

MERUS POWER

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

INDERES CORPORATE CUSTOMER COMPANY REPORT



Story progresses one step at a time

The beginning of the year for Merus Power was characterized by high production volumes, but the full-year guidance remained unchanged. The gross margin development did not meet our expectations, but fixed costs scaled well even with high production volumes. The company continues to focus on improving production efficiency and expanding its customer base, including into new markets, so that growth is not solely dependent on domestic demand for electricity storage. Visibility into a significant improvement in profitability remains uncertain, against which the valuation is high. We reiterate our Reduce recommendation and raise our target price to EUR 5.0 (was EUR 4.8).

Higher production volumes than expected in H1

The beginning of the year was a period of strong production volume growth for Merus Power. We believe this was particularly influenced by the revenue recognition of large electricity storage deliveries. Revenue was 25 MEUR, growing by as much as 274%, and also exceeded our estimate by 10 MEUR. High production volumes and the order book turning into revenue also lifted the bottom line significantly above our forecasts. EBITDA was 0.3 MEUR (we estimated -1.8 MEUR) and net profit was -1.2 MEUR (we estimated -2.9 MEUR). Gross margin of 32% was clearly lower than our expectations, partly due to the revenue distribution being weighted towards energy storage. However, fixed costs grew relatively moderately, which demonstrated the company's ability to scale operations and strengthen profitability as the business grows. The faster-than-expected revenue recognition of deliveries, on the other hand, negatively impacted the H1-end order backlog, which stood at 29.3 MEUR (Inderes: 39 MEUR). New orders decreased by 34% year-on-year, as the comparison period included large energy storage orders delivered in the H1 of this year. Operating cash flow was -0.4 MEUR, which was affected by, among other things, higher-than-expected financing costs. The significant increase in investments in H1 was mainly due to the capitalization of an energy storage system built for the company's own R&D and revenue-generating use as a fixed asset.

Current year outlook unchanged, continued growth requires acceleration of order intake in late 2025

Merus Power reiterated its guidance for 2025, according to which revenue will grow strongly from 2024 and EBITDA will be 1-3 MEUR. Our revenue forecast increased by 3% (2025e growth: 28%), but the EBITDA forecast remained unchanged at 2.0 MEUR due to a lower-than-expected margin level. The decreased order book level (-37% y/y) slightly increases uncertainty regarding continued growth in 2026. However, we interpreted the company as being quite confident in the energy storage market and the order outlook for the rest of the year. We made minor downward revisions (4% and 3%) to our 2026 and 2027 revenue estimates. In addition, we lowered our margin assumptions, which had a 15% and 10% negative impact on the 2026-27 EBITDA estimates. The significant earnings growth projected for the coming years is based on the assumption of, among other things, an improvement in the margin level of the energy storage business through process efficiencies in a young organization.

The story progresses, but we find the valuation tight

As our forecasts materialize, the EV/EBIT valuation multiples would decrease to 31x and 17x in 2026-27 (EV/EBITDA: 14x and 10x). In our view, the current valuation level is still relatively expensive, considering the uncertainty related to profitability development and international competitiveness. We would like to see more evidence from the company of systematic profitability improvement and, on the other hand, profitable expansion of the energy storage business into new countries and segments outside Finland. If the company could demonstrate that its energy storage solutions are competitive and profitable in international markets (so far, one order from Poland), there could be upside potential in the stock, as the target market is growing rapidly, supported by the energy system transition. While the market is expected to grow in the long term, investment-driven demand may fluctuate occasionally (especially in a single country), which increases business risk.

Recommendation

Reduce

(was Reduce)

Target price:

EUR 5.00

(was EUR 4.80)

Share price:

EUR 5.60

Business risk



Valuation risk



	2024	2025e	2026e	2027e
Revenue	35.8	45.9	52.7	61.7
growth-%	23%	28%	15%	17%
EBIT adj.	-2.1	0.3	1.5	2.7
EBIT-% adj.	-5.7 %	0.7 %	2.8 %	4.4 %
Net income	-2.7	-0.7	0.7	2.1
EPS (adj.)	-0.35	-0.09	0.09	0.26
P/E (adj.)	neg.	neg.	61.0	21.8
P/B	3.0	4.2	3.9	3.3
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	neg.	>100	31.4	17.2
EV/EBITDA	neg.	23.7	14.3	9.9
EV/S	0.8	1.0	0.9	0.8

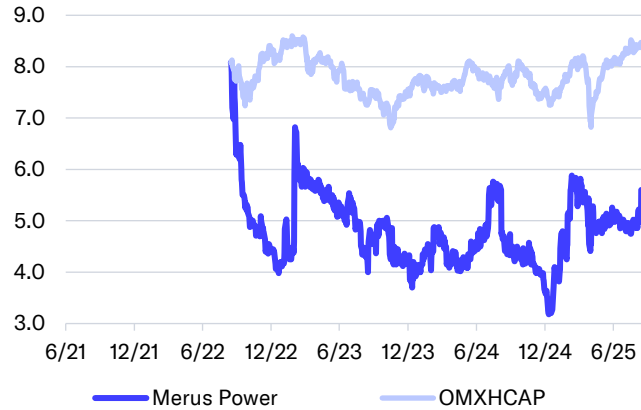
Source: Inderes

Guidance

(Unchanged)

