

Starbreeze

Company report

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Christoffer Jennel
46731589555
christoffer.jennel@inderes.com



Atte Riikola
+358 44 593 4500
atte.riikola@inderes.fi

✓ Inderes corporate customer

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No immediate rush into the share

The *PAYDAY 3* game has undergone notable improvements during the past year and the sentiment around the game has shifted more positive in recent months. However, despite these achievements, the player activity remains muted. We believe this reaffirm our conservative investment view on the company and with limited catalysts for the stock in the short-term, we reiterate our Reduce recommendation while lowering our target price to SEK 0.22 (was SEK 0.30).

Q3 results met our expectations

Starbreeze's Q3 revenues amounted to 43 MSEK, which was in line with our estimates. Although PD3 revenues were stable q/q at 23 MSEK, falling short of our expectations, PD2 revenue came in above our forecasts. The adjusted EBIT amounted to -63 MSEK, which matched our estimates, and represented a small improvement q/q (Q2'24: -71 MSEK). The cash position declined by some 85 MSEK to 249 MSEK due to continued high investments, unfavorable working capital changes and negative earnings. Starbreeze expects lower investment needs for PD3 going forward as initiatives like *Operation Medic Bag* conclude. During and after the quarter, Starbreeze released additional PD3 content and introduced several new gameplay features (e.g., CrimeNet server browser, VOIP, a revamped UI). Although sentiment has improved in recent months as a result, player activity remains subdued.

We make small changes in our estimates

We believe recent developments in PD3 support our broader outlook, suggesting that a significant resurgence in player base and revenue is unlikely. Instead, we anticipate that player activity and revenues will gradually decline throughout 2025 and beyond. In response to the Q3 results, we have made minor adjustments to our revenue estimates, lowering PD3 projections for Q4 while slightly raising those for PD2. Additionally, we have made small changes to our cost estimates, especially regarding D&A during 2024-2025 but also to OpEX. However, the impact on free cash flow is less significant.

We see no rush to the share despite the recent drop

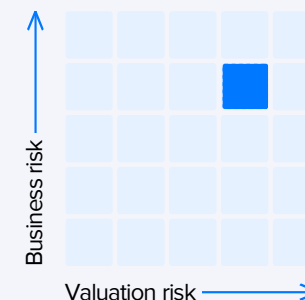
Despite a recent drop in the share price, we don't see any rush into the stock yet. A PD3 turnaround appears increasingly improbable, and short-term catalysts are limited. While the low market valuation could present attractive upside potential if there would be a strong recovery in PD3's player activity and revenue, or if *Project Baxter* succeeds, the impact of recent measures - such as content updates, gameplay enhancements, and bug fixes - has been modest. With little clues about what Starbreeze will do differently in PD3's second year on the market, we believe a continued conservative approach remains warranted. Our DCF-valuation stands at SEK 0.35, reflecting a moderately optimistic long-term scenario. However, given that the cash flows are highly concentrated in the future, we do not think it provides good support in the short term as Starbreeze's valuation is strongly linked to the near-term performance of PD3. Additionally, while the *Dungeons & Dragons* game (*Project Baxter*) is progressing toward its 2026 release, uncertainties around partnership structure and market interest remain, offering limited support for the stock at this stage. In our view, a substantial and sustained increase in PD3 player activity, along with more clarity on *Project Baxter*, will be important to provide support to the share.

Recommendation

Reduce
(prev. Reduce)

0.22 SEK
(prev. 0.30 SEK)

Share price:
0.20 SEK



Key indicators

	2023	2024e	2025e	2026e
Revenue	634	183	139	344
growth-%	396%	-71%	-24%	147%
EBIT adj.	190	-227	-73	-101
EBIT-% adj.	30.0 %	-124.1 %	-52.2 %	-29.5 %
Net Income	208	-204	-73	-105
EPS (adj.)	0.19	-0.16	-0.05	-0.07
P/E (adj.)	2.5	neg.	neg.	neg.
P/B	0.8	0.4	0.5	0.6
EV/EBIT (adj.)	1.8	neg.	neg.	neg.
EV/EBITDA	0.8	0.9	7.5	1.3
EV/S	0.6	0.5	1.4	0.7

Source: Inderes

Guidance

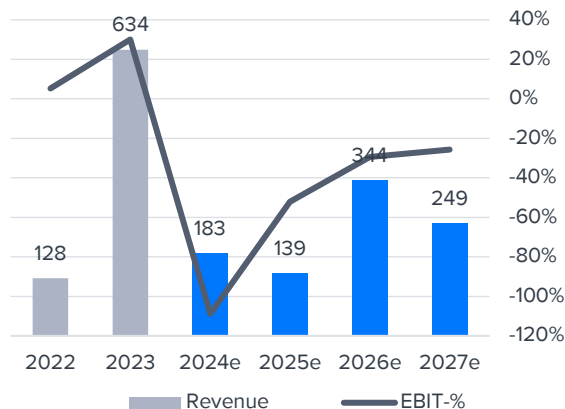
(Starbreeze provides no guidance)

Share Price



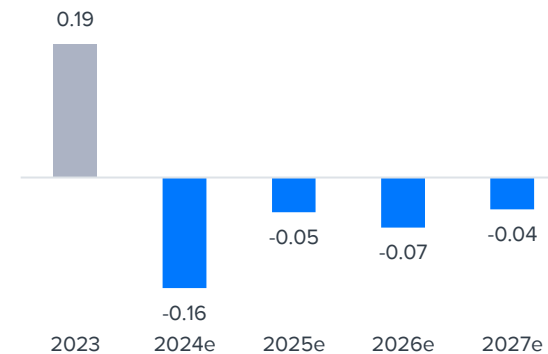
Source: Millistream Market Data AB

Revenues and operating profit-%



Source: Inderes

Earnings per share



Source: Inderes



Value drivers

- The company's main asset is its ownership of the PAYDAY game franchise
- If Starbreeze can entice players to return to PAYDAY 3, the company's financial outlook, as well as its potential to expand and/or license the IP, would improve significantly
- New game releases after PAYDAY 3. A game based on the Dungeons and Dragons IP is set to be released in 2026, another in 2027/2028
- Future third-party publishing operations and adding new platforms for existing titles
- Highly scalable business model with successful launches



