MERUS POWER

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COMPANY REPORT

Story progresses in both growth and profitability

The H1 report provided further evidence of the ongoing profitability turnaround, with the material margin significantly surpassing our estimate. A robust order book sets the stage for favorable earnings growth for the remainder of the year and also bolsters the outlook for 2027. The difficulty of predicting a young industry and the valuation based on future earnings growth maintain the stock's relatively high risk level. Conversely, the company has recently been able to demonstrate its competitiveness through new technologies, a profitability turnaround, and international expansion. We reiterate our Accumulate recommendation and raise the target price to EUR 5.5 (was EUR 4.7) supported by forecast changes.

H1 continued to tell the story of rising profitability

The H1 report largely met our expectations regarding revenue and orders but exceeded our expectations for profitability. H1 order intake was very strong at 53 MEUR, doubling from the comparison period. Although revenue remained at the level of the comparison period in H1, the company still managed to improve its EBITDA to 0.5 MEUR (we estimated 0.1 MEUR, H1'25: 0.3 MEUR). The material margin improved by nearly 6 percentage points year-on-year, more than offsetting the increase in fixed costs. According to the company, improved productivity resulting from organizational learning, standardization, and more efficient procurement supported profitability. Net cash also increased to 1.0 MEUR (H1'25: 0.6 MEUR), although the company's net working capital commitment is highly volatile.

Order book enables strong growth

The company reiterated its guidance, which states that revenue will grow from the previous year in 2026 and that EBITDA will be 2-4 MEUR. We estimate that the company has a good chance of achieving this guidance because the order book at the end of H1 (50 MEUR, up 70% y/y) allows for significant revenue growth for the rest of the year (H2 estimate: 17%, 2026: 8%). Our EBITDA estimate increased by 9% to 3.1 MEUR, surpassing the midpoint of the guidance. EBITDA forecasts for 2027–28 increased by 4% based on favorable profitability trends.

Strategically important goals demonstrate progress

We have considered Merus Power a high-risk growth company because forecasting the profitability of the young energy storage industry and the continuity of investment-driven demand is challenging – particularly since operations have been concentrated solely in Finland. In our view, the recent favorable trend in profitability, paired with the expansion of energy storage sales into new markets in Poland and the Baltics, has strengthened the perception of the company's competitiveness. More information on the impact of expansion on profitability is expected as international projects move into the delivery phase within the next 12 months.

Progress in the earnings turnaround supports the valuation

With our current estimates, the company's EV/EBIT multiple would be 30x on current-year estimates (high), but it would quickly decrease to moderate levels of 16x and 12x in 2027-28e. We consider this valuation attractive for a company based on its own technology in a rapidly growing industry. The company will present its new strategy at the end of September. We estimate that revenue will grow by an average of 15% during the new strategic period of 2027–30 (2022–26: 35%), which, combined with economies of scale in profitability, could enable strong value creation. Regarding the EBIT margin, we forecast that it will end up close to the 5% level, similar to what, for example, Wärtsilä achieved at its peak before divesting its energy storage business. The stock's risk level remains high, and competition in the industry is fierce, even as the EU seeks to phase out Chinese technology in critical infrastructure. In particular, fluctuations in investment-driven demand could cause a decline in the share price in a negative scenario, although we find the stock's risk-reward ratio attractive overall.

Recommendation
Accumulate
(was Accumulate)

Target price:
EUR 5.50
(was EUR 4.70)

Share price:
EUR 5.00

Business risk
●●●●○

Valuation risk
●●●●○

	2025	2026e	2027e	2028e
Revenue	54.6	59.0	69.6	80.8
growth-%	53%	8%	18%	16%
EBIT adj.	0.3	1.5	2.8	3.8
EBIT-% adj.	0.6 %	2.6 %	4.1 %	4.7 %
Net Income	-1.1	0.3	1.6	2.8
EPS (adj.)	-0.14	0.03	0.20	0.34

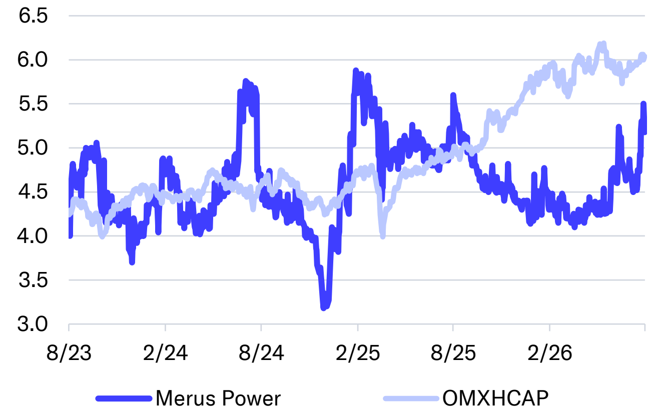
P/E (adj.)	neg.	>100	25.0	14.8
P/B	3.5	3.9	3.3	2.7
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	>100	29.5	15.9	11.7
EV/EBITDA	21.4	14.4	9.9	7.8
EV/S	0.7	0.8	0.6	0.5

Source: Inderes

Guidance (Unchanged)

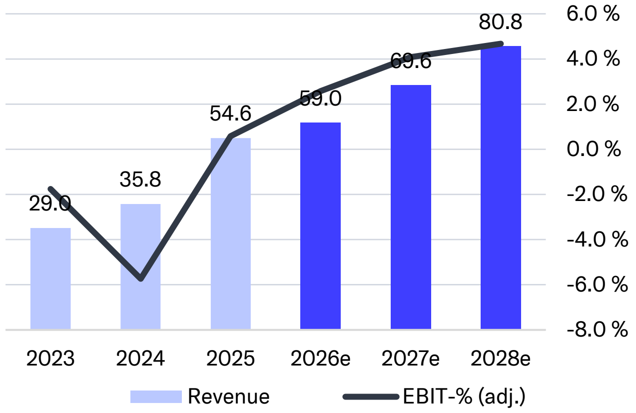
In 2026, revenue will grow compared to 2025 (54.6 MEUR). EBITDA is estimated to be 2-4 MEUR.

