

Metacon

Company report

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Larger deals expected to materialize next year

Metacon's Q2 report was below our expectations, and we expect deliveries of larger orders to be deferred to next year. However, with the recent breakthrough order in hand, we believe that Metacon is better positioned to achieve broader commercialization. This, coupled with establishing strong partnerships with credible partners like PERIC and Siemens should support the company in future funding negotiations. As a result, combined with our increased estimates, we have increased our target price to SEK 0.48 per share (prev. SEK 0.21 per share). However, considering that the parameters of the Gigafactory project remain unknown, the immediate need for financing and still low visibility into order conversion to revenue, we wait for a more attractive risk/reward profile and reiterate our Reduce recommendation.

Q2 report below our estimates, but the company is well positioned for a possible raise

Metacon's Q2 revenue declined 55% and amounted to 11.3 MSEK, falling below our estimates. Due to the low absolute level of revenue and high fixed costs, EBIT remained negative, at -31.6 MSEK. However, the company's investment story is based on long-term commercial success, and we believe that Metacon has taken important operational steps towards reaching this during 2024. The recently announced large-scale order was a clear breakthrough for the company, which not only strengthens the investment case but also validates Metacon's technology. In addition, we believe that the order highlights the effectiveness of the strategy of partnering with reputable companies such as Siemens and PERIC, since these collaborations likely were a key factor in securing this order. Nevertheless, considering the relatively weak cash position of 39.1 MSEK by the end of the quarter, as well as the still high rate of cash consumption, it is clear that the company will require additional capital this year. This becomes even more evident when factoring in investments for the electrolyzer factory. However, given the good operational progress, we believe that Metacon is well-positioned for a possible raise.

Revenue growth will be deferred to next year

Metacon has indicated that many of its previously announced projects, such as the electrolysis sales in Slovakia, are nearly complete. This update reduces our expectations for additional deliveries this year, negatively impacting our short-term revenue estimates. The Q2 report also lacked updates on large orders from Poland and Romania, now likely delayed to 2025. Overall, this results in a 70% cut to our 2024 revenue estimates. However, we've increased our 2025-2026 revenue estimates by 40% and 29%, respectively, expecting deferred orders and the recent Motor Oil deal to materialize. While short-term profitability is down, we anticipate improved profitability in 2025 and 2026 due to decreased operating costs as a percentage of revenue. Our current estimate for cash-flow neutrality is for 2028, which assumes Metacon can secure a significant and consistent increase in order flow over the coming years.

Investment case improves, but short-term risk/reward is still thin

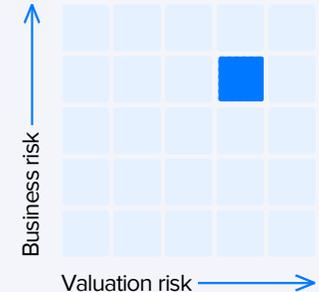
Our fair value estimate range for the share is wide, SEK 0.16-0.96. Due to positive commercial developments, especially the large breakthrough order, our target price now leans more towards the middle of the range. However, the current valuation requires new large orders to be secured in the next 6-9 months or so, as continuing growth without them would be difficult. Although we have raised our target price, we believe that the risk/reward ratio is still insufficient with the current valuation. However, in an optimistic scenario, the current valuation could provide a solid expected return even with current valuations.

Recommendation

Reduce
(prev. Reduce)

0.48 SEK
(prev. 0.21 SEK)

Share price:
0.53



Key indicators

	2023	2024e	2025e	2026e
Revenue	60.1	28.1	335.0	770.5
growth-%	-6%	-53%	1091%	130%
EBIT adj.	-62.7	-65.2	-33.0	-28.7
EBIT-% adj.	-104.3 %	-231.6 %	-9.8 %	-3.7 %
Net Income	-77.8	-78.8	-55.3	-62.7
EPS (adj.)	-0.20	-0.10	-0.06	-0.07

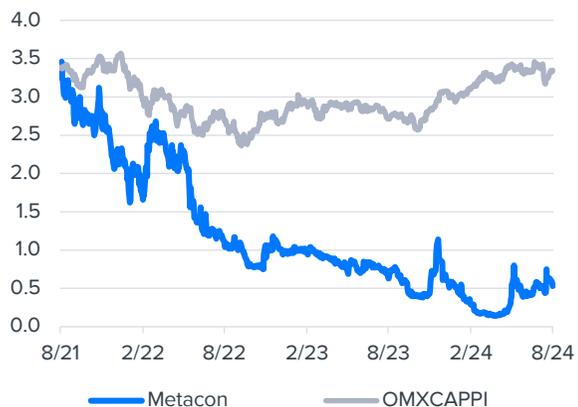
P/E (adj.)	neg.	neg.	neg.	neg.
P/B	3.0	4.3	7.1	neg.
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	neg.	neg.	neg.	neg.
EV/EBITDA	neg.	neg.	neg.	neg.
EV/S	4.7	14.2	1.7	0.9

