

Metacon AB

Company report

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Q4 revenues disappoint amid shift towards larger projects

Metacon's Q4 revenues came in markedly lower than expected. According to Metacon, the decrease in revenue was primarily due to changes in the company's sales focus that were implemented during the period. We had hoped to receive an update regarding previously announced projects to gain better visibility into the timing and likelihood of these projects materializing, as these projects underpin our near-term estimates. However, no such update was provided and the continued low visibility into these projects and future projects creates further downward pressure on our estimates. Hence, we continue to see the stock's short-term drivers and risk/reward ratio as insufficient. We reiterate our Reduce recommendation and lower our target price to SEK 0.17 (prev. SEK 0.18).

Revenues lower than expected, operating loss in line with estimate

Revenues in the fourth quarter (excluding other operating income) decreased to 0.7 MSEK, which was markedly below our estimate of 22.5 MSEK. Revenues during the quarter were mainly attributable to ongoing projects. While still negative, EBITDA for Q4 came in somewhat better than our estimate. This was mainly due to the decrease in raw materials and consumables costs to -3.2 MSEK (Q3'23: -19.8 MSEK). Cash flow for the period came in at -33.1 MSEK. Consequently, the company's cash and cash equivalents decreased to 27 MSEK. With the company successfully raising 100 MSEK before costs in early 2024, the immediate working capital needs should be secured. However, factoring in the cash burn, the repayment of the bridge loan, and investments into the electrolyzer factory, further capital will likely need to be raised at some point. Metacon has started to shift its focus towards becoming a company that manufactures and sells large industrial hydrogen systems. A key part of this strategy is the construction of its gigafactory that will manufacture alkaline electrolyzers in Europe according to EU standards under a license from PERIC.

Increased uncertainty leads us to lower our revenue estimates

Our revenue estimates for 2024 and 2025 are underpinned by the three large potential projects with a combined order value of 289 MSEK. To reach our revenue estimates, all three large projects will need to be realized and some additional orders will have to be secured. However, as time passes, we assess that the likelihood that one or more of these projects will not materialize or be delayed further increases. Additionally, some research firms¹ have recently warned about overcapacity on the electrolyzer market over the short term, which creates additional uncertainty about the feasibility of our assumptions. Consequently, to account for this increased uncertainty, we have lowered our revenue estimates.

Valuation underpinned by a broad set of outcomes depending primarily on revenue development

Utilizing valuation methods that depend on Metacon's future potential, we could justify a broad fair value range of SEK 0.07-0.58 per share (prev. SEK 0.10 – 0.80). Metacon is still generating evidence of its ability to grow into a stable and profitable business. Showing both sustained order intake and stable conversion of orders to deliveries would serve as such evidence, but due to delivery times, we don't expect this to materialize over the next 12 months. Consequently, we set our target price towards the low end of the valuation range and see the current risk/reward ratio as quite neutral. As operations still burn cash, further dilution through share issues is possible. However, we closely monitor order inflow and delivery progress, as these could markedly change the situation.

Recommendation

Reduce
(prev. Reduce)

0.17 SEK
(prev. SEK 0.18)

Share price:
SEK 0.1638



Key indicators

	2023	2024e	2025e	2026e
Revenue	60.1	115.4	236.5	591.2
growth-%	-6 %	92 %	105 %	150 %
EBIT adj.	-62.7	-62.1	-45.2	-37.6
EBIT-% adj.	-104.3 %	-53.9 %	-19.1 %	-6.4 %
Net Income	-77.8	-75.7	-66.5	-67.7
EPS (adj.)	-0.20	-0.10	-0.07	-0.08

P/E (adj.)	neg.	neg.	neg.	neg.
P/B	3.0	1.1	2.6	neg.
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	neg.	neg.	neg.	neg.
EV/EBITDA	neg.	neg.	neg.	neg.
EV/S	4.7	1.2	1.1	0.7

Source: Inderes

Guidance (Unchanged)

Metacon does not provide guidance

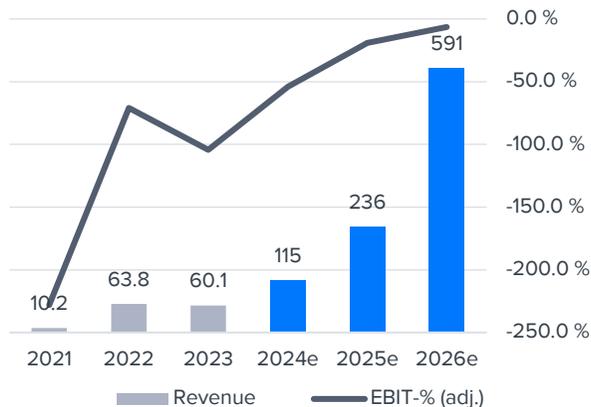
¹) Hydrogeninsight.com: 'Severe overcapacity' | The global supply of electrolyzers far outstrips demand from green hydrogen projects: BNEF

