

# MERUS POWER

2/6/2026 10:55 am EET

This is a translated version of "Kasvu etenee vauhdilla, kannattavuuskin heräilemässä" report, published on 2/6/2026



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## INDERES CORPORATE CUSTOMER COMPANY REPORT



# Rapid growth, profitability starting to awaken

Merus Power's H2 report was in line with expectations for key income statement items due to strong revenue, although the gross margin was lower than we expected. Production has been made efficient, and large energy storage systems are already being routinely delivered, at least to the domestic market in Finland. The stock's valuation relies on long-term earnings growth, which increases the valuation risk. However, we believe that if the nascent earnings turnaround and internationalization trend continue, the expected return could become attractive. We therefore raise our recommendation to Accumulate (from Reduce) and our target price to EUR 4.7 (from EUR 4.5).

## Progress in earnings turnaround, yet margin level is tight

The H2 report was mixed, as revenue significantly exceeded our expectations (42%), but relative profitability was a slight disappointment. H2 revenue was on par with the strong comparison period (we expected a decline), as revenue from percentage of completion energy storage projects exceeded expectations. On the other hand, this meant a lower starting level for the order book for 2026. H2 EBITDA was 1.5 MEUR (we estimated 1.6 MEUR) and improved significantly at the full-year level (+2.6 MEUR y/y). EBIT was 0.8 MEUR (0.3 MEUR for the full year) and thus in line with our estimate. However, the projected result was achieved with higher-than-expected revenue, as the gross margin remained below forecasts. Fixed costs and financial expenses also exceeded our estimates, which is why H2 net profit was weaker than expected at 0.1 MEUR. The significant commitment of working capital strained cash flow relative to our forecasts. Net debt at the end of the period was 2.9 MEUR (we estimated 0.8 MEUR).

## Continuing growth requires new orders

Merus Power's guidance is that revenue will grow and EBITDA will be 2-4 MEUR in 2026. The bar for growth is set high after a

strong year, considering the lower order book of 24.5 MEUR (-18% y/y) at the turn of the year. However, the company received a 13 MEUR energy storage order in early 2026 and still sees the market as attractive. We now forecast 2026 revenue to be 58 MEUR (+6%), which requires an additional 13 MEUR revenue impact from potential new energy storage orders. We expect EBITDA to strengthen to 2.8 MEUR. We expect profitability to continue its upward trend with improving scale and efficiency, even though price competition in the market may gradually intensify due to factors such as falling battery prices. Our 2027 revenue forecast increased, but earnings estimates remained unchanged due to a lower margin profile. The earnings growth forecasts for the coming years no longer rely on a significant increase in margin levels, but mainly on revenue growth and the scalability of fixed costs.

## Company's profile has risen due to gradual turnaround in earnings and internationalization

If our forecasts materialize, EV/EBIT valuation multiples would fall to 29x, 14x, and 10x in 2026-28, respectively. The short-term valuation is high, but we estimate that the company can continue the earnings turnaround, for which reasonable concrete evidence was obtained for 2025. With the EBIT margin rising to the higher end of the industry (EBIT 2028e: 4.6%), the valuation would already be very attractive, considering the market's double-digit growth rate. The company's competitiveness in energy storage has been good in Finland, at least in terms of market share, and if it could gain a foothold abroad, the company's profile could become more attractive. Although the market is expected to grow in the long term, investment-driven demand may fluctuate occasionally (especially in individual countries), which increases business risk. At the same time, forecasting the industry's long-term profitability level is challenging due to the competitive dynamics being in a relatively early stage of development.

## Recommendation

### Accumulate

(was Reduce)

### Target price:

EUR 4.70

(was EUR 4.50)

### Share price:

EUR 4.24

## Business risk



## Valuation risk



	2025	2026e	2027e	2028e
<b>Revenue</b>	54.6	57.9	69.5	80.6
<b>growth-%</b>	53%	6%	20%	16%
<b>EBIT adj.</b>	0.3	1.4	2.8	3.7
<b>EBIT-% adj.</b>	0.6 %	2.3 %	4.0 %	4.6 %
<b>Net income</b>	-1.1	0.2	1.6	2.7
<b>EPS (adj.)</b>	-0.14	0.02	0.19	0.33
<b>P/E (adj.)</b>	neg.	>100	22.3	13.0
<b>P/B</b>	3.5	3.3	2.9	2.4
<b>Dividend yield-%</b>	0.0 %	0.0 %	0.0 %	0.0 %
<b>EV/EBIT (adj.)</b>	>100	28.7	14.2	10.4
<b>EV/EBITDA</b>	21.4	13.8	9.0	7.0
<b>EV/S</b>	0.7	0.7	0.6	0.5

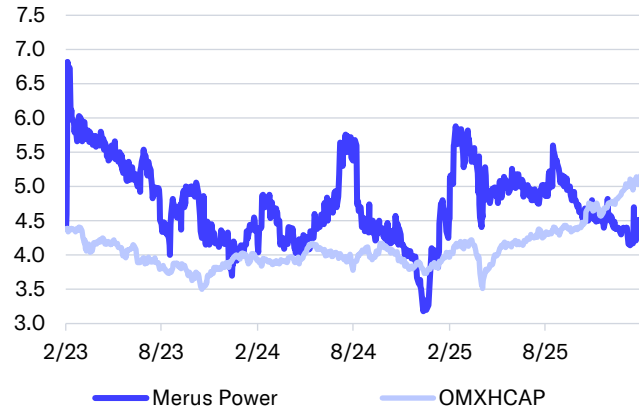
Source: Inderes

## Guidance

(New guidance)