Source: Inderes

Guidance

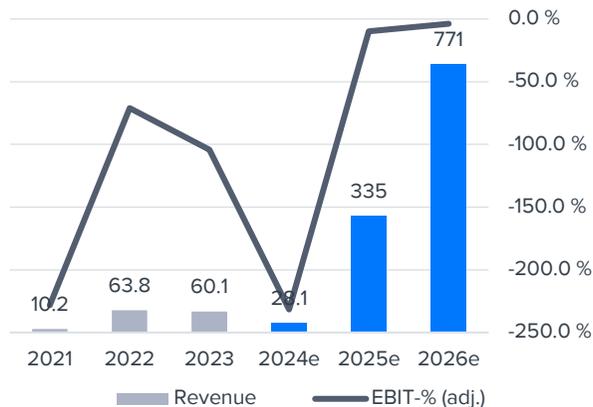
Metacon does not provide guidance

Share price



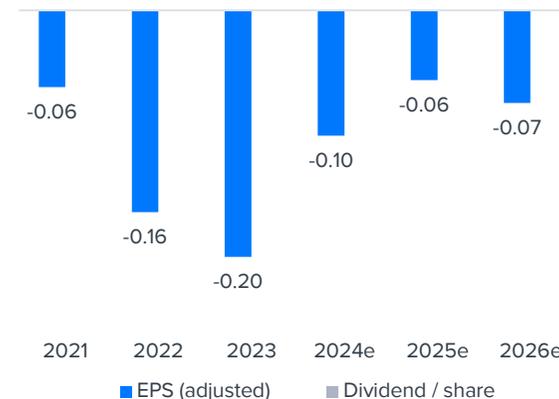
Source: Millstream Market Data AB

Revenue and EBIT-%



Source: Inderes

Earnings per share



Source: Inderes



Value drivers

- Metacon's target market is expected to grow significantly due to the demand for green hydrogen
- Proprietary reformer technology enabling green hydrogen production from biogas
- Electrolyzer distribution and manufacturing agreement with PERIC
- Potential licensing of reformer technology could bring in high-margin revenue
- A handful of larger projects could significantly increase revenues



Risk factors

- Unprofitable operations that are currently funded through equity issues
- Predicting revenue and profitability development is challenging because the company and the market are still in the early stages of development
- Lower order inflow and delays to current orders would put further strain on the company's equity story
- Termination of agreements with PERIC due to commercial or geopolitical reasons

Valuation	2024e	2025e	2026e
Share price	0.53	0.53	0.53
Number of shares, millions	687.4	802.4	802.4
Market cap	364	425	425
EV	398	574	706
P/E (adj.)	neg.	neg.	neg.
P/E	neg.	neg.	neg.
P/B	4.3	7.1	neg.
P/S	13.0	1.3	0.6
EV/Sales	14.2	1.7	0.9
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

Modest revenue but gearing up for delivering larger deals

Revenues mainly from electrolyzer orders

Metacon's Q2 revenue amounted to 11.3 MSEK and was mainly driven by PEM electrolysis sales in Slovakia. Revenue decreased by 55%, falling below our estimates. The decline is mainly due to the completion, or near completion, of several ongoing projects in Slovakia and Sweden, while new projects have been delayed because of longer lead times resulting from the strategic shift towards larger industrial clients.

Despite this downturn, we believe the company will not lose revenue but rather defer it to future periods, as it continues to fulfill its existing order book in the coming years. However, the lack of transparency surrounding the company's order book presents a challenge to revenue visibility. Therefore, we cannot rule out the possibility that some orders, such as the

significant electrolyzer order in Romania dependent on an EU grant, may not be delivered.

In the bigger picture, however, Metacon's investment case and path to cash flow neutrality are largely dependent on increasing order intake and successful conversion from order book to revenue. After the end of Q2, order intake rose sharply, due to the ~226 MSEK order for a large-scale industrial electrolysis plant. We believe this order not only strengthens the investment case but also validates Metacon's technology, as well as highlights the effectiveness of the strategy of partnering with reputable companies such as Siemens and PERIC.

Higher cost structure than expected

Metacon's Q2 EBITDA remained negative, at -28.6 MSEK. Although the costs for raw materials and consumables decreased slightly in line with revenue,

the combination of lower revenue and rising external costs led to a larger operating loss. The cost structure during the quarter was higher than our estimates, which we attribute to the company gearing up for larger deliveries.

