Metacon

Company report

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Lucas Mattsson
+46 731589485
lucas.mattsson@inderes.com

Inderes corporate customer

European factory is taking shape

Metacon's Q1 report fell short of expectations on a relative basis, although the deviation in absolute terms was marginal. Reflecting the challenging market, information on order flow and existing project deliveries remained limited. Nevertheless, Metacon's recent collaboration with Siemens for the supply chain and capabilities of the European Gigafactory bodes well for the project's credibility. Consequently, we see a reduction in the risks associated with the project and its financing, and slightly increase our target price. However, considering the parameters of the project remain unknown and challenging demand environment will put pressure on revenue and order flow in the short term, we wait for a more attractive risk/reward profile. We reiterate our Reduce recommendation but increase our target price slightly to SEK 0.21 per share (prev. 0.17).

Funding remains a key question for the future

Metacon's Q1 revenue amounted to 7.3 MSEK (Inderes: 17.0 MSEK) and was mainly driven by ongoing electrolyzer orders in Slovakia. Revenue decreased by 49% falling below our estimates in relative terms. EBITDA for Q1 remained negative, totaling -14.5 MSEK. While the raw material and consumable costs went down with revenue due to their variable nature, the impact of decreased revenue coupled with rising personnel costs outweighed this decline, resulting in an increased operating loss. Cash flow for the period came in at -37.6 MSEK, and the decrease was primarily due to the repayment of the bridge loan, which was offset by the rights issue. As a re, the company's cash and cash equivalents amounted to 70.4 MSEK. With a quarterly burn rate of 20-25 MSEK, the company would run out of cash by Q4'24. When also factoring in investments for the electrolyzer factory, it becomes evident that additional financing will be necessary, and we expect its terms to be an important near-term driver for the investment case.

Revenue growth still expected once order deliveries start progressing

In our view Metacon's investment case and growth to cash flow neutrality hinges on the success of the European factory, securing large orders and demand pick-up in the general hydrogen market. With the announced Siemens partnership and factory site selection progressing, the project is taking shape. At the same time many of the project's parameters (especially funding structure) are still uncertain. Due to extended lead times, we anticipate Metacon will defer some deliveries later into 2024 and 2025. Consequently, we have slightly revised down our revenue estimates for 2024 (some 6%) while modestly increasing estimates for 2025 and 2026. We have adjusted the absolute level of costs downward for the current year to align with the lowered revenue estimates, and vice versa for 2025 and 2026. Our current estimate for cash-flow neutrality is for year 2028, which assumes Metacon is able to secure a significant and consistent increase in order flow over the coming years (revenue CAGR ~50% 2024-2032).

Valuation underpinned by a broad set of outcomes

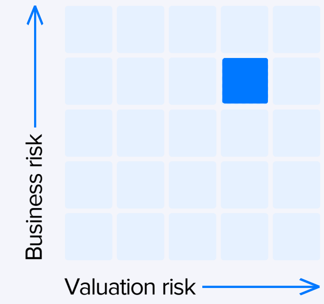
Utilizing valuation methods that depend on Metacon's future potential, we could currently justify a broad fair value range of SEK 0.08-0.68 per share (prev. SEK 0.07-0.58). Given Metacon's early commercial phase and the uncertainty about orders materializing, the return requirement is high. With short-term risks still high especially with uncertain deliveries and weaker demand in the hydrogen market, we see the current risk/reward ratio as quite neutral, and our target price leans towards the low end of the valuation range. As operations continue to burn cash, further dilution through share issuance is possible. However, we are closely monitoring order intake and delivery progress as these could significantly change the situation.

Recommendation

Reduce
(prev. Reduce)

0.21 SEK
(prev. 0.17 SEK)

Share price:
0.24



Key indicators

	2023	2024e	2025e	2026e
Revenue	60.1	108.4	238.5	596.3
growth-%	-6%	80%	120%	150%
EBIT adj.	-62.7	-60.1	-45.7	-38.0
EBIT-% adj.	-104.3 %	-55.5 %	-19.2 %	-6.4 %
Net Income	-77.8	-74.6	-68.1	-70.1
EPS (adj.)	-0.20	-0.09	-0.07	-0.08