Share price



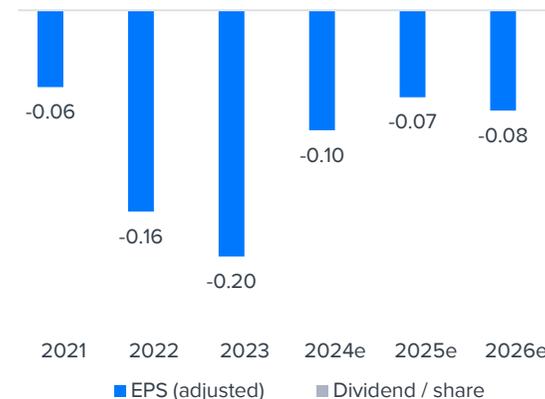
Source: Millstream Market Data AB

Revenue and operating profit-%



Source: Inderes

Earnings per share



Source: Inderes

Value drivers

- Metacon’s target market is expected to grow significantly due to the demand for green hydrogen
- Proprietary reformer technology enabling green hydrogen production from biogas
- Electrolyzer distribution and manufacturing agreement with PERIC
- Potential licensing of reformer technology could bring in high-margin revenue
- A handful of larger projects could significantly increase revenues

Risk factors

- Unprofitable operations that are currently funded through equity issues
- Predicting revenue and profitability development is challenging because the company and the market are still in the early stages of development
- Lower order inflow and delays to current orders would put further strain on the company’s equity story
- Termination of agreements with PERIC due to commercial or geopolitical reasons

Valuation	2024e	2025e	2026e
Share price	0.16	0.16	0.16
Number of shares, million	687.4	802.4	802.4
Market cap	113	131	131
EV	136	255	388
P/E (adj.)	neg.	neg.	neg.
P/E	neg.	neg.	neg.
P/B	1.1	2.6	neg.
P/S	1.0	0.6	0.2
EV/Sales	1.2	1.1	0.7
EV/EBITDA	neg.	neg.	neg.
EV/EBIT (adj.)	neg.	neg.	neg.
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Significant decrease in revenues surprised us

Revenues decreased markedly

Q4 revenues decreased to 0.7 MSEK, which was markedly below our estimate of 22.5 MSEK. Our estimate assumed that Metacon's revenues would develop in line with the two previous quarters, 25.1 MSEK (Q2'23) and 20.1 MSEK (Q3'23). Revenues in these quarters were attributable to progress in ongoing electrolysis projects in Sweden and Slovakia. With no information that these projects have been completed or halted, we assumed that these projects would generate further revenues during the quarter. Consequently, the substantial decrease in revenues compared to Q3'23 surprised us.

According to the company, the decrease was primarily due to the significant changes in its sales focus implemented during the period. Metacon shifted its focus from small products to larger projects. However, high interest rates and delayed investment decisions have led to longer procurement

times than expected for many customers, making it harder to secure new orders.

Operating loss remained relatively stable

EBITDA for Q4 was still negative. It did, however, come in somewhat better than our estimate. This was mainly due to a decrease in raw material and consumable costs to -3.2 MSEK (Q3'23: -19.8 MSEK). As raw material and consumable costs are variable, they increase and decrease in line with revenue development.

Cash flow and financial position

Cash flow from operating activities was -21.8 MSEK in Q4. Investments increased to 11 MSEK and were mainly related to equipment in new premises in Greece and development costs in process development. Cash flow for the period was -33.1 MSEK, with cash decreasing to 27 MSEK. Cash flow for the entire year was -78.2 MSEK.

Metacon's interest-bearing liabilities increased to 28.0 MSEK (Q3'24: 18.3 MSEK), the increase relates to the previously announced bridge loan of 10 MSEK. The bridge loan of up to 25 MSEK was to be paid on February 29, 2024, using proceeds from the rights issue.

With Metacon completing a rights issue in early 2024, which brought in about 100 MSEK before costs, the company's immediate financing needs, before the planned investment into the electrolyzer factory should be covered. However, if we assume that the issue costs were 10 MSEK and that Metacon utilized and repaid the entire bridge loan of 25 MSEK, Metacon's pro forma cash position would be 92 MSEK (27+100-10-25). Assuming a quarterly burn rate of 23 MSEK, the company would run out of cash during Q4'2024. If we add investments for the electrolyzer factory and the new Greece facility, it becomes clear that an additional financing solution will likely be needed at some point.