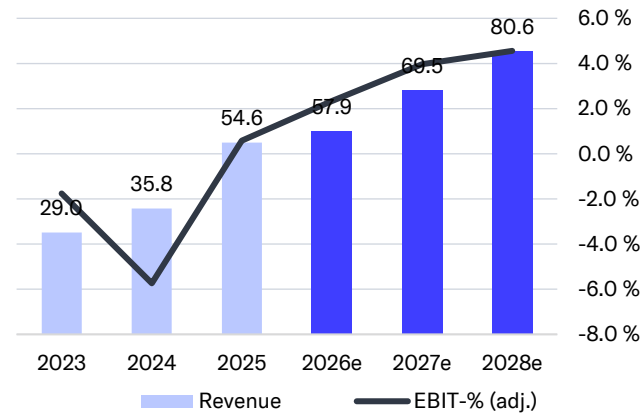
Merus Power estimates that in 2026 the company's revenue will increase compared to 2025. EBITDA is estimated to be 2-4 MEUR.

## Share price



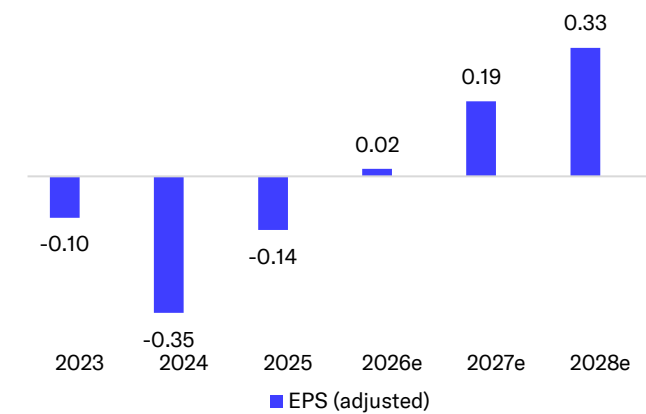
Source: Millstream Market Data AB

## 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	2026e	2027e	2028e
<b>Share price</b>	4.24	4.24	4.24
<b>Number of shares, millions</b>	8.22	8.22	8.22
<b>Market cap</b>	35	35	35
<b>EV</b>	39	39	38
<b>P/E (adj.)</b>	>100	22.3	13.0
<b>P/E</b>	>100	22.3	13.0
<b>P/B</b>	3.3	2.9	2.4
<b>P/S</b>	0.6	0.5	0.4
<b>EV/Sales</b>	0.7	0.6	0.5
<b>EV/EBITDA</b>	13.8	9.0	7.0
<b>EV/EBIT (adj.)</b>	28.7	14.2	10.4
<b>Payout ratio (%)</b>	0.0 %	0.0 %	0.0 %
<b>Dividend yield-%</b>	0.0 %	0.0 %	0.0 %

Source: Inderes

# H2: High revenue, relatively low profitability

## H2 revenue exceeded expectations

H2 revenue was 29.7 MEUR, thus on par with the very strong comparison period. Revenue significantly exceeded our forecast (42%), although predicting the timing of revenue recognition for large, percentage of completion energy storage deliveries is generally challenging, and this revenue also has relatively low margins. Full-year 2025 revenue grew by as much as 53% year-on-year, driven by a strong H1. Growth was driven by energy storage, while sales of power quality solutions remained stable.

## Order intake slightly above forecast

The order backlog at the end of 2025 was 24.5 MEUR (-18% y/y), which was 17% below our estimate as the company recognized more revenue than expected in H2. New orders for the full year 2025 amounted to 48 MEUR (5% above our estimate), so overall, orders developed well compared to expectations. However, the order intake for

2025 was, as expected, below the previous year's strong level (2024: 53.6 MEUR).

## Earnings row were in line with our expectations, but relative margin level weaker

There was moderate evidence of progress in the profitability turnaround, as the company succeeded in raising the full-year EBITDA to 1.8 MEUR (we estimated 2.0 MEUR). EBIT was also moderately positive at 0.3 MEUR, thus in line with our estimate. The value of the achieved result is slightly diminished by the fact that it required more recognized revenue than anticipated, which simultaneously implies a weaker order book for 2026 and raises the bar for new sales to sustain revenue growth. Net income was 0.1 MEUR in H2, falling short of our forecast (0.4 MEUR) due to higher-than-expected financing costs. Full-year net income for 2025 landed at -1.1 MEUR. As expected, the Board of Directors proposes that no dividend be distributed for 2025.

## Working capital commitments consumed cash flow

Cash flow from operating activities, including financing costs, was a negative -2.6 MEUR in H2 and -3 MEUR for the full year, mainly due to tied-up working capital (impact of -3.5 MEUR) and financing costs (impact of -1.4 MEUR). Working capital is typically tied up in energy storage projects, where customer payments are often weighted towards the end of the projects. Net debt thus increased to 2.9 MEUR, which is weaker than our forecast of 0.8 MEUR. Working capital was financed by both the share issue in June (~2 MEUR) and a 5 MEUR loan package from the Nordic Environment Finance Corporation NEFCO, concluded at the end of the year.