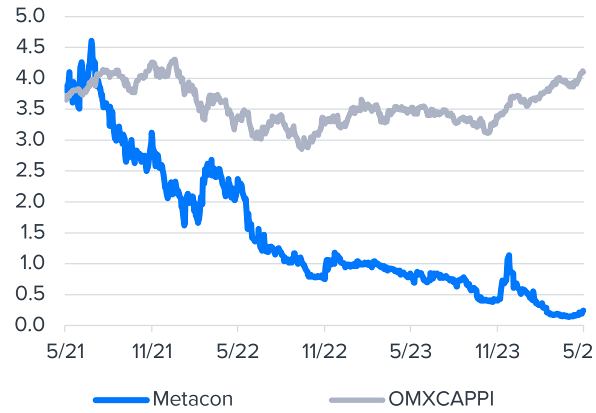
P/E (adj.)	neg.	neg.	neg.	neg.
P/B	3.0	1.8	5.2	neg.
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	neg.	neg.	neg.	neg.
EV/EBITDA	neg.	neg.	neg.	neg.
EV/S	4.7	1.8	1.4	0.8

Source: Inderes

Guidance

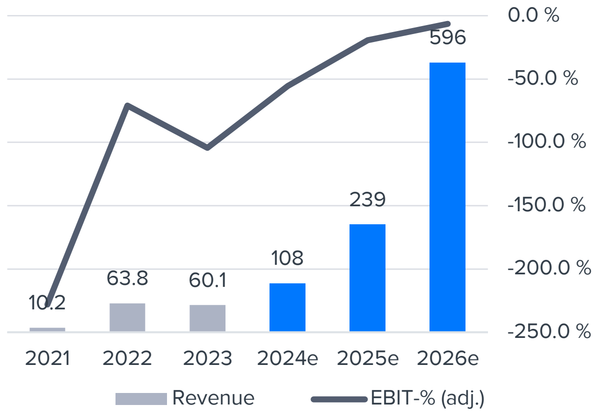
(Metacon do not provide guidance)

Share price



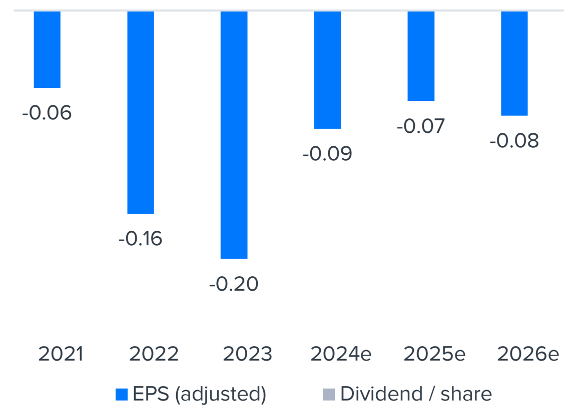
Source: Millistream Market Data AB

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	0.24	0.24	0.24
Number of shares, millions	687.4	802.4	802.4
Market cap	164	191	191
EV	199	329	465
P/E (adj.)	neg.	neg.	neg.
P/E	neg.	neg.	neg.
P/B	1.8	5.2	neg.
P/S	1.5	0.8	0.3
EV/Sales	1.8	1.4	0.8
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

Delivering on its order book, but in slower pace than expected

Revenues mainly from electrolyzer orders

Metacon's Q1 revenue amounted to 7.3 MSEK and was mainly driven by ongoing electrolyzer orders in Slovakia. Revenue decreased by 49% falling below our estimates in relative terms. However, in absolute terms, the difference was not significant. The primary driver behind this decline was the prolonged lead times affecting deliveries. Despite this downturn, we anticipate that the company will not lose revenue but rather defer it to future periods, as it continues to fulfill its existing order book in the upcoming periods. Nevertheless, the lack of transparency regarding the company's order book poses a challenge to revenue visibility. Thus, we cannot rule out possibility of potential cancellations due to the extended lead times.

While a single quarter of reduced revenue does not significantly impact the long-term investment outlook, enhancing visibility on revenue growth remains crucial for Metacon. Clear indications of increasing order intake and successful conversion of the order book into revenue are essential factors in increasing this visibility. Regrettably, the Q1 report did not provide any insights into these key aspects, leaving investors seeking more tangible information to evaluate the company's trajectory. We note that this is likely also a reflection of the current challenging demand environment in the hydrogen market, which limits the company's visibility into future orders as well.

Cost structure at relatively stable levels

Metacon's Q1 EBITDA remained negative, totaling -14.5 MSEK. While the raw material and consumable costs went down with revenue, given their variable nature, the impact of decreased revenue coupled with rising personnel costs outweighed this decline, resulting in an increased operating loss. Nevertheless, in absolute terms, the escalation in operating loss was relatively modest.

Cash flow and financial position

At first glance, the cash flow report may appear weak, but a closer examination reveals some stability. Specifically, the cash flow from operating activities before changes in working capital remained relatively steady at -15 MSEK. The notable decrease in operating cash flow after changes in working capital (Q1'24: -37.6 compared to Q1'23: -5.8) was primarily due to the repayment of the bridge loan using proceeds from the rights issue. Therefore, this aspect does not raise major concerns.

