

Meriaura Group

Company report

5/6/2024



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

✓ Inderes corporate customer

This report is a summary translation of the report "Parempaa tulosta odotettavissa loppuvuonna" published on 5/3/2024 at 9:45 pm EEST

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Better results expected towards the end of the year

Q1 was a weak quarter in terms of results, mainly due to seasonal and one-off factors. The earnings level should improve towards the end of the year, supported by a good order book in both business areas. However, as the value of Marine Logistics alone is not sufficient to cover the current share price and the turnaround in Renewable Energy is not yet in sight, we reiterate our Reduce recommendation with a target price of EUR 0.04 (unchanged).

Quarter in line with overall expectations

Meriara Group's revenue in Q1 amounted to 17.9 MEUR and increased 11% year-on-year. Marine Logistics' revenue (15.9 MEUR) exceeded our estimates, although it remained at the level of the comparison period. Renewable Energy's revenue (1.9 MEUR) was below our forecast, but significantly higher than in the comparison period. Marine Logistics' operational efficiency suffered from the effects of factors such as cold winter conditions and strikes, although the impact was smaller than expected. Project vessel utilization rates were at a good level, supporting revenue and profit. In Renewable Energy, revenue from the Bad Rappenau project in Germany was lower than expected, while deliveries of Rasol's solar power systems were delayed due to challenges with weather and materials. Q1 EBIT was weak at -0.2 MEUR (our forecast -0.1 MEUR) and net profit at -0.5 MEUR.

Result to improve after a difficult start to the year

The company is upbeat about its outlook and expects demand to develop favorably in both business units, supported by a good order book. In Marine Logistics, port strikes still disrupted the start of Q2, but on the other hand, the release of pent-up freight demand should support transport volumes during the quarter. In Renewable Energy, the high growth outlook for 2024 was further supported by the nearly 5 MEUR solar thermal project announced on Thursday, May 2. Our revenue forecast for 2024 was lowered by the amount missed in Q1, leaving our earnings forecasts for the rest of the year unchanged. We expect Marine Logistics' earnings to return to a good level towards the end of the year (2024e EBIT: 5.3 MEUR). Also in Renewable Energy, revenue growth should improve the result, even if the unit's EBIT remains negative (2024e EBIT: -2.5 MEUR). For Marine Logistics, we have slightly raised our long-term earnings forecasts, but also the level of depreciation and interest costs related to the recent vessel investments (group EBIT for 2025-26e increased by 1-6%).

Complex ownership arrangements may impact valuation in the near future

In order to justify the current share price, the Renewable Energy business would need to become profitable, which, despite the recent positive growth trend, is still a long way off given the cost structure. Of the earnings-based valuation multiples, the group's EV/EBIT (2024e: 21x) is very high. EV/EBITDA of 7x is slightly above the median of the marine logistics peer group, which has to be seen in the context of the capital-intensive nature of the Marine Logistics business and the high maintenance investment needs. The P/B of 1.0x is close to the peer group level. In the sum-of-the-parts calculation, the combined value of Marine Logistics alone and the group's net debt would amount to EUR 0.039. The planned sale of a minority share in the Marine Logistics business to the group's largest shareholder would strengthen the balance sheet, but at the same time make the group's structure even more complex than before. If the transaction were to take place at a lower valuation than the group's current balance sheet valuation (P/B 1.0x), it would likely have a negative impact on the share price.

Recommendation

Reduce

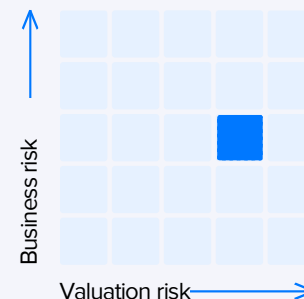
(previous Reduce)

EUR 0.04

(previous EUR 0.04)

Share price:

0.047



Key figures

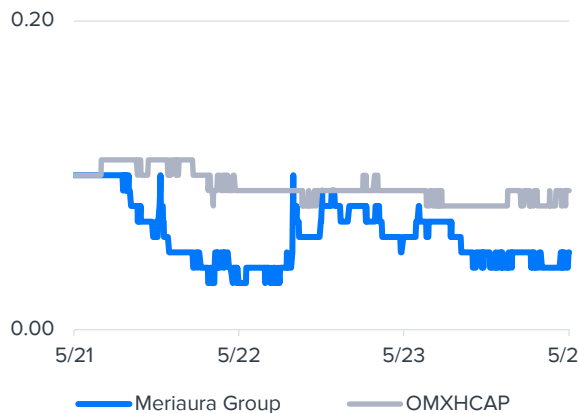
	2023	2024e	2025e	2026e
Revenue	66.2	77.8	84.6	93.6
growth-%	666%	18%	9%	11%
EBIT adj.	1.0	2.8	4.2	5.8
EBIT-% adj.	1.6 %	3.7 %	4.9 %	6.2 %
Net Income	-0.3	1.4	2.5	3.9
EPS (adj.)	0.000	0.002	0.003	0.004
P/E (adj.)	neg.	30.7	16.7	10.6
P/B	1.1	1.0	1.0	0.9
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	53.5	20.8	15.3	11.3
EV/EBITDA	8.8	7.0	6.4	4.9
EV/S	0.8	0.8	0.7	0.7

Source: Inderes

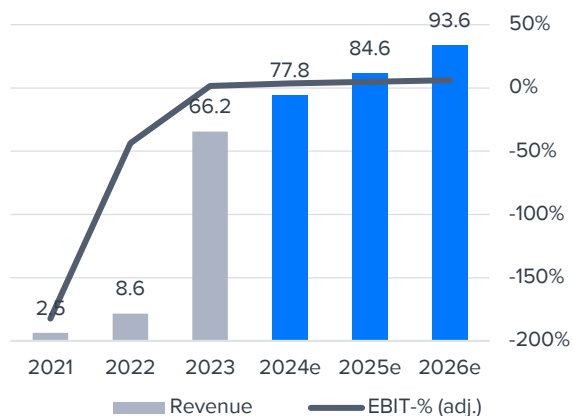
Guidance

(No guidance)