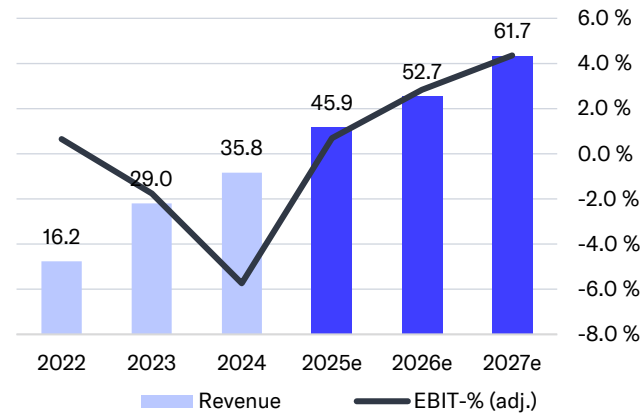
Merus Power estimates that in 2025 the company's revenue will increase strongly compared to 2024. EBITDA is estimated to be 1-3 MEUR.

Share price



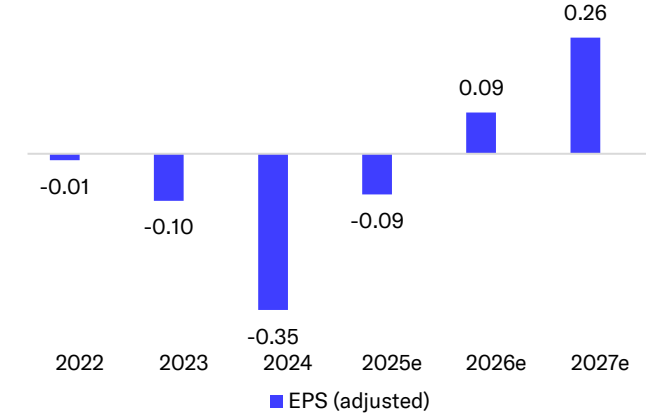
Source: Millstream Market Data AB

Revenue and EBIT-% (adj.)



Source: Inderes

Earnings per share



Source: Inderes

Value drivers

- Rapidly growing end markets due to the energy system transformation
- Specialized technological expertise
- Listing has supported resources and enabled accelerated growth
- Revenue growth brings economies of scale and supports profitability in the medium term

Risk factors

- Long-term profitability levels involve uncertainty due to the development phase of the energy storage business and the market
- The business's composition of large deliveries brings volatility to revenue development
- Fluctuations in investment-driven demand
- Growth has burdened the balance sheet as the profitability turnaround has been delayed

Valuation	2025e	2026e	2027e
Share price	5.60	5.60	5.60
Number of shares, millions	8.12	8.12	8.12
Market cap	45	45	45
EV	46	47	46
P/E (adj.)	neg.	61.0	21.8
P/E	neg.	61.0	21.8
P/B	4.2	3.9	3.3
P/S	1.0	0.9	0.7
EV/Sales	1.0	0.9	0.8
EV/EBITDA	23.7	14.3	9.9
EV/EBIT (adj.)	>100	31.4	17.2
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Production volume rose to a high level in H1

Revenue steeply increased, order book decreased

H1 revenue was 24.9 MEUR, which was many times higher than the comparison period (H1'24: 6.7 MEUR) and also clearly exceeded our estimate (14.0 MEUR). Revenue recognized in H1 was clearly above our expectations, which, on the other hand, reduces the remaining order backlog, which was 29.3 MEUR at the end of H1 (H1'24: 46.8 MEUR). According to the company, the revenue growth resulted from successful deliveries of both energy storage and power quality solutions, but we estimate that energy storage played a larger role in the growth in euro terms.

New orders received in H1 were 26.2 MEUR, which slightly exceeded our forecast of 23.0 MEUR (a 14% beat), but was clearly below the record level of the comparison period (a decrease of 34% y/y). The order intake also included a few service agreements, the revenue from which is expected to be distributed over a long period.

EBITDA landed in the black

Strong revenue recognition helped Merus Power turn its EBITDA positive (H1'25: 0.3 MEUR, H1'24: -3.4 MEUR), and other earnings lines were also higher than our estimates. The net result was -1.2 MEUR (we estimated -2.9 MEUR). This marks the first time in the 2020s that the company has managed to achieve a positive EBITDA already in the first half of the year, which, particularly for power quality solutions, has typically been a seasonally weaker half (older semi-annual data is not available). Profitability strengthened due to high production volumes, productization of deliveries, and enhanced expertise. However, the release states that the company's strong growth still puts pressure on containing cost increases, which is why measures to improve profitability are being continued.