Risk factors

- Undiversified revenue stream with almost all revenues coming from a single franchise
- If PAYDAY 3 fails to entice players to return, Starbreeze will be left without a significant revenue stream until the next game is released in 2026.
- Limited visibility into the games after PAYDAY 3 makes it hard to assess the company's long-term potential
- Commercial failure and/or delays in future game projects

Valuation	2024e	2025e	2026e
Share price	0.20	0.20	0.20
Number of shares, million:	1,477	1,477	1,477
Market cap	293	293	293
EV	86	198	238
P/E (adj.)	neg.	neg.	neg.
P/E	neg.	neg.	neg.
P/B	0.4	0.5	0.6
P/S	1.6	2.1	0.9
EV/Sales	0.5	1.4	0.7
EV/EBITDA	0.9	7.5	1.3
EV/EBIT (adj.)	neg.	neg.	neg.

Source: Inderes

Q3 was in line with expectations

Revenues in line with expectations

Starbreeze's Q3 revenues fell 91% y/y to 43 MSEK, aligning with our expectations. This substantial decline reflects the impact of PD3's launch in the prior comparison period. On a q/q basis, revenue saw a slight uptick, primarily driven by an increase in PD2 revenue, which rose to 11.5 MSEK (Q2'24: 9 MSEK), surpassing our forecast of 7 MSEK. Meanwhile, PD3 revenue was steady at 23 MSEK (Q2'24: 22 MSEK), below our expected 29 MSEK. Third-party publishing revenues met our projection of 6 MSEK.

In our view, two aspects of the revenue mix were somewhat unexpected. First, PD3 revenue remained flat q/q, despite the release of two new DLCs and various game enhancements. Second, the increase in PD2 revenue was notable, especially given that Starbreeze no longer monetizes this title as actively as

before, such as through regular DLC releases. This uptick may simply reflect increased buzz and marketing around PD3, which likely attracted players with older consoles back to the franchise, prompting some to purchase PD2 instead. Our long-term outlook remains unchanged: we expect a gradual decline in revenue from both PD3 and PD2 going forward.

Adjusted EBIT matched our estimates

In Q3, the adjusted operating profit (EBIT) was -63 MSEK, in line with our estimates. The reported EBIT, however, came in at -55 MSEK but included a reversal of previously expensed personnel costs of 8 MSEK related to the company's long-term incentive program linked to the PD3 launch. Excluding this adjustment, operating expenses were slightly below our estimates.

A declining cash position was expected

Operating cash flow (OCF) after changes in working capital amounted to -16 MSEK, primarily due to negative earnings and unfavorable working capital changes.

Investments for the quarter totaled 65 MSEK, resulting in a free cash flow of -81 MSEK. Starbreeze did not receive any game development financing during the quarter, ending Q3 with a cash balance of 249 MSEK and virtually no debt. While the cash decline was anticipated and the current cash position remains solid, a persistently low PD3 activity could further strain cash flow in the coming quarters, despite anticipated reductions in PD3 investments as the team scales down and *Operation Medic Bag* concludes with the company entering year two.

Estimates MSEK / SEK	Q3'23	Q3'24	Q3'24e	Q3'24e	Consensus		Difference (%)	2024e
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	494	42.7	42.8				0%	183
EBITDA	442	21.4	10.5				103%	78.3
EBIT (adj.)	300	-63.0	-63.2				0%	-226.7
EBIT	300	-55.0	-62.5				12%	-198.8
EPS (reported)	0.21	-0.04	-0.04				6%	-0.15
Revenue growth-%	1178.6 %	-91.4 %	-91.3 %				0 pp	-71.2 %
EBIT-% (adj.)	60.7 %	-147.7 %	-147.5 %				-0.1 pp	-124.1 %

Source: Inderes

Small revisions in our estimates following Q3

Estimate changes

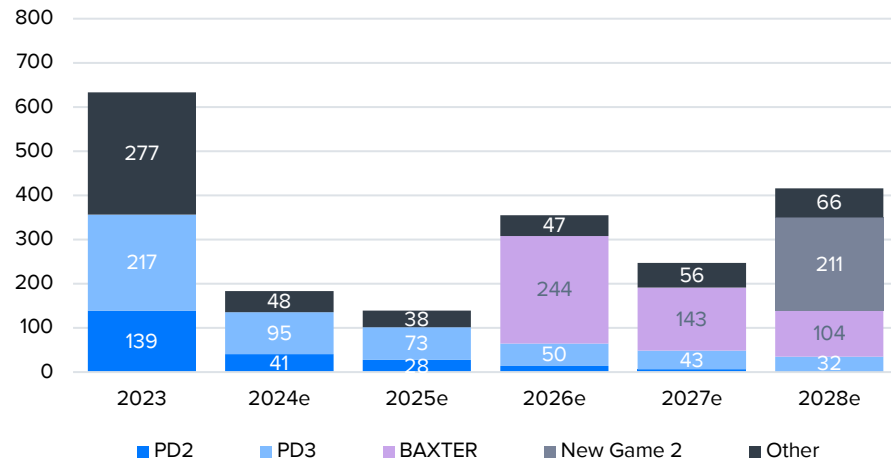
- Based on the revenue mix observed in Q3'24 for PD3 and PD2, we have adjusted our projections by lowering PD3 estimates for Q4 while slightly raising expectations for PD2 revenue. These changes resulted in a minimal impact on our overall topline forecast for 2024 and beyond.
- We have also fine-tuned our D&A estimates, particularly for Q4'24 and 2025, and made minor adjustments to OpEX to better align with the Q3 figures.
- Additionally, we made small changes in our working capital assumptions. However, these adjustments, along with the changes mentioned above, had no tangible effect on our DCF valuation.