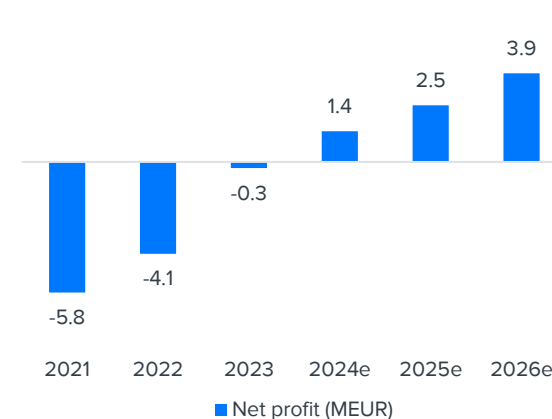
Share price



Revenue and EBIT-%



Net profit



Value drivers

- Growing demand for environmentally friendly solutions that reduce greenhouse gas emissions
- Unwinding the overcapacity in the global maritime cargo market
- Regulation, such as emissions trading, will make reducing CO2 emissions a competitive factor in both heat production and maritime freight
- Good position with emission reduction solutions in both business units



Risk factors

- The target market for the Renewable Energy unit at an early stage of its development
- The profitability turnaround of the Renewable Energy unit is unlikely to materialize in the next few years, which will eat into cash flow
- The market for Marine Logistics is cyclical

Valuation	2024e	2025e	2026e
Share price	0.05	0.05	0.05
Number of shares, million	886.8	886.8	886.8
Market cap	42	42	42
EV	59	63	66
P/E (adj.)	30.7	16.7	10.6
P/E	30.7	16.7	10.6
P/B	1.0	1.0	0.9
P/S	0.5	0.5	0.4
EV/Sales	0.8	0.7	0.7
EV/EBITDA	7.0	6.4	4.9
EV/EBIT (adj.)	20.8	15.3	11.3
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

At group level, figures close to expectations

Marine Logistics revenue exceeded our estimates

Meriaura Group's revenue was 17.9 MEUR in Q1, an increase of 11% year-on-year. Revenue exceeded our forecast by 3%, driven by higher-than-expected revenue in Marine Logistics (Q1: 15.9 MEUR). In Marine Logistics, ice conditions and strikes reduced dry cargo revenue and efficiency, which was to be expected. However, project vessel utilization rates remained good in Q1 and the share of project shipments was slightly higher than usual. Midway through Q1, Meriaura rented a new project vessel to accommodate the order book for the spring and early summer.

Renewable Energy's revenue of 1.9 MEUR was below our forecast (3.3 MEUR). As revenue depends on the timing of the company's project deliveries, we are not concerned by the lower than expected amount of

accrued revenue. According to the company, the solar thermal project delivered by Meriaura Energy in Bad Rappenau, Germany, has progressed as planned. Rasol's business had a limited impact on revenue, because the cold winter hampered solar power installations.

Result close to expectations

In Q1, EBITDA was 1.2 MEUR (5% below our forecast) and EBIT was -0.2 MEUR (our forecast was -0.1 MEUR). The result was therefore slightly below our forecasts. Marine Logistics' EBIT was EUR 0.8 million (our estimate 0.3 MEUR) and Renewable Energy's EBIT was EUR -0.9 million (our estimate -0.4 MEUR). The result was burdened by inefficiencies in Marine Logistics due to strikes and weather conditions, as well as the low volume of solar power deliveries by Rasol due to weather conditions, among other factors.

Q1 is seasonally a slightly weaker quarter for Marine Logistics due to the timing of the fairway dues.

Renewable Energy financed by majority owner

The group's equity amounted to 39.5 MEUR at the end of March, an improvement to the comparison period (March 2023: 35.6 MEUR). However, the equity ratio decreased to 57.3% (March 2023: 65.1%). The working capital needs required for the growth of the group's subsidiary Meriaura Energy (formerly Savosolar) have been financed by loans from the group's largest shareholder Meriaura Invest (total receivables 4.4 MEUR). The receivables are planned to be offset by a transaction in which the Meriaura Group would sell a minority share in Meriaura Oy to the majority owner. The value and details of the transaction are not yet known.

Estimates	Q1'23	Q1'24	Q1'24e	Q1'24e	Consensus	Difference (%)
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low High	Act. vs. Inderes
Revenue	16.2	17.9	17.3			3%
EBITDA	1.5	1.2	1.3			-5%
EBIT	0.2	-0.2	-0.1			
Net profit	-0.1	-0.5	-0.5			
Revenue growth-%	1019%	11%	7%			3.7 pp
EBIT-%	1.0 %	-1.1 %	-0.8 %			-0.4 pp

Source: Inderes

No significant changes to the outlook

Company expects continued good demand for solutions from both units

- Meriaura Group does not provide numerical guidance, but the company expects demand to remain good in both business units. At the beginning of Q2, Marine Logistics was still slightly affected by the strikes, but on the other hand, the freight shifted from Q1 to Q2 allows volumes to increase towards the end of the quarter, which is a seasonally quieter period.
- We have made only minor changes to our operational estimates. Regarding Meriaura's earnings outlook, we raised our revenue and earnings forecasts following a stronger-than-expected performance in Q1. In Renewable Energy, we lowered our earnings forecasts slightly, mainly due to higher-than-expected costs (relative to reported revenue).
- The delivery of a 5 MEUR solar thermal system to Lübeck, Germany, announced by Meriaura Group on May 2, supports our upward forecasts for the solar thermal business. However, we did not significantly change the unit's revenue forecasts, as we had already assumed that the company would win new orders. The outlook for revenue in 2024 is now good, but revenue in 2025 will of course again require new orders in 2024 and H1'25.
- Meriaura Group announced on April 15 that it will order two large biofuel dry cargo vessels with an investment cost of 34 MEUR and an estimated delivery date in 2026. We have included this investment in our forecasts. In addition, we have increased the depreciation assumptions for 2026 by 1.7 MEUR due to new vessels to be acquired for the own balance sheet. We have also slightly increased our profitability assumptions for Marine Logistics from 2026-27 as we expect the company's EBIT margin to be slightly higher with its own new fleet compared to the rented fleet (but taking into account the increase in financing costs).

