

Kempower

Company report

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✓ Inderes corporate customer

This report is a summary translation of the report “Lievä tulosvaroitus jo hinnoiteltu osakekurssiin” published on 4/25/2024 at 9:30 pm EEST.

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Small profit warning already priced in the stock

Q1 was weak as expected and the sluggish order intake did not improve the outlook for growth. The company's management seems to believe that growth will accelerate in H2 with the help of new customers, growing capacity and a new product portfolio. However, we estimate that it may take longer than expected for the market to recover, making it very difficult to achieve the guidance. In our view, a profit warning is already priced in at current levels, and the long-term outlook looks attractive. We reiterate our Buy recommendation but lower our target price to EUR 28 (was 32) in line with forecast cuts.

Q1 weak as expected, order intake below forecasts

Kempower's Q1 revenue totaled 42.6 MEUR (-24% y/y) and EBIT was -10.9 MEUR. The figures were in line with our and consensus forecasts, as the company had already issued a Q1 profit warning on March 22. New orders were 44.9 MEUR, below our forecast (63.2 MEUR). The revenue drop was due to high customer inventory levels, the launch of a new product portfolio and the postponement of deliveries to Q2 by around 10 MEUR due to port strikes in Finland. Continued high growth investments increased costs and weighed on profits. Kempower said it would take a more selective approach to growth investments and hiring for the remainder of the year.

Growth likely to strengthen towards year-end, but risk of profit warning high

There is currently a high degree of uncertainty about growth prospects for the remainder of the year. In fact, we think a guidance downgrade is likely, but this does not preclude a significant rebound in growth towards the end of the year. For 2024, Kempower reiterated its guidance of 360-410 MEUR (27-45% y/y growth) and an EBIT margin of 5-10%. The company argued that the guidance is based on a customer-specific sales outlook. Growth is at least supported by the increase in production capacity, the start of mass production of new products in Q2 and new customer wins (15 in Q1). However, the market demand for chargers is currently weakened. We believe that the charging market will pick up in the medium term as the number and share of electric cars in the vehicle fleet continues to grow and as technological developments make electric cars more competitive. If the market recovery is delayed, Kempower will likely have to lower its 2024 guidance. We forecast 2024 revenue of 343 MEUR, which is below guidance. We lowered our 2024-26 forecasts by 9% for revenue and 19-28% for EBIT, in part due to weak order intake.

Valuation attractive for the long-term investor

Kempower's EV/EBIT multiple on actual 2023 earnings is only 22x, which we believe is a moderate level considering that earnings for the year were significantly weakened by the strong expansion of operations and, e.g., the doubling of the workforce during the year. Our projections for 2025-26 (revenue CAGR: 25%, EBIT margin 10.7-13.3%) would already bring EV/EBIT down to 18x and 11x, respectively, which is favorable for a company in a sector with strong growth potential. Therefore, we believe that a small guidance miss is already priced into the stock. A turnaround in revenue growth in H2 could support the valuation, even if growth does not quite reach the very high levels required by the guidance. Kempower announced that it will move from First North to the main list of Nasdaq Helsinki in Q2 at the earliest, but we do not expect this to have a significant impact on the company's value or share price. Our target price of EUR 28 implies an EV/EBIT multiple of 15x based on our 2027 growth forecasts, which are below the company's target level.

Recommendation

Buy
(previous Buy)

EUR 28.00
(previous EUR 32.00)

Share price:
17.37



Key figures

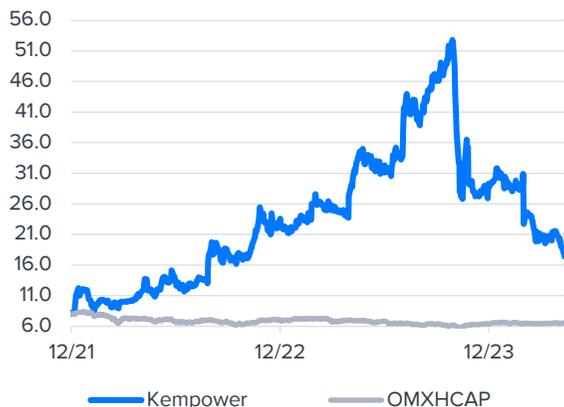
	2023	2024e	2025e	2026e
Revenue	283.6	343.2	442.7	548.9
growth-%	174%	21%	29%	24%
EBIT adj.	40.7	22.7	47.3	73.1
EBIT-% adj.	14.4 %	6.6 %	10.7 %	13.3 %
Net Income	33.8	19.2	38.5	58.6
EPS (adj.)	0.61	0.35	0.70	1.06
P/E (adj.)	46.9	49.7	25.0	16.4
P/B	11.9	6.3	5.0	3.9
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	37.2	39.2	18.3	11.2
EV/EBITDA	32.1	26.8	14.5	9.2
EV/S	5.3	2.6	2.0	1.5

Source: Inderes

Guidance (Unchanged)

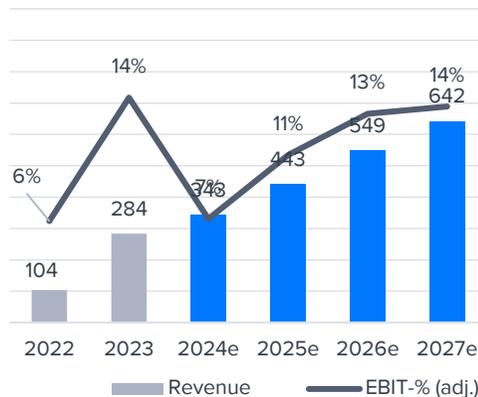
2024 revenue; 360-410 MEUR, assuming no major impact of foreign currency exchange rates. 2023 operative EBIT; positive operative EBIT margin, % between 5% to 10 %.