As of the end of Q1, Metacon had a cash position of 70.4 MSEK. Considering a quarterly burn rate of 20-25 MSEK, the company would run out of cash by Q4'24. However, when factoring in investments for the electrolyzer factory, it becomes evident that additional financing will likely be this year.

Estimates	Q1'23	Q1'24	Q1'24e	Q1'24e	Consensus		Difference (%)	2024
MSEK / SEK	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	14.2	7.3	17.0				-57%	17.0
EBITDA	-12.7	-14.5	-11.5				-26%	-11.5
EBIT (adj.)	-12.8	-14.6	-12.1				-21%	-12.1
EBIT	-15.4	-17.2	-14.7				-17%	-14.7
PTP	-15.5	-18.1	-15.5				-17%	-15.5
EPS (reported)	-0.05		-0.02					-0.02
Revenue growth-%	15.6 %	-48.6 %	20.0 %				-68.6 pp	80.4 %
EBIT-% (adj.)	-90.4 %	-200.0 %	-71.1 %				-128.9 pp	-71.1 %

Source: Inderes

We only do minor adjustments to our estimates

Estimate changes

- Due to extended lead times, we anticipate Metacon will defer some deliveries into 2024 and 2025. At the same time, securing a credible partner for the factory project improves the outlook of its success and sales of its outputs, supporting revenues from presumably 2025 onwards. With this in mind, we have slightly revised down our revenue estimates for 2024 while modestly increasing estimates for 2025 and 2026. However, these adjustments are minor and have negligible impact on the company's long-term investment outlook.
- Regarding costs, we anticipate a significant portion of Metacon's expenses to be variable over the next few years. As a result, we have adjusted the absolute level of costs downward for the current year to align with the lowered revenue estimates. Conversely, for 2025 and 2026, where we anticipate slightly higher revenue, we expect the opposite effect. Overall, we expect the net effect of revenue and profitability development over the next three years to be modest as the company seeks to ramp up its volumes towards cash-flow neutrality.
- In the broader context, we continue to identify the three previously announced electrolyzer projects, Slovakia (45 MSEK), Romania (184 MSEK), and Poland (60 MSEK), as the primary growth drivers in 2024 and 2025. We also note that the European factory, if successful, could support revenues already from late 2025. Realizing our revenue estimates relies on the successful execution of these projects and additional orders will need to be secured. However, as time progresses, the possibility of one or more projects failing to materialize or further delays increases.

Estimate revisions	2024	2024	Change	2025e	2025e	Change	2026e	2026e	Change
MSEK / SEK	Old	New	%	Old	New	%	Old	New	%
Revenue	115	108	-6%	236	239	1%	591	596	1%
EBITDA	-59.7	-58.9	-1%	-34.3	-34.6	1%	-20.7	-20.9	1%
EBIT (exc. NRIs)	-62.1	-60.1	-3%	-45.2	-45.7	1%	-37.6	-38.0	1%
EBIT	-72.3	-70.5	-3%	-56.2	-56.6	1%	-41.3	-41.6	1%
PTP	-75.7	-74.6	-2%	-66.5	-68.1	2%	-67.7	-70.1	4%
EPS (excl. NRIs)	-0.10	-0.09	-2%	-0.07	-0.07	3%	-0.08	-0.08	4%
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	2024-2025[3]	Romania
Regional Directorate of State Forests[2]	Electrolyzer & HRS	60	Jan-23	2024-2025[3]	Poland
Unknown in Slovakia	Electrolyzer & HRS	45	Feb-23	2024	Slovakia
University of Western Macedonia	Reformer	1	Mar-23	2024	Western Macedonia
WattAnyWhere	Reformer	2	Mar-23	2024	Switzerland

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

The investment case includes a lot of risks and potential

We believe that Metacon's investment story relies on expectations related to the commercialization potential of the ocompany's product portfolio and significant future business volumes. Metacon has already assembled a complementary product portfolio and successfully secured some orders. At this stage, it would also only take a handful of larger electrolyzer orders to increase Metacon's revenues significantly. On the other hand, visibility into the progress of current orders and future order flow is low. Furthermore, the receipt of a few large orders does not guarantee that the company will be able to continue to receive these orders on a regular basis. In addition, the company's historical performance provides little guidance as to how future profitability and revenue growth may develop. As a result, a wide range of potential outcomes, both positive and negative, can be projected for Metacon in the future. In addition, there is a credible risk of new share issues that would further increase the number of shares. This means that delays in the timeline for the realization of Metacon's investment case can also have a significant impact on investment returns.