Estimate revisions	2024e	2024e	Change	2025e	2025e	Change	2026e	2026e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	77.1	77.8	1%	83.6	84.6	1%	92.6	93.6	1%
EBITDA	8.4	8.5	1%	9.7	10.0	3%	11.3	13.4	18%
EBIT (exc. NRIs)	2.9	2.8	-3%	4.1	4.2	1%	5.5	5.8	6%
EBIT	2.9	2.8	-3%	4.1	4.2	1%	5.5	5.8	6%
PTP	1.6	1.5	-6%	2.8	2.7	-3%	4.0	4.1	5%

Source: Inderes

Valuation (1/2): Summary

Valuation summary

The fact that Meriaura Group consists of two very different business units makes it a challenging investment to evaluate. We view the Renewable Energy unit as a potential relatively capital-intensive growth business. However, its cash flows are unlikely to turn positive in the near term and even long-term growth would require a clear turnaround in the company's business. The long-term performance of Renewable Energy is highly uncertain, which makes it challenging to value. The Marine Logistics business unit, on the other hand, we consider as a capital-intensive store of value, whose performance fluctuates due to the cyclical nature of the maritime freight market. The valuation of Marine Logistics can therefore be more easily approached through a normalized performance level. In both business areas, efforts are being made to adapt to the green transition before regulation forces to do so. This may create benefits or competitive advantages in the future as regulation tightens, which we have also tried to take into account to some extent in our estimates.

Valuation down closer to peers

In our view, the current price level is still somewhat elevated, although at least some valuation multiples have come down to near fair value. EV/EBIT multiples at group level are high (2024-25: 21X and 15x, peers 9x), as Renewable Energy is weighing on earnings and Marine Logistics has high depreciation. EV/EBITDA multiples are already quite low (2024-25: 6-7x) and close to the peer group level (6-7x). The capital-intensive nature of Marine Logistics means that a large part of EBITDA will be spent over time on the investments required to refurbish and renew the fleet, which were very low in 2023. As regards the balance

sheet, Meriaura Group is valued at a P/B ratio of 1.0x (2024e). The median P/B ratio of our peers is 1.0-1.1x, so the valuation is close to fair value on a balance sheet basis.

SOTP close to the current share price

We believe that the sum-of-the-parts valuation method is the most appropriate for determining the value of Meriaura Group. In the baseline scenario of our sum-of-the-parts method, the solar thermal business would be valued at 2 MEUR, the solar power business at 4 MEUR and Marine Logistics at 48 MEUR (EV/EBIT 2024e 9.0x or 0.95x market value of the ships on June 14, 2022), which would result in a fair value of the group of 41 MEUR and a share value of EUR 0.046, taking into account net debt of 13 MEUR (12/31/2023).

Clear visibility on the turnaround of Renewable Energy required for upside potential

Based on the sum-of-the-parts and earnings-based and balance sheet valuation multiples, we estimate the fair value of the stock at EUR 0.035-0.055 (EV/EBITDA 5.7-7.8x, P/B 0.8-1.2x at 2024 estimates). We reiterate our target price of EUR 0.04 and Reduce recommendation. Justifying a higher share price would require clearly better visibility of the performance of the Renewable Energy business. In our view, a turnaround would require a significant improvement in the competitiveness of the business compared to the past and, in addition to growth, better margins. Emission reduction targets and tighter regulation are likely to support the long-term competitiveness of the Renewable Energy segment, but there is still a long way to go to a profitable level.

Valuation	2024e	2025e	2026e
Share price	0.05	0.05	0.05
Number of shares, million:	886.8	886.8	886.8
Market cap	42	42	42
EV	59	63	66
P/E (adj.)	30.7	16.7	10.6
P/E	30.7	16.7	10.6
P/B	1.0	1.0	0.9
P/S	0.5	0.5	0.4
EV/Sales	0.8	0.7	0.7
EV/EBITDA	7.0	6.4	4.9
EV/EBIT (adj.)	20.8	15.3	11.3
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Factors supporting the valuation:

- Emissions reduction and regulation create demand for company's solutions
- Extensive solar energy portfolio and experience in designing large-scale energy solutions
- Marine Logistics prepared to reduce emissions even before emissions trading started

Factors negatively affecting the valuation:

- Renewable Energy unit's turnaround not yet in sight in the next few years
- Renewable Energy business is project-based and therefore vulnerable to changes in demand
- The profitability of Marine Logistics fluctuates with the business cycle
- A complex structure for a small company

Valuation (2/2): Sum of the parts

Sum of the parts and scenarios

There is significant uncertainty about the long-term performance of the Renewable Energy unit. Therefore, we find it useful to look at the fair value of the group through different scenarios. The value of the solar thermal business within Renewable Energy varies between the scenarios, but for photovoltaics (Rasol) and marine logistics we have developed only one scenario in the SOTP calculation.

Sum of the parts - Renewable Energy

The baseline scenario for the valuation of **the solar thermal business** unit assumes a clearly positive business trend with an increase in revenue and an improvement in the material margin, which would result in EBIT already close to neutral in 2026 (-0.3 MEUR). Even in the baseline scenario, the business is a burden on the Group's cash flows, but on the other hand, a positive development would raise hopes for a long-term turnaround in the profitability of the business. We value the business at 2 MEUR in the baseline scenario, consisting of negative cash flows of -8 MEUR in 2024-2026 and a residual value of 10 MEUR (EV/revenue 0.5x) in 2026. The residual value assumes that the profit outlook in 2026 would be clearly upward and the business could be turned profitable within a few years, although in the first years cash flow would still suffer from small losses and expansion investments.