Fixed costs were scaled, but the margin level was below expectations

Regarding the cost structure, the gross margin was 32%, falling short of our estimate (39%), but this was likely influenced by the H1 revenue distribution deviating from expectations due to the strong revenue recognition of energy storage systems. Costs arising from the use of external services, which are included in manufacturing costs, increased sharply. Personnel costs naturally grew more than expected, but their ratio to revenue was significantly lower than our forecast due to high production volumes and increased operational efficiency (21%, we expected 33%). Other operating expenses grew by only 10% (close to our estimate), so their ratio to revenue decreased sharply.

Estimates	H1'24	H1'25	H1'25e	Difference (%)	2025e
MEUR / EUR	Comparison	Actualized	Inderes	Act. vs. inderes	Inderes
Revenue	6.7	24.9	14.0	78%	45.9
Order book	46.8	29.3	39.0	-25%	40.4
EBITDA	-3.4	0.3	-1.8	117%	2.0
EBIT	-4.0	-0.5	-2.5	80%	0.3
PTP	-4.3	-1.2	-2.9	60%	-0.7
EPS (reported)	-0.56	-0.14	-0.36	61%	-0.09
Revenue growth-%	-50.8 %	274%	110.0 %	163.8 pp	28.0 %
EBIT-% (adj.)	-60.1 %	-2.0 %	-17.8 %	15.8 pp	0.7 %

Source: Inderes

Continued growth next year requires an acceleration in order intake in H2

No major changes in the current year's outlook

- Merus Power reiterated its guidance for 2025, according to which revenue will grow strongly from 2024 and EBITDA will be 1-3 MEUR.
- Our revenue forecast increased by 2% (2025e growth: 28%), but the EBITDA forecast remained unchanged at 2.0 MEUR due to a lower-than-expected margin level. The EBIT forecast decreased as the H1 depreciation level was higher than anticipated.
- The decreased order book level (-37% y/y) slightly increases uncertainty regarding continued growth in 2026. We made minor downward revisions (4% and 3%) to our 2026 and 2027 revenue estimates. In addition, we lowered our margin assumptions, which had a relatively significant negative impact on our earnings estimates for the coming years. The significant earnings growth forecast for the coming years is still based on the assumption of an improvement in the margin level of the energy storage business through process efficiency improvements (improvement in energy storage margins 2026e: 1 percentage point, 2027e: 0.4 percentage points).
- We interpreted the company as being quite confident regarding the energy storage market and order intake for the rest of the year. The structure of the Finnish electricity storage market has changed such that the capacity of batteries relative to power has increased on average. This is influenced by customers' concerns about the saturation of Fingrid's frequency regulation market. On the other hand, batteries can also be utilized in other ways, such as in electricity trading, where more battery capacity is needed (relative to power). Merus Power manufactures its own power electronics but sources batteries externally, so the relative emphasis on battery capacity may negatively affect the relative value added in energy storage deliveries. The decrease in battery prices partly compensates for the impact of this change. However, the rapid pace of change in the market makes it difficult to predict business development.
- Merus Power's first international energy storage order from Poland (announced last week) supports its international growth plans, which would enable the diversification of demand drivers across multiple markets over time.

Estimate revisions	2025e	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	44.8	45.9	2%	55.1	52.7	-4%	63.9	61.7	-3%
EBITDA	2.0	2.0	0%	3.9	3.3	-15%	5.2	4.7	-10%
EBIT (exc. NRIs)	0.5	0.3	-35%	2.2	1.5	-31%	3.3	2.7	-19%
EBIT	0.5	0.3	-35%	2.2	1.5	-31%	3.3	2.7	-19%
PTP	-0.2	-0.7	-214%	1.6	0.7	-54%	2.8	2.1	-26%
EPS (excl. NRIs)	-0.03	-0.09	-214%	0.20	0.09	-54%	0.35	0.26	-26%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

High valuation requires stronger evidence

A strong growth company; yet evidence of a sustainable earnings turnaround is still needed

Merus Power is growing strongly, supported by market growth offered by the energy system transformation and the growth measures enabled by the IPO in 2021. The rapid growth in the order backlog driven by energy storage in 2023-24 has demonstrated that the business can be grown quickly by winning large deliveries. Our 2026 revenue estimate is 53 MEUR, which is below the company's target, but the direction of growth is still strongly positive. The growth story could be further strengthened if Merus Power succeeds in diversifying its demand drivers by winning energy storage projects abroad and proving the competitiveness of its energy storage systems also outside Finland.

Although we feel the energy market disruption is a sustainable growth driver, investment-driven demand can fluctuate on an annual level and cause volatility in estimates. For example, the potential saturation of Finland's frequency regulation market could at least temporarily limit demand. New earning models, such as smoothing out price peaks in the wholesale electricity markets, could in turn emerge as new demand drivers alongside internationalization.

In addition to growth, we believe it is important for the investment case that the company can strengthen its profitability. Estimating the long-term profitability level is challenging so far, and we believe future evidence in this area is a key driver from a valuation perspective. In our view, it is challenging to achieve high double-digit EBIT margins in the energy storage business due to the thin margin levels of the projects. Our current long-term EBIT

margin assumption is 5%, which roughly corresponds to the best profitability levels of large players in the industry. The entire industry is still in a growth phase, which is why its profitability could strengthen in the long term as the market matures.