Cash flow and financial position

Operating cash flow was obviously quite weak due to the high operating loss and amounted to -25.2 MSEK (Q2'23: -0.9 MSEK). As of the end of Q2, Metacon had a cash position of 39.1 MSEK. Considering a quarterly burn rate of 20-25 MSEK, it is clear that the company will require additional capital this year. This becomes even more evident when factoring in investments for the electrolyzer factory. However, given the recent significant order now in hand and the establishment of strong partnerships, we believe that Metacon is well-positioned for a possible raise.

Estimates	Q2'23	Q2'24	Q2'24e	Q2'24e	Consensus		Difference (%)	2024e
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
MSEK / SEK								
Revenue	25.1	11.3	22.8				-51%	28.1
EBITDA	-15.0	-28.6	-13.9				-106%	-64.0
EBIT (adj.)	-15.1	-28.9	-14.2				-104%	-65.2
EBIT	-17.7	-31.6	-16.8				-88%	-75.6
PTP	-18.0	-32.0	-17.9				-79%	-78.8
EPS (reported)	-0.05	-0.05	-0.03				55%	-0.11
Revenue growth-%	24.8 %	-55.0 %	-9.0 %				-46 pp	-53.2 %
EBIT-% (adj.)	-60.3 %	-256.1 %	-62.2 %				-194 pp	-231.6 %

Source: Inderes

We expect the order book to materialize in 2025-26

Better positioned to receive larger orders

While Metacon does not provide guidance, the company has indicated that many of the previously announced projects, likely referring to the electrolysis sales in Slovakia, have either been completed or are nearing completion. We initially anticipated room for additional electrolyzer deliveries in Slovakia this year, but this update negatively impacts our estimates for the current year. Furthermore, the Q2 report did not include updates on the delivery timelines for the large orders in Poland and Romania, which we had expected to contribute to sales in 2024. As we approach Q4, it seems likely these orders will be delayed until 2025, which has led us to revise our 2024 revenue forecasts down by approximately 70%.

Looking ahead to 2025, we have increased our revenue estimates by about 40%, primarily due to the deferral of the Poland and Romania deliveries, as well as the expectation that the majority of the recently

announced order from Motor Oil will be fulfilled in 2025. We have also raised our revenue estimates for 2026, factoring in this large order. Additionally, the order includes provisions for expanding the plant by an additional 20 MW in a second phase, which we estimate could generate further revenues for Metacon in 2026 and beyond. With this significant order in hand, the establishment of strong partnerships, and the ongoing progress of the Gigafactory project, we believe Metacon is now better positioned to achieve broader commercialization. However, it is important to note that securing a few large orders does not guarantee a consistent order pipeline, though it does increase the likelihood of a commercial breakthrough.

Getting closer to positive EBITDA in 2026

Given the higher-than-expected cost structure in Q2, we have adjusted our cost estimates upwards for the current year. Coupled with significantly lower

revenue estimates for 2024, this results in lower EBIT estimates for the current year.

However, with strong revenue growth anticipated in 2025 and 2026, we expect operating costs to decrease as a percentage of revenue, leading to improved profitability. As a result, we have raised our EBIT estimates for 2025 and 2026 and now estimate that the company will be close to achieving positive EBITDA by 2026. Nonetheless, with continued losses, we anticipate that Metacon will need to take on debt in 2025, which means net profit and EPS will be impacted by high interest costs from 2025 onward.

Estimate revisions	2024e		Change	2025e		Change	2026e		Change
	Old	New		Old	New		Old	New	
MSEK / SEK			%			%			%
Revenue	108	28.1	-74%	239	335	40%	596	771	29%
EBITDA	-58.9	-64.0	9%	-34.6	-21.8	-37%	-20.9	-11.6	-45%
EBIT (excl. NRIs)	-60.1	-65.2	8%	-45.7	-33.0	-28%	-38.0	-28.7	-24%
EBIT	-70.5	-75.6	7%	-56.6	-43.8	-23%	-41.6	-32.3	-22%
PTP	-74.6	-78.8	6%	-68.1	-55.3	-19%	-70.1	-62.7	-11%
EPS (excl. NRIs)	-0.09	-0.10	7%	-0.07	-0.06	-22%	-0.08	-0.07	-11%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

Recent orders & potential projects announced

Customer	Product	Order value (MSEK)	Order/Project announced	Revenue expected	Region
Ground Investment Corp SRL ¹	Electrolyzer & HRS	184	Dec-22	2025 ³	Romania
Regional Directorate of State Forests ²	Electrolyzer & HRS	60	Jan-23	2025 ³	Poland
Motor Oil	Electrolysis plant	226	Aug-24	2025-2026 ³	Greece

- 1) Master Supply Agreement. The Romanian project is dependent on the receipt of an EU grant. The EU grant application has since been rejected, but a new application has been submitted under the same conditions.
- 2) Memorandum of Understanding. Metacon believes that the project can be expected to commence in 2024.
- 3) Inderes estimates

