

MODULIGHT

04/26/2025 11:48 EEST

This is a translated version of the "Matkalla oikeaan suuntaan" report, published on 04/26/2025



Antti Siltanen
+358 45 119 6869
antti.siltanen@inderes.fi

INDERES CORPORATE CUSTOMER COMPANY REPORT



Heading in the right direction

Modulight's Q1 continued on the positive path outlined by the financial statement. Revenue exceeded our expectations and the loss was smaller than forecasted due to lower expenses. Visibility to the company's business has improved, although it is still low. We raise our forecasts moderately as a result of good development. We reiterate our Accumulate recommendation and raise our target price to EUR 1.5 (was 1.3) corresponding to estimate hikes.

Revenue exceeded estimates

Modulight's Q1 revenue amounted to 1.61 MEUR and exceeded our forecast of 1.44 MEUR. Revenue grew by 52% from Q1'24 and by 12% from the previous quarter. Q1 was Modulight's best quarter in terms of revenue since the company started quarterly reporting (Q1'23). The company expects the number of devices to be installed to increase clearly during the spring and summer. This should support recurring revenue (PPT) starting from late 2025. During the quarter, the company also announced an order related to quantum computers, which will support 2025 revenue by 0.8 MEUR. With installations and orders, visibility has improved from the previous very low level. Visibility for next year and beyond is still very limited at this stage. The weakened operating environment and dollar in the US impact the company negatively, but the large share of services in exports may mitigate this impact.

The result was better than we expected

EBIT of -1.59 MEUR also beat our estimate of -2.08 MEUR. The better-than-expected performance is due to higher-than-forecasted revenue and gross margin, as well as slightly lower-than-expected costs. Cash flow from operating and investing activities was -2.3 MEUR. Cash flow was weakened by a higher-

than-normal increase in working capital this quarter (-0.72 MEUR). Net cash at the end of the period amounted to 10.6 MEUR (Q1'24: 16.4 MEUR). The balance sheet remains strong, but the company needs a significant revenue uptick to turn cash flow into a sustainable positive position.

We make moderate upward revisions to our estimates

Our estimates rise moderately due to good development and a slightly lower cost structure than before. Modulight's outlook is also more concrete than before, which increases confidence in our forecasts. We expect growth to accelerate in the coming years, but there is still a lot of uncertainty about the outlook.

Opportunity for those willing to risk

The stock's valuation is very imprecise due to the uncertainty of earnings and cash flow turnaround. The valuation relies heavily on future projections, which carry a high degree of forecasting risk. EV/S multiples are 6x-5x for 2025-2026, which we find cautiously attractive due to the substantial growth potential. The DCF model suggests a moderate upside for the stock. We reiterate our Accumulate recommendation following the good development that has continued at the beginning of the year. We emphasize that a sufficient expected return on the stock requires a continuation of good performance, which is difficult to assess at this stage. The investment involves high risk, which can be realized if the budding growth slows down or is interrupted.

Recommendation

Accumulate

(was Accumulate)

Target price:

EUR 1.50

(was EUR 1.30)

Share price:

Share price: EUR 1.34

Business risk



Valuation risk



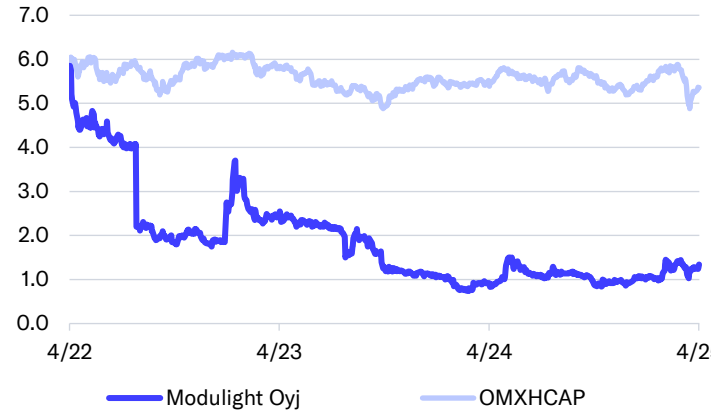
	2024	2025e	2026e	2027e
Revenue	4.1	8.0	10.8	15.3
growth-%	2%	95%	36%	41%
EBIT adj.	-8.3	-5.8	-4.6	-2.4
Net Income	-6.5	-5.4	-3.8	-2.5
EPS (adj.)	-0.15	-0.13	-0.09	-0.06
P/E (adj.)	neg.	neg.	neg.	neg.
P/B	1.0	1.3	1.4	1.5
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	neg.	neg.	neg.	neg.
EV/EBITDA	neg.	neg.	neg.	55.6
EV/S	8.3	6.4	5.1	3.8

