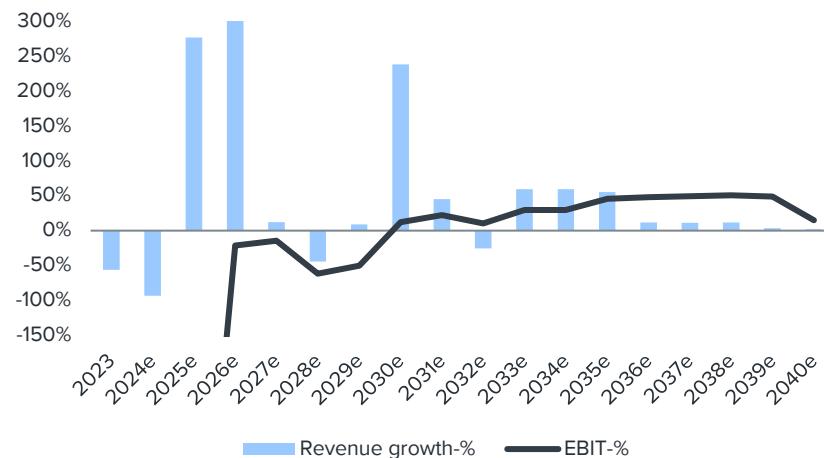
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



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	6.1	24.3	10.6	0.7	2.5	EPS (reported)	-0.30	-0.28	-0.38	-0.33	-0.31
EBITDA	-6.1	-11.4	-18.4	-15.8	-13.5	EPS (adj.)	-0.30	-0.28	-0.38	-0.33	-0.31
EBIT	-7.0	-12.3	-20.9	-18.5	-16.4	OCF / share	-0.17	-0.13	-0.39	-0.28	-0.24
PTP	-15.4	-14.1	-19.3	-17.1	-16.4	FCF / share	-0.22	-0.21	-0.48	-0.41	-0.34
Net Income	-15.4	-14.1	-19.6	-17.3	-16.4	Book value / share	2.22	1.95	1.70	1.34	1.03
Extraordinary items	0.0	0.0	0.0	0.0	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	123.7	115.0	98.6	80.9	68.9	Revenue growth-%	2287%	300%	-56%	-94%	278%
Equity capital	113.9	100.0	87.3	70.1	53.7	EBITDA growth-%	29%	85%	62%	-14%	-15%
Goodwill	0.0	0.0	0.0	0.0	0.0	EBIT (adj.) growth-%	27%	77%	70%	-12%	-11%
Net debt	-100.1	-76.3	-54.4	-33.6	-15.1	EPS (adj.) growth-%		-8%	39%	-13%	-5%
Cash flow	2021	2022	2023	2024e	2025e	EBITDA-%	-101.4 %	-46.8 %	-173.1 %	-2388.2 %	-540.5 %
EBITDA	-6.1	-11.4	-18.4	-15.8	-13.5	EBIT (adj.)-%	-114.7 %	-50.7 %	-196.7 %	-2791.5 %	-656.4 %
Change in working capital	-2.4	4.6	-1.7	0.7	0.0	EBIT-%	-114.7 %	-50.7 %	-196.7 %	-2791.5 %	-656.4 %
Operating cash flow	-8.6	-6.8	-19.8	-14.4	-12.6	ROE-%	-25.1 %	-13.2 %	-20.9 %	-22.0 %	-26.5 %
CAPEX	-2.6	-4.0	-5.0	-7.0	-5.0	ROI-%	-10.5 %	-10.8 %	-20.8 %	-21.4 %	-22.1 %
Free cash flow	-11.2	-10.7	-24.8	-21.4	-17.6	Equity ratio	92.1 %	87.0 %	88.6 %	86.6 %	78.0 %
						Gearing	-87.9 %	-76.3 %	-62.3 %	-47.9 %	-28.0 %
Valuation multiples	2021	2022	2023	2024e	2025e						
EV/S	97.2	10.6	6.4	18.6	12.3						
EV/EBITDA	neg.	neg.	neg.	neg.	neg.						
EV/EBIT (adj.)	neg.	neg.	neg.	neg.	neg.						
P/E (adj.)	neg.	neg.	neg.	neg.	neg.						
P/B	6.1	3.3	1.4	0.7	0.9						
Dividend-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %						

Source: Inderes

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Reduce	The 12-month risk-adjusted expected shareholder return of the share is weak
Sell	The 12-month risk-adjusted expected shareholder return of the share is very weak

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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
5/30/2024	Accumulate	2.00 €	1.61 €
8/22/2024	Accumulate	2.00 €	1.60 €
11/28/2024	Accumulate	1.10 €	0.88 €



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