We have also developed two additional scenarios for Renewable Energy, one negative and one positive. In a negative scenario, the result never turns positive, resulting in a closure of operations in 2026 and a total negative impact of 10 MEUR on cash flows in 2024-2026. In a positive scenario, revenue more than tenfolds to 50 MEUR material margin improves to 25%

and fixed costs increase to 10 MEUR (2023: -4 MEUR), resulting in an EBIT of 2.5 MEUR (5% of revenue). In this case, an EV/EBIT valuation factor of 14x, suitable for a growth business, would turn the value of the business clearly positive at EUR 35 MEUR.

We have set the value of **the solar power business** at 4 MEUR in the calculation, which is in line with the notional purchase price of the Rasol acquisition. Business figures for 2023 are not available, which makes the valuation difficult, but compared to 2022 figures, the valuation is quite favorable (EV/EBIT 8x). The performance as part of the Meriaura Group will drive the value of the unit in our calculations.

Sum of the parts - Marine Logistics

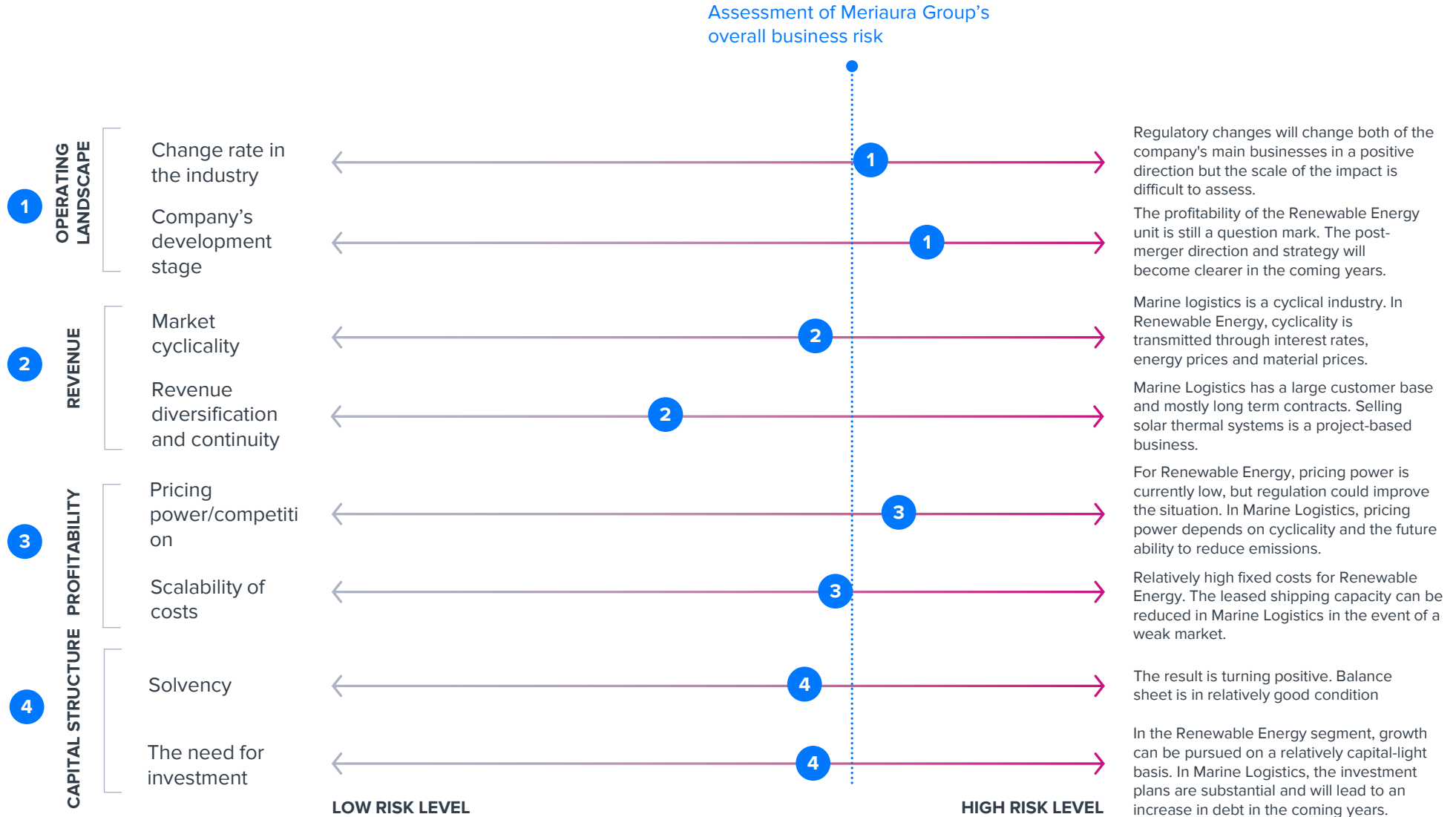
We seek to determine the value of Marine Logistics by looking at the estimated normalized earnings level and the normalized earnings-based valuation multiples. The marine logistics industry is capital-intensive and cyclical, which is why we believe the business should be valued at a relatively moderate EV/EBIT of 9x relative to normalized earnings. With 2024 forecasts, peers are priced at 8-10x EV/EBIT ratios.

We estimate the projected performance level for 2024 to be equal to the normalized level and use this as the base year for the valuation. For 2024, we forecast an EBIT of 5.3 MEUR (8.2% of revenue), whereby a 9x EV/EBIT multiple would give an operating value of 48 MEUR, which is about 0.95 times the market value of the company's ships on 07/14/2022 (50.8 MEUR). The market value of the ships may have fallen since then, partly due to the economic downturn and wear and tear.