Estimates MEUR / EUR	H2'24 Comparison	H2'25 Actualized	H2'25e Inderes	Difference (%) Act. vs. inderes	2025 Toteutunut
Revenue	29.2	29.7	20.9	42%	54.6
Order book	30.0	24.5	29.7	-17%	24.5
EBITDA	2.6	1.5	1.6	-8%	1.8
EBIT	2.0	0.8	0.8	0%	0.3
EPS (reported)	0.22	0.01	0.05	-82%	
DPS	0.00	0.00	0.00		0.00
Revenue growth-%	88.5 %	2%	-28.2 %	30 pp	52.5 %
EBIT-% (adj.)	6.7 %	2.7 %	3.9 %	-1.1 pp	0.6 %

Source: Inderes

# Earnings growth is possible even with a low margin level

## Growth forecasts rose, supported by the guidance

Merus Power's guidance is that revenue will grow and EBITDA will be 2-4 MEUR in 2026. The bar for growth is set high after a strong year, considering the lower order book of 24.5 MEUR (-18% y/y) at the turn of the year. On the other hand, the company received an energy storage order of 13 MEUR early this year and still sees the market as attractive. We now forecast 2026 revenue to be 58 MEUR (+6%), which requires an additional 13 MEUR revenue impact from potential new energy storage orders.

## Profitability improves through operational efficiency and economies of scale

Demand has shifted from 1-hour energy storage to systems with higher relative battery capacity, but the company does not expect this to have a significant impact on business profitability. Price competition in the market appears to be intensifying, which is natural given the decline in battery

prices. Merus Power gains economies of scale in procurement as the company grows in size. Our forecast for the 2026 gross margin is 33.0%, which is slightly higher than the 2025 level (32.1%) We anticipate a moderate increase in fixed costs (personnel expenses and depreciation), slightly below the rate of revenue growth. We expect depreciation to remain at the level of the comparison period. Operating profit would thus rise to 1.4 MEUR.

## A low margin profile means that improving earnings requires significant revenue growth

A lower-than-expected margin level in the second half of 2026 led to a decrease in margin estimates for future years. As a result, our 2027 earnings estimates remained largely unchanged, even though the revenue estimate increased by 13%. Our revenue growth forecast for 2027 is now 20% (an increase of approximately 12 MEUR from 2026). However, a few large supply contracts could have a

significant impact on growth forecasts, making forecasting difficult. We expect growth driven by energy storage to gradually diversify outside Finland, which would reduce dependence on the demand activity of a single market.

## In power quality, growth depends on, for example, the steel industry

Revenue from power quality solutions has developed moderately in recent years, but we expect this segment to also turn to growth in 2026-27 (8-10%). In particular, a pick-up in investment activity in the steel industry could support the segment. For example, data centers could also drive demand for active filters, although there were no significant deliveries to this segment in 2025. However, the share of power quality solutions in the total is relatively low (around 20%), which is why its impact on overall growth is not very significant.

Estimate revisions	2025	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Inderes	Actualized	%	Old	New	%	Old	New	%
Revenue	45.9	54.6	19%	48.6	57.9	19%	61.7	69.5	13%
EBITDA	2.0	1.8	-7%	2.5	2.8	12%	4.7	4.4	-7%
EBIT (exc. NRIs)	0.3	0.3	0%	0.7	1.4	89%	2.7	2.8	3%
EBIT	0.3	0.3	0%	0.7	1.4	89%	2.7	2.8	3%
PTP	-0.8	-1.1	-43%	-0.2	0.2	184%	2.1	1.6	-25%
EPS (excl. NRIs)	-0.10	-0.14	-41%	-0.02	0.02	183%	0.26	0.19	-26%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

# Valuation could improve if earnings turnaround continues

## A strong growth company that has shown nascent signs of an earnings turnaround

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 energy storage-driven growth in 2023-2025 has demonstrated that the company has at least reasonably competitive capabilities locally and the capacity to quickly scale operations to a new size. 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. 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.

In addition to growth, we consider it important for the investment case that the company is able to strengthen its profitability, of which there were already clear signs during 2025. Defining 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.

## Valuation multiples could fall quite sharply

Merus Power's earnings-based valuation multiples remain high, and the stock's valuation is based on future growth expectations, which increases the valuation risk. However, we consider the business's growth drivers to be strong and see double-digit growth potential for the business over at least a 5-year horizon, which could justify relying on a valuation based on 2028 forecasts. If the 2028 forecasts materialize, the business would already be clearly value-creating due to its relatively capital-light business model (ROI 2028e: 16%). Applying our estimated fair EV/EBIT multiples of 13-15x to the 2028 forecasts would result in an annual expected return of approximately 10-15%, which would be a reasonable return, though not exceptionally attractive given the risk level. However, we believe the story is progressing in the right direction, and the stock has the potential to surprise positively in terms of growth, as seen in 2025.

## Our DCF model indicates a value of EUR 5.2 per share

Our DCF model implies a fair value of EUR 5.2 per share, which assumes the EBIT margin improving to 5% in the long term. The terminal period has a high weight (66%) in the valuation, which highlights the significance of forecast errors and thus valuation risk. The WACC in the DCF calculation is set at 9.4%, which reflects a somewhat higher risk level than an average listed company.