Share price



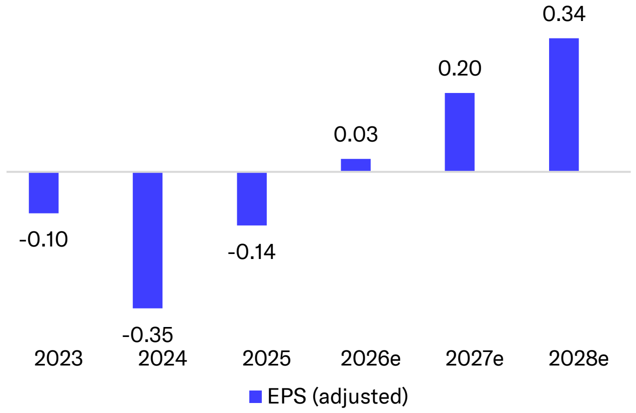
Source: Millistream Market Data AB

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
Share price	5.00	5.00	5.00
Number of shares, millions	8.22	8.22	8.22
Market cap	41	41	41
EV	45	45	44
P/E (adj.)	>100	25.0	14.8
P/E	>100	25.0	14.8
P/B	3.9	3.3	2.7
P/S	0.7	0.6	0.5
EV/Sales	0.8	0.6	0.5
EV/EBITDA	14.4	9.9	7.8
EV/EBIT (adj.)	29.5	15.9	11.7
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

H1 report offered promising signs

Order growth in H1 was strong as expected

H1's order intake was 53 MEUR, increasing 101% y/y. The order intake was largely anticipated (we estimated around 50 MEUR), as the company had already announced significant orders during H1. The order book at the end of the period was 50 MEUR, increasing 70% y/y. We estimate that both the order intake and the order book consist primarily of energy storage orders.

Low order book at the start of the year was reflected in revenue

H1 revenue of 24 MEUR was roughly at the same level as the comparison period and also in line with our estimates. According to the company, revenue from projects recognized using the percentage-of-completion method was slightly lower than expected due to delays in deliveries of some components. The sluggish revenue growth was expected because the order book at the end of 2025 was at a lower level than in the comparison period.

Profitability reinforced as productivity improved

Despite the sluggish revenue trend, the company's profitability developed favorably and exceeded our estimate. EBITDA was 0.5 MEUR (we estimated 0.1 MEUR), improving year-on-year (H1’25: 0.3 MEUR). Profitability was positively impacted by a 5.6 percentage point increase in the material margin. The company stated that the improvement in profitability resulted from greater operational efficiency and increased productivity and that the H1 margin was not due to a one-time or temporary improvement. Fixed costs continued to rise. Personnel expenses and other operating expenses increased by a total of 12% year-on-year.

EBIT was -0.3 MEUR (we estimated -0.6 MEUR). Net financial expenses developed as projected, amounting to -0.6 MEUR and bringing net profit to -0.9 MEUR. H1 is a seasonally less profitable period for Merus Power, as deliveries are typically concentrated in the second half of the year. Net cash increased to 1.0 MEUR (H1'25: 0.6 MEUR), although the company's net working capital commitment is highly volatile.

Estimates	H1'25	H1'26	H1'26e	Difference (%)	2026e
MEUR / EUR	Comparison	Actualized	Inderes	Act. vs. inderes	Inderes
Revenue	24.9	24.3	24.7	-2%	59.0
Order book	29.3	49.9	49.9	0%	3.1
EBITDA	0.3	0.5	0.1	482%	3.1
EBIT	-0.5	-0.3	-0.6	60%	1.5
PTP	-1.2	-0.9	-1.2	29%	0.3
EPS (reported)	-0.14	-0.10	-0.15	33%	0.03
Revenue growth-%	273.8 %	-3%	-1.0 %	-1.6 pp	8.0 %
EBIT-% (adj.)	-2.0 %	-1.0 %	-2.5 %	1.5 pp	2.6 %

Source: Inderes

Favorable growth and profitability outlook

The guidance's achievement appears somewhat secure

- Merus Power reiterated its guidance, which states that revenue will grow from the previous year in 2026 and that EBITDA will be 2-4 MEUR.
- A robust 70% year-on-year increase in the order book provides a strong foundation for growth in H2. However, we estimate that a significant portion of this increase will not be recognized as revenue until 2027, so we are forecasting "only" a 17% increase in revenue for H2 (8% for the full year). Our EBITDA forecast for the full year of 2026 is 3.1 MEUR. We consider potential delivery issues related to component availability or expansion into new markets, for example, to be the most significant risk related to the guidance, although we do not consider this risk to be particularly high.
- We estimate that the company will collect 22 MEUR in new orders in H2 (the same amount as in H2'25) and end the year with an order book of 40 MEUR (a 63% increase from 2025).
- Our revenue estimates for the coming years increased by 2%, supported by a strong order book. EBITDA estimates, in turn, rose by 9% for the current year and by 4% for 2027-28.