Peer valuation do not provide any significant upside

Metacon's EV/S ratios for 2024e and 2025e are 1.8x and 1.4x, respectively, which are lower than the median EV/S ratio of around 2-3x for the peer group. As the entire hydrogen sector is early in its development so is most of the peer companies. However, even within this group there is a large discrepancy regarding their size and how far along the commercialization journey the companies are. As Metacon is far smaller than the peer companies and is quite early in its commercial phase, a discount compared to peers is justified. Considering this, Metacon's share does not appear to be severely mispriced in relation to its peers.

The risk adjusted expected return is still not sufficient

Utilizing valuation methods that predominantly rely on the company's fundamental potential, we reach a fair value range of SEK 0.08-0.68 per share (prev. SEK 0.07-0.58). The range's lower bound is represented by an EV/S multiple of 1.0x on the 2025 negative scenario and the upper end by an EV/S multiple of 3.0x on the 2025 positive scenario (see next page).

Weaker demand in the hydrogen sector continues to hamper order flow and there are still clear risks of further delays in delivery schedules for existing order book. With these factors in play the forecast risks remain high and revenue drivers remain uncertain, which makes it difficult to lean on the upper end of the fair value range. However, Metacon has taken concrete steps towards establishing the supply chain and capabilities for its European Gigafactory. We see this as a key long-term driver in the investment case and believe that adding more credible partners (in addition to PERIC) to the project should support the company in its future funding negotiations. Thus, we believe that the overall risk associated with the project, funding included, has come down somewhat. Mainly driven by the slightly improved risk level, we adjust our target price to SEK 0.21 per share (prev. SEK 0.17 per share), although keeping it at the lower end 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.

Although we have slightly raised our price target, 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	0.24	0.24	0.24
Number of shares, millions	687.4	802.4	802.4
Market cap	164	191	191
EV	199	329	465
P/E (adj.)	neg.	neg.	neg.
P/E	neg.	neg.	neg.
P/B	1.8	5.2	neg.
P/S	1.5	0.8	0.3
EV/Sales	1.8	1.4	0.8
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

Estimated future valuation ranges

2024e, MSEK	Negative	Base	Positive
Revenue	**96**	**108**	**160**
EV/S	1.0x	1.5x	3.0x
EV	**96**	**163**	**481**
Net debt[1]	-14	-14	-14
Market cap	**110**	**177**	**496**
Per share[1]	0.12	0.19	0.54
Discounted to present	**0.11**	**0.17**	**0.49**

2025e, MSEK	Negative	Base	Positive
Revenue	**154**	**239**	**385**
EV/S	1.0x	1.5x	3.0x
EV	**154**	**358**	**1,155**
Net debt[2]	22	22	22
Market cap	**132**	**336**	**1,133**
Per share[2]	0.10	0.26	0.89
Discounted to present	**0.08**	**0.20**	**0.68**

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 0.21 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 0.21 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	**0.24**	**0.24**	**0.24**	**0.24**
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	**164**	**191**	**191**	**191**
EV	227	1131	768	285	284	**199**	**329**	**465**	**557**
P/E (adj.)	neg.	neg.	neg.	neg.	neg.	**neg.**	**neg.**	**neg.**	**19.1**
P/E	neg.	neg.	neg.	neg.	neg.	**neg.**	**neg.**	**neg.**	**19.1**
P/B	6.6	13.3	3.5	2.3	3.0	**1.8**	**5.2**	**neg.**	**neg.**
P/S	>100	>100	79.2	6.1	4.7	**1.5**	**0.8**	**0.3**	**0.1**
EV/Sales	>100	>100	75.4	4.5	4.7	**1.8**	**1.4**	**0.8**	**0.4**
EV/EBITDA	neg.	neg.	neg.	neg.	neg.	**neg.**	**neg.**	**neg.**	**7.1**
EV/EBIT (adj.)	neg.	neg.	neg.	neg.	neg.	**neg.**	**neg.**	**neg.**	**10.0**
Payout ratio (%)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**

Source: Inderes

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**
Thyssenkrupp Nucera	1,527	767		52.3		25.7	0.8	0.7		69.7			2.0
Plug Power	2,332	2,530					2.9	2.0					1.0
Bloom Energy Corp	2,689	3,372	105.0	25.8	28.6	15.7	2.5	2.0	134.0	27.0			5.6
ITM Power	396	109					4.7	2.0					1.3
Nel ASA	875	618					3.5	2.5					1.7
Green Hydrogen Systems	214	358					7.2	2.8					2.4
Hydrogen Pro	64	51				7.1	1.0	0.3					1.0
McPhy Energy	93	35					1.4	0.7					2.0
PowerCell	138	132				242.3	4.3	3.2					7.1
Enapter	142	167					4.5	2.6					1.9
Ceres Power Holdings PLC	415	255					4.4	3.8					2.4
Metacon (Inderes)	**14**	**17**	**-3.3**	**-7.2**	**-3.4**	**-9.5**	**1.8**	**1.4**	**-2.6**	**-3.3**	**0.0**	**0.0**	**1.8**
Average			**105.0**	**39.1**	**28.6**	**72.7**	**3.1**	**1.9**	**134.0**	**48.3**			**2.6**
Median			**105.0**	**39.1**	**28.6**	**20.7**	**3.2**	**2.0**	**134.0**	**48.3**			**2.0**
Diff-% to median			***-103%***	***-118%***	***-112%***	***-146%***	***-43%***	***-31%***	***-102%***	***-107%***			***-6%***