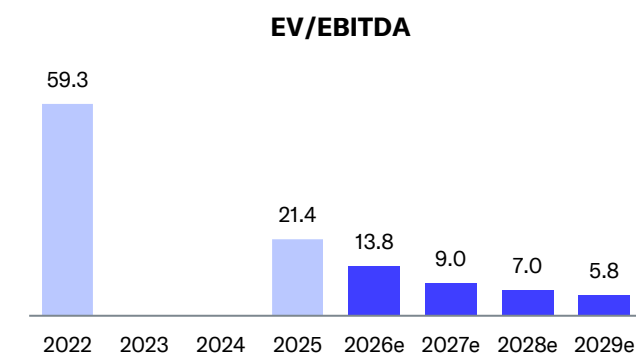
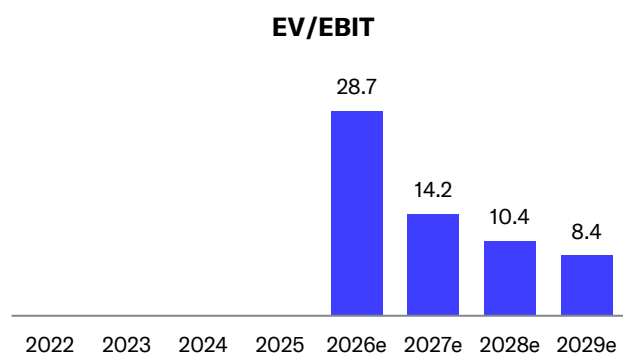
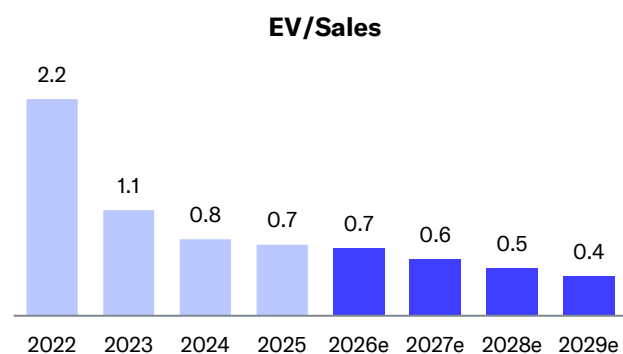
Valuation	2026e	2027e	2028e
Share price	4.24	4.24	4.24
Number of shares, millions	8.22	8.22	8.22
Market cap	35	35	35
EV	39	39	38
P/E (adj.)	>100	22.3	13.0
P/E	>100	22.3	13.0
P/B	3.3	2.9	2.4
P/S	0.6	0.5	0.4
EV/Sales	0.7	0.6	0.5
EV/EBITDA	13.8	9.0	7.0
EV/EBIT (adj.)	28.7	14.2	10.4
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

# Valuation table

Valuation	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	4.77	3.82	3.71	4.37	<b>4.24</b>	<b>4.24</b>	<b>4.24</b>	<b>4.24</b>
Number of shares, millions	7.64	7.64	7.67	8.22	<b>8.22</b>	<b>8.22</b>	<b>8.22</b>	<b>8.22</b>
Market cap	36	29	28	36	<b>35</b>	<b>35</b>	<b>35</b>	<b>35</b>
EV	35	31	27	39	<b>39</b>	<b>39</b>	<b>38</b>	<b>37</b>
P/E (adj.)	neg.	neg.	neg.	neg.	>100	<b>22.3</b>	<b>13.0</b>	<b>9.5</b>
P/E	neg.	neg.	neg.	neg.	>100	<b>22.3</b>	<b>13.0</b>	<b>9.5</b>
P/B	2.8	2.4	3.0	3.5	<b>3.3</b>	<b>2.9</b>	<b>2.4</b>	<b>1.9</b>
P/S	2.3	1.0	0.8	0.7	<b>0.6</b>	<b>0.5</b>	<b>0.4</b>	<b>0.4</b>
EV/Sales	2.2	1.1	0.8	0.7	<b>0.7</b>	<b>0.6</b>	<b>0.5</b>	<b>0.4</b>
EV/EBITDA	59.3	>100	neg.	21.4	<b>13.8</b>	<b>9.0</b>	<b>7.0</b>	<b>5.8</b>
EV/EBIT (adj.)	>100	neg.	neg.	>100	<b>28.7</b>	<b>14.2</b>	<b>10.4</b>	<b>8.4</b>
Payout ratio (%)	0.0 %	0.0 %	0.0 %	0.0 %	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>

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 2026e
			2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	
Sinexcel Electric	1482	1418	56.0	35.0	15.5	13.1	2.7	2.3	19.4	16.2	1.8	2.1	4.5
Alfen	249	281	36.2	24.2	9.9	8.5	0.6	0.6	54.0	37.3			1.6
ABB	135091	137024	22.7	21.2	20.3	19.0	4.4	4.2	27.1	26.8	1.4	1.4	8.6
Schneider Electric	142780	154198	19.7	17.6	16.4	14.9	3.6	3.3	25.1	21.9	1.9	2.1	4.3
Wärtsilä	19527	17525	19.4	17.5	16.5	15.0	2.4	2.3	29.1	26.2	1.8	2.0	6.2
Fluence Energy	4520	4350		70.9	108.2	37.1	1.5	1.3		93.8			10.1
<b>Merus Power (Inderes)</b>	<b>35</b>	<b>39</b>	<b>28.7</b>	<b>14.2</b>	<b>13.8</b>	<b>9.0</b>	<b>0.7</b>	<b>0.6</b>	<b>227.5</b>	<b>22.3</b>	<b>0.0</b>	<b>0.0</b>	<b>3.3</b>
<b>Average</b>			<b>30.8</b>	<b>31.1</b>	<b>31.1</b>	<b>17.9</b>	<b>2.5</b>	<b>2.3</b>	<b>30.9</b>	<b>37.0</b>	<b>1.7</b>	<b>1.9</b>	<b>5.9</b>
<b>Median</b>			<b>22.7</b>	<b>22.7</b>	<b>16.5</b>	<b>14.9</b>	<b>2.5</b>	<b>2.3</b>	<b>27.1</b>	<b>26.5</b>	<b>1.8</b>	<b>2.0</b>	<b>5.3</b>
<b>Diff-% to median</b>			<b>26%</b>	<b>-38%</b>	<b>-16%</b>	<b>-40%</b>	<b>-74%</b>	<b>-75%</b>	<b>739%</b>	<b>-16%</b>	<b>-100%</b>	<b>-100%</b>	<b>-38%</b>