Estimates MSEK / SEK	Q4'22	Q4'23	Q4'23e	Q4'23e	Consensus		Difference (%)	2023
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Actualized
Revenue	11.0	0.7	22.5				-97 %	60.1
EBITDA	-12.2	-17.4	-18.9				-8 %	-62.1
EBIT (adj.)	-22.1	-17.6	-19.0				-8 %	-62.7
EBIT	5.6	-20.6	-21.6				-5 %	-73.4
PTP	2.7	-24.4	-21.9				11 %	-77.8
EPS (reported)	0.01	-0.07	-0.06				11 %	-0.23
Revenue growth-%	16.9 %	-93.6 %	105.0 %				-198.6 pp	-5.8 %
EBIT-% (adj.)	-201.9 %	-2509.2 %	-84.7 %				-2424.5 pp	-104.3 %

Source: Inderes

We lower our estimates to account for increased uncertainty

Estimate changes

- We lowered our revenue estimates in 2024 and 2025 by 22% to account for increased uncertainty regarding current and future potential projects.
- On the cost side, we lowered our fixed cost estimates to account for the slower growth rate going forward. Additionally, as we assume that a substantial part of Metacon's costs are variable over the next years (raw material and consumables: 104% of revenues in 2023), the absolute level of costs decreased as we lowered our revenue estimates. Consequently, the absolute level of operating loss decreased while the operating margin deteriorated slightly.
- Projecting Q1'24 revenues presents a formidable challenge in light of the low revenue level experienced in Q4'23. We do not know why the ongoing projects generated such low revenue levels during the quarter, our best guess is that the projects have not progressed for some reason (perhaps weather-related), and consequently, only minimal revenues were booked. Heading into Q1'24, we assume that the projects will get back on track and generate revenue for Metacon more in line with the three first quarters of 2023.
- We also somewhat increased our capex estimates for 2024 and 2025 to better reflect the investments needed for the electrolyzer factory and the manufacturing facility in Greece.

Estimate revisions	2023	2023	Change	2024e	2024e	Change	2025e	2025e	Change
MSEK / SEK	Inderes	Actualized	%	Old	New	%	Old	New	%
Revenue	81.9	60.1	-27 %	148	115	-22 %	304	236	-22 %
EBITDA	-63.5	-62.1	-2 %	-77.3	-59.7	-23 %	-44.0	-34.3	-22 %
EBIT (exc. NRIs)	-64.0	-62.7	-2 %	-79.8	-62.1	-22 %	-52.5	-45.2	-14 %
EBIT	-74.3	-73.4	-1 %	-90.0	-72.3	-20 %	-62.6	-56.2	-10 %
PTP	-75.3	-77.8	3 %	-91.3	-75.7	-17 %	-68.0	-66.5	-2 %
EPS (excl. NRIs)	-0.19	-0.20	3 %	-0.12	-0.10	-19 %	-0.07	-0.07	-4 %
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

Recent orders & potential projects announced

Customer	Product	Order value (MSEK)	Order/Project announced	Revenue expected	Region
Ground Investment Corp SRL ¹	Electrolyzer & HRS	184	Dec-22	2024-2025 ³	Romania
Regional Directorate of State Forests ²	Electrolyzer & HRS	60	Jan-23	2024-2025 ³	Poland
Unknown in Slovakia	Electrolyzer & HRS	45	Feb-23	2024	Slovakia
University of Western Macedonia	Reformer	1	Mar-23	Q4 2023	Western Macedonia
WattAnywhere	Reformer	2	Mar-23	Q4 2023	Switzerland

- 1) Master Supply Agreement. The Romanian project is dependent on the receipt of an EU grant. The EU grant application has since been rejected, but a new application has been submitted under the same conditions.
- 2) Memorandum of Understanding. Metacon believes that the project can be expected to commence in 2024.
- 3) Inderes estimates

Valuation

The green hydrogen boom is appealing, but further orders are needed to prove the viability of the business model

In our perspective, Metacon's long-term story combines the opportunity of capitalizing on the fast-growing green hydrogen market with early indications of a competitive product portfolio. However, while we anticipate that Metacon will continue securing new electrolyzer orders, we would like to see more evidence that the company can do so at a significant scale and a profitable level. Additionally, the reformer business is still in its infancy from a commercial standpoint, and assessing the business area's timing and revenue potential is challenging. Consequently, we are closely following the progress of the company's project deliveries and order inflow to see continued evidence of a strengthening business model.

In our view, it will be a challenge for the company to provide substantial evidence over the next 12 months that could significantly improve visibility into its growth and profitability development. Showing both sustained order intake and stable conversion of orders to deliveries would serve as such drivers, but with limited recent order activity, we don't currently expect these to materialize on a 12-month horizon. Doing this would shift the short-term valuation perception into a more attractive light, especially in the current market environment where investors seem less willing to bear long-term risks. Consequently, Metacon requires investors to have a considerably long investment horizon, in the medium term looking toward ~2028. The progression of the company's story demands swift momentum in the coming years including the preservation of the long-

term narrative, market demand picking up, and maintaining competitiveness. In this journey, there are naturally substantial risks and uncertainties.