The valuation is high considering the uncertainties related to profitability and competitiveness

Merus Power's earnings-based valuation multiples are currently high due to growth investments and the incompleteness of the profitability turnaround. The EV/EBIT multiples are 31x and 17x on our 2026-27 estimates. If the profitability turnaround (2027e EBIT: 4.4%) materializes, the multiples would thus fall close to a reasonable level in a few years. However, forecasting profitability is uncertain, and we consider the industry's competitive landscape challenging, for example, as Asian companies are currently gaining a foothold in the European energy storage market. For these reasons, we see a small downside risk in the current valuation until the company's competitiveness and profitability have strengthened. In our view, the current valuation leaves no room for negative surprises, and we consider the valuation risk to be high.

Our DCF model indicates a value of EUR 5.0 per share

Our DCF model implies a fair value of 5.0 euros per share, which assumes the EBIT margin improving to 5% in the long term. The terminal period has a high weight (75%) in the valuation, which highlights the significance of forecast errors and thus valuation risk.

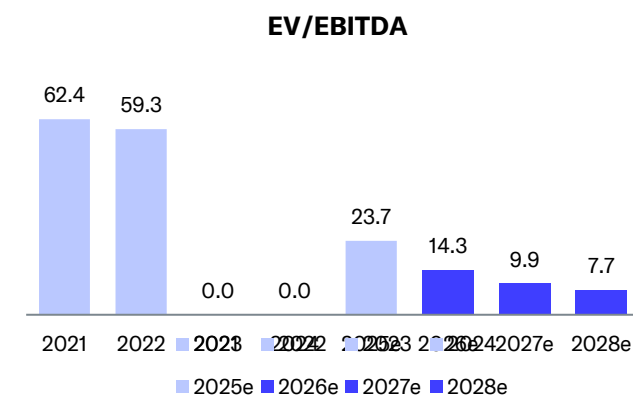
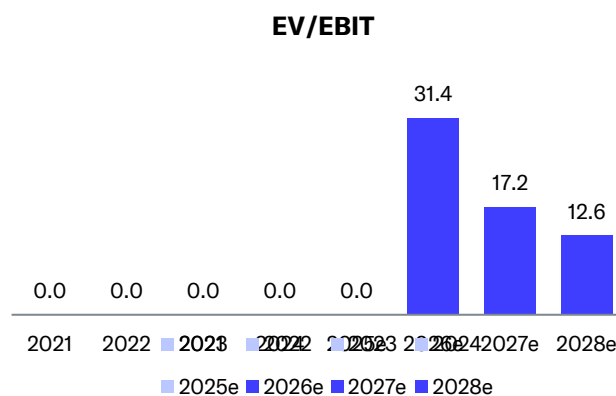
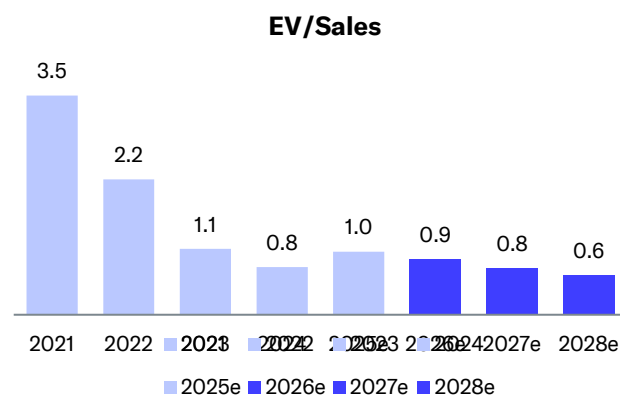
Valuation	2025e	2026e	2027e
Share price	5.60	5.60	5.60
Number of shares, millions	8.12	8.12	8.12
Market cap	45	45	45
EV	46	47	46
P/E (adj.)	neg.	61.0	21.8
P/E	neg.	61.0	21.8
P/B	4.2	3.9	3.3
P/S	1.0	0.9	0.7
EV/Sales	1.0	0.9	0.8
EV/EBITDA	23.7	14.3	9.9
EV/EBIT (adj.)	>100	31.4	17.2
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price		7.70	4.77	3.82	3.71	5.60	5.60	5.60	5.60
Number of shares, millions		6.53	7.64	7.64	7.67	8.12	8.12	8.12	8.12
Market cap		59	36	29	28	45	45	45	45
EV		52	35	31	27	46	47	46	44
P/E (adj.)		neg.	neg.	neg.	neg.	neg.	61.0	21.8	14.6
P/E		neg.	neg.	neg.	neg.	neg.	61.0	21.8	14.6
P/B	0.0	4.5	2.8	2.4	3.0	4.2	3.9	3.3	2.7
P/S		4.0	2.3	1.0	0.8	1.0	0.9	0.7	0.6
EV/Sales		3.5	2.2	1.1	0.8	1.0	0.9	0.8	0.6
EV/EBITDA		62.4	59.3	>100	neg.	23.7	14.3	9.9	7.7
EV/EBIT (adj.)		>100	>100	neg.	neg.	>100	31.4	17.2	12.6
Payout ratio (%)		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 %