Source: Refinitiv / Inderes



# Income statement

Income statement	2024	H1'25	H2'25	2025	H1'26e	H2'26e	2026e	2027e	2028e	2029e
<b>Revenue</b>	<b>35.8</b>	<b>24.9</b>	<b>29.7</b>	<b>54.6</b>	<b>24.7</b>	<b>33.3</b>	<b>57.9</b>	<b>69.5</b>	<b>80.6</b>	<b>91.9</b>
Group	35.8	24.9	29.7	54.6	24.7	33.3	57.9	69.5	80.6	91.9
<b>EBITDA</b>	<b>-0.8</b>	<b>0.3</b>	<b>1.5</b>	<b>1.8</b>	<b>0.1</b>	<b>2.7</b>	<b>2.8</b>	<b>4.4</b>	<b>5.4</b>	<b>6.3</b>
Depreciation	-1.3	-0.8	-0.7	-1.5	-0.7	-0.7	-1.5	-1.6	-1.8	-1.9
<b>EBIT (excl. NRI)</b>	<b>-2.1</b>	<b>-0.5</b>	<b>0.8</b>	<b>0.3</b>	<b>-0.6</b>	<b>2.0</b>	<b>1.4</b>	<b>2.8</b>	<b>3.7</b>	<b>4.4</b>
<b>EBIT</b>	<b>-2.1</b>	<b>-0.5</b>	<b>0.8</b>	<b>0.3</b>	<b>-0.6</b>	<b>2.0</b>	<b>1.4</b>	<b>2.8</b>	<b>3.7</b>	<b>4.4</b>
Group	-2.1	-0.5	0.8	0.3	-0.6	2.0	1.4	2.8	3.7	4.4
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	-0.6	-0.7	-0.7	-1.4	-0.6	-0.6	-1.2	-1.2	-1.0	-0.7
<b>PTP</b>	<b>-2.7</b>	<b>-1.2</b>	<b>0.1</b>	<b>-1.1</b>	<b>-1.2</b>	<b>1.4</b>	<b>0.2</b>	<b>1.6</b>	<b>2.7</b>	<b>3.7</b>
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
<b>Net earnings</b>	<b>-2.7</b>	<b>-1.2</b>	<b>0.1</b>	<b>-1.1</b>	<b>-1.2</b>	<b>1.4</b>	<b>0.2</b>	<b>1.6</b>	<b>2.7</b>	<b>3.7</b>
<b>EPS (adj.)</b>	<b>-0.35</b>	<b>-0.14</b>	<b>0.01</b>	<b>-0.14</b>	<b>-0.15</b>	<b>0.17</b>	<b>0.02</b>	<b>0.19</b>	<b>0.33</b>	<b>0.45</b>
<b>EPS (rep.)</b>	<b>-0.35</b>	<b>-0.14</b>	<b>0.01</b>	<b>-0.14</b>	<b>-0.15</b>	<b>0.17</b>	<b>0.02</b>	<b>0.19</b>	<b>0.33</b>	<b>0.45</b>

Key figures	2024	H1'25	H2'25	2025	H1'26e	H2'26e	2026e	2027e	2028e	2029e
<b>Revenue growth-%</b>	23.4 %	273.8 %	1.9 %	52.5 %	-1.0 %	11.9 %	6.0 %	20.0 %	16.0 %	14.0 %
<b>Adjusted EBIT growth-%</b>	302.3 %	-87.8 %	-58.7 %	-115.4 %	28.5 %	145.9 %	326.9 %	104.1 %	33.1 %	18.7 %
<b>EBITDA-%</b>	-2.2 %	1.3 %	5.1 %	3.3 %	0.4 %	8.2 %	4.8 %	6.3 %	6.7 %	6.8 %
<b>Adjusted EBIT-%</b>	-5.7 %	-2.0 %	2.7 %	0.6 %	-2.5 %	6.0 %	2.3 %	4.0 %	4.6 %	4.7 %
<b>Net earnings-%</b>	-7.4 %	-4.7 %	0.2 %	-2.0 %	-5.0 %	4.2 %	0.3 %	2.2 %	3.3 %	4.0 %

Source: Inderes

# Balance sheet

Assets	2024	2025	2026e	2027e	2028e
<b>Non-current assets</b>	<b>4.9</b>	<b>6.4</b>	<b>6.7</b>	<b>6.8</b>	<b>7.0</b>
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	4.7	4.7	5.0	5.1	5.3
Tangible assets	0.2	1.7	1.7	1.7	1.7
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
<b>Current assets</b>	<b>21.8</b>	<b>22.4</b>	<b>22.9</b>	<b>26.4</b>	<b>29.9</b>
Inventories	9.1	6.9	7.3	8.6	9.7
Other current assets	0.0	0.1	0.1	0.1	0.1
Receivables	9.7	10.4	10.7	12.5	14.1
Cash and equivalents	3.0	5.0	4.8	5.2	6.0
<b>Balance sheet total</b>	<b>26.7</b>	<b>28.8</b>	<b>29.6</b>	<b>33.2</b>	<b>36.9</b>