Utilizing valuation methods that predominantly rely on the company's fundamental potential, we reach a fair value range of SEK 0.07-0.58 per share (prev. SEK 0.10-0.80). The range's lower bound is represented by an EV/S multiple of 1.0x on the 2025 negative scenario and the upper end by an EV/S multiple of 3.0x on the 2025 positive scenario (see next page).

Considering the high estimation risk, lack of drivers and support over the next twelve months, we do not find backing for the upper end of the fair value range. Rather, we set our target price towards the low end at SEK 0.17. Consequently, we see the risk/reward ratio as insufficient and reiterate our Reduce recommendation. We, therefore, stay on the sidelines, waiting for the valuation drivers and the risk/reward ratio of Metacon's otherwise compelling growth story to improve. The primary valuation drivers we look for are significant new orders and progress on current orders/potential orders.

Factors supporting the valuation include:

- Demand for cheaper electrolyzers with shorter lead times
- Strong growth expected in the green hydrogen market
- Potential profits from Metacon's reformer business area

Factors negatively impacting the valuation:

- Financing risk
- Negative cash flow for the next few years
- The viability of the business model is unproven

Valuation	2024e	2025e	2026e
Share price	0.16	0.16	0.16
Number of shares, million:	687.4	802.4	802.4
Market cap	113	131	131
EV	136	255	388
P/E (adj.)	neg.	neg.	neg.
P/E	neg.	neg.	neg.
P/B	1.1	2.6	neg.
P/S	1.0	0.6	0.2
EV/Sales	1.2	1.1	0.7
EV/EBITDA	neg.	neg.	neg.
EV/EBIT (adj.)	neg.	neg.	neg.
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Estimated future valuation ranges

2024e, MSEK	Negative	Base	Positive
Revenue	96	115	160
EV/S	1.0x	1.5x	3.0x
EV	96	173	481
Net debt ¹	-26	-26	-26
Market cap	123	199	508
Per share ¹	0.12	0.19	0.49
Discounted to present	0.11	0.17	0.44

2025e, MSEK	Negative	Base	Positive
Revenue	144	236	385
EV/S	1.0x	1.5x	3.0x
EV	144	355	1,155
Net debt ²	10	10	10
Market cap	134	344	1,145
Per share ²	0.09	0.23	0.77
Discounted to present	0.07	0.17	0.58

Source: Inderes

1. To account for a potential equity issue, we have adjusted net debt and the number of shares to reflect a hypothetical shares issue of 50 MSEK in late 2024. The issue is conducted at 0.15 SEK/share (10% discount to current share price).
2. To account for potential equity issues, we have adjusted net debt and the number of shares to reflect hypothetical shares issue of 50 MSEK in 2024 and 50 MSEK in 2025. Issues are conducted at 0.15 SEK/share (10% discount to current share price). The 2025 scenario also incorporates the exercise of the warrants issued in conjunction with the 2024 rights issue.

Valuation table

Valuation	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e
Share price	1.16	5.15	3.04	1.13	0.83	0.16	0.16	0.16	0.16
Number of shares, millions	194.3	233.2	265.4	342.6	342.6	687.4	802.4	802.4	802.4
Market cap	225	1201	807	387	284	113	131	131	131
EV	227	1131	768	285	284	136	255	388	478
P/E (adj.)	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.	11.0
P/E	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.	11.0
P/B	6.6	13.3	3.5	2.3	3.0	1.1	2.6	neg.	neg.
P/S	>100	>100	79.2	6.1	4.7	1.0	0.6	0.2	0.1
EV/Sales	>100	>100	75.4	4.5	4.7	1.2	1.1	0.7	0.4
EV/EBITDA	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.	6.1
EV/EBIT (adj.)	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.	8.6
Payout ratio (%)	0.0 %	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

Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	MEUR	MEUR	2024e	2025e	2024e	2025e	2024e	2025e	2024e	2025e	2024e	2025e	2024e
Thyssenkrupp Nucera	1,825	1,065		47.1		26.9	1.1	0.9		91.8			2.4
Plug Power	2,179	2,422					2.6	1.7					1.0
Bloom Energy Corp	2,350	2,905	82.9	19.1	23.2	13.2	2.1	1.7	107.1	25.1			5.0
ITM Power	388	99					4.9	1.8					1.3
Nel ASA	689	420					2.3	1.6					1.4
Green Hydrogen Systems	200	344					7.0	2.7					2.2
Hydrogen Pro	65	54		20.9		7.6	0.9	0.3					1.2
McPhy Energy	53		0.1	0.1	0.1	0.2							1.2
PowerCell	134	130					4.0	3.0					6.8
Enapter	151	172					4.6	2.6					2.2
Ceres Power Holdings PLC	321	136					2.1	1.9					1.6
Metacon (Inderes)	10	12	-2.2	-5.6	-2.3	-7.4	1.2	1.1	-1.7	-2.4	0.0	0.0	1.1
Average			41.5	21.8	11.7	12.0	2.9	1.7	107.1	58.4			2.4
Median			41.5	20.0	11.7	10.4	2.3	1.7	107.1	58.4			1.6
Diff-% to median			-105 %	-128 %	-120 %	-171 %	-48 %	-37 %	-102 %	-104 %			-30 %