Source: Inderes

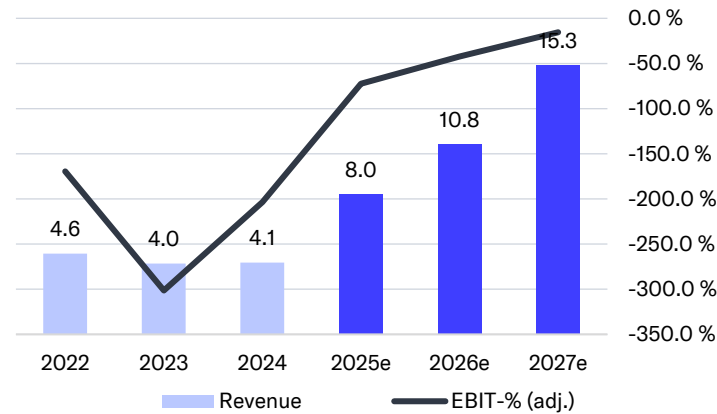
Guidance

Modulight does not provide any guidance.

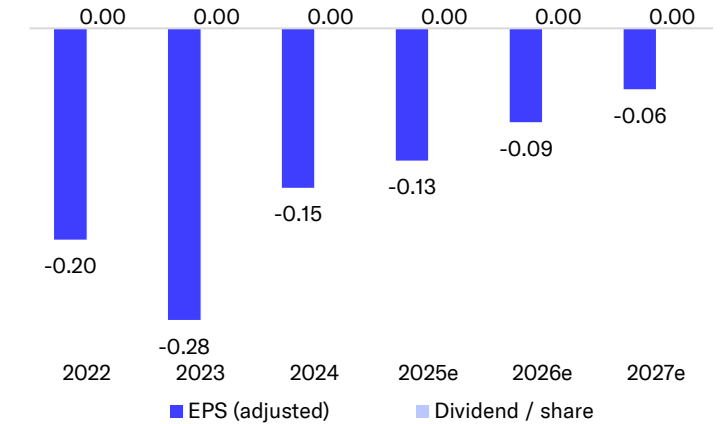
Share price



Revenue and EBIT %



EPS and dividend



Value drivers

- A defensive market with growth well into the future
- Technological expertise, ability to tailor products and build cloud services gives Modulight a competitive advantage
- A model based on license fees and pay-per-treatment pricing can be highly scalable if successful

Risk factors

- We feel the project-based model requires further evidence
- Low visibility of projects and their progress
Immature and concentrated customer base brings more risk
- The rapid contraction of the cash position reduces the company's financial leeway, although the situation is still good

Valuation	2025e	2026e	2027e
Share price	1.34	1.34	1.34
Number of shares, millions	42.6	42.6	42.6
Market cap	57	57	57
EV	51	55	58
P/E (adj.)	neg.	neg.	neg.
P/E	neg.	neg.	neg.
P/B	1.3	1.4	1.5
P/S	7.2	5.3	3.7
EV/Sales	6.4	5.1	3.8
EV/EBITDA	neg.	neg.	55.6
EV/EBIT (adj.)	neg.	neg.	neg.
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Revenue and EBIT exceeded estimates

Estimates vs. outcome

- Q1'25 revenue was 1.61 MEUR, which exceeded our forecast (1.44 MEUR) by 12%.
- Year-on-year growth amounted to 52% and quarter-on-quarter growth to 12%.
- According to the company, regulatory processes have caused delays. Longer-than-expected processes are quite typical in the sector.
- EBIT was -1.59 MEUR. The loss was lower than we expected (-2.08).
- In addition to higher-than-expected revenue, the cost structure and depreciation were slightly lower than we anticipated.
- Cash flow from operating and investing activities was -2.3 MEUR.
- Modulight's working capital fluctuates quarterly, and it now tied up 0.72 MEUR, which weakened cash flow. We assume that, in the long term, working capital will grow considerably more moderately.
- Net cash at the end of the period amounted to 10.6 MEUR (Q1'24: 16.4 MEUR).
- The cash position remains strong and the company has time to achieve sustainable positive operating cash flow. Of course, this will require a much higher level of revenue than today.