Source: Refinitiv / Inderes

Income statement

Income statement	2021	2022	2023	Q1'24	Q2'24e	Q3'24e	Q4'24e	2024e	2025e	2026e	2027e
Revenue	**10.2**	**63.8**	**60.1**	**7.3**	**22.8**	**34.2**	**44.1**	**108**	**239**	**596**	**1312**
EBITDA	**-22.4**	**-35.2**	**-62.1**	**-14.5**	**-13.9**	**-13.4**	**-17.1**	**-58.9**	**-34.6**	**-20.9**	**78.7**
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**	**-14.2**	**-13.8**	**-17.5**	**-60.1**	**-45.7**	**-38.0**	**55.9**
EBIT	**-39.1**	**-47.4**	**-73.4**	**-17.2**	**-16.8**	**-16.4**	**-20.1**	**-70.5**	**-56.6**	**-41.6**	**55.9**
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	-1.0	-1.0	-1.0	-4.0	-11.5	-28.5	-45.9
PTP	**-34.4**	**-50.4**	**-77.8**	**-18.1**	**-17.9**	**-17.4**	**-21.1**	**-74.6**	**-68.1**	**-70.1**	**10.0**
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**	**-17.9**	**-17.4**	**-21.1**	**-74.6**	**-68.1**	**-70.1**	**10.0**
EPS (adj.)	**-0.06**	**-0.16**	**-0.20**	**-0.02**	**-0.02**	**-0.02**	**-0.03**	**-0.09**	**-0.07**	**-0.08**	**0.01**
EPS (rep.)	**-0.13**	**-0.17**	**-0.23**	**-0.03**	**-0.03**	**-0.03**	**-0.03**	**-0.11**	**-0.08**	**-0.09**	**0.01**

Key figures	2021	2022	2023	Q1'24	Q2'24e	Q3'24e	Q4'24e	2024e	2025e	2026e	2027e
Revenue growth-%	150.2 %	526.6 %	-5.8 %	-48.6 %	-9.0 %	70.0 %	6200%	80.4 %	120.0 %	150.0 %	120.0 %
Adjusted EBIT growth-%		94.8 %	38.4 %	13.7 %	-6.0 %	-19.0 %	-0.9 %	-4.1 %	-23.9 %	-16.9 %	-247.2 %
EBITDA-%	-219.8 %	-55.1 %	-103.3 %	-198.6 %	-60.7 %	-39.3 %	-38.9 %	-54.4 %	-14.5 %	-3.5 %	6.0 %
Adjusted EBIT-%	-228.2 %	-70.9 %	-104.3 %	-200.0 %	-62.3 %	-40.4 %	-39.7 %	-55.5 %	-19.2 %	-6.4 %	4.3 %
Net earnings-%	-299.9 %	-79.0 %	-129.5 %	-247.9 %	-78.3 %	-51.0 %	-47.9 %	-68.8 %	-28.6 %	-11.8 %	0.8 %

Source: Inderes

Balance sheet

Assets	2022	2023	2024e	2025e	2026e
Non-current assets	**49.9**	**51.5**	**76.5**	**95.2**	**119**
Goodwill	34.0	24.9	14.5	3.6	0.0
Intangible assets	1.1	2.4	3.5	4.4	5.3
Tangible assets	6.5	17.4	51.7	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**	**70.5**	**126**	**244**
Inventories	13.3	17.2	27.1	47.7	89.4
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	21.7	40.3	37.9	66.8	125
Cash and equivalents	105	27.0	5.4	11.9	29.8
Balance sheet total	**190**	**136**	**147**	**222**	**364**