Share price



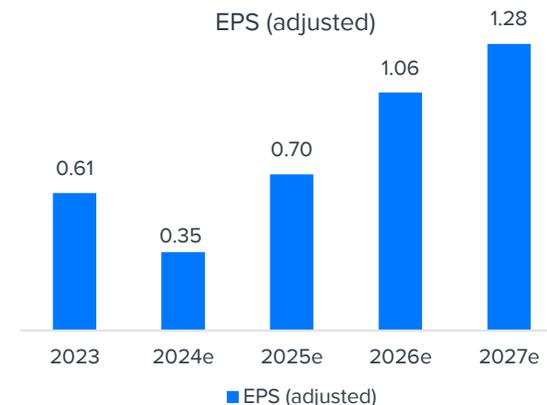
Source: Millstream Market Data AB

Revenue and EBIT-%



Source: Inderes

EPS and dividend



Source: Inderes



Value drivers

- Electrification of transport creates a huge need for efficient and versatile charging capacity
- Products are highly competitive and it can take a long time for competitors to develop similar features
- Growing the distribution channel allows the company to become one of the big global manufacturers
- Higher gross margins than for competitors



Risk factors

- Rapidly growing the organization slows profitability development in the short term
- Uncertainty about long-term profitability levels in the industry
- Changes in technological competitiveness could threaten growth and pricing
- Slowdown in demand growth and narrowing technological gaps are likely trends in the long term
- A high valuation based on long-term earnings growth carries significant risk

Valuation	2024e	2025e	2026e
Share price	17.4	17.4	17.4
Number of shares, millions	55.3	55.3	55.3
Market cap	960	960	960
EV	890	867	821
P/E (adj.)	49.7	25.0	16.4
P/E	50.0	25.0	16.4
P/B	6.3	5.0	3.9
P/S	2.8	2.2	1.7
EV/Sales	2.6	2.0	1.5
EV/EBITDA	26.8	14.5	9.2
EV/EBIT (adj.)	39.2	18.3	11.2
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Weak Q1 in light of figures

Revenue decreased for a variety of reasons

Kempower's Q1 revenue landed at 42.6 MEUR, down 24% year-on-year. Revenue was in line with our and consensus forecasts. Kempower lowered its Q1 guidance on March 22, leading the market to expect a weak quarter.

Kempower said that Q1 revenue was weak due to high customer inventory levels, delays in the availability of grid connections and the launch of Kempower's next generation product line, which contributed to some customers postponing their purchase decisions. In addition, political strikes blocked ports and prevented the export of goods from Finland in late March. According to Kempower, a total of 10 MEUR of revenue was carried over to Q2.

Market demand weakened

Kempower's order intake in Q1 was 44.9 MEUR, which was below our forecast (63.2 MEUR) and consensus (71.3 MEUR). The weakness in the order book was attributed to the same reasons that contributed to the weakness in revenue. However, we believe that the weakening of the market is the main reason for the decline in orders. Kempower expanded and developed its distribution during the quarter, adding 15 new customers, mainly in Europe.

Growth investments weigh on profitability

In addition to weak revenue, Kempower's fixed costs increased significantly, putting pressure on profitability. EBIT was clearly in the red at -10.9 MEUR, down from 6.8 MEUR in the comparison period. During Q1, the company's headcount increased by 97 (12%) compared to year-end 2023, or 79% compared

to the end of March 2023. Growth investments have been directed, for example, to the United States and to the start-up of a new factory in Finland.

The gross margin fell to 49.8% (Q1'23: 50.8%). We believe this is due to low delivery volumes and production disruptions. The gross margin was particularly affected by the increase in the relative share of personnel costs in manufacturing.

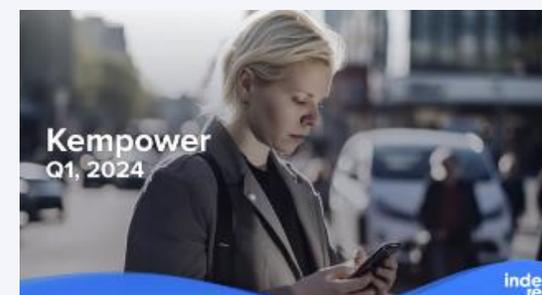
Negative result and investments weigh on cash flow

Kempower's net result was -8.8 MEUR (Q1'23: 5.6 MEUR) and cash flow from operating activities stood at -10.2 MEUR (Q1'23: 2.5 MEUR). Investments increased to 4.6 MEUR (Q1'23: 1.6 MEUR), mainly related to production expansion. At the end of March, the company's net cash was 58.7 MEUR, unchanged compared to the previous year.