Estimate revisions	2024e			2025e			2026e		
	Old	New	Change %	Old	New	Change %	Old	New	Change %
MSEK / SEK									
Revenue	186	183	-2%	135	139	3%	344	344	0%
EBITDA	78.7	91.6	16%	16.7	26.5	59%	191	189	-1%
EBIT (exc. NRIs)	-235.6	-226.7	4%	-78.1	-72.6	7%	-99.0	-101.3	-2%
EBIT	-215.7	-198.8	8%	-78.1	-72.6	7%	-99.0	-101.3	-2%
EPS (excl. NRIs)	-0.16	-0.16	0%	-0.05	-0.05	7%	-0.07	-0.07	-2%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

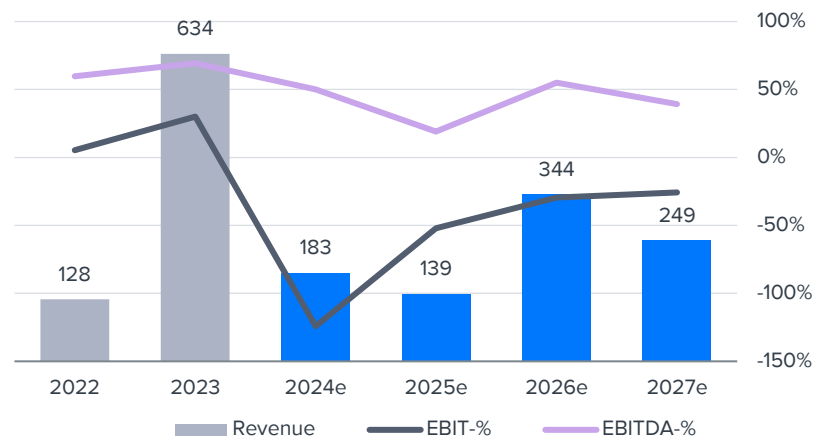
Source: Inderes

Underlying assumptions for revenue estimates

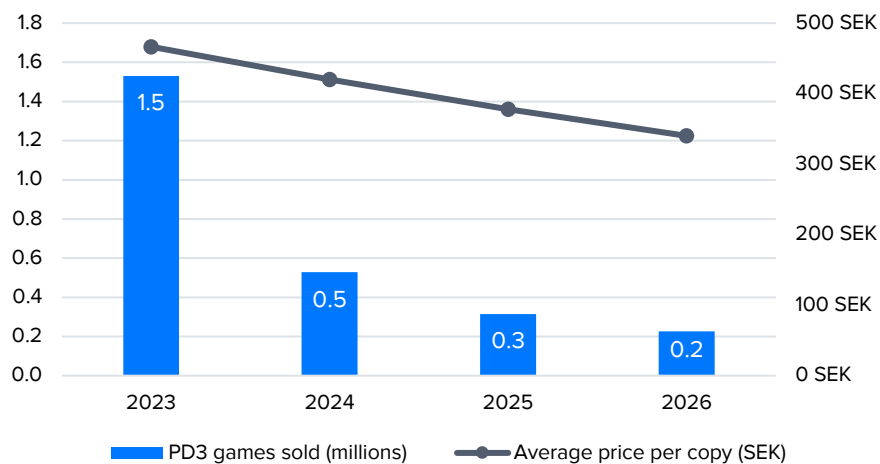
Revenue split per game (MSEK)*



Revenue and EBIT-% development



PAYDAY 3: Number of copies sold and average price (estimates)

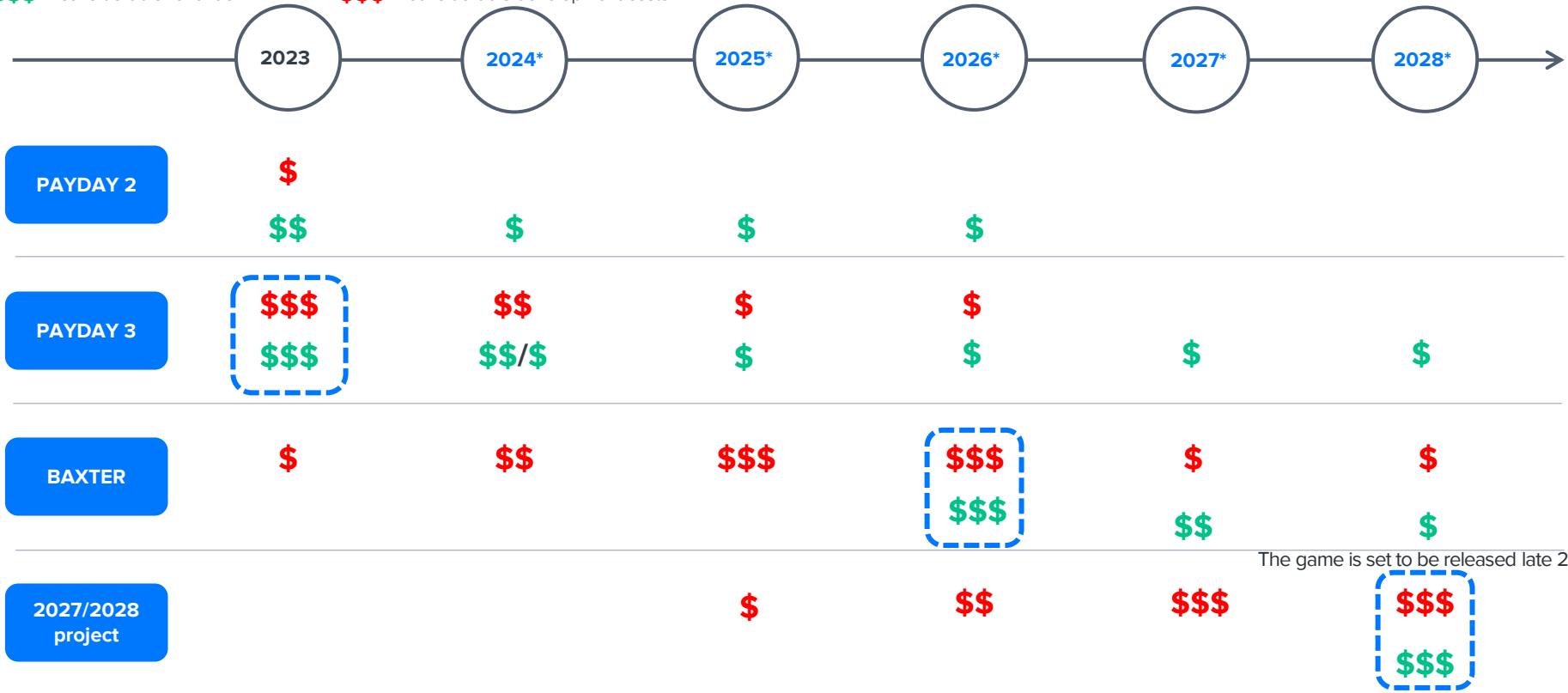


Source: Inderes, *2023 Other, includes the non-cash game financing income

Timeline of internal game projects

Release year

\$ =low revenue
\$\$ =medium revenue
\$\$\$ =considerable revenue
\$ =low development costs
\$\$ =medium development costs
\$\$\$ =considerable development costs