Proprietary technology and international expansion at the core of the strategy

- The recurrence of energy storage deliveries, the accumulation of expertise, and enhanced procurement have improved the company's profitability.
- The company has continued to introduce new technologies to customers based on its robust product development. In 2025, it was the first in the Nordics to deliver an energy storage system operating with grid-forming technology, which actively supports the stability of the electricity grid (a mandatory feature in the future). This year, the company is introducing an energy storage system with a hybrid controller that allows the storage system to share an electrical connection with renewable energy production (in this case, a wind turbine). This saves grid capacity and enables the faster construction of energy storage systems as the grid occasionally becomes a bottleneck.
- EU restrictions on non-EU (Chinese) technology in power electronics for energy storage will reduce competition in EU-funded energy storage projects in the future.
- We interpreted that the company still views energy storage-driven demand as favorable, although the market's greatest urgency may have subsided. Expanding outside of Finland remains a priority, and Poland is particularly seen as a significant growth opportunity among new markets.

Estimate revisions	2026e	2026e	Change	2027e	2027e	Change	2028e	2028e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	57.9	59.0	2%	69.5	69.6	0%	80.6	80.8	0%
EBITDA	2.8	3.1	11%	4.4	4.5	4%	5.4	5.6	4%
EBIT (exc. NRIs)	1.4	1.5	12%	2.8	2.8	3%	3.7	3.8	3%
EBIT	1.4	1.5	12%	2.8	2.8	3%	3.7	3.8	3%
PTP	0.2	0.3	76%	1.6	1.6	5%	2.7	2.8	4%
EPS (excl. NRIs)	0.02	0.03	76%	0.19	0.20	5%	0.33	0.34	4%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

Improving profitability rapidly decreases multiples

Increasing signs of a turnaround in the growth company's earnings

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 2023-2026 has demonstrated that the company has at least moderate competitive capabilities 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 future growth. Over the past 12 months, Merus Power has also succeeded in expanding its international sales of energy storage systems, which helps diversify demand and reduce country-specific risk.

In addition to growth, we consider it important for the investment case that the company is able to strengthen its profitability, of which there have already been clear signs during 2025 and H1'26. 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. Even a single-digit EBIT margin can enable significant value creation, as we estimate Merus Power could achieve an 18% return on investment (ROI) with the EBIT margin rising to 5% in 2029.

If the earnings turnaround continues at the same pace, the valuation would become attractive in 2027–28

Because Merus Power's earnings-based valuation multiples are high based on current-year earnings (EV/EBIT 30x, EV/EBITDA 14x), the stock's valuation is based on future growth expectations. In 2027-28, the EV/EBIT multiple would decrease to more moderate levels of 16x and 12x. We consider the energy storage-driven business's growth drivers to be strong and estimate double-digit growth potential 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 14-16x to the 2028 forecasts would result in an annual expected return of 10-18%.

DCF model indicates a value of EUR 5.6 per share

Our DCF model implies a fair value of EUR 5.6 per share, which assumes the EBIT margin improving to 5% in the long term. The terminal period has quite a high weight (65%) 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	5.00	5.00	5.00
Number of shares, millions	8.22	8.22	8.22
Market cap	41	41	41
EV	45	45	44
P/E (adj.)	>100	25.0	14.8
P/E	>100	25.0	14.8
P/B	3.9	3.3	2.7
P/S	0.7	0.6	0.5
EV/Sales	0.8	0.6	0.5
EV/EBITDA	14.4	9.9	7.8
EV/EBIT (adj.)	29.5	15.9	11.7
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Valuation scenarios

In 2028 MEUR	Negative scenario	Baseline scenario	Positive scenario
Annual revenue growth in 2026-28	0%	14%	30%
Revenue	55	81	120
EBIT %	2.2%	4.7%	8.2%
EBIT	1.2	3.8	9.8
EV/EBIT (x)	15	15	15
= EV	18	57	147
Net cash 2028e	-3	-3	-3
= Market cap	15	54	144
Share price 2028e	1.8	6.5	17.6
Return	-64%	31%	251%
Annual return	-40%	14%	87%