Estimates MEUR / EUR	Q1'23	Q1'24	Q1'24e	Q1'24e	Consensus		Difference (%)	2024e
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	55.8	42.6	42.9	42.7			-1%	343
Order intake	61.4	44.9	44.9	71.3			0%	339
Gross margin	50.8 %	49.8 %	49.8 %	50.9 %			0 pp	51.0 %
EBIT (adj.)	6.9	-10.8	-13.3	-10.7			-19%	22.7
EBIT	6.8	-10.9	-13.3	-10.7			-18%	22.6
EPS (reported)	0.10	-0.16	-0.25	-0.17				0.35
Revenue growth-%	384.9 %	-23.6 %	-23.0 %	-23.4 %			-0.6 pp	21.0 %
EBIT-% (adj.)	12.4 %	-25.4 %	-31.0 %	-25.1 %			5.7 pp	6.6 %

Source: Inderes & Modular Finance (consensus: 8 analysts)

Watch the Q1 results broadcast:

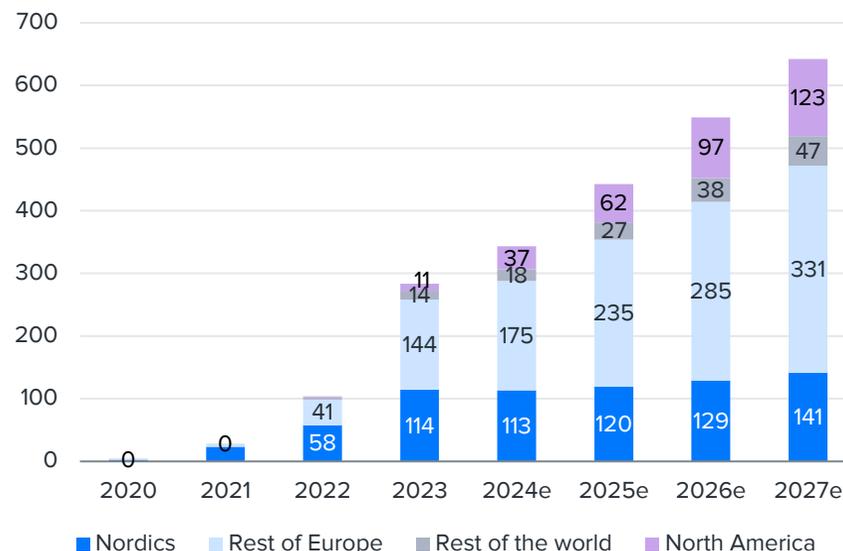


Increased probability of profit warning

Growth can still accelerate in H2 even if the guidance is not quite met

- For 2024, Kempower reiterated its guidance of 360-410 MEUR (27-45% y/y growth) and an EBIT margin of 5-10%. This would require a strong turnaround after a difficult start to the year.
- With weak order intake in Q1, an external observer has little concrete evidence that the turnaround in growth has materialized. The company argued that the guidance is based on a customer-specific sales outlook. The company said it won 15 new accounts in Q1. For new customers, initial orders will be small, but the company expects larger volume orders later.
- Kempower is a pioneer in heavy-duty charging solutions. The 2024 sales forecast is based more on public charging points, but the share of heavy transport vehicles could become more important in the coming years as the installation of charging infrastructure gathers pace.
- We lowered our revenue forecasts by 9% for 2024-26 and EBIT forecasts by 19-29%, mainly based on weak order intake in Q1 and slower-than-expected progress in the passenger car electrification trend across the market.

Revenue development by geographical location



Estimate revisions MEUR / EUR	2024e			2025e			2026e		
	Old	New	Change %	Old	New	Change %	Old	New	Change %
Revenue	377	343	-9%	487	443	-9%	603	549	-9%
EBITDA	43.8	33.3	-24%	74.7	59.7	-20%	106	89.0	-16%
EBIT (exc. NRIs)	31.8	22.7	-28%	61.1	47.3	-23%	90.5	73.1	-19%
EBIT	31.8	22.6	-29%	61.1	47.3	-23%	90.5	73.1	-19%
PTP	33.8	24.6	-27%	63.1	49.3	-22%	92.5	75.1	-19%
EPS (excl. NRIs)	0.48	0.35	-27%	0.89	0.70	-22%	1.31	1.06	-19%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

Watch Inderes interview with CEO
Tomi Ristimäki:



Valuation on firmer footing

Investment profile

Kempower's valuation is high compared to current earnings. The valuation has relied mainly on long-term earnings growth expectations, even if the multiples have decreased recently. We believe there are good reasons for these high expectations, as the company's global competitiveness is strong thanks to its high technological competence and growing size, and market demand is expected to develop very favorably for a long time (market size 2023: 2 BNEUR, the company estimates 2030e: 14 BNEUR). The company has already managed to deliver very high profitability levels and return on capital ratios in 2023, but strong additional growth investments will weigh on profitability in the coming years. The electrification of transport is not linear, which means that investment in charging infrastructure can also fluctuate, increasing the risk associated with the estimates for the coming years. Although Kempower is currently one of the most advanced and profitable companies in the industry, it is difficult to forecast changes in the technological environment, which in turn increases uncertainty about long-term market share and profitability.