Source: Inderes

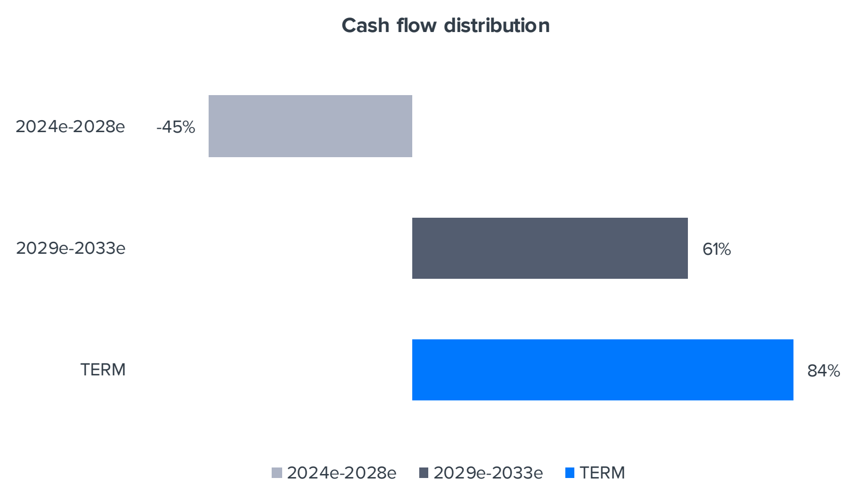
Liabilities & equity	2022	2023	2024e	2025e	2026e
Equity	**172**	**94.8**	**89.0**	**37.0**	**-33.2**
Share capital	3.4	3.4	6.9	8.0	8.0
Retained earnings	0.0	0.0	-74.6	-142.7	-212.8
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	168	91.4	157	172	172
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	**4.4**	**6.7**	**42.9**	**152**	**306**
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	41.3	150	304
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**	**15.0**	**33.0**	**91.4**
Interest bearing debt	0.6	21.6	0.0	0.0	0.0
Payables	6.2	10.9	13.0	31.0	89.4
Other current liabilities	7.1	2.0	2.0	2.0	2.0
Balance sheet total	**190**	**136**	**147**	**222**	**364**

DCF calculation

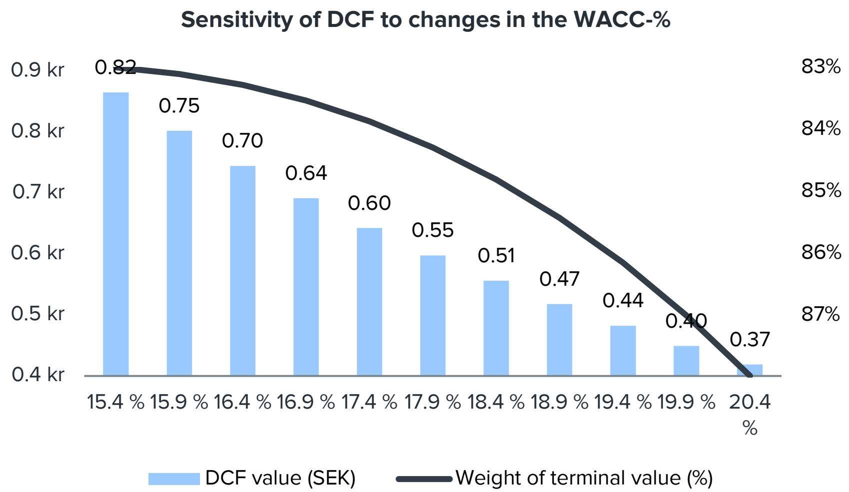
DCF model	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	TERM
Revenue growth-%	-5.8 %	80.4 %	120.0 %	150.0 %	120.0 %	40.0 %	35.0 %	20.0 %	10.0 %	2.0 %	2.0 %	2.0 %
EBIT-%	-122.1 %	-65.1 %	-23.7 %	-7.0 %	4.3 %	7.9 %	10.5 %	11.0 %	11.4 %	12.1 %	12.4 %	12.4 %
EBIT (operating profit)	**-73.4**	**-70.5**	**-56.6**	**-41.6**	**55.9**	**145.5**	**261.5**	**327.8**	**371.8**	**402.6**	**422.2**	
+ Depreciation	11.3	11.6	22.0	20.8	22.8	28.9	36.0	44.1	53.6	64.7	81.7	
- Paid taxes	0.1	0.0	0.0	0.0	0.0	0.0	-41.5	-56.1	-68.1	-79.3	-87.4	
- Tax, financial expenses	0.0	0.0	0.0	0.0	0.0	0.0	-12.8	-12.0	-9.2	-4.4	-0.7	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.6	0.6	0.7	1.1	
- Change in working capital	-22.9	-5.4	-31.4	-41.7	-71.6	-78.7	-96.4	-74.4	-51.2	-9.9	-10.1	
Operating cash flow	**-84.9**	**-64.4**	**-66.0**	**-62.6**	**7.2**	**95.8**	**147.2**	**230.0**	**297.7**	**374.4**	**406.8**	
+ 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**	**-100.9**	**-106.8**	**-107.5**	**-45.9**	**32.3**	**71.2**	**139.1**	**188.8**	**244.2**	**250.8**	
+/- 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	-17.2	-106.8	-107.5	-45.9	32.3	71.2	139.1	188.8	244.2	250.8	1,611.8
Discounted FCFF		**-15.6**	**-81.7**	**-69.8**	**-25.3**	**15.1**	**28.3**	**46.8**	**53.9**	**59.1**	**51.5**	**331.2**
Sum of FCFF present value		393.4	409.0	490.7	560.6	585.9	570.8	542.6	495.8	441.9	382.7	331.2
Enterprise value DCF		**393.4**										
- Interest bearing debt		-26.7										
+ Cash and cash equivalents		27.0										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		**393.7**										
Equity value DCF per share		**0.57**										