Detailed estimates

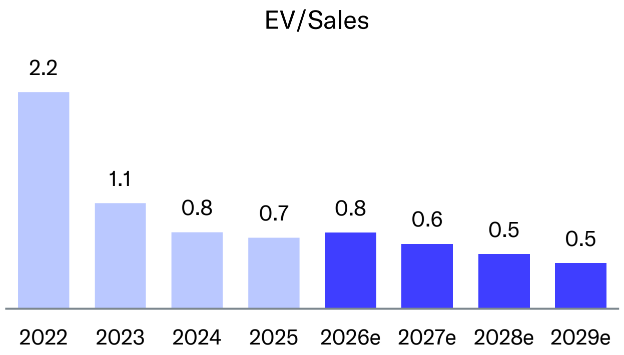
MEUR	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e	2030e
Order intake	7	15	13	17	34	54	48	74				
- growth %		100%	-11%	30%	100%	59%	-10%	55%				
Order book	2	10	8	9	14	30	24	40				
- growth %			-17%	8%	53%	116%	-18%	63%				
Revenue	10	7	15	16	29	36	55	59	70	81	92	102
- growth %	10%	-37%	127%	10%	79%	23%	53%	8%	18%	16%	14%	11%
Revenue by segment, MEUR												
Power quality solutions	7	6	12	15	14	11	11	11	12	13	14	15
- growth %	-22%	-13%	102%	32%	-8%	-25%	8%	-2%	10%	6%	6%	5%
Energy storage systems	3	1	3	0	14	24	42	46	56	66	76	85
- growth %	560%	-85%	420%	-91%	6279%	72%	73%	10%	20%	18%	16%	12%
Services	0	0	1	1	1	1	1	1	2	2	2	3
- growth %	10%	-37%	127%	20%	10%	25%	20%	25%	20%	15%	15%	12%
Material margin %	44.9%	52.6%	35.0%	47.8%	34.2%	32.8%	32.1%	35.4%	34.6%	34.1%	33.8%	
Personnel expenses, % of revenue	22.6%	37.5%	20.9%	28.4%	21.6%	22.4%	18.8%	20.4%	19.2%	18.7%	18.5%	
Other costs, % of revenue	16.4%	12.5%	8.2%	15.5%	11.5%	10.4%	9.8%	9.5%	8.8%	8.3%	7.9%	
EBITDA	0.6	0.0	0.8	0.6	0.2	-0.8	1.8	3.1	4.5	5.6	6.7	7.4
- % of revenue	5.7%	0.6%	5.6%	3.6%	0.6%	-2.2%	3.3%	5.3%	6.5%	7.0%	7.2%	7.2%
Depreciation and amortization	-0.4	-0.4	-0.5	-0.5	-0.7	-1.3	-1.5	-1.6	-1.7	-1.9	-2.1	-2.3
EBIT	0.2	-0.4	0.3	0.1	-0.5	-2.1	0.3	1.5	2.8	3.8	4.6	5.1
- % of revenue	2.3%	-5.5%	2.3%	0.7%	-1.8%	-5.7%	0.6%	2.6%	4.1%	4.7%	5.0%	5.0%
Investments	0.0	0.5	0.6	0.8	2.9	2.5	3.0	1.9	2.0	2.1	2.3	2.5
Net working capital	2.5	3.0	4.7	10.1	9.9	3.5	6.9	7.8	9.4	10.9	12.6	13.7
Net debt			-7.2	-1.4	1.4	-1.2	2.9	3.8	4.0	2.9	1.0	0.0

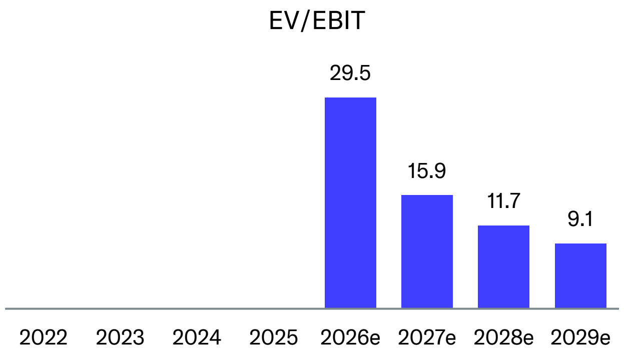
Source: Inderes

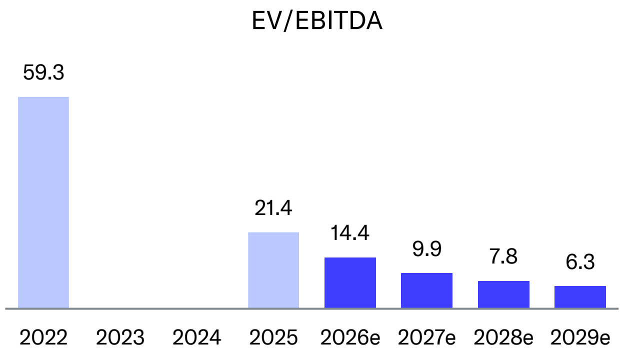
Valuation table

Valuation		2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price		4.77	3.82	3.71	4.37	5.00	5.00	5.00	5.00
Number of shares, millions		7.64	7.64	7.67	8.22	8.22	8.22	8.22	8.22
Market cap		36	29	28	36	41	41	41	41
EV		35	31	27	39	45	45	44	42
P/E (adj.)		neg.	neg.	neg.	neg.	>100	25.0	14.8	10.5
P/E		neg.	neg.	neg.	neg.	>100	25.0	14.8	10.5
P/B		2.8	2.4	3.0	3.5	3.9	3.3	2.7	2.2
P/S		2.3	1.0	0.8	0.7	0.7	0.6	0.5	0.4
EV/Sales		2.2	1.1	0.8	0.7	0.8	0.6	0.5	0.5
EV/EBITDA		59.3	>100	neg.	21.4	14.4	9.9	7.8	6.3
EV/EBIT (adj.)		>100	neg.	neg.	>100	29.5	15.9	11.7	9.1
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 %	0.0 %

Source: Inderes







The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years.

Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	MEUR	MEUR	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e
Sinexcel Electric	1658	1646	19.6	15.8	17.9	14.4	3.0	2.4	21.5	17.2	1.6	2.0	4.8
Alfen	275	269	39.0	23.8	10.9	9.1	0.6	0.6	78.9	39.7			1.8
ABB	156755	159054	25.3	22.0	22.5	19.9	4.9	4.4	27.0	28.1	1.2	1.3	9.6
Schneider Electric	170110	184695	22.4	19.4	19.1	16.7	4.2	3.8	29.1	24.5	1.6	1.8	6.2
Wärtsilä	17219	15557	17.4	15.3	14.9	13.3	2.4	2.2	25.4	22.4	2.1	2.4	6.0
Fluence Energy	1910	2035		37.1	134.4	19.3	0.8	0.6		51.4			4.3
Merus Power (Inderes)	41	45	29.5	15.9	14.4	9.9	0.8	0.6	152.2	25.0	0.0	0.0	3.9
Average			24.7	22.2	36.6	15.4	2.6	2.3	36.4	30.5	1.6	1.8	5.5
Median			22.4	20.7	18.5	15.5	2.7	2.3	27.0	26.3	1.6	1.9	5.4
Diff-% to median			32%	-23%	-22%	-36%	-71%	-72%	464%	-5%	-100%	-100%	-29%

Source: Refinitiv / Inderes

Income statement

Income statement	2024	H1'25	H2'25	2025	H1'26	H2'26e	2026e	2027e	2028e	2029e
Revenue	35.8	24.9	29.7	54.6	24.3	34.7	59.0	69.6	80.8	92.1
Group	35.8	24.9	29.7	54.6	24.3	34.7	59.0	69.6	80.8	92.1
EBITDA	-0.8	0.3	1.5	1.8	0.5	2.6	3.1	4.5	5.6	6.7
Depreciation	-1.3	-0.8	-0.7	-1.5	-0.8	-0.8	-1.6	-1.7	-1.9	-2.1
EBIT (excl. NRI)	-2.1	-0.5	0.8	0.3	-0.3	1.8	1.5	2.8	3.8	4.6
EBIT	-2.1	-0.5	0.8	0.3	-0.3	1.8	1.5	2.8	3.8	4.6
Konserni	-2.1	-0.5	0.8	0.3	-0.3	1.8	1.5	2.8	3.8	4.6
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	-1.3	-1.2	-1.0	-0.7
PTP	-2.7	-1.2	0.1	-1.1	-0.9	1.1	0.3	1.6	2.8	3.9
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	-2.7	-1.2	0.1	-1.1	-0.9	1.1	0.3	1.6	2.8	3.9
EPS (adj.)	-0.35	-0.14	0.01	-0.14	-0.11	0.14	0.03	0.20	0.34	0.47
EPS (rep.)	-0.35	-0.14	0.01	-0.14	-0.11	0.14	0.03	0.20	0.34	0.47

Key figures	2024	H1'25	H2'25	2025	H1'26	H2'26e	2026e	2027e	2028e	2029e
Revenue growth-%	23.4 %	273.8 %	1.9 %	52.5 %	-2.6 %	16.9 %	8.0 %	18.0 %	16.0 %	14.0 %
Adjusted EBIT growth-%	-302.3 %	87.8 %	-58.7 %	115.4 %	47.9 %	120.2 %	379.5 %	86.9 %	33.0 %	21.8 %
EBITDA-%	-2.2 %	1.3 %	5.1 %	3.3 %	2.2 %	7.5 %	5.3 %	6.5 %	7.0 %	7.2 %
Adjusted EBIT-%	-5.7 %	-2.0 %	2.7 %	0.6 %	-1.1 %	5.1 %	2.6 %	4.1 %	4.7 %	5.0 %
Net earnings-%	-7.4 %	-4.7 %	0.2 %	-2.0 %	-3.6 %	3.3 %	0.5 %	2.4 %	3.4 %	4.2 %

Source: Inderes

Full-year earnings per share are calculated using the number of shares at year-end.

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	4.9	6.4	6.8	7.0	7.2
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	4.7	4.7	5.1	5.3	5.5
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
Current assets	21.8	22.4	23.1	26.1	29.5
Inventories	9.1	6.9	7.2	8.3	9.3
Other current assets	0.0	0.1	0.1	0.1	0.1
Receivables	9.7	10.4	10.9	12.5	14.1
Cash and equivalents	3.0	5.0	4.9	5.2	6.0
Balance sheet total	26.7	28.8	29.9	33.1	36.7

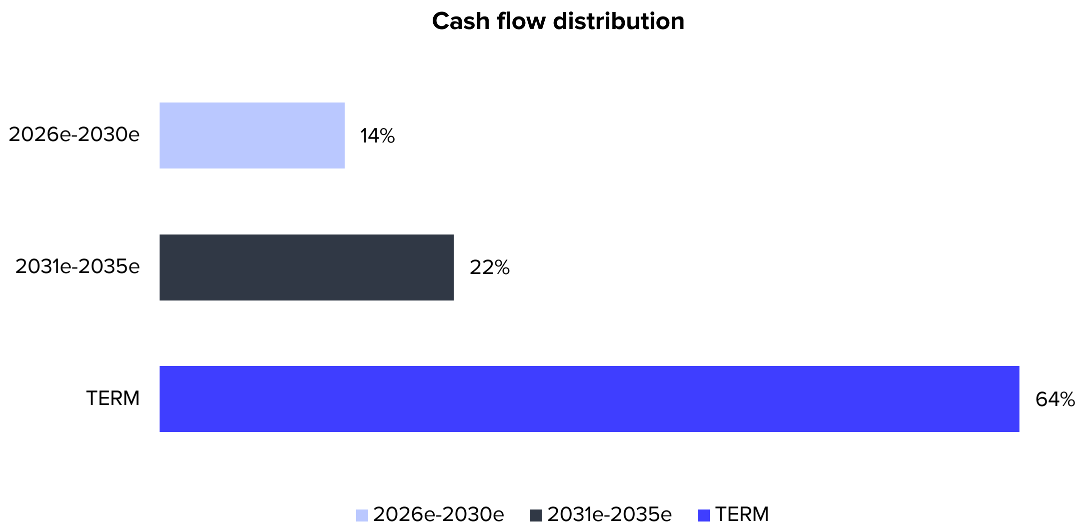
Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	9.5	10.4	10.7	12.3	15.1
Share capital	17.9	19.9	19.9	19.9	19.9
Retained earnings	-8.3	-9.5	-9.2	-7.5	-4.8
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	0.0	0.0	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	1.1	5.7	5.4	5.7	5.6
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	5.5	5.4
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	16.1	12.7	13.8	15.1	16.0
Interest bearing debt	0.8	2.4	3.5	3.7	3.6
Payables	15.3	10.3	10.3	11.4	12.5
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	26.7	28.8	29.9	33.1	36.7