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
<b>Equity</b>	<b>9.5</b>	<b>10.4</b>	<b>10.6</b>	<b>12.1</b>	<b>14.8</b>
Share capital	17.9	19.9	19.9	19.9	19.9
Retained earnings	-8.3	-9.5	-9.3	-7.7	-5.1
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
<b>Non-current liabilities</b>	<b>1.1</b>	<b>5.7</b>	<b>5.4</b>	<b>5.9</b>	<b>5.9</b>
Deferred tax liabilities	0.0	0.0	0.0	0.0	0.0
Provisions	0.1	0.2	0.2	0.2	0.2
Interest bearing debt	1.0	5.5	5.2	5.7	5.7
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
<b>Current liabilities</b>	<b>16.1</b>	<b>12.7</b>	<b>13.6</b>	<b>15.2</b>	<b>16.2</b>
Interest bearing debt	0.8	2.4	3.5	3.8	3.8
Payables	15.3	10.3	10.1	11.4	12.4
Other current liabilities	0.0	0.0	0.0	0.0	0.0
<b>Balance sheet total</b>	<b>26.7</b>	<b>28.8</b>	<b>29.6</b>	<b>33.2</b>	<b>36.9</b>

# DCF calculation

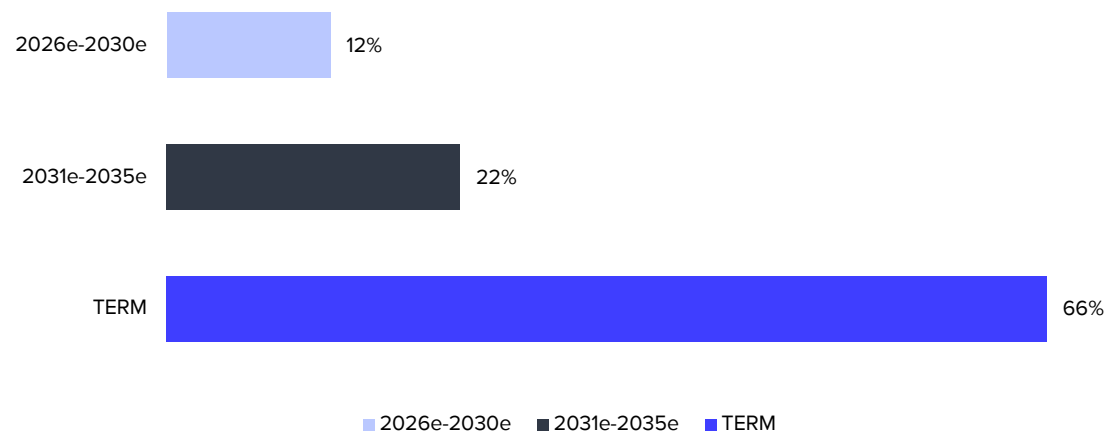
DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	52.5 %	6.0 %	20.0 %	16.0 %	14.0 %	11.0 %	9.0 %	7.0 %	5.0 %	5.0 %	3.0 %	3.0 %
EBIT-%	0.6 %	2.3 %	4.0 %	4.6 %	4.7 %	4.7 %	4.7 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %
<b>EBIT (operating profit)</b>	<b>0.3</b>	<b>1.4</b>	<b>2.8</b>	<b>3.7</b>	<b>4.4</b>	<b>4.8</b>	<b>5.3</b>	<b>6.0</b>	<b>6.2</b>	<b>6.6</b>	<b>6.8</b>	
+ Depreciation	1.5	1.5	1.6	1.8	1.9	2.1	2.2	2.3	2.3	2.3	2.3	
- Paid taxes	0.0	0.0	0.0	0.0	0.0	-0.9	-1.1	-1.2	-1.2	-1.3	-1.4	
- Tax, financial expenses	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	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	-3.5	-1.0	-1.8	-1.6	-1.8	-1.1	-1.1	-0.8	-0.6	-0.6	-0.5	
<b>Operating cash flow</b>	<b>-1.7</b>	<b>1.8</b>	<b>2.6</b>	<b>3.8</b>	<b>4.5</b>	<b>4.9</b>	<b>5.4</b>	<b>6.2</b>	<b>6.8</b>	<b>7.0</b>	<b>7.2</b>	
+ Change in other long-term liabilities	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-3.0	-1.7	-1.8	-1.9	-2.1	-2.4	-2.4	-2.4	-2.4	-2.4	-2.8	
<b>Free operating cash flow</b>	<b>-4.6</b>	<b>0.1</b>	<b>0.8</b>	<b>1.9</b>	<b>2.4</b>	<b>2.5</b>	<b>3.0</b>	<b>3.8</b>	<b>4.4</b>	<b>4.6</b>	<b>4.5</b>	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-4.6	0.1	0.8	1.9	2.4	2.5	3.0	3.8	4.4	4.6	4.5	72.5
<b>Discounted FCFF</b>		<b>0.1</b>	<b>0.7</b>	<b>1.4</b>	<b>1.7</b>	<b>1.6</b>	<b>1.8</b>	<b>2.1</b>	<b>2.2</b>	<b>2.1</b>	<b>1.8</b>	<b>29.9</b>
Sum of FCFF present value		45.5	45.4	44.7	43.2	41.5	39.9	38.1	36.1	33.9	31.8	29.9
<b>Enterprise value DCF</b>		<b>45.5</b>										
- Interest bearing debt		-7.9										
+ Cash and cash equivalents		5.0										
-Minorities		0.0										
-Dividend/capital return		0.0										
<b>Equity value DCF</b>		<b>42.6</b>										
<b>Equity value DCF per share</b>		<b>5.2</b>										