Valuation starts to look decent even with actual earnings multiples

With the recent fall in the share price, Kempower's valuation is starting to find a firmer footing in terms of actual valuation multiples. At the current share price, EV/EBIT at 2023 earnings would be only 22x. It should be remembered that the results were affected by strong expansion activities, including the establishment of operations in North America and the doubling of the total number of employees during the year. If we assume that 20% of fixed costs are related

to expansion, EV/EBIT at normalized earnings in 2023 would be only 14x. In reality, however, the company is investing heavily in growth, and expansion activities are likely to weigh on earnings in 2024, pushing up valuation multiples for the current year (2024e EV/EBIT: 39x). Gross margins are also likely to come under pressure in the long term.

Our 2025-26 projections bring valuation multiples back to relatively favorable levels (18x and 11x). If the growth efforts bear fruit, the company's profits will grow rapidly and the return on capital will be very high. Kempower is among the most competitive in an industry with very strong growth prospects, which is why we believe the stock can be valued at high multiples and should be valued on the basis of future earnings growth.

Buy recommendation reiterated

We revise our target price to EUR 28, which corresponds to an EV/EBIT multiple of 15x in our 2027 projections. This year marks the end of the company's medium-term strategy period. The company targets revenue to grow to 750 MEUR by 2026-28 (our forecast 2027: 642 MEUR) and an EBIT margin of 10-15% within the same timeframe (our forecast 2027: 13.8%).

Our DCF model values the share at EUR 29 under cut profitability assumptions (terminal EBIT-%: 14 %, was 15%) and 8.2% WACC, thus supporting our recommendation and target price. We believe the stock will react positively if the company grows in line with our forecasts towards the end of 2024, even if the company has to slightly downgrade its current growth guidance.

Valuation	2024e	2025e	2026e
Share price	17.4	17.4	17.4
Number of shares, millions	55.3	55.3	55.3
Market cap	960	960	960
EV	890	867	821
P/E (adj.)	49.7	25.0	16.4
P/E	50.0	25.0	16.4
P/B	6.3	5.0	3.9
P/S	2.8	2.2	1.7
EV/Sales	2.6	2.0	1.5
EV/EBITDA	26.8	14.5	9.2
EV/EBIT (adj.)	39.2	18.3	11.2
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Detailed estimates

MEUR	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	Terminal period
Order intake			7	37	209	275	339	440						
- growth %				427%	459%	32%	23%	30%						
Order book			4	14	119	111	106	104						
				261%	768%	-7%	-4%	-2%						
Revenue	0	0	3	27	104	284	343	443	549	642	739	812	894	
- growth %		68%	909%	730%	278%	174%	21%	29%	24%	17%	15%	10%	10%	3%
Revenue by geography														
Nordics	0	0	2	23	58	114	113	120	129	141				
- growth %					150%	97%	-1%	6%	8%	10%				
Rest of Europe	0	0	1	4	41	144	175	235	285	331				
- growth %					893%	254%	21%	34%	22%	16%				
North America	0	0	0	0	2	11	37	62	97	123				
- growth %							227%	67%	57%	27%				
Rest of the world	0	0	0	0	4	14	18	27	38	47				
- growth %							29%	50%	40%	25%				
Material and service costs	0.0	-0.1	-1.5	-13.6	-52.4	-129.4	-158.7	-207.4	-259.9	-307.3	-357.1	-396.9		
Personnel costs	-0.3	-1.1	-2.2	-7.5	-21.9	-48.9	-83.4	-96.5	-112.0	-127.8	-141.8	-150.3		
Other costs	-0.4	-1.3	-1.8	-5.9	-19.9	-58.3	-67.8	-79.1	-90.2	-102.5	-114.5	-122.0		
EBITDA	-0.6	-2.2	-2.1	0.5	9.5	47.1	33.3	59.7	86.9	104.6	125.2	143.3	158.3	
- % of revenue				1.8%	9.2%	16.6%	9.7%	13.5%	15.8%	16.3%	17.0%	17.6%	17.7%	
Depreciation and amortization	0.0	0.0	-0.1	-1.1	-3.4	-6.5	-10.6	-12.4	-13.7	-16.1	-17.7	-19.5	-20.6	
EBIT	-0.6	-2.2	-2.2	-0.7	6.1	40.6	22.6	47.3	73.1	88.5	107.5	123.8	137.8	
- % of revenue				-2.6%	5.9%	14.3%	6.6%	10.7%	13.3%	13.8%	14.6%	15.2%	15.4%	14.0%
Financing expenses				-0.2	-1.3	2.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0	
Taxes				1.1	-1.2	-9.3	-5.4	-10.8	-16.5	-19.9	-24.1	-27.7	-30.8	
- Tax rate %				122%	25%	22%	22%	22%	22%	22%	22%	22%	22%	22%
Net profit				0.3	3.6	33.7	19.2	38.5	58.6	70.6	85.4	98.1	109.0	
EPS (EUR)				0.01	0.07	0.61	0.35	0.70	1.06	1.28	1.54	1.77	1.97	
Investments (incl. capitalization of leasing contracts)			0	4	23	23	25	22	23	24	25	26	26	
Net working capital			3	4	21	18	27	33	38	41	44	44	49	
Cash and cash equivalents			1	90	74	100	110	180	262	293	322	365	464	
Headcount (at the end of year)	5	17	38	136	375	737	900							