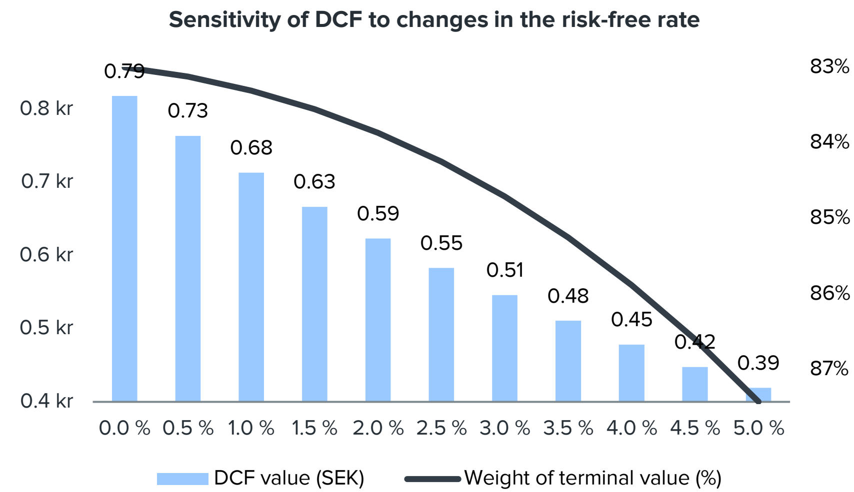
WACC	
Tax-% (WACC)	20.6 %
Target debt ratio (D/(D+E)	10.0 %
Cost of debt	10.0 %
Equity Beta	2.90
Market risk premium	4.75%
Liquidity premium	2.70%
Risk free interest rate	2.5 %
Cost of equity	**19.0 %**
Weighted average cost of capital (WACC)	**17.9 %**