Valuation

Great potential, but high risks associated with it

We believe that Metacon's investment story relies on expectations related to the commercialization potential of the company's product portfolio and significant future business volumes. Metacon has already assembled a complementary product portfolio and successfully secured some large orders. At this stage, simply delivering on its current order book could significantly boost Metacon's revenues. However, there is limited visibility into the progress of existing orders, particularly those in Poland and Romania, as well as the future order flow. While securing a few large orders increases the likelihood of a commercial breakthrough, it does not guarantee a consistent order pipeline. Consequently, there is a wide range of potential outcomes for Metacon, both positive and negative. The company has also financed its negative cash flow with share issues, which dilute shareholders, and more are highly likely. This means that delays in the timeline for the realization of Metacon's investment case can also have a significant impact on investment returns.

No support from a peer valuation perspective

Metacon's sales-based multiples for 2024 appear quite high, with a P/S ratio of 11.1 and an EV/S ratio of 12.6. We believe the market is looking beyond 2024, viewing it as a transition year due to the company's shift towards targeting larger industrial customers, which we consider reasonable. In 2025, Metacon is valued at EV/S 1.7x, slightly lower than the peer group median of around 2.1x. However, there is a significant discrepancy within the peer group in terms of company size and their stages of commercialization. Given that Metacon is smaller and earlier in its commercial phase compared to its peers, a discount is justified. In light of this, Metacon's share does not

appear to be significantly mispriced relative to its peers.

Investment case improves, but risk/reward remains thin

Utilizing valuation methods that predominantly rely on the company's fundamental potential, we reach a fair value range of SEK 0.16-0.96 per share (prev. SEK 0.08-0.68). The lower bound of this range is based on an EV/S multiple of 1.0x applied to the average of the 2025 and 2026 negative scenarios, while the upper bound is based on an EV/S multiple of 2.0x applied to the average of the 2025 and 2026 positive scenarios (see next page).

We believe Metacon has made tangible progress in establishing the supply chain and capabilities for its European Gigafactory. Additionally, with the recent large-scale order in hand, Metacon is better positioned to achieve broader commercialization. The involvement of credible partners like PERIC and Siemens, along with securing large orders, should support the company in future funding negotiations. This, combined with our increased estimates, leads us to increase our target price to SEK 0.48 per share (prev. SEK 0.21 per share), although at the mid-range of the fair value range. This assumes that the factory project remains on track and receives a neutral financing solution and that Metacon manages to convert more of its order book into deliveries next year. We also believe that the current higher valuation requires new large orders to be secured in the next 6-9 months or so, as continuing growth without them would be difficult.

Although we have raised our target price, we believe that the risk/reward ratio is still insufficient at the current valuation and reiterate our Reduce recommendation.

Valuation	2024e	2025e	2026e
Share price	0.53	0.53	0.53
Number of shares, millions	687.4	802.4	802.4
Market cap	364	425	425
EV	398	574	706
P/E (adj.)	neg.	neg.	neg.
P/E	neg.	neg.	neg.
P/B	4.3	7.1	neg.
P/S	13.0	1.3	0.6
EV/Sales	14.2	1.7	0.9
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

Estimated future valuation ranges

2025e, MSEK	Negative	Base	Positive
Revenue	170	335	500
EV/S	1.0x	1.5x	2.0x
EV	170	503	1,000
Net debt ¹	24	24	24
Market cap	146	479	976
Per share ¹	0.14	0.47	0.96
Discounted to present	0.12	0.38	0.77

2026e, MSEK	Negative	Base	Positive
Revenue	391	771	1,150
EV/S	1.0x	1.5x	2.0x
EV	391	1,156	2,300
Net debt ²	-4	-4	-4
Market cap	395	1,160	2,304
Per share ²	0.29	0.86	1.71
Discounted to present	0.20	0.58	1.16

Source: Inderes

1. To account for a potential equity issue, we have adjusted net debt and the number of shares to reflect a hypothetical shares issue of 50 MSEK in late 2024. The issue is conducted at 0.48 SEK/share (10% discount to current share price).
2. To account for potential equity issues, we have adjusted net debt and the number of shares to reflect hypothetical shares issue of 50 MSEK in 2024 and 50 MSEK in 2025. Issues are conducted at 0.48 SEK/share (10% discount to current share price). The 2025 scenario also incorporates the exercise of the warrants issued in conjunction with the 2024 rights issue.