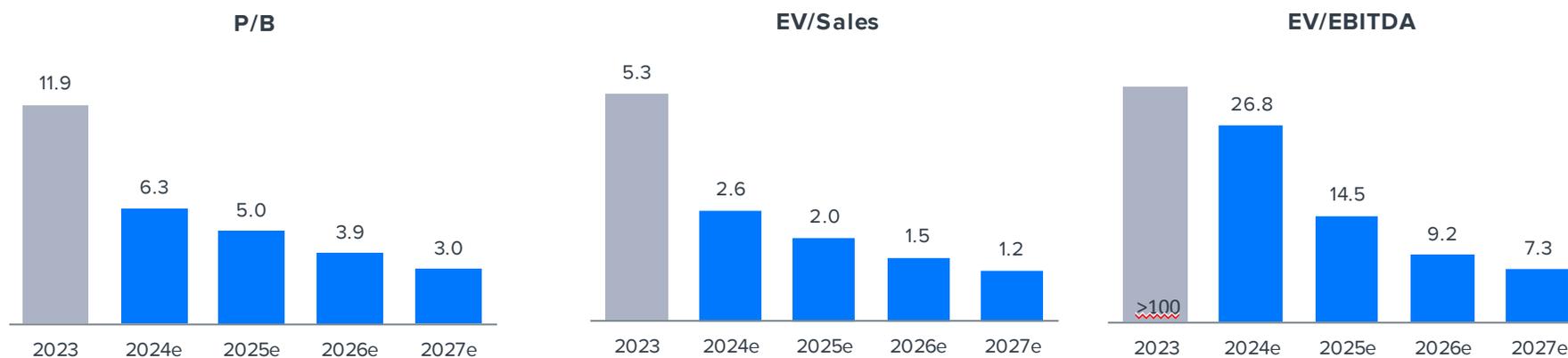
Source: Inderes

The data are presented in accordance with FAS 2018-20 and IFRS from 2021 onwards.

Valuation table

Valuation	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e
Share price	28.7	17.4	17.4	17.4	17.4	17.4	17.4	17.4	17.4
Number of shares, millions	55.3	55.3	55.3	55.3	55.3	55.3	55.3	55.3	55.3
Market cap	1588	960	960	960	960	960	960	960	960
EV	1513	890	867	821	762	688	598	501	394
P/E (adj.)	46.9	49.7	25.0	16.4	13.6	11.2	9.8	8.8	8.0
P/E	47.0	50.0	25.0	16.4	13.6	11.2	9.8	8.8	8.0
P/B	11.9	6.3	5.0	3.9	3.0	2.4	1.9	1.6	1.3
P/S	5.6	2.8	2.2	1.7	1.5	1.3	1.2	1.1	1.0
EV/Sales	5.3	2.6	2.0	1.5	1.2	0.9	0.7	0.6	0.4
EV/EBITDA	32.1	26.8	14.5	9.2	7.3	5.5	4.2	3.2	2.3
EV/EBIT (adj.)	37.2	39.2	18.3	11.2	8.6	6.4	4.8	3.6	2.6
Payout ratio (%)	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 %			

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
Tritium	1	155					1.0	0.4					
Tesla	483760	464185	47.8	55.9	31.4	32.5	5.1	4.9	51.5	62.4			9.8
Wallbox	274	418				696.5	2.7	1.5					3.9
Zaptec	103	95	11.7	9.0	9.1	7.1	0.8	0.6	16.6	12.6			1.7
Alfen	768	798	19.4	13.1	15.1	10.4	1.6	1.3	26.8	18.0			4.2
Kempower (Inderes)	960	890	39.2	18.3	26.8	14.5	2.6	2.0	49.7	25.0	0.0	0.0	6.3
Average			26.3	26.0	18.5	186.6	2.2	1.7	31.6	31.0			4.9
Median			19.4	13.1	15.1	21.5	1.6	1.3	26.8	18.0			4.1
Diff-% to median			101%	40%	77%	-32%	62%	54%	86%	39%			55%

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	27.4	104	55.8	72.5	72.6	82.8	284	42.6	78.3	105	117	343	443	549	642
EBITDA	0.5	9.5	7.9	15.4	16.0	7.8	47.1	-8.6	6.0	17.2	18.6	33.3	59.7	89.0	105
Depreciation	-1.1	-3.4	-1.1	-1.5	-1.7	-2.3	-6.5	-2.3	-2.4	-3.0	-2.9	-10.6	-12.4	-15.9	-16.1
EBIT (excl. NRI)	-0.6	6.7	6.9	13.9	14.4	5.5	40.7	-10.8	3.6	14.2	15.7	22.7	47.3	73.1	88.5
EBIT	-0.6	6.1	6.8	13.9	14.4	5.5	40.6	-10.9	3.6	14.2	15.7	22.6	47.3	73.1	88.5
Net financial items	-0.2	-1.3	0.2	0.3	0.2	1.8	2.5	0.3	0.5	0.5	0.7	2.0	2.0	2.0	2.0
PTP	-0.8	4.8	7.0	14.2	14.6	7.3	43.1	-10.6	4.1	14.7	16.4	24.6	49.3	75.1	90.5
Taxes	1.1	-1.4	-1.3	-3.2	-2.9	-1.9	-9.3	1.9	-0.8	-2.9	-3.5	-5.4	-10.8	-16.5	-19.9
Net earnings	0.3	3.4	5.7	11.0	11.7	5.4	33.8	-8.8	3.3	11.8	12.9	19.2	38.5	58.6	70.6
EPS (adj.)	0.01	0.07	0.10	0.20	0.21	0.10	0.61	-0.16	0.06	0.21	0.23	0.35	0.70	1.06	1.28
EPS (rep.)	0.01	0.06	0.10	0.20	0.21	0.10	0.61	-0.16	0.06	0.21	0.23	0.35	0.70	1.06	1.28