Estimates MEUR / EUR	Q1'24 Comparison	Q1'25 Actualized	Q1'25e Inderes	Q1'25e Consensus	Consensus Low High	Difference (%) Act. vs. inderes	2025e Inderes
Revenue	1.06	1.61	1.44			12%	8.0
EBIT	-1.98	-1.59	-2.08			24%	-5.8
EPS (reported)	-0.04	-0.04	-0.04			9%	-0.13
Revenue growth-%	-29.0 %	51.5 %	35.4 %			16,1 pp	94.6 %
EBIT-% (adj.)	-186.6 %	-98.4 %	-144.6 %			46,2 pp	-72.4 %

Source: Inderes

Moderate estimate hikes

Estimate revisions

- We raise our revenue forecasts for the coming years moderately.
- The increase is based on positive signals from the last two reports and news of order intake supporting growth. However, the medium-term forecasts are subject to significant uncertainty.
- Our earnings forecasts also rise, mainly driven by higher revenue.
- We are also increasing our estimate for the medium-term development of the gross margin slightly. The upgrade is based on the progress of the high-margin PPT model.

Estimate revisions	2025e	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	7.7	8.0	3%	10.6	10.8	2%	14.4	15.3	7%
EBITDA	-2.5	-1.7	31%	-1.4	-0.5	61%	-0.9	1.0	214%
EBIT	-6.9	-5.8	17%	-5.9	-4.6	22%	-4.1	-2.4	42%
EPS (excl. NRIs)	-0.14	-0.13	13%	-0.12	-0.09	25%	-0.10	-0.06	41%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

Valuation is on the attractive side

EV/S ratios are tolerable, but require continued growth

Because of the loss-making business, we cannot use earnings-based multiples in valuation, but rely on revenue-based EV/S ratios and DCF calculation that models the present value of future cash flows. The valuation is inherently imprecise as it is based on forecasts with little visibility, although we believe the situation has improved. It is difficult to assess the earnings turnaround, which poses challenges for fair value measurement.

On our updated estimates, EV/S multiples for 2025-2026 are 6x and 5x. Typically, the stock has been valued at around 8x current year multiples. The multiples have become more attractive, especially when taking into account the increased order book and the outlook for the current year. The multiples are still high compared to Lumibird SA, which we consider the most suitable peer (EV/S: 1.5x and 1.5x) and the peer group of laser manufacturers (1.5x-2.6x). The median for large and highly profitable medical device companies is 4x. The industry's multiples have decreased clearly during Q1.

Given the growing order book and increased visibility, we believe the EV/S multiples are acceptable. The stock's valuation assumes continued good performance, which would justify the relatively high absolute multiples. A low starting point supports the possibility of strong relative revenue growth. We emphasize that the positive signs of business improvement are still early and caution is, therefore, still warranted. However, if developments remain positive, we also see the conditions for multiple expansion.

DCF model points to moderate upside

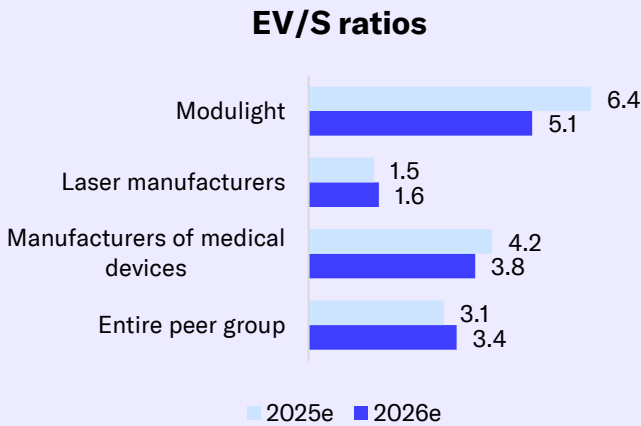
The baseline case in our DCF calculation gives the stock a value of EUR 1.5. We use a cost of capital of 11.5% corresponding to the risk profile. The model thus suggests a moderate upside for the stock, above the required return. In the positive scenario, the DCF is EUR 2.8 and in the negative scenario EUR 0.3. The main factor explaining the differences between the scenarios is revenue growth, which is followed by profitability. In particular, the higher terminal profitability (EBIT of 30%) in the positive scenario has a clear upward effect on the value. In the negative scenario, terminal profitability remains at 20%. We note that the scenarios do not represent our view of the best and worst possible path for the business but are intended to provide investors with a perspective on the sensitivity of the valuation assumptions used, which in the case of Modulight is high. More information on the scenarios can be found in the Initiation of coverage report.