DCF-calculation

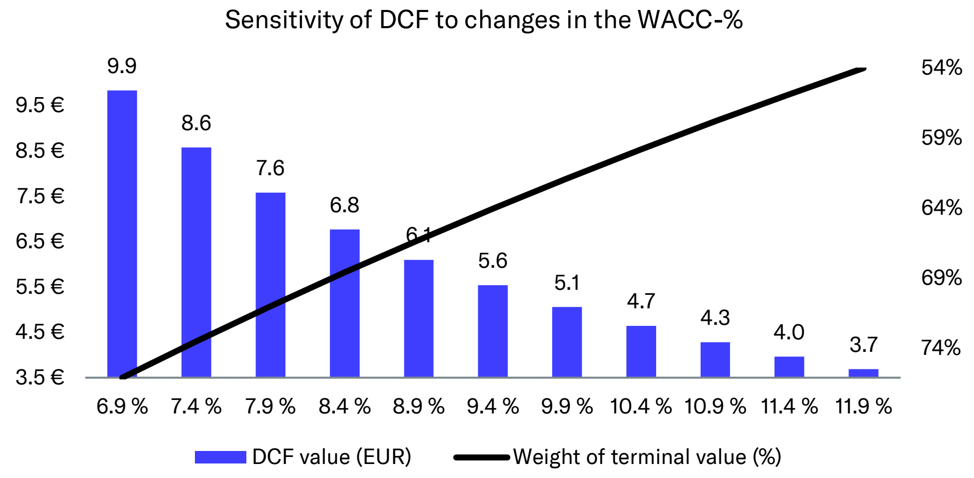
DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	52.5 %	8.0 %	18.0 %	16.0 %	14.0 %	11.0 %	9.0 %	7.0 %	5.0 %	5.0 %	3.0 %	3.0 %
EBIT-%	0.6 %	2.6 %	4.1 %	4.7 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %
EBIT (operating profit)	0.3	1.5	2.8	3.8	4.6	5.1	5.6	6.0	6.3	6.6	6.8	
+ Depreciation	1.5	1.6	1.7	1.9	2.1	2.3	2.4	2.4	2.5	2.5	2.5	
- Paid taxes	0.0	0.0	0.0	0.0	0.0	-0.9	-1.1	-1.2	-1.3	-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	-0.9	-1.5	-1.5	-1.7	-1.1	-1.0	-0.8	-0.5	-0.5	-0.5	
Operating cash flow	-1.7	2.2	3.0	4.1	4.9	5.3	5.8	6.4	6.9	7.2	7.4	
+ 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	-1.9	-2.0	-2.1	-2.3	-2.5	-2.5	-2.5	-2.5	-2.5	-2.9	
Free operating cash flow	-4.6	0.3	1.0	2.1	2.7	2.8	3.3	3.9	4.4	4.7	4.5	
+/- 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	0.3	1.0	2.1	2.7	2.8	3.3	3.9	4.4	4.7	4.5	72.4
Discounted FCFF		0.3	0.9	1.7	2.0	1.9	2.0	2.2	2.3	2.2	1.9	31.3
Sum of FCFF present value		48.8	48.5	47.6	45.9	43.9	42.0	40.0	37.8	35.5	33.3	31.3
Enterprise value DCF		48.8										
- Interest bearing debt		-7.9										
+ Cash and cash equivalents		5.0										
+ Associated companies		0.0										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		45.9										
Equity value DCF per share		5.6										

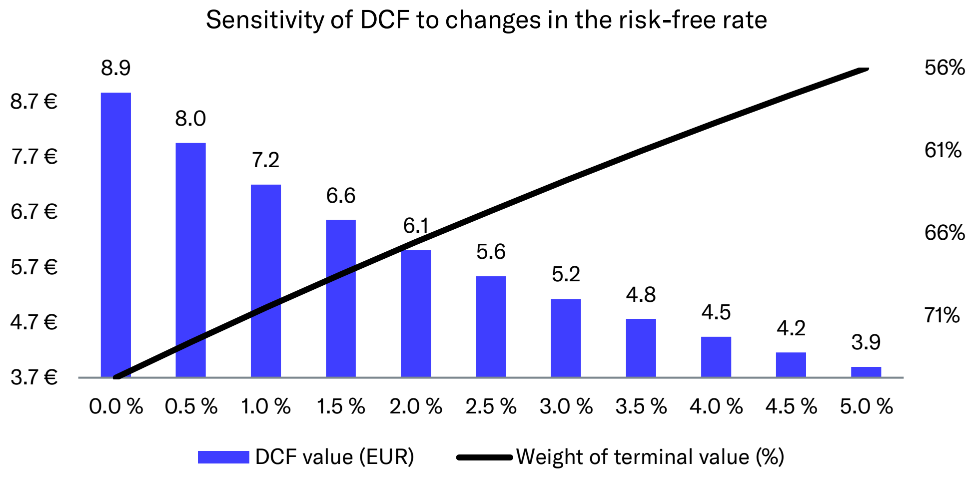
WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E)	15.0 %
Cost of debt	3.0 %
Equity Beta	1.28
Market risk premium	4.75%
Liquidity premium	2.00%
Risk free interest rate	2.5 %
Cost of equity	10.6 %
Weighted average cost of capital (WACC)	9.4 %