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-%	730.3 %	278.1 %	384.9 %	235.5 %	122.0 %	119.0 %	173.7 %	-23.6 %	8.0 %	45.0 %	41.4 %	21.0 %	29.0 %	24.0 %	17.0 %
Adjusted EBIT growth-%			-788.8 %	671.5 %	504.7 %		507.5 %	-256.5 %	-74.0 %	-1.2 %	183.5 %	-44.2 %	108.2 %	54.6 %	21.0 %
EBITDA-%			14.1 %	21.2 %	22.1 %	9.4 %	16.6 %	-20.1 %	7.7 %	16.4 %	15.9 %	9.7 %	13.5 %	16.2 %	16.3 %
Adjusted EBIT-%			12.4 %	19.2 %	19.8 %	6.7 %	14.4 %	-25.3 %	4.6 %	13.5 %	13.4 %	6.6 %	10.7 %	13.3 %	13.8 %
Net earnings-%			10.2 %	15.2 %	16.1 %	6.5 %	11.9 %	-20.6 %	4.2 %	11.2 %	11.0 %	5.6 %	8.7 %	10.7 %	11.0 %

Source: Inderes

Balance sheet

Assets	2022	2023	2024e	2025e	2026e
Non-current assets	24.3	44.2	58.6	68.2	75.6
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	2.6	1.8	1.8	1.8	1.8
Tangible assets	21.1	38.2	52.6	62.2	69.6
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	1.4	1.4	1.4	1.4
Deferred tax assets	0.6	2.8	2.8	2.8	2.8
Current assets	130	194	262	370	489
Inventories	27.1	51.6	76.2	96.0	116
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	28.7	42.1	76.3	94.0	111
Cash and equivalents	74.0	99.8	110	180	262
Balance sheet total	154	238	321	438	565

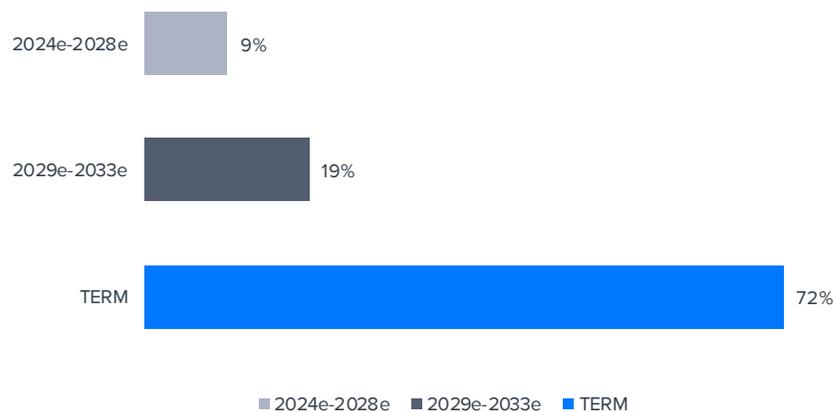
Source: Inderes

Liabilities & equity	2022	2023	2024e	2025e	2026e
Equity	101	133	152	191	249
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	6.4	42.4	61.6	100	159
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	94.2	90.4	90.4	90.4	90.4
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	16.0	24.4	36.3	74.4	103
Deferred tax liabilities	0.4	0.0	0.0	0.0	0.0
Provisions	2.4	3.8	3.8	3.8	3.8
Interest bearing debt	13.3	20.5	32.4	70.5	99.5
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	0.1	0.1	0.1	0.1
Current liabilities	37.5	80.4	133	173	212
Interest bearing debt	2.4	4.7	7.4	16.2	22.8
Payables	35.1	75.7	125	157	189
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	154	238	321	438	565