We are raising our recommendation and target price due to the improved outlook

We reiterate our Accumulate recommendation for the stock and raise our target price to EUR 1.5 (was 1.3) based on estimate hikes. The EV/S multiple and the DCF model with its scenarios are central to this view. The DCF suggests a significant upside or downside for the share in high and low growth scenarios. In case the low estimate materializes, the risk of permanently losing capital is considerable.

Valuation	2025e	2026e	2027e
Share price	1.34	1.34	1.34
Number of shares, millions	42.6	42.6	42.6
Market cap	57	57	57
EV	51	55	58
P/E (adj.)	neg.	neg.	neg.
P/E	neg.	neg.	neg.
P/B	1.3	1.4	1.5
P/S	7.2	5.3	3.7
EV/Sales	6.4	5.1	3.8
EV/EBITDA	neg.	neg.	55.6
EV/EBIT (adj.)	neg.	neg.	neg.
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		11.4	2.95	0.90	1.10	1.34	1.34	1.34	1.34
Number of shares, millions	30.7	42.6	42.6	42.6	42.6	42.6	42.6	42.6	42.6
Market cap		484	126	38	47	57	57	57	57
EV	3.9	430	90	20	34	51	55	58	58
P/E (adj.)	0.0	neg.	neg.	neg.	neg.	neg.	neg.	neg.	65.0
P/E	0.0	neg.	neg.	neg.	neg.	neg.	neg.	neg.	65.0
P/B	0.0	8.4	1.9	0.7	1.0	1.3	1.4	1.5	1.5
P/S	0.0	53.3	27.3	9.5	11.4	7.2	5.3	3.7	2.9
EV/Sales	0.4	47.4	19.6	4.9	8.3	6.4	5.1	3.8	2.9
EV/EBITDA	0.7	>100	neg.	neg.	neg.	neg.	neg.	55.6	12.2
EV/EBIT (adj.)	0.8	neg.	neg.	neg.	neg.	neg.	neg.	neg.	48.3
Payout ratio (%)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	50.0 %
Dividend yield-%		0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.8 %

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	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e
Carl Zeiss Meditech	5313	5842	16.0	24.9	13.0	18.3	2.8	2.8	19.6	31.6	1.8	1.5	2.5
Coherent Corp	8791	13980	16.2	22.6	12.9	15.9	3.1	3.4	21.8	39.1			1.4
Cutera Inc													
IPG Photonics Corp	2186	1367	6.3		4.8	74.1	1.2	1.6	12.4				1.1
Lumentum	3652	5125	17.1	164.2	12.0	41.0	3.3	4.3	13.3	61.2			2.7
Lumibird SA	217	307	14.1	23.6	8.0	9.3	1.5	1.5	19.7	32.2			1.0
Medtronic	94943	111571	15.5	15.4	13.6	13.6	4.1	3.9	15.9	16.2	3.2	3.3	2.1
Nexstim	57	58		14.6		14.6	8.3	3.7		16.9			20.3
nLIGHT	337	249					1.4	1.4					
Optomed	74	67					4.3	4.6					3.3
Revenio Group													
Stryker													
Theralase													
Xvivo Perfusion													
Modulight Oyj (Inderes)	57	51	-8.9	-12.0	-29.9	-102.4	6.4	5.1	-10.7	-15.0	0.0	0.0	1.3
Average			14.2	44.2	10.7	26.7	3.3	3.0	17.1	32.9	2.5	2.4	4.3
Median			15.7	23.1	12.5	15.9	3.1	3.4	17.8	31.9	2.5	2.4	2.3
Diff-% to median			-157%	-152%	-340%	-745%	109%	51%	-160%	-147%	-100%	-100%	-43%