The game is set to be released late 2027/2028

Valuation

The share price reflects low expectations for PAYDAY 3 recovery

Starbreeze's current valuation is low both in absolute terms and relative to its potential if the company were to successfully reignite player interest in PD3. Despite significant improvements since launch - including enhanced functionality, bug fixes, and new content - along with increasingly positive reviews in recent months, player activity remains low and trails that of its predecessor. As a result, we believe that Starbreeze's current share price reflects the market's belief that PD3 won't recover significantly.

We remain unconvinced that a turnaround is on the horizon, as improvements in player activity, sentiment, and game revenue remain too modest given the time and investment involved. Consequently, we prefer to stay on the sidelines, awaiting clearer signs of a PD3 recovery, despite the seemingly low market cap.

Considering Starbreeze's current net cash position (Q3'24: 249 MSEK) and a market cap of approx. 300 MSEK, the enterprise value is very low. This should somewhat mitigate downside risk. However, as we expect the company to continue to invest heavily in game development while approaching a transitional 2025 before its next game, the cash position will diminish if no offsetting revenues emerge.

Multiple-based valuation suffers from fluctuating financials

Starbreeze's fluctuating revenues and earnings naturally result in fluctuating multiples. Depreciation and amortization will also fluctuate based on the timing of game releases. In addition, it is not easy to find a reasonable multiple for Starbreeze. EBITDA multiples do not fully account for game development

costs and paint an overly rosy picture. Meanwhile, EV/EBIT and P/E suffer from uneven D&A costs related to game releases. This essentially leaves us with sales-based multiples (P/S and EV/S), of which EV/S is more appropriate as it accounts for net debt. However, even EV/S is problematic given how revenue fluctuations linked to game release cycles can distort comparisons. With our revenue estimates, the EV/S multiples for 2024 and 2025 are 0.5x and 1.4x, respectively. These multiples are lower than the peer group median of 2.4x in 2025. However, a discount is reasonable as Starbreeze is significantly smaller than the peer group average and possesses a less diversified games portfolio as of today, which in turn presents a higher degree of volatility in earnings and uncertainty regarding cash flows. In addition, there are significant company-specific differences in the multiples, and we currently do not see the peer group multiples having a meaningful impact on Starbreeze's valuation.