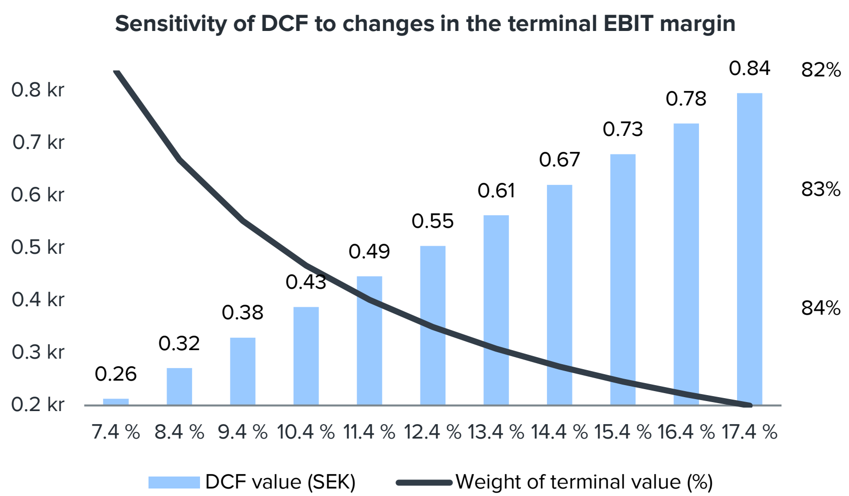
Source: Inderes

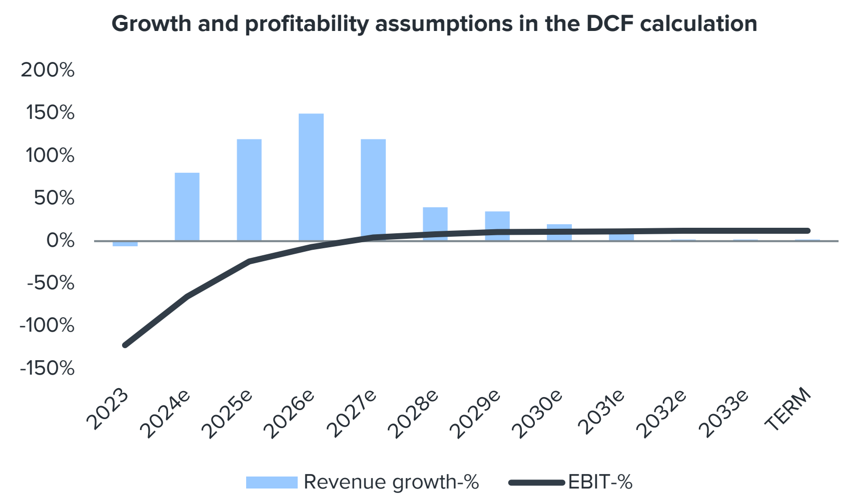


DCF sensitivity calculations and key assumptions in graphs









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
Revenue	10.2	63.8	60.1	**108.4**	**238.5**
EBITDA	-22.4	-35.2	-62.1	**-58.9**	**-34.6**
EBIT	-39.1	-47.4	-73.4	**-70.5**	**-56.6**
PTP	-34.4	-50.4	-77.8	**-74.6**	**-68.1**
Net Income	-30.5	-50.4	-77.8	**-74.6**	**-68.1**
Extraordinary items	-15.9	-2.1	-10.7	**-10.4**	**-10.9**

Balance sheet	2021	2022	2023	2024e	2025e
Balance sheet total	241.5	190.1	136.0	**147.0**	**221.6**
Equity capital	230.8	171.7	94.8	**89.0**	**37.0**
Goodwill	169.0	34.0	24.9	**14.5**	**3.6**
Net debt	-39.2	-102.1	-0.3	**35.9**	**138.1**

Cash flow	2021	2022	2023	2024e	2025e
EBITDA	-22.4	-35.2	-62.1	**-58.9**	**-34.6**
Change in working capital	-5.9	-10.0	-22.9	**-5.4**	**-31.4**
Operating cash flow	-28.2	-45.0	-84.9	**-64.4**	**-66.0**
CAPEX	-183.8	-9.2	-12.9	**-36.6**	**-40.7**
Free cash flow	-212.0	-52.8	-98.3	**-17.2**	**-106.8**

Valuation multiples	2021	2022	2023	2024e	2025e
EV/S	75.4	4.5	4.7	**1.8**	**1.4**
EV/EBITDA (adj.)	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	**1.8**	**5.2**
Dividend-%	0.0 %	0.0 %	0.0 %	**0.0 %**	**0.0 %**

Source: Inderes

Per share data	2021	2022	2023	2024e	2025e
EPS (reported)	-0.13	-0.17	-0.23	**-0.11**	**-0.08**
EPS (adj.)	-0.06	-0.16	-0.20	**-0.09**	**-0.07**
OCF / share	-0.12	-0.15	-0.25	**-0.09**	**-0.08**
FCF / share	-0.88	-0.17	-0.29	**-0.03**	**-0.13**
Book value / share	0.96	0.57	0.28	**0.13**	**0.05**
Dividend / share	0.00	0.00	0.00	**0.00**	**0.00**

Growth and profitability	2021	2022	2023	2024e	2025e
Revenue growth-%	150%	527%	-6%	**80%**	**120%**
EBITDA growth-%	96%	57%	77%	**-5%**	**-41%**
EBIT (adj.) growth-%	87%	95%	38%	**-4%**	**-24%**
EPS (adj.) growth-%	17%	162%	22%	**-52%**	**-24%**
EBITDA-%	-219.8 %	-55.1 %	-103.3 %	**-54.4 %**	**-14.5 %**
EBIT (adj.)-%	-228.2 %	-70.9 %	-104.3 %	**-55.5 %**	**-19.2 %**
EBIT-%	-383.9 %	-74.2 %	-122.1 %	**-65.1 %**	**-23.7 %**
ROE-%	-19.0 %	-25.1 %	-58.4 %	**-81.1 %**	**-108.1 %**
ROI-%	-23.7 %	-23.1 %	-49.6 %	**-55.9 %**	**-35.6 %**
Equity ratio	95.5 %	90.3 %	69.7 %	**60.6 %**	**16.7 %**
Gearing	-17.0 %	-59.5 %	-0.3 %	**40.3 %**	**373.5 %**

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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

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Inderes Oyj

Itämerentori 2

FI-00180 Helsinki, Finland

+358 10 219 4690

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Juha Kinnunen
2012, 2016, 2017, 2018, 2019, 2020

Mikael Rautanen
2014, 2016, 2017, 2019

Sauli Vilén
2012, 2016, 2018, 2019, 2020

Antti Viljakainen
2014, 2015, 2016, 2018, 2019, 2020

Olli Koponen
2020

Joni Grönqvist
2019, 2020

Erkki Vesola
2018, 2020

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