Source: Inderes



Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B 2025e
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	
Sinexcel Electric	1443	1403	56.0	35.0	17.9	14.5	3.0	2.4	22.1	17.5	1.4	1.8	5.3
Alfen	244	277	17.6	18.0	10.8	7.5	0.6	0.6	373.8	28.0			1.6
ABB	105411	108965	20.6	19.1	18.2	16.9	3.7	3.5	26.5	24.3	1.6	1.7	7.8
Schneider Electric	124399	136608	19.0	17.3	16.0	14.5	3.4	3.2	24.5	21.6	1.9	2.1	4.0
Wärtsilä	14337	13248	16.4	15.1	13.6	12.8	1.9	1.8	24.6	22.5	2.0	2.3	5.1
Fluence Energy	1170	1232		352.4	141.9	25.6	0.6	0.5					2.4
Merus Power (Inderes)	45	46	145.3	31.4	23.7	14.3	1.0	0.9	-62.1	61.0	0.0	0.0	4.2
Average			25.9	76.1	36.4	15.3	2.2	2.0	94.3	22.8	1.7	2.0	4.4
Median			19.0	18.5	17.0	14.5	2.4	2.1	24.6	22.5	1.8	2.0	4.5
Diff-% to median			666%	70%	40%	-2%	-58%	-57%	-353%	171%	-100%	-100%	-7%

Source: Refinitiv / Inderes

Income statement

Income statement	2023	H1'24	H2'24	2024	H1'25	H2'25e	2025e	2026e	2027e	2028e
Revenue	29.0	6.7	29.2	35.8	24.9	20.9	45.9	52.7	61.7	70.4
Group	29.0	6.7	29.2	35.8	24.9	20.9	45.9	52.7	61.7	70.4
EBITDA	0.2	-3.4	2.6	-0.8	0.3	1.6	2.0	3.3	4.7	5.8
Depreciation	-0.7	-0.6	-0.7	-1.3	-0.8	-0.8	-1.6	-1.8	-2.0	-2.3
EBIT (excl. NRI)	-0.5	-4.0	2.0	-2.1	-0.5	0.8	0.3	1.5	2.7	3.5
EBIT	-0.5	-4.0	2.0	-2.1	-0.5	0.8	0.3	1.5	2.7	3.5
Group	-0.5	-4.0	2.0	-2.1	-0.5	0.8	0.3	1.5	2.7	3.5
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
Net financial items	-0.3	-0.3	-0.3	-0.6	-0.7	-0.4	-1.1	-0.8	-0.6	-0.4
PTP	-0.8	-4.3	1.7	-2.7	-1.2	0.4	-0.7	0.7	2.1	3.1
Taxes	0.0	0.0	0.0	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	0.0
Net earnings	-0.8	-4.3	1.7	-2.7	-1.2	0.4	-0.7	0.7	2.1	3.1
EPS (adj.)	-0.10	-0.56	0.22	-0.35	-0.14	0.05	-0.09	0.09	0.26	0.38
EPS (rep.)	-0.10	-0.56	0.22	-0.35	-0.14	0.05	-0.09	0.09	0.26	0.38

Key figures	2023	H1'24	H2'24	2024	H1'25	H2'25e	2025e	2026e	2027e	2028e
Revenue growth-%	79.2 %	-50.8 %	88.5 %	23.4 %	273.8 %	-28.2 %	28.0 %	15.0 %	17.0 %	14.0 %
Adjusted EBIT growth-%	-582.1 %	463.9 %	876.5 %	302.3 %	-87.8 %	-58.7 %	-115.5 %	370.1 %	79.9 %	30.8 %
EBITDA-%	0.6 %	-51.1 %	8.9 %	-2.2 %	1.3 %	7.8 %	4.3 %	6.2 %	7.6 %	8.2 %
Adjusted EBIT-%	-1.8 %	-60.1 %	6.7 %	-5.7 %	-2.0 %	3.9 %	0.7 %	2.8 %	4.4 %	5.0 %
Net earnings-%	-2.8 %	-64.8 %	5.7 %	-7.4 %	-4.7 %	2.1 %	-1.6 %	1.4 %	3.4 %	4.4 %

Source: Inderes

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	3.7	4.9	6.3	6.5	6.6
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	3.5	4.7	5.0	5.2	5.3
Tangible assets	0.2	0.2	1.2	1.2	1.2
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	17.5	21.8	27.7	31.2	35.7
Inventories	6.3	9.1	11.9	13.7	15.9
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	8.6	9.7	12.4	14.0	16.0
Cash and equivalents	2.6	3.0	3.4	3.5	3.7
Balance sheet total	21.2	26.7	34.0	37.7	42.3

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	12.1	9.5	10.8	11.5	13.6
Share capital	17.8	17.9	19.9	19.9	19.9
Retained earnings	-5.7	-8.3	-9.1	-8.3	-6.2
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	0.0	0.0	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	1.9	1.1	2.6	3.1	2.9
Deferred tax liabilities	0.0	0.0	0.0	0.0	0.0
Provisions	0.1	0.1	0.1	0.1	0.1
Interest bearing debt	1.8	1.0	2.5	3.0	2.7
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	7.2	16.1	20.6	23.0	25.8
Interest bearing debt	2.2	0.8	1.7	2.0	1.8
Payables	4.9	15.3	18.9	21.0	23.9
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	21.2	26.7	34.0	37.7	42.3