Source: Refinitiv / Inderes

Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue	4.0	1.1	1.0	0.6	1.4	4.1	1.6	1.7	2.1	2.5	8.0	10.8	15.3	19.9
Group	4.0	1.1	1.0	0.6	1.4	4.1	1.6	1.7	2.1	2.5	8.0	10.8	15.3	19.9
EBITDA	-8.5	-2.1	-1.2	-1.3	-1.0	-5.6	-0.6	-0.7	-0.2	-0.3	-1.7	-0.5	1.0	4.7
Depreciation	-3.6	0.1	-0.8	-0.8	-1.2	-2.7	-1.0	-1.0	-1.0	-1.0	-4.1	-4.1	-3.4	-3.5
EBIT	-12.1	-2.0	-2.0	-2.1	-2.2	-8.3	-1.6	-1.7	-1.2	-1.3	-5.8	-4.6	-2.4	1.2
Net financial items	0.3	0.1	0.1	0.1	1.5	1.9	0.0	0.2	0.2	0.2	0.4	0.8	-0.1	-0.1
PTP	-11.8	-1.9	-1.9	-2.0	-0.7	-6.5	-1.6	-1.6	-1.0	-1.1	-5.4	-3.8	-2.5	1.1
Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.2
Net earnings	-11.8	-1.9	-1.9	-2.0	-0.7	-6.5	-1.6	-1.6	-1.0	-1.1	-5.4	-3.8	-2.5	0.9
EPS (adj.)	-0.28	-0.04	-0.05	-0.05	-0.02	-0.15	-0.04	-0.04	-0.02	-0.03	-0.13	-0.09	-0.06	0.02
EPS (rep.)	-0.28	-0.04	-0.05	-0.05	-0.02	-0.15	-0.04	-0.04	-0.02	-0.03	-0.13	-0.09	-0.06	0.02

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e	0.00
Revenue growth-%	-12.5 %	-29.0 %	-12.8 %	57.6 %	40.3 %	1.7 %	51.5 %	79.7 %	227.5 %	77.0 %	94.6 %	36.1 %	41.4 %	30.0 %	
Adjusted EBIT growth-%	55.7 %	3.9 %	-2.3 %	-31.4 %	-56.5 %	-31.3 %	-20.1 %	-16.1 %	-44.1 %	-41.1 %	-30.8 %	-20.3 %	-48.5 %	-150.5 %	
EBITDA-%	-212.0 %	-196.0 %	-126.5 %	-199.7 %	-71.4 %	-136.7 %	-36.1 %	-40.8 %	-7.5 %	-10.5 %	-21.5 %	-5.0 %	6.8 %	23.8 %	
Adjusted EBIT-%	-301.4 %	-186.6 %	-212.1 %	-329.4 %	-153.9 %	-203.5 %	-98.4 %	-99.0 %	-56.2 %	-51.2 %	-72.4 %	-42.4 %	-15.4 %	6.0 %	
Net earnings-%	-293.1 %	-177.2 %	-202.0 %	-307.5 %	-46.0 %	-157.5 %	-100.3 %	-90.4 %	-49.0 %	-45.2 %	-67.2 %	-35.0 %	-16.1 %	4.4 %	

Source: Inderes

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	33.8	35.2	35.4	35.5	36.3
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	8.9	10.9	12.0	13.0	15.2
Tangible assets	24.9	24.3	23.4	22.5	21.0
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	30.2	21.1	16.7	13.1	10.4
Inventories	2.6	2.3	2.8	2.9	2.3
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	2.5	1.4	1.1	1.4	1.8
Cash and equivalents	25.1	17.4	12.8	8.8	6.2
Balance sheet total	64.0	56.3	52.1	48.6	46.6

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	55.7	49.2	43.9	40.1	37.6
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	-19.7	-26.2	-31.5	-35.3	-37.8
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	75.3	75.3	75.3	75.3	75.3
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	4.5	2.8	5.0	5.0	5.0
Deferred tax liabilities	0.0	0.0	0.0	0.0	0.0
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	4.5	2.8	5.0	5.0	5.0
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	3.7	4.2	3.2	3.5	4.0
Interest bearing debt	2.0	1.8	2.0	2.0	2.0
Payables	1.7	2.5	1.2	1.5	2.0
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	63.9	56.3	52.1	48.6	46.6