Source: Refinitiv / Inderes

Income statement

Income statement	2021	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24e	Q2'24e	Q3'24e	Q4'24e	2024e	2025e	2026e	2027e
Revenue	10.2	63.8	14.2	25.1	20.1	0.7	60.1	17.0	22.8	35.6	39.9	115	236	591	1301
EBITDA	-22.4	-35.2	-12.7	-15.0	-16.9	-17.5	-62.1	-11.5	-14.4	-15.8	-18.0	-59.7	-34.3	-20.7	78.0
Depreciation	-16.7	-12.2	-2.7	-2.7	-2.7	-3.2	-11.3	-3.2	-3.2	-3.2	-3.2	-12.7	-21.9	-20.6	-22.6
EBIT (excl. NRI)	-23.2	-45.3	-12.8	-15.1	-17.0	-17.7	-62.7	-12.1	-15.0	-16.4	-18.6	-62.1	-45.2	-37.6	55.4
EBIT	-39.1	-47.4	-15.4	-17.7	-19.6	-20.7	-73.4	-14.7	-17.6	-19.0	-21.1	-72.3	-56.2	-41.3	55.4
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	0.0	0.0	0.0	0.0	0.0
Net financial items	4.7	-3.1	-0.1	-0.3	-0.3	-3.7	-4.4	-0.9	-0.9	-0.9	-0.9	-3.4	-10.3	-26.4	-43.5
PTP	-34.4	-50.4	-15.5	-18.0	-19.9	-24.4	-77.8	-15.5	-18.4	-19.8	-22.0	-75.7	-66.5	-67.7	11.9
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	0.0	0.0
Minority interest	3.8	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	0.0
Net earnings	-30.5	-50.4	-15.5	-18.0	-19.9	-24.4	-77.8	-15.5	-18.4	-19.8	-22.0	-75.7	-66.5	-67.7	11.9
EPS (adj.)	-0.06	-0.16	-0.04	-0.05	-0.05	-0.06	-0.20	-0.02	-0.02	-0.03	-0.03	-0.10	-0.07	-0.08	0.01
EPS (rep.)	-0.13	-0.17	-0.05	-0.05	-0.06	-0.07	-0.23	-0.02	-0.03	-0.03	-0.03	-0.11	-0.08	-0.08	0.01
Key figures	2021	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24e	Q2'24e	Q3'24e	Q4'24e	2024e	2025e	2026e	2027e
Revenue growth-%	150.2 %	526.6 %	15.6 %	24.8 %	-1.8 %	-93.6 %	-5.8 %	20.0 %	-9.0 %	77.0 %	5600 %	91.9 %	105.0 %	150.0 %	120.0 %
Adjusted EBIT growth-%		94.8 %	119.0 %	231.6 %	33.9 %	-20.2 %	38.4 %	-5.6 %	-0.9 %	-3.5 %	5.1 %	-0.9 %	-27.3 %	-16.7 %	-247.4 %
EBITDA-%	-219.8 %	-55.1 %	-89.4 %	-59.8 %	-84.1 %	-2500 %	-103.3 %	-67.5 %	-63.0 %	-44.5 %	-45.0 %	-51.7 %	-14.5 %	-3.5 %	6.0 %
Adjusted EBIT-%	-228.2 %	-70.9 %	-90.4 %	-60.3 %	-84.8 %	-2523 %	-104.3 %	-71.1 %	-65.7 %	-46.2 %	-46.5 %	-53.9 %	-19.1 %	-6.4 %	4.3 %
Net earnings-%	-299.9 %	-79.0 %	-109.2 %	-71.7 %	-99.0 %	-3486 %	-129.5 %	-91.1 %	-80.6 %	-55.8 %	-55.1 %	-65.7 %	-28.1 %	-11.5 %	0.9 %

Source: Inderes

Balance sheet

Assets	2022	2023	2024e	2025e	2026e
Non-current assets	49.9	51.5	75.4	94.2	119
Goodwill	34.0	24.9	14.7	3.7	0.0
Intangible assets	1.1	2.4	3.3	4.3	5.2
Tangible assets	6.5	17.4	50.6	79.5	107
Associated companies	6.2	6.2	6.2	6.2	6.2
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	2.1	0.6	0.6	0.6	0.6
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
Current assets	140	84.5	75.0	125	242
Inventories	13.3	17.2	28.8	47.3	88.7
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	21.7	40.3	40.4	66.2	124
Cash and equivalents	105	27.0	5.8	11.8	29.6
Balance sheet total	190	136	150	220	361