Valuation table

Valuation	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e
Share price	1.16	5.15	3.04	1.13	0.83	0.53	0.53	0.53	0.53
Number of shares, millions	194.3	233.2	265.4	342.6	342.6	687.4	802.4	802.4	802.4
Market cap	225	1201	807	387	284	364	425	425	425
EV	227	1131	768	285	284	398	574	706	782
P/E (adj.)	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.	18.6
P/E	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.	18.6
P/B	6.6	13.3	3.5	2.3	3.0	4.3	7.1	neg.	21.1
P/S	>100	>100	79.2	6.1	4.7	13.0	1.3	0.6	0.3
EV/Sales	>100	>100	75.4	4.5	4.7	14.2	1.7	0.9	0.5
EV/EBITDA	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.	8.5
EV/EBIT (adj.)	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.	11.2
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

Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B 2024e
			2024e	2025e	2024e	2025e	2024e	2025e	2024e	2025e	2024e	2025e	
Thyssenkrupp Nucera	1,127	433				32.3	0.5	0.5		195.4			1.5
Plug Power	1,739	2,009					2.7	1.8					0.6
Bloom Energy Corp	2,369	3,245	59.2	23.2	27.4	16.0	2.5	2.1	74.2	24.2			5.6
ITM Power	377	121					5.7	3.1					1.6
Nel ASA	775	606					4.1	2.9				2.6	1.6
Green Hydrogen Systems	184	327					6.6	2.6					2.0
Hydrogen Pro	59	40				8.2	0.9	0.3					1.0
McPhy Energy													
PowerCell	105	100					3.2	2.4					5.2
Enapter	108	133					3.7	1.9					1.6
Ceres Power Holdings PLC	436	274					4.4	4.1					2.4
Metacon (Inderes)	32	35	-6.1	-17.4	-6.2	-26.4	14.2	1.7	-5.3	-9.6	0.0	0.0	4.3
Average			59.2	23.2	27.4	18.8	3.3	2.1	74.2	109.8		2.6	2.3
Median			59.2	23.2	27.4	16.0	3.2	2.1	74.2	109.8		2.6	1.6
Diff-% to median			-110%	-175%	-123%	-265%	343%	-18%	-107%	-109%		-100%	172%

Source: Refinitiv / Inderes

Income statement

Income statement	2021	2022	2023	Q1'24	Q2'24	Q3'24e	Q4'24e	2024e	2025e	2026e	2027e
Revenue	10.2	63.8	60.1	7.3	11.3	6.0	3.5	28.1	335	771	1541
EBITDA	-22.4	-35.2	-62.1	-14.5	-28.6	-7.7	-13.2	-64.0	-21.8	-11.6	92.5
Depreciation	-16.7	-12.2	-11.3	-2.7	-3.0	-3.0	-3.0	-11.6	-22.0	-20.8	-22.8
EBIT (excl. NRI)	-23.2	-45.3	-62.7	-14.6	-28.9	-8.1	-13.5	-65.2	-33.0	-28.7	69.7
EBIT	-39.1	-47.4	-73.4	-17.2	-31.6	-10.7	-16.1	-75.6	-43.8	-32.3	69.7
Share of profits in assoc. compan.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net financial items	4.7	-3.1	-4.4	-0.9	-0.4	-1.0	-1.0	-3.2	-11.5	-30.3	-46.8
PTP	-34.4	-50.4	-77.8	-18.1	-32.0	-11.6	-17.1	-78.8	-55.3	-62.7	22.8
Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minority interest	3.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	-30.5	-50.4	-77.8	-18.1	-32.0	-11.6	-17.1	-78.8	-55.3	-62.7	22.8
EPS (adj.)	-0.06	-0.16	-0.20	-0.02	-0.04	-0.01	-0.02	-0.10	-0.06	-0.07	0.03
EPS (rep.)	-0.13	-0.17	-0.23	-0.03	-0.05	-0.02	-0.02	-0.11	-0.07	-0.08	0.03

Key figures	2021	2022	2023	Q1'24	Q2'24	Q3'24e	Q4'24e	2024e	2025e	2026e	2027e
Revenue growth-%	150.2 %	526.6 %	-5.8 %	-48.6 %	-55.0 %	-70.0 %	400%	-53.2 %	1090.9 %	130.0 %	100.0 %
Adjusted EBIT growth-%		94.8 %	38.4 %	14.0 %	91.2 %	-52.7 %	-23.5 %	4.0 %	-49.4 %	-12.8 %	-342.5 %
EBITDA-%	-219.8 %	-55.1 %	-103.3 %	-198.6 %	-253.4 %	-127.7 %	-376.0 %	-227.5 %	-6.5 %	-1.5 %	6.0 %
Adjusted EBIT-%	-228.2 %	-70.9 %	-104.3 %	-200.5 %	-256.1 %	-133.7 %	-386.2 %	-231.6 %	-9.8 %	-3.7 %	4.5 %
Net earnings-%	-299.9 %	-79.0 %	-129.5 %	-247.9 %	-283.2 %	-192.7 %	-487.9 %	-280.1 %	-16.5 %	-8.1 %	1.5 %