DCF-calculation

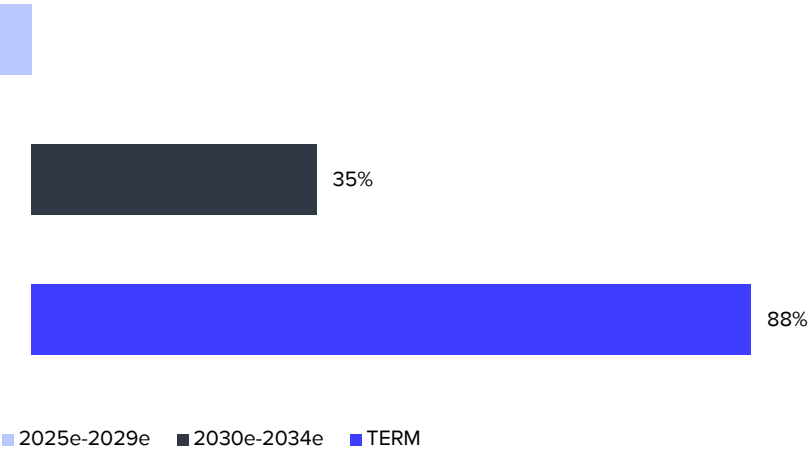
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	1.7 %	94.6 %	36.1 %	41.4 %	30.0 %	30.0 %	25.0 %	25.0 %	15.0 %	8.0 %	4.0 %	3.0 %	3.0 %
EBIT-%	-203.5 %	-72.4 %	-42.4 %	-15.4 %	6.0 %	16.0 %	20.0 %	21.0 %	23.0 %	25.0 %	25.0 %	25.0 %	25.0 %
EBIT (operating profit)	-8.3	-5.8	-4.6	-2.4	1.2	4.1	6.5	8.5	10.7	12.6	13.1	13.5	
+ Depreciation	2.7	4.1	4.1	3.4	3.5	3.7	3.7	3.9	4.0	4.1	4.1	4.2	
- Paid taxes	0.0	0.0	0.0	0.0	-0.2	-0.8	-1.3	-1.7	-2.1	-2.5	-2.6	-2.6	
- Tax, financial expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	
+ 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	0.0	
- Change in working capital	2.1	-1.5	-0.1	0.7	-0.2	0.1	-0.7	-0.2	-0.3	-0.3	-0.2	-0.1	
Operating cash flow	-3.5	-3.2	-0.7	1.7	4.3	7.0	8.2	10.5	12.3	13.9	14.5	14.8	
+ 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	0.0	
- Gross CAPEX	-4.1	-4.3	-4.2	-4.2	-4.1	-4.1	-4.0	-4.0	-4.0	-3.9	-3.9	-3.9	
Free operating cash flow	-7.6	-7.5	-4.8	-2.5	0.1	3.0	4.1	6.5	8.4	9.9	10.6	11.0	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-7.6	-7.5	-4.8	-2.5	0.1	3.0	4.1	6.5	8.4	9.9	10.6	11.0	133
Discounted FCFF		-6.9	-4.0	-1.8	0.1	1.8	2.2	3.2	3.6	3.9	3.7	3.4	41.9
Sum of FCFF present value		51.0	57.9	61.9	63.8	63.7	61.9	59.7	56.7	52.9	49.0	45.3	41.9
Enterprise value DCF		51.0											
- Interest bearing debt		-4.5											
+ Cash and cash equivalents		17.4											
-Minorities		0.0											
-Dividend/capital return		0.0											
Equity value DCF		63.9		2025e-2029e		-23%							
Equity value DCF per share		1.5											

WACC

Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	10.0 %
Cost of debt	8.0 %
Equity Beta	1.90
Market risk premium	4.75%
Liquidity premium	0.50%
Risk free interest rate	2.5 %
Cost of equity	12.0 %
Weighted average cost of capital (WACC)	11.5 %