DCF calculation

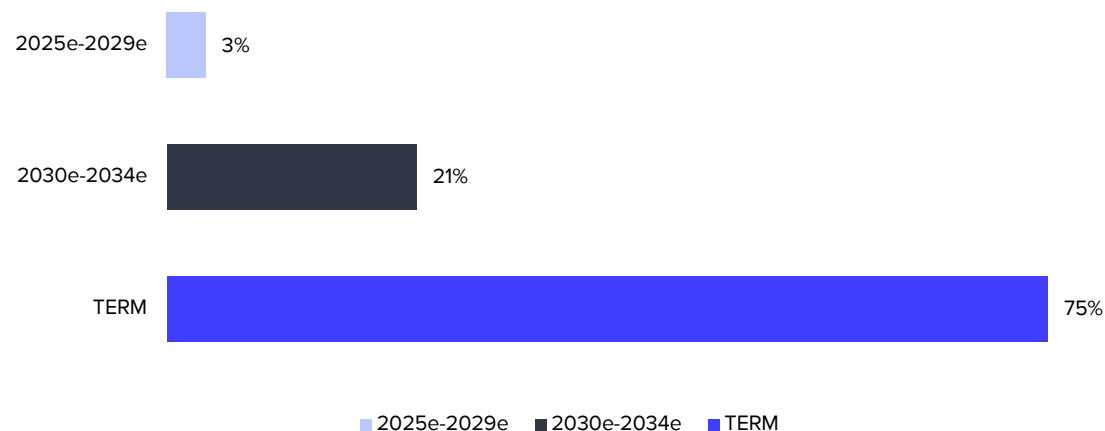
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	23.4 %	28.0 %	15.0 %	17.0 %	14.0 %	10.0 %	10.0 %	10.0 %	10.0 %	10.0 %	3.0 %	3.0 %
EBIT-%	-5.7 %	0.7 %	2.8 %	4.4 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %
EBIT (operating profit)	-2.1	0.3	1.5	2.7	3.5	3.9	4.3	4.7	5.2	5.7	5.8	
+ Depreciation	1.3	1.6	1.8	2.0	2.3	2.5	2.7	2.8	2.8	2.8	2.9	
- Paid taxes	0.0	0.0	0.0	0.0	0.0	-0.7	-0.8	-0.9	-1.0	-1.1	-1.2	
- Tax, financial expenses	0.0	0.0	0.0	0.0	0.0	-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	6.4	-1.8	-1.3	-1.3	-1.1	-0.9	-0.6	-0.9	-0.9	-1.0	-0.4	
Operating cash flow	5.6	0.1	2.0	3.3	4.6	4.7	5.6	5.7	6.0	6.4	7.1	
+ 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	-2.5	-3.0	-2.0	-2.1	-2.4	-2.6	-2.9	-2.9	-2.9	-2.9	-3.0	
Free operating cash flow	3.1	-2.9	0.0	1.3	2.3	2.1	2.7	2.8	3.1	3.5	4.1	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	3.1	-2.9	0.0	1.3	2.3	2.1	2.7	2.8	3.1	3.5	4.1	67.4
Discounted FCFF		-2.8	0.0	1.0	1.7	1.4	1.7	1.6	1.6	1.7	1.8	29.5
Sum of FCFF present value		39.2	41.9	42.0	40.9	39.2	37.8	36.2	34.6	32.9	31.3	29.5
Enterprise value DCF		39.2										
- Interest bearing debt		-1.8										
+ Cash and cash equivalents		3.0										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		40.3										
Equity value DCF per share		5.0										

WACC

Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	15.0 %
Cost of debt	3.0 %
Equity Beta	1.25
Market risk premium	4.75%
Liquidity premium	2.00%
Risk free interest rate	2.5 %
Cost of equity	10.4 %
Weighted average cost of capital (WACC)	9.2 %