Sum of the parts MEUR	Scenario		
	Negative	Baseline	Positive
Solar thermal (formerly Savosolar)			
Revenue 2026e	5	20.0	50
EBIT 2026e	-4.0	-0.3	2.5
EBIT-% 2026e	-80%	1%	5%
EV/EBIT (x)			14x
Enterprise value (EV)	-10	2	35
+			
Solar power (Rasol)			
Revenue 2022		4.0	
EBIT 2022		0.5	
EV/EBIT (x)		8x	
Enterprise value (EV)	4	4	4
+			
Marine Logistics			
Revenue 2024e		65	
EBIT 2024e		5.3	
EBIT-% 2024e		8.2%	
EV/EBIT (x)		9.0x	
Enterprise value (EV)	48	48	48
EV/Market value of ships 06/14/2022	0.95x	0.95x	0.95x
=			
Total enterprise value (EV)	43	54	87
Net debt 2023	-13	-13	-13
Fair market value	29	41	74
Fair share price EUR	0.033	0.046	0.083
Current share price EUR	0.047	0.047	0.047
Current market cap	42	42	42
Difference	-29%	-2%	78%

Source: Inderes' estimate

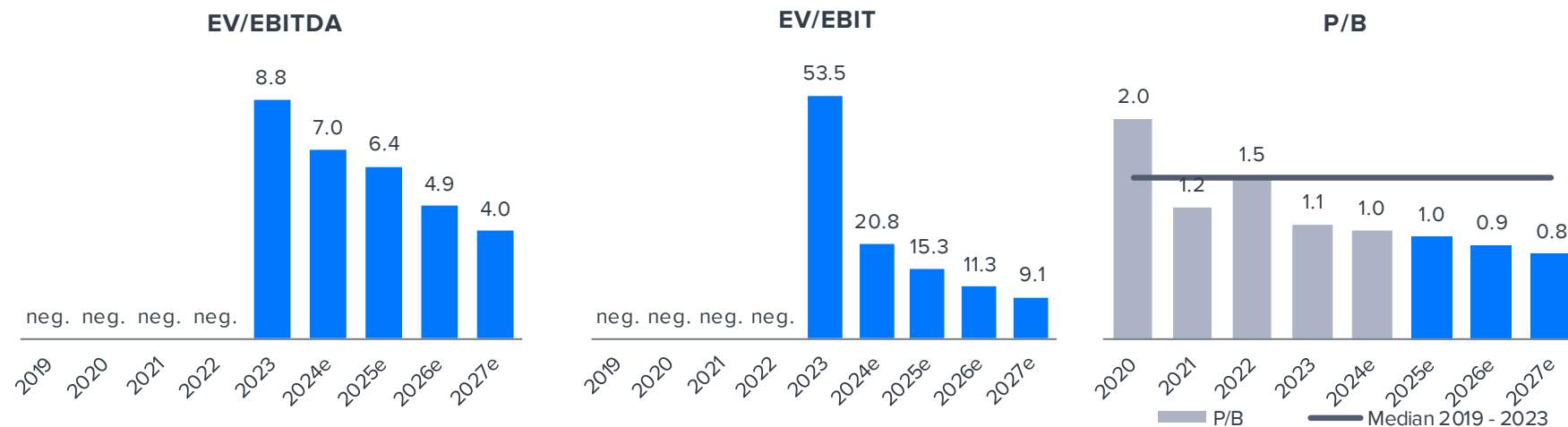
Risk profile of the business model



Valuation table

Valuation	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e
Share price	0.90	0.15	0.05	0.07	0.05	0.05	0.05	0.05	0.05
Number of shares, millions	17.2	62.9	165.2	783.1	886.8	886.8	886.8	886.8	886.8
Market cap	16	9.5	8.0	53	42	42	42	42	42
EV	15	7.6	4.1	70	56	59	63	66	60
P/E (adj.)	neg.	neg.	neg.	neg.	neg.	30.7	16.7	10.6	8.7
P/E	neg.	neg.	neg.	neg.	neg.	30.7	16.7	10.6	8.7
P/B	4.3	2.0	1.2	1.5	1.1	1.0	1.0	0.9	0.8
P/S	4.5	1.9	3.2	6.2	0.6	0.5	0.5	0.4	0.4
EV/Sales	4.3	1.5	1.7	8.1	0.8	0.8	0.7	0.7	0.6
EV/EBITDA	neg.	neg.	neg.	neg.	8.8	7.0	6.4	4.9	4.0
EV/EBIT (adj.)	neg.	neg.	neg.	neg.	53.5	20.8	15.3	11.3	9.1
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	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	MEUR	MEUR	2024e	2025e	2024e	2025e	2024e	2025e	2024e	2025e	2024e	2025e	2024e
Safe Bulkers	511	925	7.7	9.1	5.3	5.8	3.4	3.5	6.3	7.4	4.7	4.2	
Eurodry	53	149	9.8	10.4	5.0	5.1	2.2	2.1	8.4	7.1			0.5
Start Bulk Carriers	2634	3514	8.7	7.8	6.4	5.8	3.8	3.5	6.2	5.5	9.9	11.2	1.2
Kawasaki Kisen Kaisha	9299	9268			11.9	11.2	1.6	1.6	10.7	9.5	4.9	3.8	1.0
Golden Ocean Group	2738	3979		10.9	7.8	7.9	4.9	4.7	8.9	8.1	10.6	10.2	1.5
Meriaura Group (Inderes)	42	59	20.8	15.3	7.0	6.4	0.8	0.7	30.7	16.7	0.0	0.0	1.0
Average			8.8	9.5	7.3	7.2	3.2	3.1	8.1	7.5	7.5	7.3	1.0
Median			8.7	9.7	6.4	5.8	3.4	3.5	8.4	7.4	7.4	7.2	1.1
Diff-% to median			138%	57%	10%	10%	-77%	-78%	267%	125%	-100%	-100%	-10%