## WACC

Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	15.0 %
Cost of debt	3.0 %
Equity Beta	1.28
Market risk premium	4.75%
Liquidity premium	2.00%
Risk free interest rate	2.5 %
<b>Cost of equity</b>	<b>10.6 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>9.4 %</b>

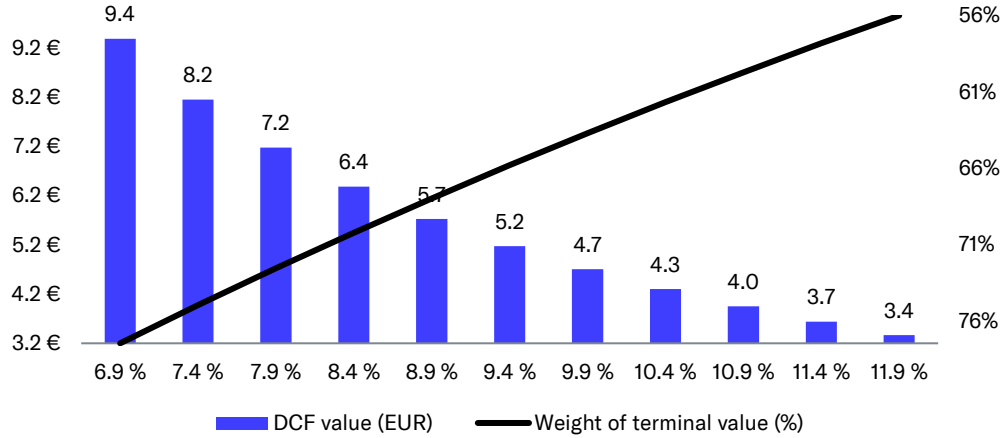
Source: Inderes

## Cash flow distribution

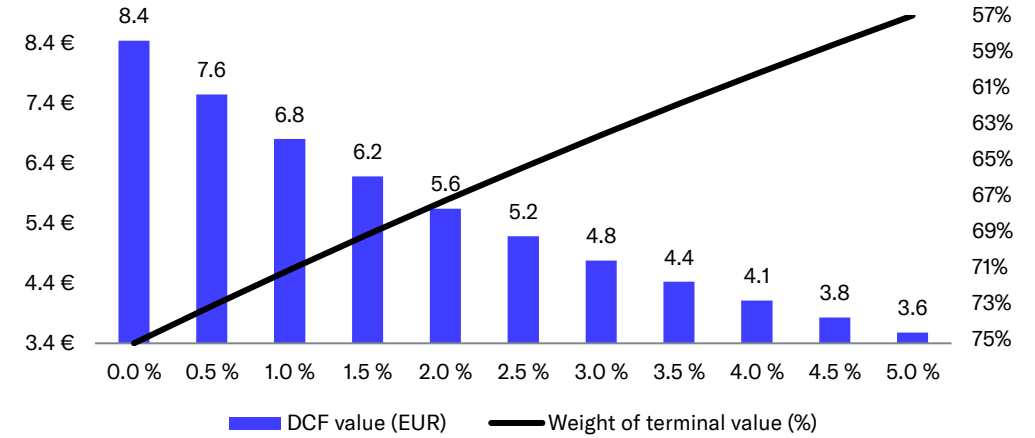


# DCF sensitivity calculations and key assumptions in graphs

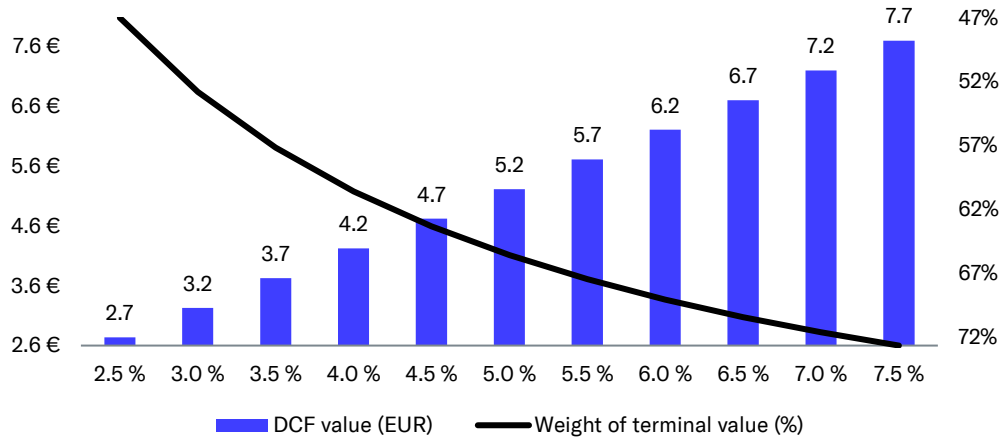
Sensitivity of DCF to changes in the WACC-%