Source: Inderes

Balance sheet

Assets	2022	2023	2024e	2025e	2026e
Non-current assets	49.9	51.5	76.6	95.3	119
Goodwill	34.0	24.9	14.5	3.6	0.0
Intangible assets	1.1	2.4	3.6	4.5	5.3
Tangible assets	6.5	17.4	51.8	80.4	107
Associated companies	6.2	6.2	6.2	6.2	6.2
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	2.1	0.6	0.6	0.6	0.6
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
Current assets	140	84.5	50.6	178	316
Inventories	13.3	17.2	22.5	67.0	116
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	21.7	40.3	26.7	93.8	162
Cash and equivalents	105	27.0	1.4	16.8	38.5
Balance sheet total	190	136	127	273	435

Source: Inderes

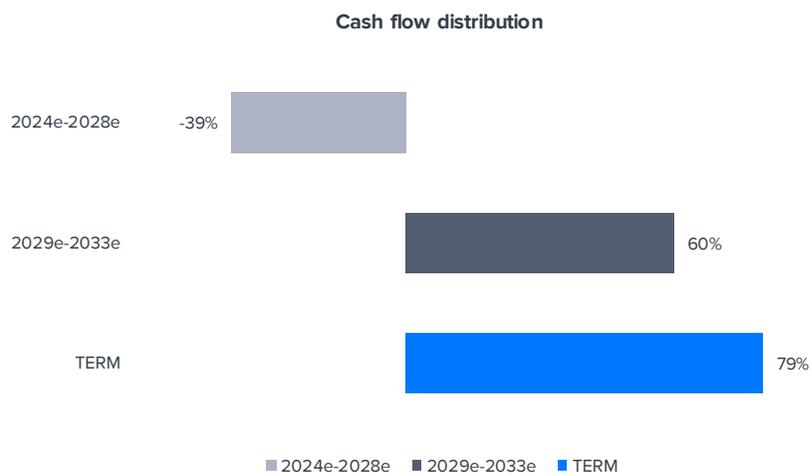
Liabilities & equity	2022	2023	2024e	2025e	2026e
Equity	172	94.8	84.8	60.0	-2.6
Share capital	3.4	3.4	6.9	8.0	8.0
Retained earnings	0.0	0.0	-78.8	-134.1	-196.8
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	168	91.4	157	186	186
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	4.4	6.7	37.1	167	320
Deferred tax liabilities	0.2	0.3	0.3	0.3	0.3
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	2.5	5.1	35.5	166	319
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	1.8	1.3	1.3	1.3	1.3
Current liabilities	14.0	34.5	5.4	45.6	118
Interest bearing debt	0.6	21.6	0.0	0.0	0.0
Payables	6.2	10.9	3.4	43.6	116
Other current liabilities	7.1	2.0	2.0	2.0	2.0
Balance sheet total	190	136	127	273	435