Source: Inderes

Cash flow distribution



Summary

Income statement	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	4.6	4.0	4.1	8.0	10.8	EPS (reported)	-0.20	-0.28	-0.15	-0.13	-0.09
EBITDA	-5.9	-8.5	-5.6	-1.7	-0.5	EPS (adj.)	-0.20	-0.28	-0.15	-0.13	-0.09
EBIT	-7.8	-12.1	-8.3	-5.8	-4.6	OCF / share	-0.08	-0.18	-0.08	-0.07	-0.02
PTP	-8.6	-11.8	-6.5	-5.4	-3.8	FCF / share	-0.40	-0.41	-0.18	-0.17	-0.11
Net Income	-8.6	-11.8	-6.5	-5.4	-3.8	Book value / share	1.59	1.31	1.16	1.03	0.94
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	78.3	64.0	56.3	52.1	48.6	Revenue growth-%	-49%	-12%	2%	95%	36%
Equity capital	67.6	55.7	49.2	43.9	40.1	EBITDA growth-%	-1428%	44%	-34%	-69%	-68%
Goodwill	0.0	0.0	0.0	0.0	0.0	EBIT (adj.) growth-%	935%	56%	-31%	-31%	-20%
Net debt	-35.6	-18.6	-12.9	-5.8	-1.8	EPS (adj.) growth-%	69%	38%	-45%	-17%	-29%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	-129.0 %	-212.0 %	-136.7 %	-21.5 %	-5.0 %
EBITDA	-5.9	-8.5	-5.6	-1.7	-0.5	EBIT (adj.)-%	-169.5 %	-301.4 %	-203.5 %	-72.4 %	-42.4 %
Change in working capital	2.6	1.0	2.1	-1.5	-0.1	EBIT-%	-169.5 %	-301.4 %	-203.5 %	-72.4 %	-42.4 %
Operating cash flow	-3.3	-7.5	-3.5	-3.2	-0.7	ROE-%	-11.9 %	-19.1 %	-12.3 %	-11.5 %	-9.0 %
CAPEX	-13.7	-9.7	-4.1	-4.3	-4.2	ROI-%	-9.6 %	-17.6 %	-14.4 %	-11.0 %	-9.4 %
Free cash flow	-17.0	-17.3	-7.6	-7.5	-4.8	Equity ratio	86.3 %	87.1 %	87.5 %	84.3 %	82.5 %
Valuation multiples	2022	2023	2024	2025e	2026e	Gearing	-52.7 %	-33.4 %	-26.1 %	-13.2 %	-4.5 %
EV/S	19.6	4.9	8.3	6.4	5.1						
EV/EBITDA	neg.	neg.	neg.	neg.	neg.						
EV/EBIT (adj.)	neg.	neg.	neg.	neg.	neg.						
P/E (adj.)	neg.	neg.	neg.	neg.	neg.						
P/B	1.9	0.7	1.0	1.3	1.4						
Dividend-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %						

Source: Inderes

Disclaimer and recommendation history

The information presented in Inderes reports is obtained from several different public sources that Inderes considers to be reliable. Inderes aims to use reliable and comprehensive information, but Inderes does not guarantee the accuracy of the presented information. Any opinions, estimates and forecasts represent the views of the authors. Inderes is not responsible for the content or accuracy of the presented information. Inderes and its employees are also not responsible for the financial outcomes of investment decisions made based on the reports or any direct or indirect damage caused by the use of the information. The information used in producing the reports may change quickly. Inderes makes no commitment to announcing any potential changes to the presented information and opinions.

The reports produced by Inderes are intended for informational use only. The reports should not be construed as offers or advice to buy, sell or subscribe investment products. Customers should also understand that past performance is not a guarantee of future results. When making investment decisions, customers must base their decisions on their own research and their estimates of the factors that influence the value of the investment and take into account their objectives and financial position and use advisors as necessary. Customers are responsible for their investment decisions and their financial outcomes.

Reports produced by Inderes may not be edited, copied or made available to others in their entirety, or in part, without Inderes' written consent. No part of this report, or the report as a whole, shall be transferred or shared in any form to the United States, Canada or Japan or the citizens of the aforementioned countries. The legislation of other countries may also lay down restrictions pertaining to the distribution of the information contained in this report. Any individuals who may be subject to such restrictions must take said restrictions into account.