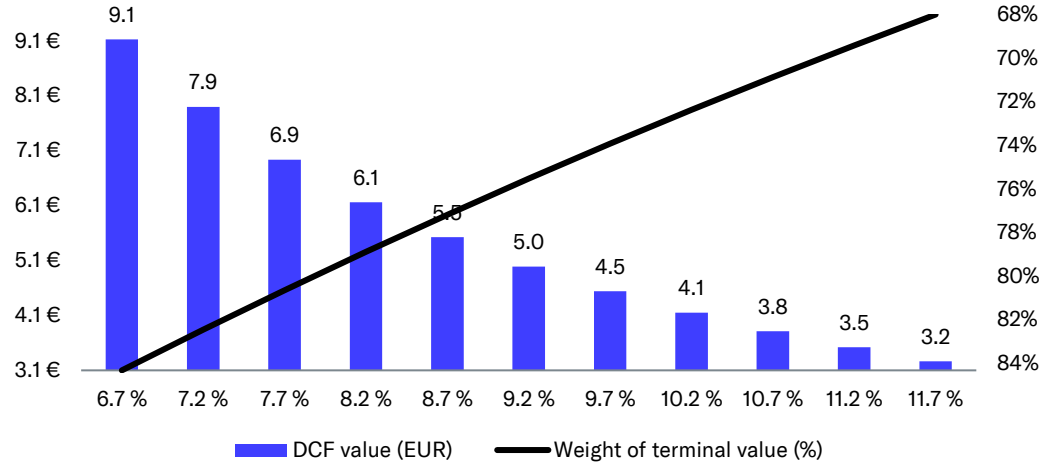
Source: Inderes

Cash flow distribution

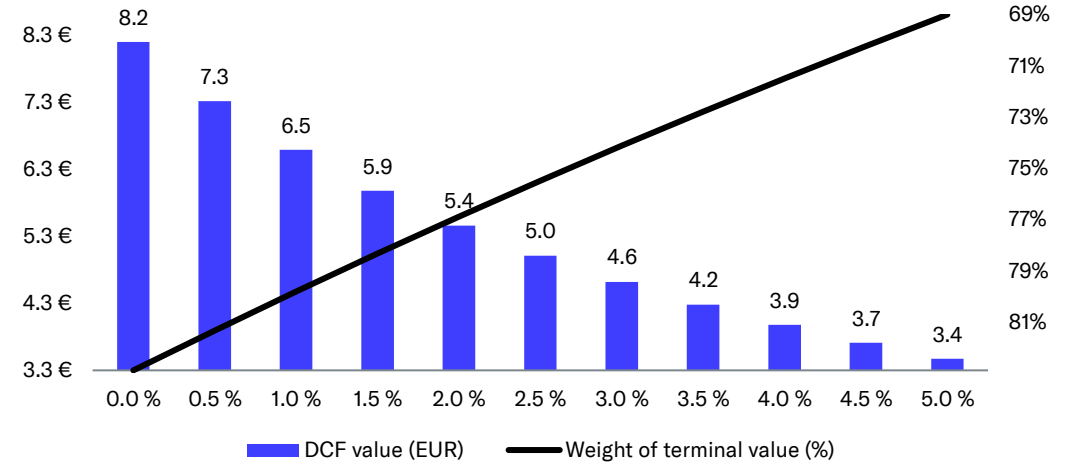


DCF sensitivity calculations and key assumptions in graphs

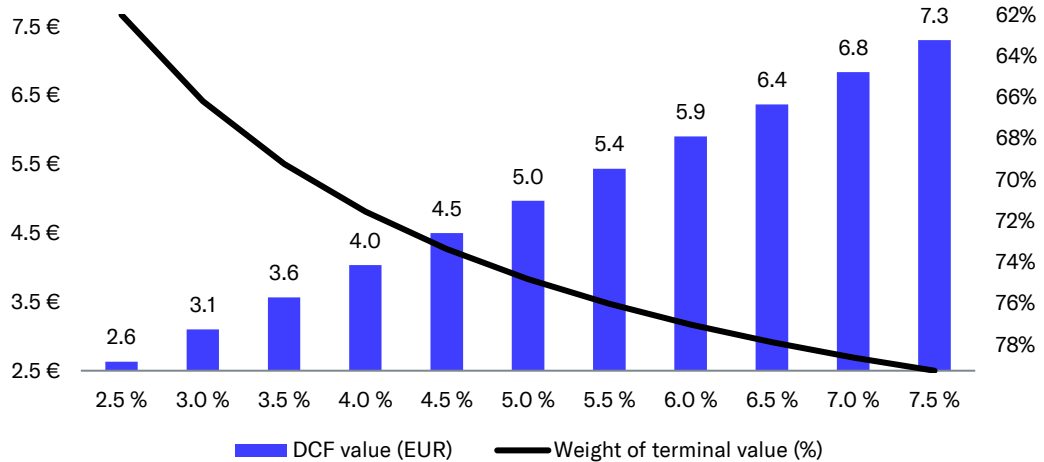
Sensitivity of DCF to changes in the WACC-%



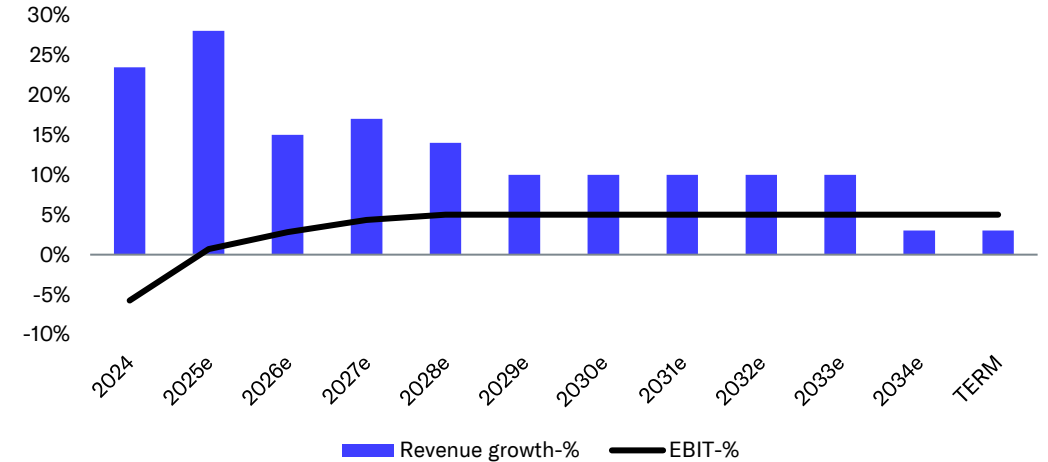
Sensitivity of DCF to changes in the risk-free rate