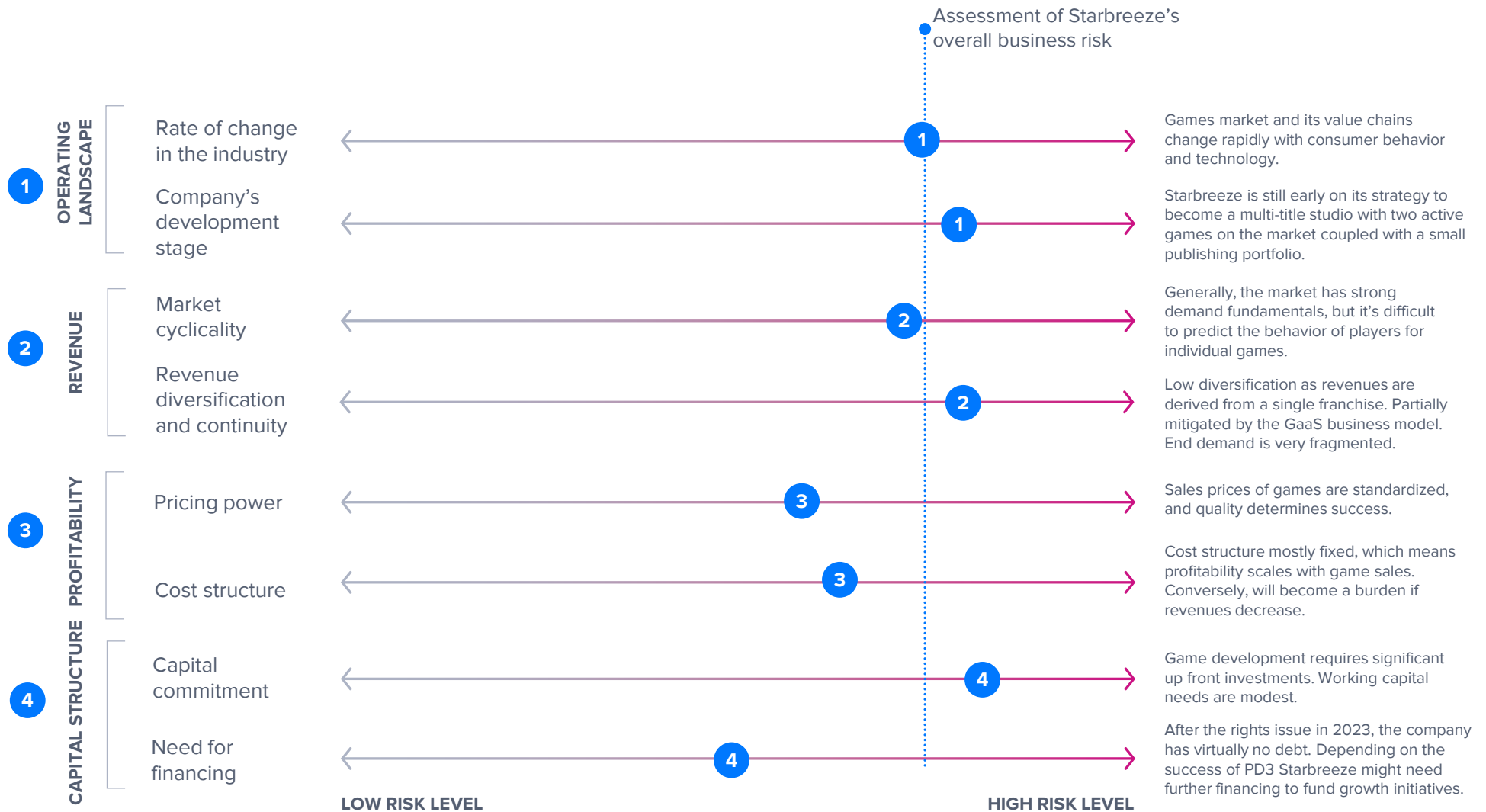
DCF valuation

Our DCF valuation is SEK 0.35, which is well above the current share price. However, the DCF model represents a long-term scenario in which the next two games are moderately successful (which cannot be taken for granted). At the current stage of the company's development, the model's assumptions are subject to considerable uncertainty and the cash flows are concentrated far in the future. In the short term, we see few catalysts for the stock, given the limited results from recent efforts to revitalize PD3's player base and the fact that the next game release is slated for 2026. Consequently, we do not view the DCF valuation offering strong near-term support, as Starbreeze's valuation remains closely tied to PD3's immediate performance.

Valuation	2024e	2025e	2026e
Share price	0.20	0.20	0.20
Number of shares, million:	1,477	1,477	1,477
Market cap	293	293	293
EV	86	198	238
P/E (adj.)	neg.	neg.	neg.
P/E	neg.	neg.	neg.
P/B	0.4	0.5	0.6
P/S	1.6	2.1	0.9
EV/Sales	0.5	1.4	0.7
EV/EBITDA	0.9	7.5	1.3
EV/EBIT (adj.)	neg.	neg.	neg.

Source: Inderes

Risk profile of Starbreeze's business model



Investment profile

1.

PAYDAY 3's performance is currently heavily linked to the share price's development

2.

Strong video game franchise in PAYDAY

3.

The balance sheet is solid, though prolonged weak performance from PD3 could put a strain on cash flows

4.

GaaS business model provides longevity, scalability, and reduces risk

5.

Large and growing market

Potential



- If Starbreeze can entice players to return to *PAYDAY 3* the company's outlook would improve significantly
- Widening the monetization of the PAYDAY IP through more games and other income streams
- Large PAYDAY community that can be leveraged to promote new games
- Future new game releases
- Increased revenue diversification through publishing operations

Risks

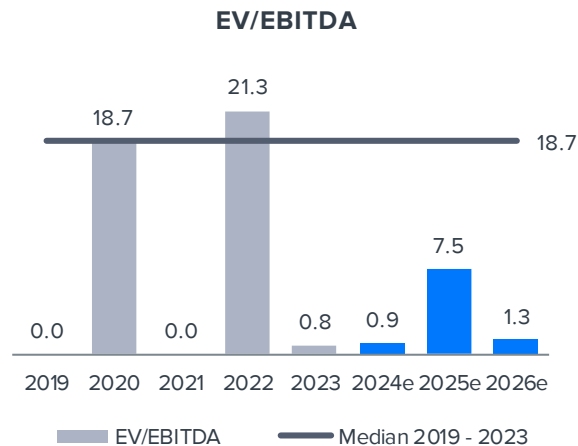
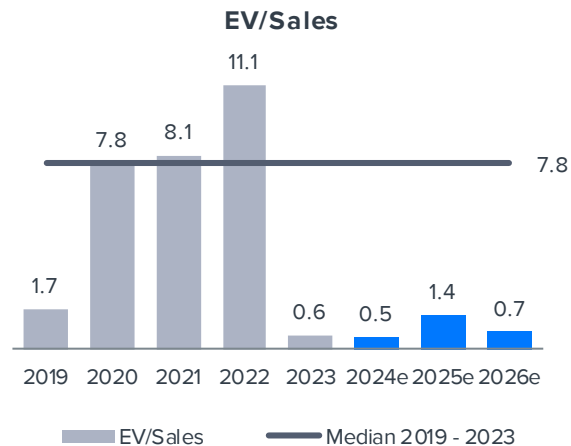


- Undiversified revenue stream with almost all revenues coming from a single franchise
- If *PAYDAY 3* fails to entice players to return, Starbreeze is left without a significant revenue source until the next game is released in 2026
- Limited visibility into the games after *PAYDAY 3* makes it hard to assess the company's long-term potential
- Commercial failure and/or delays in future game projects

Valuation table

Valuation	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e
Share price	1.30	1.09	1.00	1.58	0.47	0.20	0.20	0.20	0.20
Number of shares, millions	329	725	725	725	1,477	1,477	1,477	1,477	1,477
Market cap	428	784	727	1,142	699	293	293	293	293
EV	466	919	1,021	1,413	350	86	198	238	259
P/E (adj.)	neg.	neg.	neg.	neg.	2.5	neg.	neg.	neg.	neg.
P/E	neg.	neg.	neg.	neg.	2.5	neg.	neg.	neg.	neg.
P/B	69.5	3.4	5.9	20.1	0.8	0.4	0.5	0.6	0.7
P/S	1.5	6.6	5.8	8.9	1.1	1.6	2.1	0.9	1.2
EV/Sales	1.7	7.8	8.1	11.1	0.6	0.5	1.4	0.7	1.0
EV/EBITDA	neg.	18.7	>100	21.3	0.8	0.9	7.5	1.3	2.7
EV/EBIT (adj.)	neg.	84.5	68.3	>100	1.8	neg.	neg.	neg.	neg.