DCF calculation

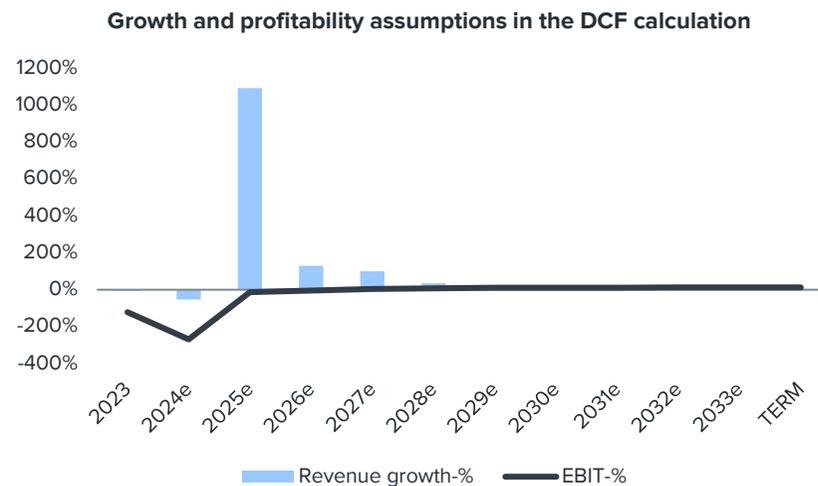
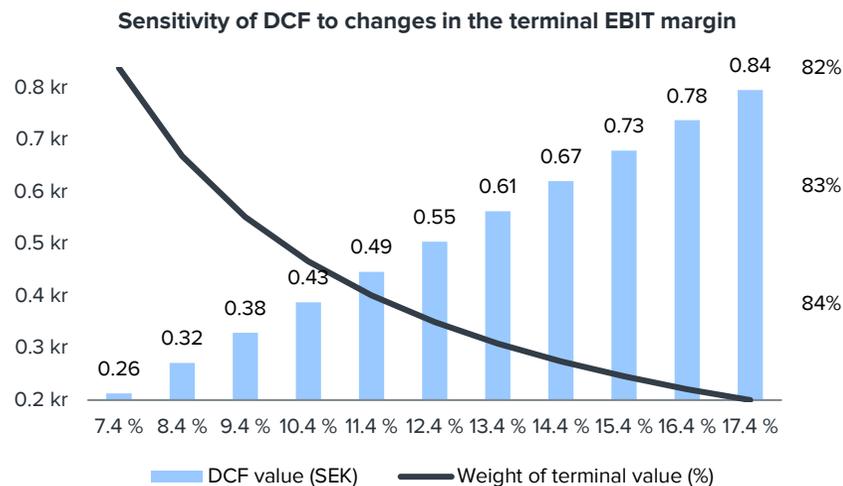
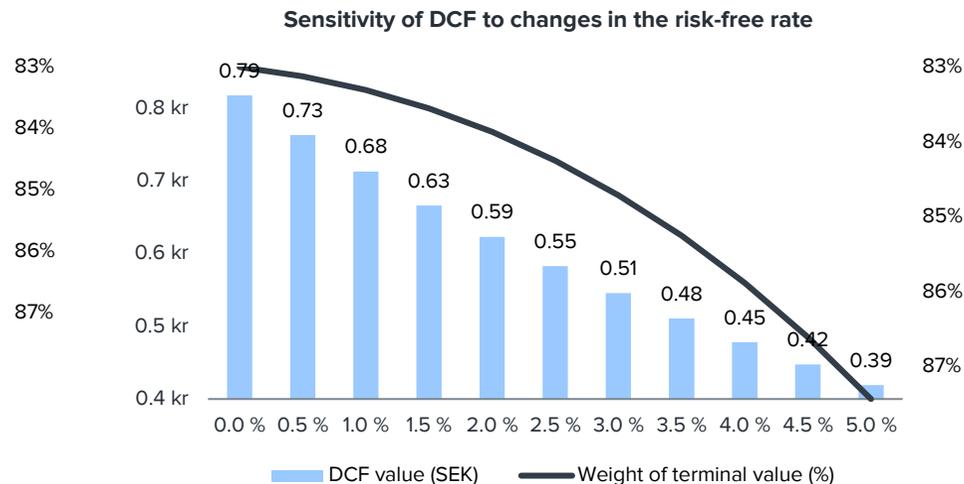
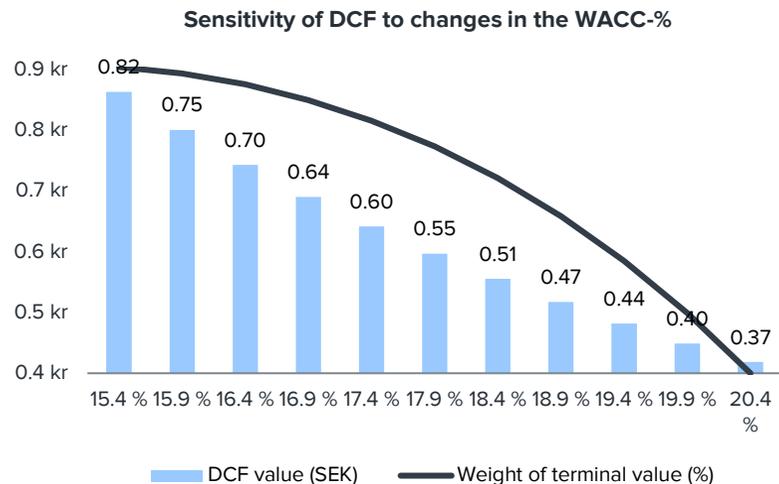
DCF model	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	TERM
Revenue growth-%	-5.8 %	-53.2 %	1090.9 %	130.0 %	100.0 %	35.0 %	25.0 %	20.0 %	10.0 %	2.0 %	2.0 %	2.0 %
EBIT-%	-122.1 %	-268.7 %	-13.1 %	-4.2 %	4.5 %	8.1 %	10.6 %	11.1 %	11.4 %	12.2 %	12.5 %	12.5 %
EBIT (operating profit)	-73.4	-75.6	-43.8	-32.3	69.7	168.7	276.1	346.0	392.6	425.5	446.8	
+ Depreciation	11.3	11.4	22.0	20.8	22.8	29.0	36.0	44.1	53.6	64.7	81.7	
- Paid taxes	0.1	0.0	0.0	0.0	0.0	0.0	-45.6	-61.7	-74.6	-86.1	-93.6	
- Tax, financial expenses	0.0	0.0	0.0	0.0	0.0	0.0	-11.8	-10.2	-6.9	-2.4	0.0	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.6	0.7	0.9	1.6	
- Change in working capital	-22.9	0.7	-71.4	-44.6	-69.3	-80.9	-78.0	-78.0	-53.7	-10.4	-10.6	
Operating cash flow	-84.9	-63.4	-93.2	-56.1	23.1	116.7	177.2	240.8	311.7	392.1	425.9	
+ Change in other long-term liabilities	-0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-12.9	-36.6	-40.7	-44.9	-53.1	-63.5	-76.0	-90.9	-108.8	-130.3	-156.0	
Free operating cash flow	-98.3	-100.0	-133.9	-101.0	-30.0	53.2	101.2	149.9	202.9	261.8	269.9	
+/- Other	0.0	83.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-98.3	-16.3	-133.9	-101.0	-30.0	53.2	101.2	149.9	202.9	261.8	269.9	1,734.3
Discounted FCFF		-15.4	-107.2	-68.6	-17.3	26.0	41.9	52.7	60.5	66.3	58.0	372.4
Sum of FCFF present value		469.5	484.9	592.0	660.6	677.9	651.9	609.9	557.2	496.7	430.4	372.4
Enterprise value DCF		469.5										
- Interest bearing debt		-26.7										
+ Cash and cash equivalents		27.0										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		469.8										
Equity value DCF per share		0.68										