Source: Refinitiv / Inderes

Income statement

Income statement	2021	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24	Q2'24e	Q3'24e	Q4'24e	2024e	2025e	2026e	2027e
Revenue	2.5	8.6	16.2	15.3	15.7	19.0	66.2	17.9	19.8	19.2	20.9	77.8	84.6	93.6	100
Renewable Energy	0.0	3.8	0.2	0.3	0.2	2.7	3.4	1.9	3.3	3.5	4.1	12.9	17.4	24.0	28.3
Marine Logistics	0.0	4.9	16.0	15.0	15.5	16.4	62.8	15.9	16.5	15.7	16.8	64.9	67.2	69.6	72.1
EBITDA	-4.2	-3.6	1.5	1.1	1.7	2.1	6.3	1.2	2.2	2.2	2.9	8.5	10.0	13.4	15.0
Depreciation	-0.4	-0.2	-1.3	-1.3	-1.4	-1.2	-5.3	-1.4	-1.4	-1.5	-1.4	-5.6	-5.8	-7.6	-8.4
EBIT (excl. NRI)	-4.6	-3.8	0.2	-0.2	0.3	0.8	1.0	-0.2	0.9	0.7	1.5	2.8	4.2	5.8	6.6
EBIT	-4.6	-3.8	0.2	-0.2	0.3	0.8	1.0	-0.2	0.9	0.7	1.5	2.8	4.2	5.8	6.6
Renewable Energy			-1.1	-1.3	-0.7	-0.7	-3.8	-0.9	-0.6	-0.4	-0.4	-2.5	-1.2	0.2	0.7
Marine Logistics			1.2	1.0	1.0	1.9	5.1	0.8	1.5	1.1	1.9	5.3	5.3	5.6	5.9
Net financial items	-1.2	-0.3	-0.2	-0.3	-0.2	-0.6	-1.4	-0.3	-0.3	-0.4	-0.4	-1.3	-1.5	-1.7	-1.6
PTP	-5.8	-4.1	-0.1	-0.5	0.0	0.2	-0.3	-0.5	0.6	0.4	1.1	1.5	2.7	4.1	5.0
Taxes	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2
Net earnings	-5.8	-4.1	-0.1	-0.5	0.0	0.3	-0.3	-0.5	0.5	0.3	1.0	1.4	2.5	3.9	4.8
EPS (rep.)	-0.03	-0.01	0.00	0.00	0.00	0.00	0.00	-0.0005	0.0006	0.0003	0.0011	0.0015	0.0028	0.0044	0.0054
Key figures	2021	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24	Q2'24e	Q3'24e	Q4'24e	2024e	2025e	2026e	2027e
Revenue growth-%	-51.2 %	245.8%					666.5 %	10.3 %	29.7 %	22.7 %	9.7 %	17.6 %	8.8 %	10.6 %	7.3 %
Adjusted EBIT growth-%												173.1 %	46.0 %	40.4 %	12.6 %
EBITDA-%	-167.2 %	-41.4 %	9.3 %	7.2 %	10.6 %	10.8 %	9.6 %	6.7 %	11.3 %	11.2 %	13.9 %	10.9 %	11.8 %	14.3 %	14.9 %
Adjusted EBIT-%	-182.4 %	-43.6 %	1.0 %	-1.4 %	1.7 %	4.4 %	1.6 %	-1.0 %	4.3 %	3.7 %	7.1 %	3.7 %	4.9 %	6.2 %	6.6 %
Net earnings-%	-231.2 %	-47.1 %	-0.5 %	-3.3 %	0.1 %	1.5 %	-0.4 %	-2.6 %	2.8 %	1.5 %	4.6 %	1.7 %	3.0 %	4.2 %	4.8 %

Source: Inderes

Balance sheet

Assets	2022	2023	2024e	2025e	2026e
Non-current assets	50.6	49.4	54.1	60.5	66.2
Goodwill	0.0	3.5	3.5	3.5	3.5
Intangible assets	4.1	4.1	4.1	4.1	4.1
Tangible assets	46.5	41.8	46.5	52.8	58.5
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	0.0	0.0	0.0	0.0
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
Current assets	13.8	18.4	21.4	23.1	25.4
Inventories	3.4	2.5	2.8	2.9	3.2
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	6.6	8.2	9.5	10.3	11.3
Cash and equivalents	3.8	7.7	9.1	9.9	10.9
Balance sheet total	64.4	67.8	75.5	83.5	91.6

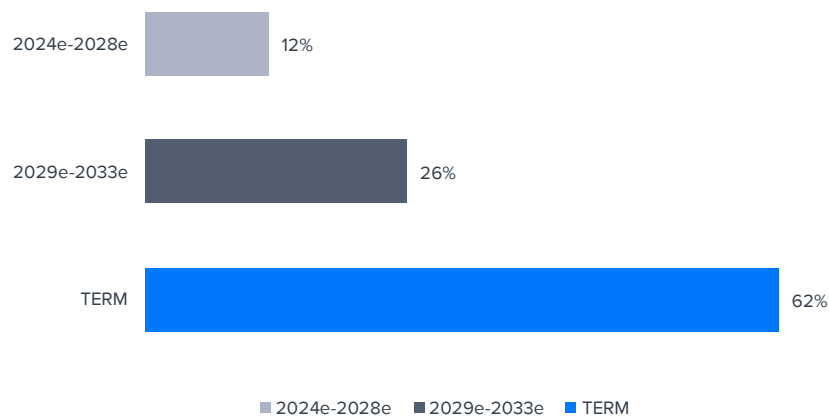
Source: Inderes

Liabilities & equity	2022	2023	2024e	2025e	2026e
Equity	35.4	40.0	41.3	43.8	47.8
Share capital	0.5	0.5	0.5	0.5	0.5
Retained earnings	-50.0	-50.3	-48.9	-46.4	-42.5
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	84.9	89.8	89.8	89.8	89.8
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	17.5	18.1	21.5	24.0	26.6
Deferred tax liabilities	0.0	0.0	0.0	0.0	0.0
Provisions	0.2	0.2	0.2	0.2	0.2
Interest bearing debt	17.3	17.9	21.3	23.7	26.4
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	11.4	9.7	12.7	15.7	17.2
Interest bearing debt	3.2	3.2	5.3	7.9	8.8
Payables	8.2	6.6	7.4	7.8	8.4
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	64.4	67.8	75.5	83.5	91.6