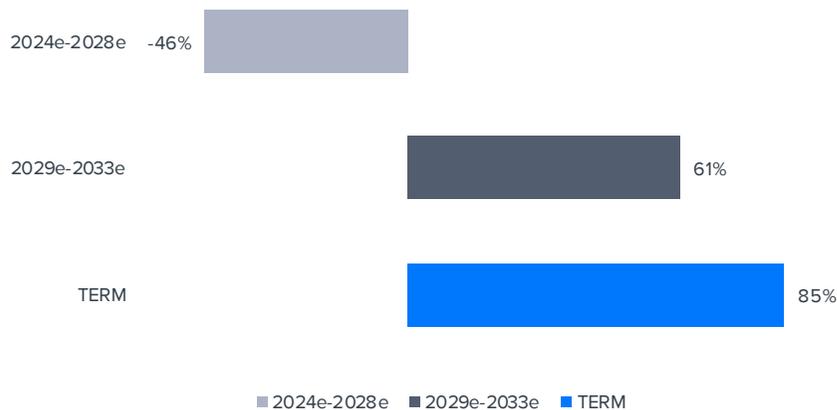
Source: Inderes

Liabilities & equity	2022	2023	2024e	2025e	2026e
Equity	172	94.8	104	50.1	-17.6
Share capital	3.4	3.4	6.8	8.0	8.0
Retained earnings	0.0	0.0	-75.7	-142.3	-210.0
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	168	91.4	173	184	184
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	4.4	6.7	30.9	137	288
Deferred tax liabilities	0.2	0.3	0.3	0.3	0.3
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	2.5	5.1	29.3	135	286
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	1.8	1.3	1.3	1.3	1.3
Current liabilities	14.0	34.5	15.8	32.7	90.7
Interest bearing debt	0.6	21.6	0.0	0.0	0.0
Payables	6.2	10.9	13.8	30.7	88.7
Other current liabilities	7.1	2.0	2.0	2.0	2.0
Balance sheet total	190	136	150	220	361

DCF calculation

DCF model	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	TERM
Revenue growth-%	-5.8 %	91.9 %	105.0 %	150.0 %	120.0 %	40.0 %	35.0 %	20.0 %	10.0 %	2.0 %	2.0 %	2.0 %
EBIT-%	-122.1 %	-62.7 %	-23.8 %	-7.0 %	4.3 %	7.9 %	10.5 %	11.0 %	11.4 %	12.0 %	12.4 %	12.4 %
EBIT (operating profit)	-73.4	-72.3	-56.2	-41.3	55.4	144.2	259.1	324.7	368.3	398.7	417.9	
+ Depreciation	11.3	12.7	21.9	20.6	22.6	28.8	35.9	44.0	53.5	64.7	81.7	
- Paid taxes	0.1	0.0	0.0	0.0	0.0	0.0	-41.7	-56.1	-68.0	-79.1	-86.9	
- Tax, financial expenses	0.0	0.0	0.0	0.0	0.0	0.0	-12.2	-11.3	-8.5	-3.7	-0.4	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.6	0.6	0.7	1.1	
- Change in working capital	-22.9	-8.8	-27.4	-41.4	-70.9	-78.0	-95.6	-73.7	-50.7	-9.9	-10.1	
Operating cash flow	-84.9	-68.4	-61.7	-62.1	7.1	94.9	146.0	228.1	295.2	371.4	403.5	
+ Change in other long-term liabilities	-0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-12.9	-36.6	-40.7	-44.9	-53.1	-63.5	-76.0	-90.9	-108.8	-130.3	-156.0	
Free operating cash flow	-98.3	-105.0	-102.4	-107.0	-46.0	31.4	70.0	137.2	186.4	241.1	247.5	
+/- Other	0.0	84.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-98.3	-20.5	-102.4	-107.0	-46.0	31.4	70.0	137.2	186.4	241.1	247.5	1,590.5
Discounted FCFF		-18.1	-76.8	-68.1	-24.8	14.4	27.2	45.2	52.1	57.2	49.8	320.1
Sum of FCFF present value		378.3	396.3	473.2	541.2	566.1	551.7	524.4	479.2	427.1	369.9	320.1
Enterprise value DCF		378.3										
- Interest bearing debt		-26.7										
+ Cash and cash equivalents		27.0										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		378.6										
Equity value DCF per share		0.55										