Source: Inderes



Peer group valuation

Peer group valuation	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	MEUR	2024e	2025e	2024e	2025e	2024e	2025e	2024e	2025e	2024e	2025e	2024e
Remedy	159		35.4		12.3	3.3	2.4		52.5		0.6	2.8
Embracer	4,378	7.1	9.0	4.6	4.9	1.2	1.3	9.4	8.4			0.6
CD Projekt	3,431	56.4	92.1	38.4	63.5	17.7	21.7	52.5	99.6	0.5	0.3	6.1
Paradox Interacrive	1,612	32.5	21.8	14.3	10.1	8.9	6.8	35.3	28.7	1.8	2.1	7.2
Tinybuild	16				7.6	0.4	0.4					
Enad Global 7	82	5.0	3.7	2.8	1.8	0.5	0.5	9.1	7.4			0.3
11 Bit Studios	142	4.5	4.4	3.7	3.4	2.5	2.4	5.4	4.9			1.8
Playway	372	14.0	12.5	13.8	12.2	5.6	5.2	10.1	8.5	5.3	6.1	2.9
Electronic Arts	39,659	18.2	16.9	16.3	15.3	5.6	5.5	23.0	21.0	0.5	0.5	5.9
Take-Two Interactive	32,446	61.1	54.2	50.2	44.7	6.5	6.1	78.7	72.5			3.7
Ubisoft	3,159	8.8	2393.5	3.5	4.0	1.4	1.6	8.6				1.0
Starbreeze (Inderes)	7	-0.4	-2.7	0.9	7.5	0.5	1.4	-1.3	-4.0	0.0	0.0	0.4
Average		23.1	264.3	16.4	16.4	4.9	4.9	25.8	33.7	2.0	1.9	3.2
Median		14.0	19.3	13.8	10.1	3.3	2.4	10.1	21.0	1.1	0.6	2.8
Diff-% to median		-103%	-114%	-93%	-26%	-86%	-42%	-112%	-119%	-100%	-100%	-85%

Source: Refinitiv / Inderes

Income statement

Income statement	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24	Q2'24	Q3'24	Q4'24e	2024e	Q1'25e	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e
Revenue	128	27	43	494	69	634	57	40	43	43	183	39	35	33	33	139	344	249
EBITDA	66	4	14	442	-21	439	48	8	21	14	92	13	8	4	2	27	189	98
Depreciation	-60	-16	-17	-142	-74	-249	-72	-79	-76	-63	-290	-31	-23	-23	-22	-99	-290	-161
EBIT (excl. NRI)	7	-12	-3	300	-95	190	-43	-71	-63	-50	-227	-17	-15	-20	-20	-73	-101	-64
EBIT	7	-12	-3	300	-95	190	-23	-71	-55	-50	-199	-17	-15	-20	-20	-73	-101	-64
Share of profits in assoc. compan.	0	0	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0
Net financial items	-61	-13	27	0	3	17	1	0	-4	-4	-6	0	0	0	0	0	-3	-2
PTP	-54	-25	24	300	-92	208	-21	-71	-59	-54	-204	-17	-15	-20	-20	-73	-105	-66
Taxes	-5	0	1	0	0	0	0	0	0	0	0	0	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
Net earnings	-60	-25	25	300	-92	208	-21	-71	-58	-54	-204	-17	-15	-20	-20	-73	-105	-66
EPS (rep.)	-0.08	-0.03	0.03	0.21	-0.06	0.19	-0.01	-0.05	-0.04	-0.04	-0.14	-0.01	-0.01	-0.01	-0.01	-0.05	-0.07	-0.04

Key figures	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24	Q2'24	Q3'24	Q4'24e	2024e	Q1'25e	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e
Revenue growth-%	1.5 %	13.3 %	36.1 %	1178.6 %	105.8 %	396.5 %	112.3 %	-7.0 %	-91.4 %	-37.7 %	-71.2 %	-30.7 %	-13.4 %	-23.6 %	-24.3 %	-23.7 %	146.6 %	-27.6 %
Adjusted EBIT growth-%	-54.9 %	17.1 %	-188.0 %	3240.7 %	-2297.8 %	2721.0 %	272.7 %	2300 %	-121.0 %	-47.8 %	-219.1 %	-59.7 %	-78.5 %	-68.8 %	-59.0 %	-68.0 %	39.4 %	-37.0 %
EBITDA-%	52.0 %	15.2 %	32.6 %	89.3 %	-29.8 %	69.3 %	85.7 %	20.1 %	50.2 %	31.5 %	50.1 %	34.3 %	22.1 %	11.3 %	5.3 %	19.1 %	55.0 %	39.2 %
Adjusted EBIT-%	5.3 %	-43.5 %	-6.8 %	60.7 %	-137.3 %	30.0 %	-76.3 %	-176.2 %	-147.7 %	-115.1 %	-124.1 %	-44.4 %	-43.7 %	-60.3 %	-62.4 %	-52.2 %	-29.5 %	-25.7 %
Net earnings-%	-46.9 %	-93.5 %	57.2 %	60.6 %	-132.5 %	32.8 %	-37.1 %	-175.9 %	-136.8 %	-124.3 %	-111.6 %	-44.3 %	-43.7 %	-60.3 %	-62.5 %	-52.2 %	-30.5 %	-26.7 %

Source: Inderes

Balance sheet

Assets	2022	2023	2024e	2025e	2026e
Non-current assets	586	537	597	707	619
Goodwill	48	47	47	47	47
Intangible assets	506	472	436	565	491
Tangible assets	23	11	106	87	73
Associated companies	1	1	1	1	1
Other investments	0	0	0	0	0
Other non-current assets	7	7	7	7	7
Deferred tax assets	0	0	0	0	0
Current assets	160	574	307	189	175
Inventories	0	0	0	0	0
Other current assets	0	0	0	0	0
Receivables	52	226	102	96	106
Cash and equivalents	108	348	205	93	69
Balance sheet total	746	1,111	905	897	794