WACC	
Tax-% (WACC)	20.6 %
Target debt ratio (D/(D+E))	10.0 %
Cost of debt	10.0 %
Equity Beta	2.90
Market risk premium	4.75%
Liquidity premium	2.70%
Risk free interest rate	2.5 %
Cost of equity	19.0 %
Weighted average cost of capital (WACC)	17.9 %

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	10.2	63.8	60.1	28.1	335.0	EPS (reported)	-0.13	-0.17	-0.23	-0.11	-0.07
EBITDA	-22.4	-35.2	-62.1	-64.2	-21.8	EPS (adj.)	-0.06	-0.16	-0.20	-0.10	-0.06
EBIT	-39.1	-47.4	-73.4	-75.6	-43.8	OCF / share	-0.12	-0.15	-0.25	-0.09	-0.12
PTP	-34.4	-50.4	-77.8	-78.8	-55.3	FCF / share	-0.88	-0.17	-0.29	-0.02	-0.17
Net Income	-30.5	-50.4	-77.8	-78.8	-55.3	Book value / share	0.96	0.57	0.28	0.12	0.07
Extraordinary items	-15.9	-2.1	-10.7	-10.4	-10.9	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	241.5	190.1	136.0	127.3	272.9	Revenue growth-%	150%	527%	-6%	-53%	1091%
Equity capital	230.8	171.7	94.8	84.8	60.0	EBITDA growth-%	96%	57%	77%	3%	-66%
Goodwill	169.0	34.0	24.9	14.5	3.6	EBIT (adj.) growth-%	87%	95%	38%	4%	-49%
Net debt	-39.2	-102.1	-0.3	34.1	149.0	EPS (adj.) growth-%	17%	162%	22%	-49%	-44%
Cash flow	2021	2022	2023	2024e	2025e	EBITDA-%	-219.8 %	-55.1 %	-103.3 %	-228.1 %	-6.5 %
EBITDA	-22.4	-35.2	-62.1	-64.2	-21.8	EBIT (adj.)-%	-228.2 %	-70.9 %	-104.3 %	-231.6 %	-9.8 %
Change in working capital	-5.9	-10.0	-22.9	0.7	-71.4	EBIT-%	-383.9 %	-74.2 %	-122.1 %	-268.7 %	-13.1 %
Operating cash flow	-28.2	-45.0	-84.9	-63.4	-93.2	ROE-%	-19.0 %	-25.1 %	-58.4 %	-87.7 %	-76.4 %
CAPEX	-183.8	-9.2	-12.9	-36.6	-40.7	ROI-%	-23.7 %	-23.1 %	-49.6 %	-62.4 %	-25.2 %
Free cash flow	-212.0	-52.8	-98.3	-16.3	-133.9	Equity ratio	95.5 %	90.3 %	69.7 %	66.6 %	22.0 %
						Gearing	-17.0 %	-59.5 %	-0.3 %	40.2 %	248.1 %
Valuation multiples	2021	2022	2023	2024e	2025e						
EV/S	75.4	4.5	4.7	14.2	1.7						
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	3.5	2.3	3.0	4.3	7.1						
Dividend-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %						

Source: Inderes

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Accumulate	The 12-month risk-adjusted expected shareholder return of the share is attractive
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
2024-03-15	Reduce	0.18 SEK	0.17 SEK
2024-04-02	Reduce	0.17 SEK	0.16 SEK
Analyst change, 2024-04-25			
2024-05-17	Reduce	0.21 SEK	0.24 SEK
2024-08-23	Reduce	0.48 SEK	0.53 SEK



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