Cash flow distribution

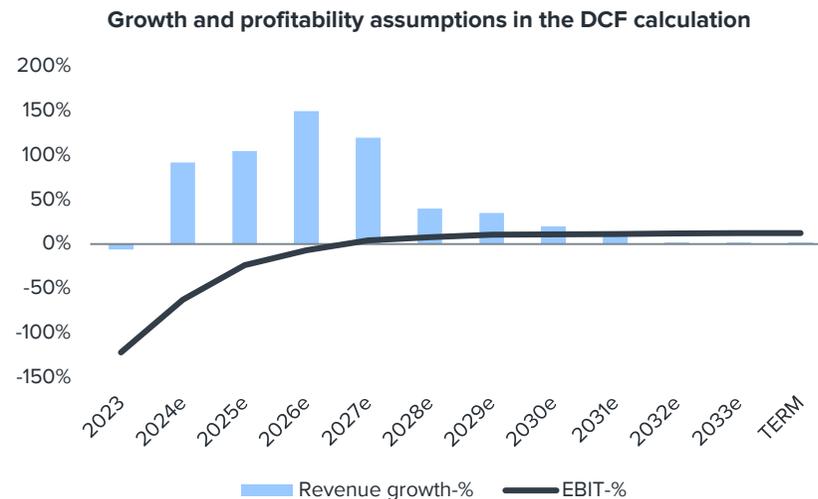
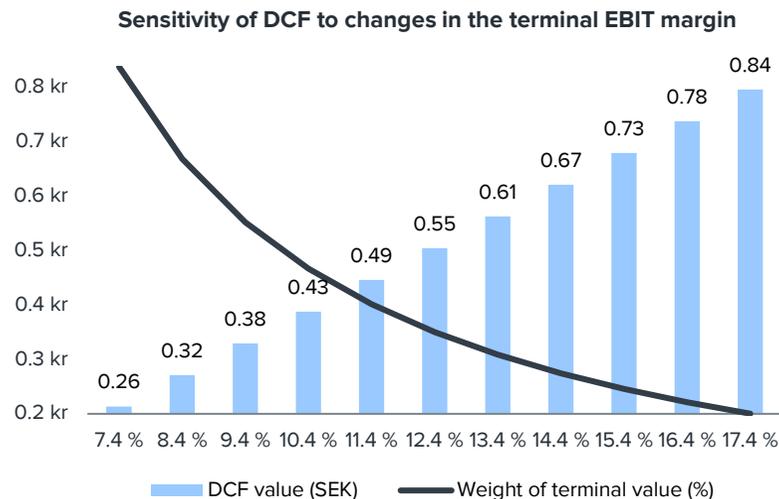
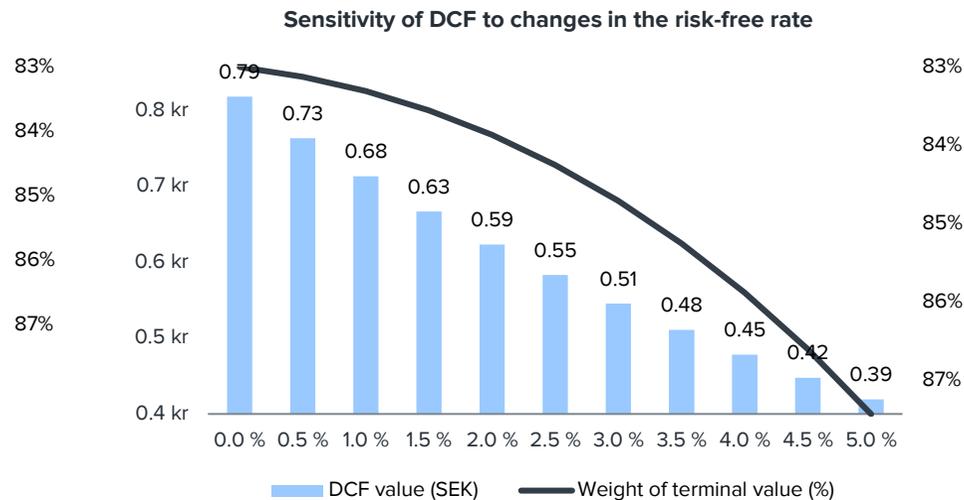
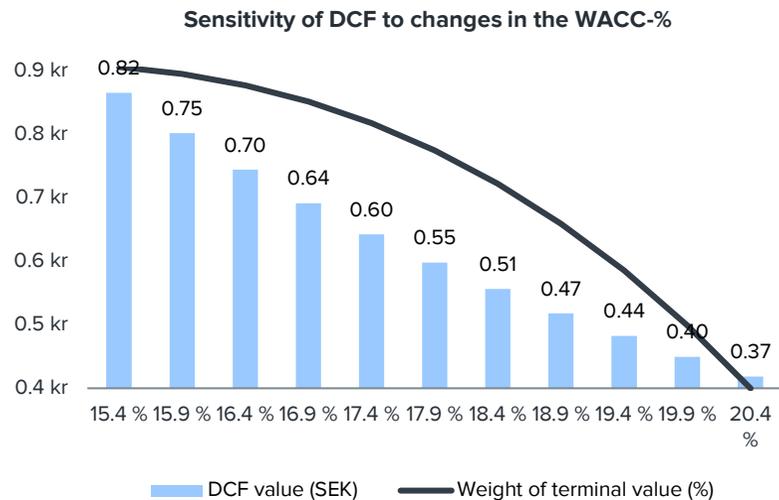