DCF calculation

DCF model	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	TERM
Revenue growth-%	666.5 %	17.6 %	8.8 %	10.6 %	7.3 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	2.5 %	2.5 %
EBIT-%	1.6 %	3.7 %	4.9 %	6.2 %	6.6 %	6.6 %	6.6 %	6.6 %	5.5 %	5.5 %	5.5 %	5.5 %
EBIT (operating profit)	1.0	2.8	4.2	5.8	6.6	6.9	7.3	7.6	6.7	7.0	7.2	
+ Depreciation	5.3	5.6	5.8	7.6	8.4	8.1	7.9	6.5	6.6	6.7	6.8	
- Paid taxes	0.1	-0.2	-0.2	-0.2	-0.2	-0.3	-0.4	-0.5	-0.5	-0.5	-0.6	
- Tax, financial expenses	-0.2	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1	0.0	0.0	0.0	0.0	
+ 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	-2.4	-0.8	-0.4	-0.7	-0.4	-0.3	-0.3	-0.1	-0.1	-0.1	-0.2	
Operating cash flow	3.7	7.3	9.2	12.4	14.3	14.4	14.4	13.5	12.7	13.1	13.3	
+ 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	
- Gross CAPEX	-4.1	-10.3	-12.2	-13.3	-6.6	-6.8	-7.0	-7.2	-7.5	-7.7	-7.7	
Free operating cash flow	-0.3	-3.0	-3.0	-0.8	7.7	7.6	7.4	6.3	5.2	5.4	5.6	
+/- Other	4.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	4.5	-3.0	-3.0	-0.8	7.7	7.6	7.4	6.3	5.2	5.4	5.6	87.6
Discounted FCFF		-2.8	-2.6	-0.7	5.6	5.1	4.5	3.5	2.7	2.5	2.4	37.9
Sum of FCFF present value		58.1	61.0	63.5	64.2	58.6	53.5	49.0	45.5	42.8	40.3	37.9
Enterprise value DCF		58.1										
- Interest bearing debt		-21.1										
+ Cash and cash equivalents		7.7										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		44.8										
Equity value DCF per share		0.051										

Cash flow distribution



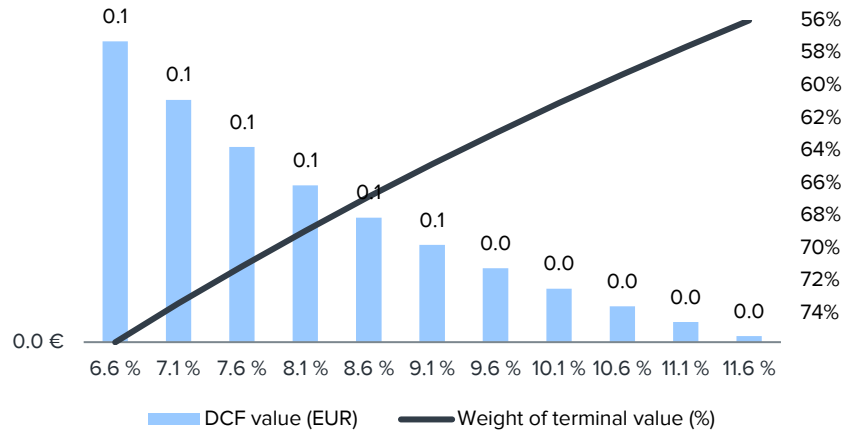
WACC

Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	10.0 %
Cost of debt	5.0 %
Equity Beta	1.50
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.5 %
Cost of equity	9.6 %
Weighted average cost of capital (WACC)	9.1 %