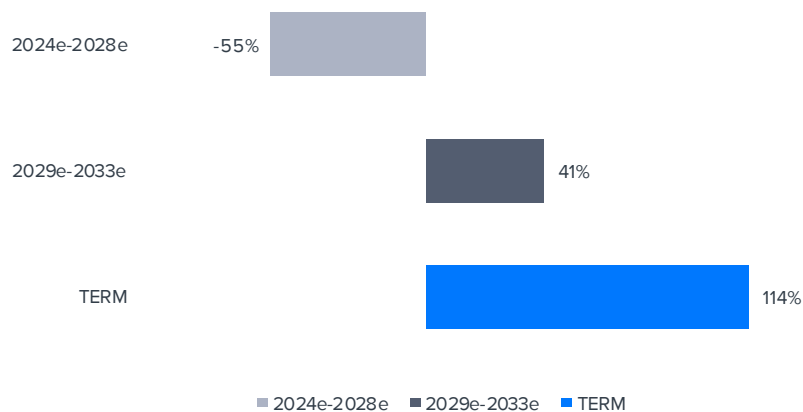
Source: Inderes

Liabilities & equity	2022	2023	2024e	2025e	2026e
Equity	57	895	691	618	514
Share capital	14	30	30	30	30
Retained earnings	-1,950	-1,742	-1,946	-2,019	-2,123
Hybrid bonds	0	0	0	0	0
Revaluation reserve	13	14	14	14	14
Other equity	1,979	2,593	2,593	2,593	2,593
Minorities	0	0	0	0	0
Non-current liabilities	386	2	88	154	160
Deferred tax liabilities	1	1	1	1	1
Provisions	0	0	0	0	0
Interest bearing debt	380	0	0	0	15
Convertibles	0	0	0	0	0
Other long term liabilities	5	1	87	153	144
Current liabilities	303	215	125	124	120
Interest bearing debt	0	0	0	0	0
Payables	108	208	113	114	110
Other current liabilities	195	7	12	10	10
Balance sheet total	746	1,111	905	897	794

DCF calculation

DCF model	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	TERM
Revenue growth-%	396.5 %	-71.2 %	-23.7 %	146.6 %	-27.6 %	69.7 %	-16.8 %	18.0 %	16.0 %	10.0 %	2.5 %	2.5 %
EBIT-%	30.0 %	-108.9 %	-52.2 %	-29.5 %	-25.7 %	-17.1 %	11.5 %	-2.1 %	6.4 %	15.9 %	17.9 %	17.9 %
EBIT (operating profit)	190	-199	-73	-101	-64	-72	40	-9	31	84	97	
+ Depreciation	249	290	99	290	161	308	192	191	180	184	188	
- Paid taxes	0	0	0	0	0	0	0	0	-5	-16	-19	
- Tax, financial expenses	0	0	0	0	0	0	0	0	-1	-1	-1	
+ Tax, financial income	0	0	0	0	0	0	0	0	0	0	0	
- Change in working capital	-262	34	5	-15	7	-2	-1	1	1	1	0	
Operating cash flow	177	126	32	174	104	235	231	183	206	252	266	
+ Change in other long-term liabilities	-5	86	66	-9	86	-187	-6	-5	-4	-3	-3	
- Gross CAPEX	-201	-350	-209	-202	-209	-204	-174	-184	-189	-193	-197	
Free operating cash flow	-28	-138	-112	-36	-19	-157	52	-5	13	56	66	
+/- Other	0	0	0	156	0	259	0	0	0	0	0	
FCFF	-28	-138	-112	119	-19	102	52	-5	13	56	66	0
Discounted FCFF		-136	-97	91	-13	61	27	-2	5	20	21	193
Sum of FCFF present value		170	305	402	311	324	263	236	239	233	213	193
Enterprise value DCF		170										
- Interest bearing debt		0										
+ Cash and cash equivalents		348										
- Minorities		0										
- Dividend/capital return		0										
Equity value DCF		519										
Equity value DCF per share		0.35										

Cash flow distribution



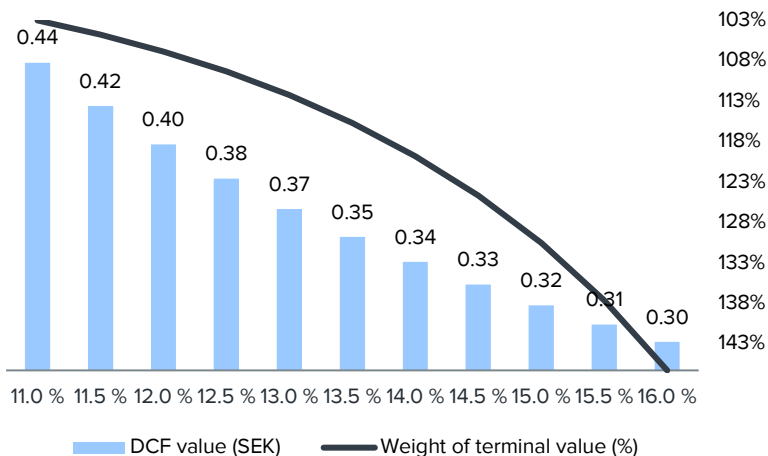
WACC

Tax-% (WACC)	20.6 %
Target debt ratio (D/(D+E))	0.0 %
Cost of debt	8.0 %
Equity Beta	2.00
Market risk premium	4.75%
Liquidity premium	1.50%
Risk free interest rate	2.5 %
Cost of equity	13.5 %
Weighted average cost of capital (WACC)	13.5 %