WACC

Tax-% (WACC)	20.6 %
Target debt ratio (D/(D+E))	10.0 %
Cost of debt	10.0 %
Equity Beta	2.90
Market risk premium	4.75 %
Liquidity premium	2.70 %
Risk free interest rate	2.5 %
Cost of equity	19.0 %
Weighted average cost of capital (WACC)	17.9 %

Source: Inderes

DCF sensitivity calculations and key assumptions in graphs



Source: Inderes. Note that the weight of the terminal value (%) is shown on an inverse scale for clarity.

Summary

Income statement	2021	2022	2023	2024e	2025e	Per share data	2021	2022	2023	2024e	2025e
Revenue	10.2	63.8	60.1	115.4	236.5	EPS (reported)	-0.13	-0.17	-0.23	-0.11	-0.08
EBITDA	-22.4	-35.2	-62.1	-59.7	-34.3	EPS (adj.)	-0.06	-0.16	-0.20	-0.10	-0.07
EBIT	-39.1	-47.4	-73.4	-72.3	-56.2	OCF / share	-0.12	-0.15	-0.25	-0.10	-0.08
PTP	-34.4	-50.4	-77.8	-75.7	-66.5	FCF / share	-0.88	-0.17	-0.29	-0.03	-0.13
Net Income	-30.5	-50.4	-77.8	-75.7	-66.5	Book value / share	0.96	0.57	0.28	0.15	0.06
Extraordinary items	-15.9	-2.1	-10.7	-10.2	-11.0	Dividend / share	0.00	0.00	0.00	0.00	0.00
Balance sheet	2021	2022	2023	2024e	2025e	Growth and profitability	2021	2022	2023	2024e	2025e
Balance sheet total	241.5	190.1	136.0	150.4	219.6	Revenue growth-%	150 %	527 %	-6 %	92 %	105 %
Equity capital	230.8	171.7	94.8	103.6	50.1	EBITDA growth-%	96 %	57 %	77 %	-4 %	-43 %
Goodwill	169.0	34.0	24.9	14.7	3.7	EBIT (adj.) growth-%	87 %	95 %	38 %	-1 %	-27 %
Net debt	-39.2	-102.1	-0.3	23.6	123.3	EPS (adj.) growth-%	17 %	162 %	22 %	-51 %	-27 %
Cash flow	2021	2022	2023	2024e	2025e	EBITDA-%	-219.8 %	-55.1 %	-103.3 %	-51.7 %	-14.5 %
EBITDA	-22.4	-35.2	-62.1	-59.7	-34.3	EBIT (adj.)-%	-228.2 %	-70.9 %	-104.3 %	-53.9 %	-19.1 %
Change in working capital	-5.9	-10.0	-22.9	-8.8	-27.4	EBIT-%	-383.9 %	-74.2 %	-122.1 %	-62.7 %	-23.8 %
Operating cash flow	-28.2	-45.0	-84.9	-68.4	-61.7	ROE-%	-19.0 %	-25.1 %	-58.4 %	-76.3 %	-86.5 %
CAPEX	-183.8	-9.2	-12.9	-36.6	-40.7	ROI-%	-23.7 %	-23.1 %	-49.6 %	-56.7 %	-35.2 %
Free cash flow	-212.0	-52.8	-98.3	-20.5	-102.4	Equity ratio	95.5 %	90.3 %	69.7 %	68.9 %	22.8 %
						Gearing	-17.0 %	-59.5 %	-0.3 %	22.7 %	246.0 %
Valuation multiples	2021	2022	2023	2024e	2025e						
EV/S	75.4	4.5	4.7	1.2	1.1						
EV/EBITDA (adj.)	neg.	neg.	neg.	neg.	neg.						
EV/EBIT (adj.)	neg.	neg.	neg.	neg.	neg.						
P/E (adj.)	neg.	neg.	neg.	neg.	neg.						
P/B	3.5	2.3	3.0	1.1	2.6						
Dividend-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %						

Source: Inderes

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Date	Recommendation	Target	Share price
03/15/2024	Reduce	0.18 SEK	0.17 SEK
04/02/2024	Reduce	0.17 SEK	0.16 SEK



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