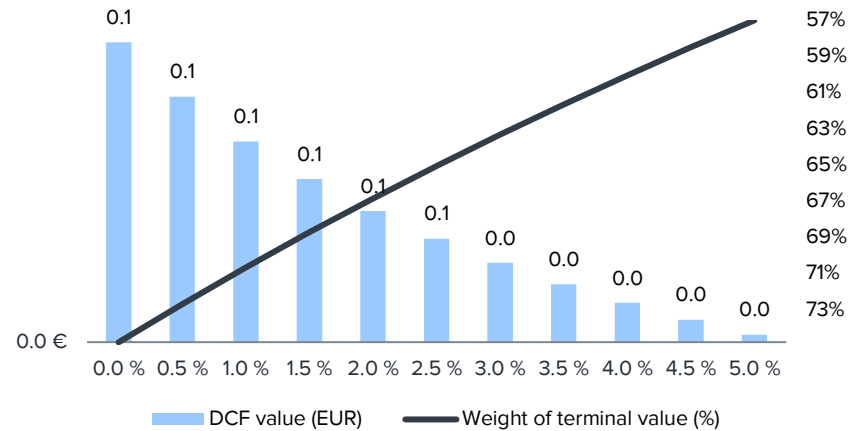
Source: Inderes

DCF sensitivity calculations and key assumptions in graphs

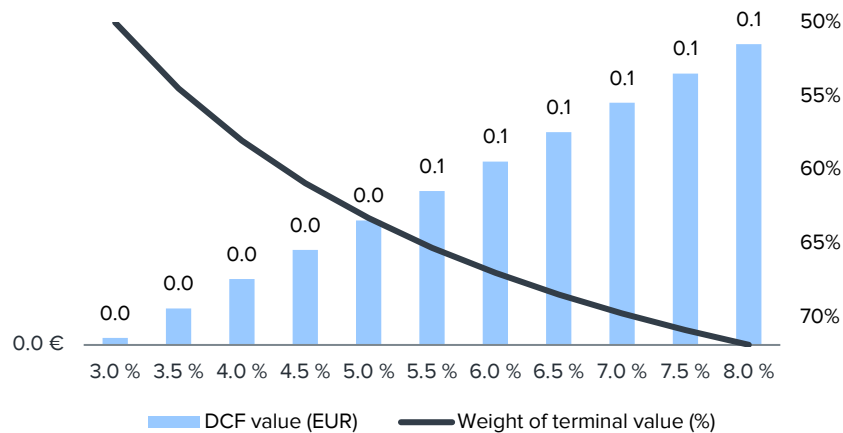
Sensitivity of DCF to changes in the WACC-%



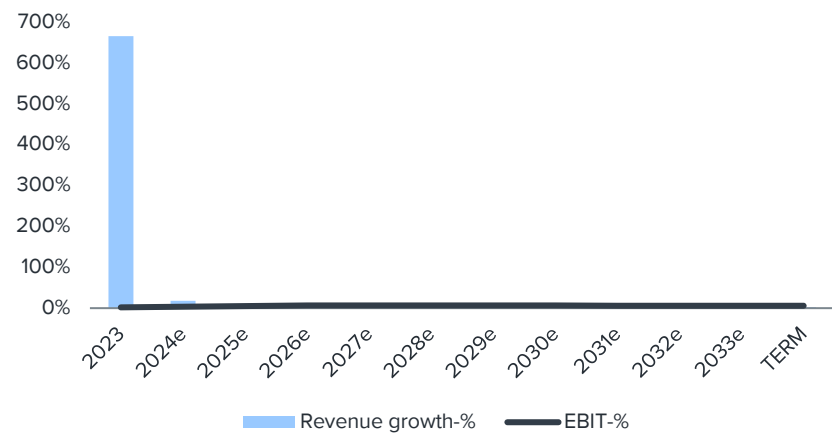
Sensitivity of DCF to changes in the risk-free rate



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	2.5	8.6	66.2	77.8	84.6	EPS (reported)	-0.03	-0.01	0.00	0.00	0.00
EBITDA	-4.2	-3.6	6.3	8.5	10.0	EPS (adj.)	-0.03	-0.01	0.00	0.00	0.00
EBIT	-4.6	-3.8	1.0	2.8	4.2	OCF / share	-0.03	0.00	0.00	0.01	0.01
PTP	-5.8	-4.1	-0.3	1.5	2.7	FCF / share	-0.03	-0.02	0.01	0.00	0.00
Net Income	-5.8	-4.1	-0.3	1.4	2.5	Book value / share	0.04	0.05	0.05	0.05	0.05
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	8.2	64.4	67.8	75.5	83.5	Revenue growth-%	-51%	246%	666%	18%	9%
Equity capital	6.5	35.4	40.0	41.3	43.8	EBITDA growth-%	22%	-14%	-277%	34%	17%
Goodwill	0.0	0.0	3.5	3.5	3.5	EBIT (adj.) growth-%	17%	-17%	-128%	173%	46%
Net debt	-3.8	16.7	13.3	17.5	21.8	EPS (adj.) growth-%	-56%	-85%	-94%	-588%	84%
Cash flow	2021	2022	2023	2024e	2025e	EBITDA-%	-167.2 %	-41.4 %	9.6 %	10.9 %	11.8 %
EBITDA	-4.2	-3.6	6.3	8.5	10.0	EBIT (adj.)-%	-182.4 %	-43.6 %	1.6 %	3.7 %	4.9 %
Change in working capital	-0.5	-0.3	-2.4	-0.8	-0.4	EBIT-%	-182.4 %	-43.6 %	1.6 %	3.7 %	4.9 %
Operating cash flow	-4.7	-3.8	3.7	7.3	9.2	ROE-%	-103.4 %	-19.4 %	-0.7 %	3.3 %	5.9 %
CAPEX	0.2	-49.5	-4.1	-10.3	-12.2	ROI-%	-76.2 %	-12.0 %	1.8 %	4.4 %	5.8 %
Free cash flow	-4.5	-16.9	4.5	-3.0	-3.0	Equity ratio	79.5 %	55.0 %	58.9 %	54.7 %	52.5 %
Valuation multiples	2021	2022	2023	2024e	2025e	Gearing	-58.8 %	47.2 %	33.3 %	42.3 %	49.7 %
EV/S	1.7	8.1	0.8	0.8	0.7						
EV/EBITDA (adj.)	neg.	neg.	8.8	7.0	6.4						
EV/EBIT (adj.)	neg.	neg.	53.5	20.8	15.3						
P/E (adj.)	neg.	neg.	neg.	30.7	16.7						
P/B	1.2	1.5	1.1	1.0	1.0						
Dividend-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %						

Source: Inderes

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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
3/9/2023	Sell	0.06 €	0.078 €
5/8/2023	Reduce	0.05 €	0.058 €
8/28/2023	Sell	0.04 €	0.062 €
11/6/2023	Reduce	0.04 €	0.049 €
11/30/2023	Reduce	0.04 €	0.048 €
3/1/2024	Reduce	0.04 €	0.048 €
4/29/2024	Reduce	0.04 €	0.048 €
5/3/2024	Reduce	0.04 €	0.047 €



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Inderes Oyj

Itämerentori 2

FI-00180 Helsinki, Finland

+358 10 219 4690

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