DCF calculation

DCF model	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	TERM
Revenue growth-%	173.7 %	21.0 %	29.0 %	24.0 %	17.0 %	15.0 %	10.0 %	10.0 %	10.0 %	10.0 %	3.0 %	3.0 %
EBIT-%	14.3 %	6.6 %	10.7 %	13.3 %	13.8 %	14.6 %	15.2 %	15.4 %	15.4 %	14.0 %	14.0 %	14.0 %
EBIT (operating profit)	40.6	22.6	47.3	73.1	88.5	107	124	138	152	151	156	
+ Depreciation	6.5	10.6	12.4	15.9	16.1	17.7	19.5	20.6	20.8	22.2	23.2	
- Paid taxes	-11.9	-5.4	-10.8	-16.5	-19.9	-24.1	-27.7	-30.8	-33.8	-33.7	-34.7	
- Tax, financial expenses	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	
+ 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	2.8	-9.2	-5.7	-5.2	-3.3	-2.5	-0.3	-4.4	-4.9	-5.3	-1.8	
Operating cash flow	38.5	19.0	43.6	67.7	81.8	99.1	116	124	134	135	143	
+ 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	
- Gross CAPEX		-25.0	-22.0	-23.3	-24.3	-25.2	-25.9	-26.5	-27.2	-27.2	-26.0	
Free operating cash flow	-6.0	21.6	44.4	57.5	73.8	89.9	97.1	97.1	107	108	117	
+/- Other		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF		-6.0	21.6	44.4	57.5	73.8	89.9	97.1	107	108	117	2341
Discounted FCFF		-5.6	18.9	36.0	43.1	51.2	57.6	57.5	58.6	54.6	54.8	1096
Sum of FCFF present value		1523	1528	1510	1474	1430	1379	1322	1264	1206	1151	1096
Enterprise value DCF		1523										
- Interest bearing debt		-25.2										
+ Cash and cash equivalents		99.8										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		1597										
Equity value DCF per share		28.9										

Cash flow distribution



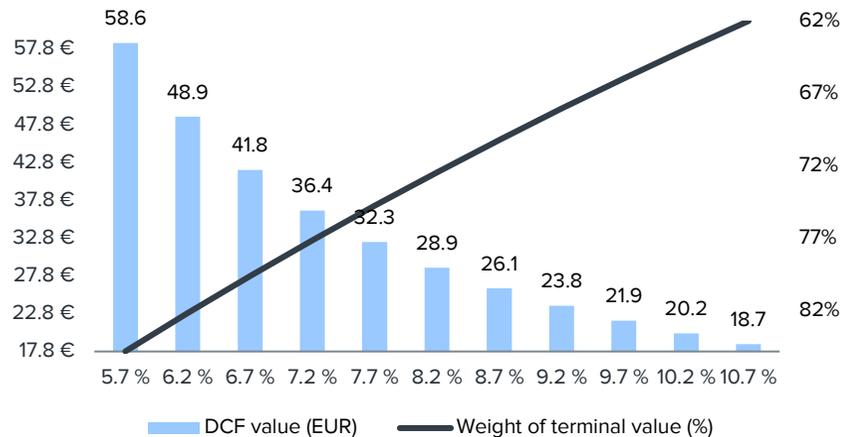
WACC

Tax-% (WACC)	22.0 %
Target debt ratio (D/(D+E))	10.0 %
Cost of debt	3.0 %
Equity Beta	1.33
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.5 %
Cost of equity	8.8 %
Weighted average cost of capital (WACC)	8.2 %

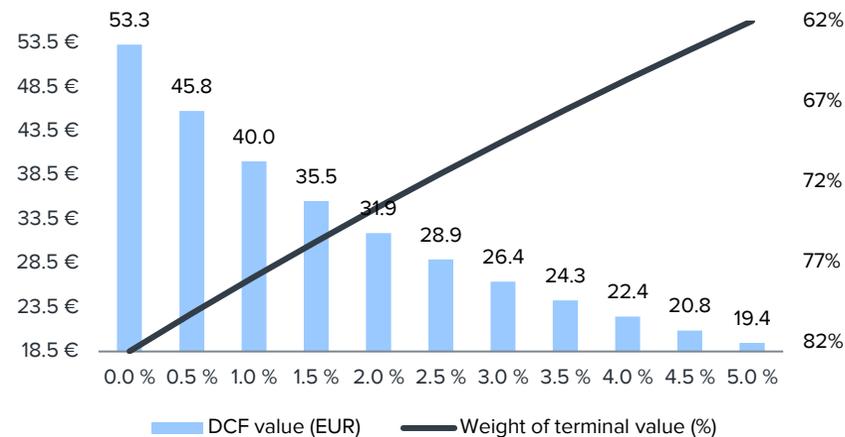
Source: Inderes

DCF sensitivity calculations and key assumptions in graphs

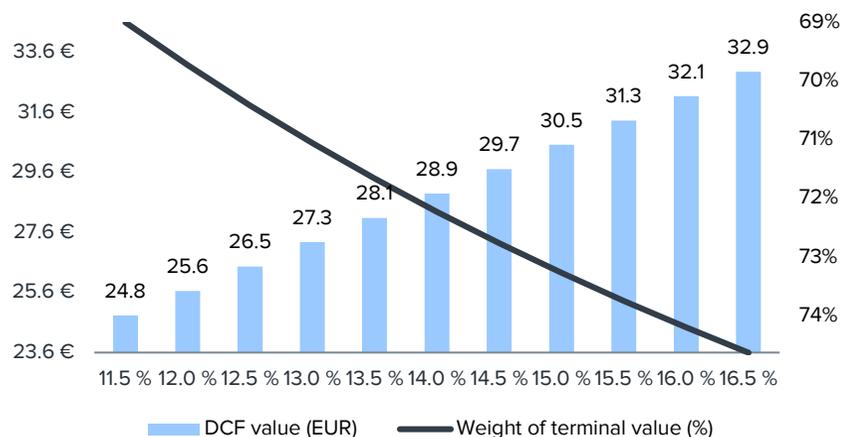
Sensitivity of DCF to changes in the WACC-%