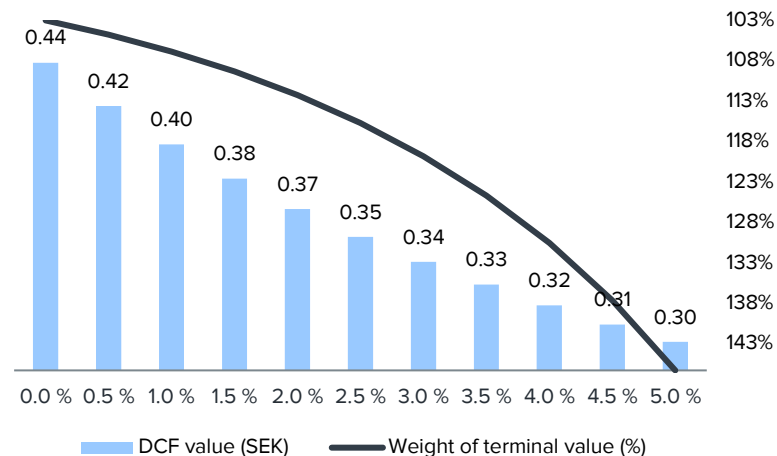
Source: Inderes

DCF sensitivity calculations and key assumptions in graphs

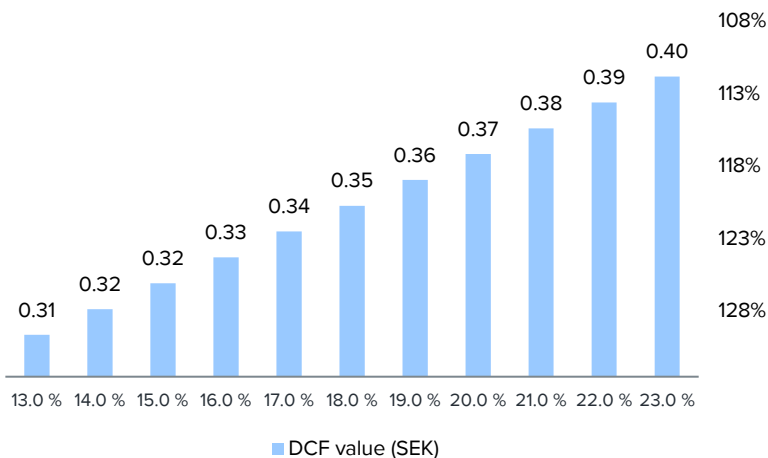
Sensitivity of DCF to changes in the WACC-%



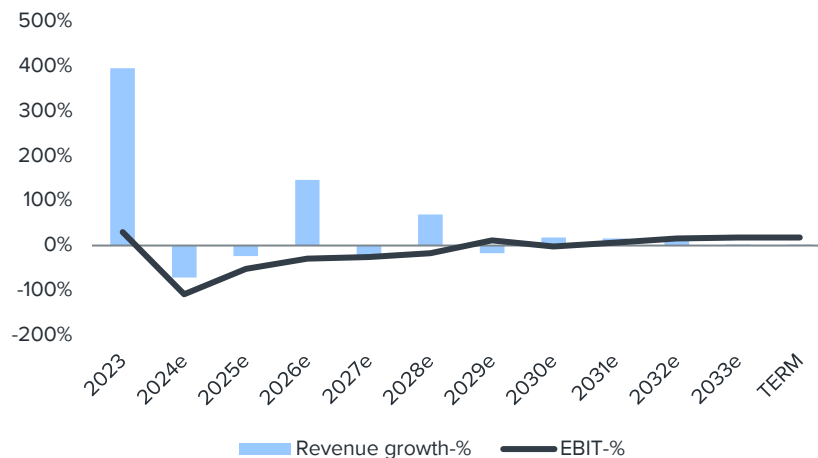
Sensitivity of DCF to changes in the risk-free rate



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	126	128	634	183	139	EPS (reported)	-0.14	-0.08	0.19	-0.14	-0.05
EBITDA	6	66	439	92	27	EPS (adj.)	-0.05	-0.08	0.19	-0.16	-0.05
EBIT	-54	7	190	-199	-73	OCF / share	0.12	0.09	0.16	0.09	0.02
PTP	-105	-54	208	-204	-73	FCF / share	-0.06	-0.14	-0.03	-0.09	-0.08
Net Income	-103	-60	208	-204	-73	Book value / share	0.17	0.08	0.82	0.47	0.42
Extraordinary items	-69	0	0	28	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	674	746	1,111	905	897	Revenue growth-%	7%	2%	396%	-71%	-24%
Equity capital	123	57	895	691	618	EBITDA growth-%	-87%	958%	562%	-79%	-71%
Goodwill	42	48	47	47	47	EBIT (adj.) growth-%	37%	-55%	2721%	-219%	-68%
Net debt	293	271	-348	-205	-93	EPS (adj.) growth-%	-83%	72%	-329%	-183%	-69%
Cash flow	2021	2022	2023	2024e	2025e	EBITDA-%	5.0 %	52.0 %	69.3 %	50.1 %	19.1 %
EBITDA	6	66	439	92	27	EBIT (adj.)-%	11.9 %	5.3 %	30.0 %	-124.1 %	-52.2 %
Change in working capital	13	-8	-262	34	5	EBIT-%	-42.7 %	5.3 %	30.0 %	-108.9 %	-52.2 %
Operating cash flow	87	65	177	126	32	ROE-%	-58.9 %	-66.6 %	43.6 %	-25.7 %	-11.1 %
CAPEX	-112	-151	-201	-350	-209	ROI-%	-10.1 %	1.4 %	28.6 %	-24.9 %	-10.9 %
Free cash flow	-42	-102	-28	-138	-112	Equity ratio	18.2 %	7.6 %	80.5 %	76.4 %	69.0 %
						Gearing	238.7 %	478.0 %	-38.9 %	-29.7 %	-15.1 %
Valuation multiples	2021	2022	2023	2024e	2025e						
EV/S	8.1	11.1	0.6	0.5	1.4						
EV/EBITDA	>100	21.3	0.8	0.9	7.5						
EV/EBIT (adj.)	68.3	>100	1.8	neg.	neg.						
P/E (adj.)	neg.	neg.	2.5	neg.	neg.						
P/B	5.9	20.1	0.8	0.4	0.5						
Dividend-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %						

Source: Inderes

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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
2023-05-30	Accumulate	1.15 SEK	1.03 SEK
2023-08-18	Reduce	1.15 SEK	1.19 SEK
2023-09-12	Accumulate	1.15 SEK	0.95 SEK
2023-10-02	Buy	0.85 SEK	0.60 SEK
2023-11-17	Accumulate	0.55 SEK	0.44 SEK
2024-02-16	Reduce	0.35 SEK	0.35 SEK
<i>Change of Analyst</i>			
2024-05-15	Reduce	0.30 SEK	0.27 SEK
2024-08-21	Reduce	0.30 SEK	0.28 SEK
2024-09-30	Reduce	0.30 SEK	0.28 SEK
2024-11-15	Reduce	0.22 SEK	0.20 SEK



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Inderes Oyj

Itämerentori 2

FI-00180 Helsinki, Finland

+358 10 219 4690

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