Inderes issues target prices for the shares it follows. The recommendation methodology used by Inderes is based on the share's 12-month expected total shareholder return (including the share price and dividends) and takes into account Inderes' view of the risk associated with the expected returns. The recommendation policy consists of four tiers: Sell, Reduce, Accumulate and Buy. As a rule, Inderes' investment recommendations and target prices are reviewed at least 2–4 times per year in connection with the companies' interim reports, but the recommendations and target prices may also be changed at other times depending on the market conditions. The issued recommendations and target prices do not guarantee that the share price will develop in line with the estimate. Inderes primarily uses the following valuation methods in determining target prices and recommendations: Cash flow analysis (DCF), valuation multiples, peer group analysis and sum of parts analysis. The valuation methods and target price criteria used are always company-specific and they may vary significantly depending on the company and (or) industry.

Inderes' recommendation policy is based on the following distribution relative to the 12-month risk-adjusted expected total shareholder return.

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

The assessment of the 12-month risk-adjusted expected total shareholder return based on the above-mentioned definitions is company-specific and subjective. Consequently, similar 12-month expected total shareholder returns between different shares may result in different recommendations, and the recommendations and 12-month expected total shareholder returns between different shares should not be compared with each other. The counterpart of the expected total shareholder return is Inderes' view of the risk taken by the investor, which varies considerably between companies and scenarios. Thus, a high expected total shareholder return does not necessarily lead to positive performance when the risks are exceptionally high and, correspondingly, a low expected total shareholder return does not necessarily lead to a negative recommendation if Inderes considers the risks to be moderate.

The analysts who produce Inderes' research and Inderes employees cannot have 1) shareholdings that exceed the threshold of significant financial gain or 2) shareholdings exceeding 1% in any company subject to Inderes' research activities. Inderes Oyj can only own shares in the target companies it follows to the extent shown in the company's model portfolio investing real funds. All of Inderes Oyj's shareholdings are presented in itemised form in the model portfolio. Inderes Oyj does not have other shareholdings in the target companies analysed. The remuneration of the analysts who produce the analysis are not directly or indirectly linked to the issued recommendation or views. Inderes Oyj does not have investment bank operations.

Inderes or its partners whose customer relationships may have a financial impact on Inderes may, in their business operations, seek assignments with various issuers with respect to services provided by Inderes or its partners. Thus, Inderes may be in a direct or indirect contractual relationship with an issuer that is the subject of research activities. Inderes and its partners may provide investor relations services to issuers. The aim of such services is to improve communication between the company and the capital markets. These services include the organisation of investor events, advisory services related to investor relations and the production of investor research reports.

More information about research disclaimers can be found at www.inderes.fi/research-disclaimer.

Inderes has made an agreement with the issuer and target of this report, which entails compiling a research report.

Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
3/15/2023	Reduce	2.30 €	2.42 €
5/2/2023	Reduce	2.30 €	2.31 €
8/11/2023	Reduce	2.30 €	2.15 €
8/21/2023	Reduce	1.60 €	1.50 €
20.10.23	Reduce	1.50 €	1.39 €
1/2/2023	Reduce	1.20 €	1.17 €
2/26/2024	Reduce	0.90 €	0.85 €
4/29/2024	Reduce	0.90 €	0.83 €
8/19/2024	Reduce	0.90 €	1.14 €
10/22/2024	Reduce	0.90 €	0.99 €
2/24/2025	Accumulate	1.30 €	1.15 €
4/28/2025	Accumulate	1.50 €	1.34 €



CONNECTING INVESTORS AND COMPANIES.

Inderes connects investors and listed companies.

We serve over 400 Nordic listed companies that want to better serve investors. The Inderes community is home to over 70,000 active investors.

We provide listed companies with solutions that enable seamless and effective investor relations. The Inderes service is built on four cornerstones for high-quality investor relations: Equity Research, Events, IR Software, and Annual General Meetings (AGM).

Inderes operates in Finland, Sweden, Norway, and Denmark and is listed on the Nasdaq First North Growth Market.

Inderes was created by investors, for investors.

Inderes Ab

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

Inderes Oyj

Porkkalankatu 5
00180 Helsinki
+358 10 219 4690

inderes.se

inderes.fi