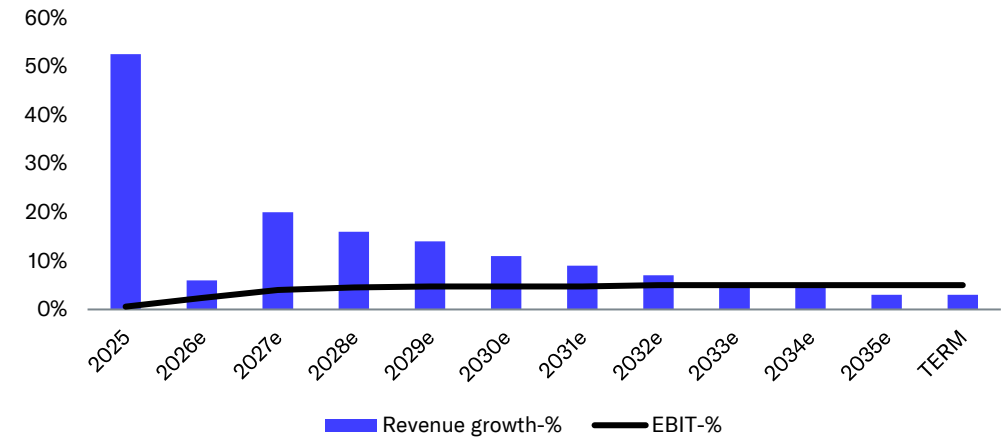
Sensitivity of DCF to changes in the risk-free rate



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	2023	2024	2025	2026e	2027e	Per share data	2023	2024	2025	2026e	2027e
Revenue	29.0	35.8	54.6	<b>57.9</b>	<b>69.5</b>	EPS (reported)	-0.10	-0.35	-0.14	<b>0.02</b>	<b>0.19</b>
EBITDA	0.2	-0.8	1.8	<b>2.8</b>	<b>4.4</b>	EPS (adj.)	-0.10	-0.35	-0.14	<b>0.02</b>	<b>0.19</b>
EBIT	-0.5	-2.1	0.3	<b>1.4</b>	<b>2.8</b>	OCF / share	0.05	0.73	-0.20	<b>0.22</b>	<b>0.31</b>
PTP	-0.8	-2.7	-1.1	<b>0.2</b>	<b>1.6</b>	OFCE / share	-0.33	0.40	-0.56	<b>0.02</b>	<b>0.10</b>
Net Income	-0.8	-2.7	-1.1	<b>0.2</b>	<b>1.6</b>	Book value / share	1.58	1.24	1.27	<b>1.28</b>	<b>1.47</b>
Extraordinary items	0.0	0.0	0.0	<b>0.0</b>	<b>0.0</b>	Dividend / share	0.00	0.00	0.00	<b>0.00</b>	<b>0.00</b>
Balance sheet	2023	2024	2025	2026e	2027e	Growth and profitability	2023	2024	2025	2026e	2027e
Balance sheet total	21.2	26.7	28.8	<b>29.6</b>	<b>33.2</b>	Revenue growth-%	79%	23%	53%	<b>6%</b>	<b>20%</b>
Equity capital	12.1	9.5	10.4	<b>10.6</b>	<b>12.1</b>	EBITDA growth-%	-69%	-530%	-327%	<b>55%</b>	<b>55%</b>
Goodwill	0.0	0.0	0.0	<b>0.0</b>	<b>0.0</b>	EBIT (adj.) growth-%	-582%	302%	-115%	<b>327%</b>	<b>104%</b>
Net debt	1.4	-1.2	2.9	<b>3.9</b>	<b>4.3</b>	EPS (adj.) growth-%	626%	231%	-61%	<b>-114%</b>	<b>919%</b>
Cash flow	2023	2024	2025	2026e	2027e	EBITDA-%	0.6 %	-2.2 %	3.3 %	<b>4.8 %</b>	<b>6.3 %</b>
EBITDA	0.2	-0.8	1.8	<b>2.8</b>	<b>4.4</b>	EBIT (adj.)-%	-1.8 %	-5.7 %	0.6 %	<b>2.3 %</b>	<b>4.0 %</b>
Change in working capital	0.2	6.4	-3.5	<b>-1.0</b>	<b>-1.8</b>	EBIT-%	-1.8 %	-5.7 %	0.6 %	<b>2.3 %</b>	<b>4.0 %</b>
Operating cash flow	0.4	5.6	-1.7	<b>1.8</b>	<b>2.6</b>	ROE-%	-6.4 %	-24.5 %	-11.2 %	<b>1.5 %</b>	<b>13.8 %</b>
CAPEX	-2.9	-2.5	-3.0	<b>-1.7</b>	<b>-1.8</b>	ROI-%	-3.1 %	-15.0 %	2.1 %	<b>7.2 %</b>	<b>13.5 %</b>
Free cash flow	-2.6	3.1	-4.6	<b>0.1</b>	<b>0.8</b>	Equity ratio	57.1 %	35.7 %	36.1 %	<b>35.7 %</b>	<b>36.5 %</b>
Valuation multiples	2023	2024	2025	2026e	2027e	Gearing	11.6 %	-12.2 %	27.6 %	<b>37.2 %</b>	<b>35.6 %</b>
EV/S	1.1	0.8	0.7	<b>0.7</b>	<b>0.6</b>						
EV/EBITDA	>100	neg.	21.4	<b>13.8</b>	<b>9.0</b>						
EV/EBIT (adj.)	neg.	neg.	>100	<b>28.7</b>	<b>14.2</b>						
P/E (adj.)	neg.	neg.	neg.	<b>&gt;100</b>	<b>22.3</b>						
P/B	2.4	3.0	3.5	<b>3.3</b>	<b>2.9</b>						
Dividend-%	0.0 %	0.0 %	0.0 %	<b>0.0 %</b>	<b>0.0 %</b>						

Source: Inderes

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Accumulate	The 12-month risk-adjusted expected shareholder return of the share is attractive
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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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 €
1/12/2025	Reduce	4.50 €	4.40 €
2/6/2025	Accumulate	4.70 €	4.24 €



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