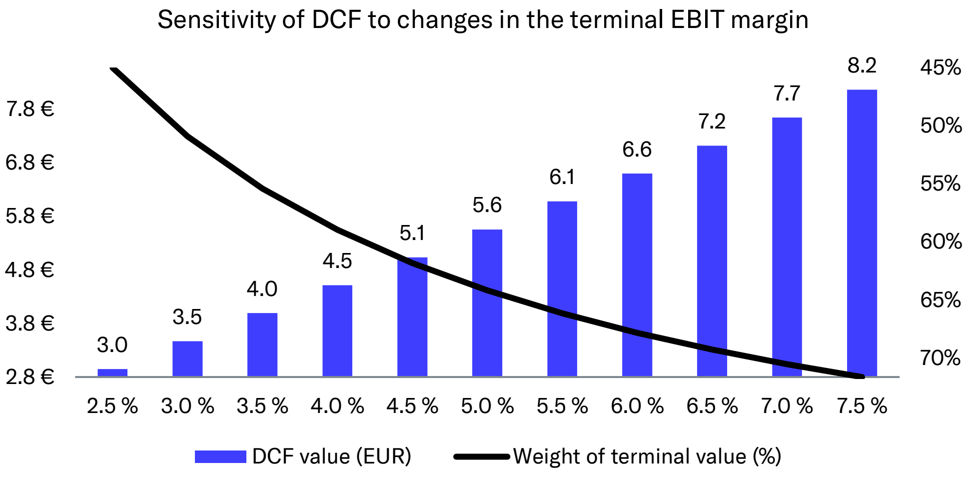


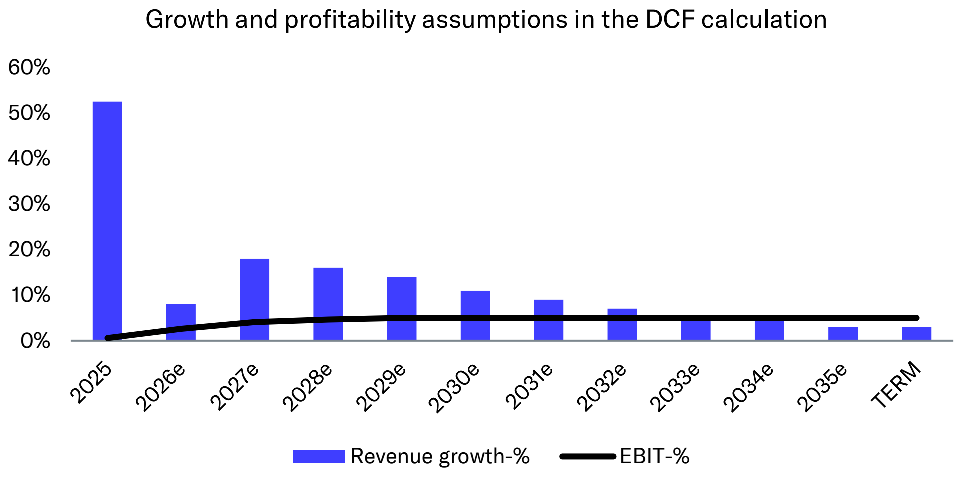
Source: Inderes

DCF sensitivity calculations and key assumptions in graphs









Summary

Income statement	2023	2024	2025	2026e	2027e
Revenue	29.0	35.8	54.6	59.0	69.6
EBITDA	0.2	-0.8	1.8	3.1	4.5
EBIT	-0.5	-2.1	0.3	1.5	2.8
PTP	-0.8	-2.7	-1.1	0.3	1.6
Net Income	-0.8	-2.7	-1.1	0.3	1.6
Extraordinary items	0.0	0.0	0.0	0.0	0.0

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	21.2	26.7	28.8	29.9	33.1
Equity capital	12.1	9.5	10.4	10.7	12.3
Goodwill	0.0	0.0	0.0	0.0	0.0
Net debt	1.4	-1.2	2.9	3.8	4.0

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	0.2	-0.8	1.8	3.1	4.5
Change in working capital	0.2	6.4	-3.5	-0.9	-1.5
Operating cash flow	0.4	5.6	-1.7	2.2	3.0
CAPEX	-2.9	-2.5	-3.0	-1.9	-2.0
Free cash flow	-2.6	3.1	-4.6	0.3	1.0

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	1.1	0.8	0.7	0.8	0.6
EV/EBITDA	>100	neg.	21.4	14.4	9.9
EV/EBIT (adj.)	neg.	neg.	>100	29.5	15.9
P/E (adj.)	neg.	neg.	neg.	>100	25.0
P/B	2.4	3.0	3.5	3.9	3.3
Dividend-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

Source: Inderes

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	-0.10	-0.35	-0.14	0.03	0.20
EPS (adj.)	-0.10	-0.35	-0.14	0.03	0.20
OCF / share	0.05	0.73	-0.20	0.27	0.36
OFCF / share	-0.33	0.40	-0.56	0.04	0.13
Book value / share	1.58	1.24	1.27	1.30	1.50
Dividend / share	0.00	0.00	0.00	0.00	0.00