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	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	16.2	29.0	35.8	45.9	52.7	EPS (reported)	-0.01	-0.10	-0.35	-0.09	0.09
EBITDA	0.6	0.2	-0.8	2.0	3.3	EPS (adj.)	-0.01	-0.10	-0.35	-0.09	0.09
EBIT	0.1	-0.5	-2.1	0.3	1.5	OCF / share	-0.62	0.05	0.73	0.01	0.24
PTP	-0.1	-0.8	-2.7	-0.7	0.7	OFCF / share	-0.72	-0.33	0.40	-0.36	0.00
Net Income	-0.1	-0.8	-2.7	-0.7	0.7	Book value / share	1.69	1.58	1.24	1.33	1.42
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	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	24.5	21.2	26.7	34.0	37.7	Revenue growth-%	10%	79%	23%	28%	15%
Equity capital	12.9	12.1	9.5	10.8	11.5	EBITDA growth-%	-29%	-69%	-530%	-344%	69%
Goodwill	0.0	0.0	0.0	0.0	0.0	EBIT (adj.) growth-%	-68%	-582%	302%	-115%	370%
Net debt	-1.4	1.4	-1.2	0.7	1.5	EPS (adj.) growth-%	-90%	626%	231%	-74%	-202%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	3.6 %	0.6 %	-2.2 %	4.3 %	6.2 %
EBITDA	0.6	0.2	-0.8	2.0	3.3	EBIT (adj.)-%	0.7 %	-1.8 %	-5.7 %	0.7 %	2.8 %
Change in working capital	-5.4	0.2	6.4	-1.8	-1.3	EBIT-%	0.7 %	-1.8 %	-5.7 %	0.7 %	2.8 %
Operating cash flow	-4.8	0.4	5.6	0.1	2.0	ROE-%	-0.8 %	-6.4 %	-24.5 %	-7.2 %	6.7 %
CAPEX	-0.8	-2.9	-2.5	-3.0	-2.0	ROI-%	0.6 %	-3.1 %	-15.0 %	2.4 %	9.5 %
Free cash flow	-5.5	-2.6	3.1	-2.9	0.0	Equity ratio	52.5 %	57.1 %	35.7 %	31.8 %	30.6 %
Valuation multiples	2022	2023	2024	2025e	2026e	Gearing	-11.2 %	11.6 %	-12.2 %	6.8 %	13.0 %
EV/S	2.2	1.1	0.8	1.0	0.9						
EV/EBITDA	59.3	>100	neg.	23.7	14.3						
EV/EBIT (adj.)	>100	neg.	neg.	>100	31.4						
P/E (adj.)	neg.	neg.	neg.	neg.	61.0						
P/B	2.8	2.4	3.0	4.2	3.9						
Dividend-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %						

Source: Inderes

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Reduce	The 12-month risk-adjusted expected shareholder return of the share is weak
Sell	The 12-month risk-adjusted expected shareholder return of the share is very weak

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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
11/1/2021	Accumulate	9.20 €	8.29 €
1/3/2022	Reduce	9.40 €	9.52 €
2/10/2022	Accumulate	8.20 €	7.54 €
8/24/2022	Reduce	7.20 €	7.89 €
11/15/2022	Reduce	5.20 €	5.00 €
2/9/2023	Reduce	6.50 €	6.82 €
8/2/2023	Reduce	5.00 €	4.95 €
8/24/2023	Reduce	4.00 €	4.36 €
12/12/2023	Reduce	3.50 €	4.08 €
12/15/2023	Reduce	3.70 €	3.82 €
2/8/2024	Reduce	3.70 €	4.28 €
2/14/2024	Accumulate	5.00 €	4.41 €
7/3/2024	Reduce	4.50 €	4.93 €
8/14/2024	Reduce	4.50 €	4.74 €
8/22/2024	Reduce	4.00 €	4.41 €
1/24/2025	Reduce	4.30 €	4.61 €
2/6/2025	Reduce	4.80 €	5.12 €
8/14/2025	Reduce	4.80 €	5.22 €
8/21/2025	Reduce	5.00 €	5.60 €



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Inderes Ab

Vattugatan 17, 5tr
Stockholm
+46 8 411 43 80

inderes.se

Inderes Oyj

Porkkalankatu 5
00180 Helsinki
+358 10 219 4690

inderes.fi

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