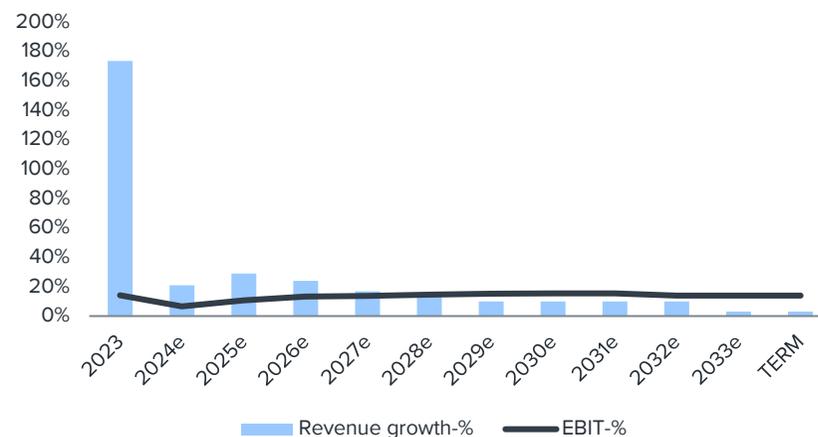
Sensitivity of DCF to changes in the risk-free rate



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	27.4	103.6	283.6	343.2	442.7	EPS (reported)	0.01	0.06	0.61	0.35	0.70
EBITDA	0.5	9.5	47.1	33.3	59.7	EPS (adj.)	0.01	0.07	0.61	0.35	0.70
EBIT	-0.6	6.1	40.6	22.6	47.3	OCF / share	0.00	-0.16	0.70	0.34	0.79
PTP	-0.8	4.8	43.1	24.6	49.3	FCF / share	-0.14	-0.53	0.29	-0.11	0.39
Net Income	0.3	3.4	33.8	19.2	38.5	Book value / share	1.76	1.81	2.40	2.75	3.45
Extraordinary items	0.0	-0.6	-0.1	-0.1	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	108.5	154.2	237.7	321.1	438.2	Revenue growth-%	730%	278%	174%	21%	29%
Equity capital	97.5	100.7	132.9	152.1	190.6	EBITDA growth-%	-124%	1800%	396%	-29%	80%
Goodwill	0.0	0.0	0.0	0.0	0.0	EBIT (adj.) growth-%	-73%	-1217%	507%	-44%	108%
Net debt	-89.3	-58.3	-74.6	-70.2	-93.4	EPS (adj.) growth-%		1287%	718%	-43%	99%
Cash flow	2021	2022	2023	2024e	2025e	EBITDA-%	1.8 %	9.2 %	16.6 %	9.7 %	13.5 %
EBITDA	0.5	9.5	47.1	33.3	59.7	EBIT (adj.)-%	-2.2 %	6.5 %	14.4 %	6.6 %	10.7 %
Change in working capital	-0.6	-17.2	2.8	-9.2	-5.7	EBIT-%	-2.2 %	5.9 %	14.3 %	6.6 %	10.7 %
Operating cash flow	-0.1	-8.6	38.5	19.0	43.6	ROE-%	0.6 %	3.5 %	28.9 %	13.5 %	22.5 %
CAPEX	-4.4	-23.2	-24.2	-25.0	-22.0	ROI-%	-1.2 %	5.7 %	29.6 %	12.9 %	20.2 %
Free cash flow	-7.7	-29.7	15.8	-6.0	21.6	Equity ratio	89.9 %	65.3 %	55.9 %	47.4 %	43.5 %
						Gearing	-91.5 %	-57.9 %	-56.1 %	-46.1 %	-49.0 %
Valuation multiples	2021	2022	2023	2024e	2025e						
EV/S	20.2	10.0	5.3	2.6	2.0						
EV/EBITDA (adj.)	>100	>100	32.1	26.8	14.5						
EV/EBIT (adj.)	neg.	>100	37.2	39.2	18.3						
P/E (adj.)	>100	>100	46.9	49.7	25.0						
P/B	6.6	10.8	11.9	6.3	5.0						
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
8/15/2022	Accumulate	20.00 €	18.35 €
10/30/2022	Accumulate	22.00 €	19.64 €
2/15/2023	Reduce	27.00 €	27.56 €
4/14/2023	Accumulate	30.00 €	27.30 €
4/20/2023	Accumulate	32.00 €	28.80 €
7/19/2023	Accumulate	43.00 €	41.68 €
7/25/2023	Reduce	43.00 €	42.84 €
9/18/2023	Accumulate	52.00 €	46.10 €
10/19/2023	Accumulate	44.00 €	37.88 €
10/31/2023	Buy	44.00 €	29.59 €
2/9/2024	Buy	41.00 €	28.72 €
2/15/2024	Buy	32.00 €	22.72 €
3/25/2024	Buy	32.00 €	19.55 €
4/25/2024	Buy	28.00 €	17.37 €



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