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	79%	23%	53%	8%	18%
EBITDA growth-%	-69%	-530%	327%	72%	45%
EBIT (adj.) growth-%	-582%	-302%	115%	379%	87%
EPS (adj.) growth-%	-626%	-231%	61%	124%	508%
EBITDA-%	0.6 %	-2.2 %	3.3 %	5.3 %	6.5 %
EBIT (adj.)-%	-1.8 %	-5.7 %	0.6 %	2.6 %	4.1 %
EBIT-%	-1.8 %	-5.7 %	0.6 %	2.6 %	4.1 %
ROE-%	-6.4 %	-24.5 %	-11.2 %	2.6 %	14.3 %
ROI-%	-3.1 %	-15.0 %	2.1 %	8.1 %	13.9 %
Equity ratio	57.1 %	35.7 %	36.1 %	35.7 %	37.2 %
Gearing	11.6 %	-12.2 %	27.6 %	35.9 %	32.4 %
Net debt/EBITDA	7.5	1.5	1.6	1.2	0.9
EBITDA/net financials	0.6	-1.3	1.3	2.5	3.8

The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years. Per-share figures are calculated using the number of shares at year-end.

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Buy	The 12-month risk-adjusted expected shareholder return of the share is very attractive
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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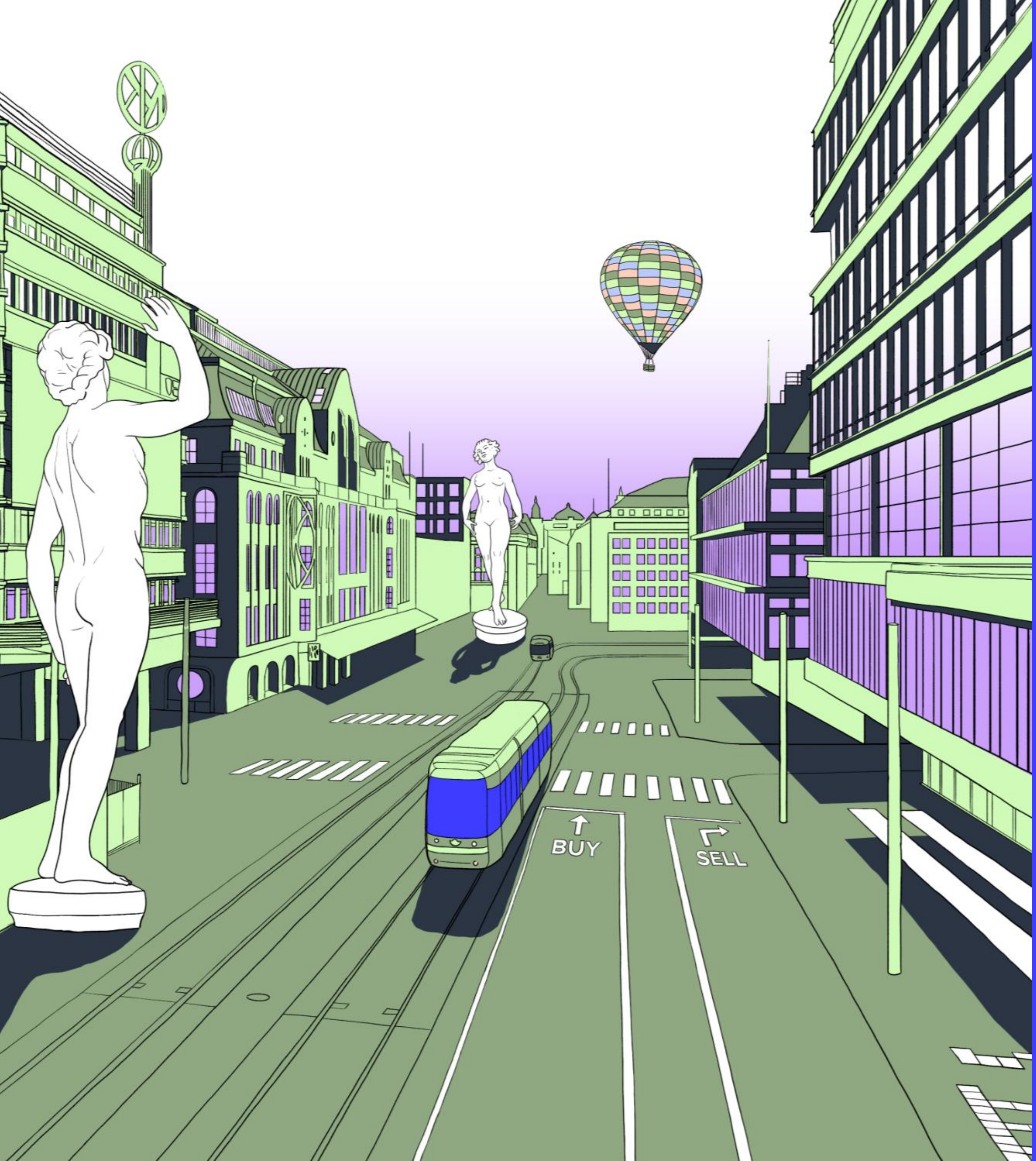
Recommendation history (>12 mo)

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 €
1/12/2026	Reduce	4.50 €	4.40 €
2/6/2026	Accumulate	4.70 €	4.24 €
2/23/2026	Accumulate	4.70 €	4.30 €
8/21/2026	Accumulate	5.50 €	5.18 €



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