

STARBREEZE

5/14/2025 8:35 am CEST



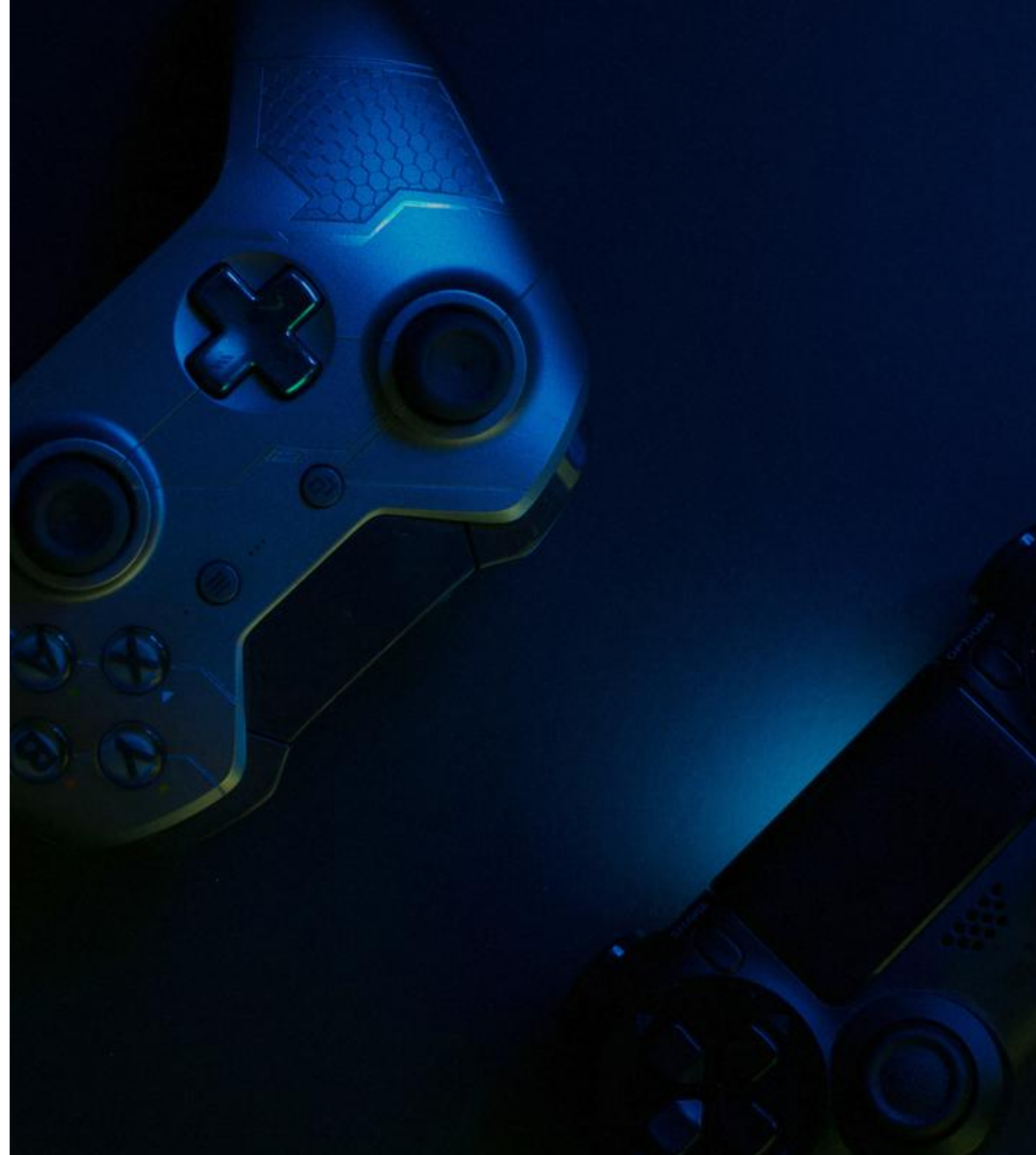
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INDERES CORPORATE CUSTOMER

COMPANY REPORT



More updates just around the corner

Starbreeze delivered a Q1 revenue above our expectations, driven primarily by a stronger-than-anticipated performance from PAYDAY 3 (“PD3”). While one-off costs weighed on the result, the adjusted figures were more in line with our estimates. Although a detailed 2025 roadmap for PD3 is still pending, several updates are expected over the remainder of May. In addition, the company’s acquisition of full publishing rights enhances its agility in content deployment and was highlighted in the report as a key strategic focus. Following the Q1 report, we made limited changes to our long-term forecasts, with revisions more focused on 2025 figures. As such, we reiterate our Accumulate recommendation and keep the target price unchanged at SEK 0.26.

Q1 revenue was above our estimates

Starbreeze’s Q1 revenue amounted to 68 MSEK, exceeding our estimates by 26% (54 MSEK). The main reason was a stronger-than-expected contribution from the PlayStation Plus deal, with PD3 revenue amounting to 33 MSEK (Inderes est: 18 MSEK). PD2 revenue was also above our estimates (12 MSEK vs est. 9 MSEK), while third-party publishing (“3PP”) revenue clearly fell short of our estimates (3 MSEK vs est. 11 MSEK). Revenue from the KRAFTON partnership was in line with our estimates. One-off costs* weighed on the reported EBIT, amounting to -29 MSEK, which was below our estimated -6 MSEK. However, adjusting for one-off costs, the adjusted EBIT aligned better with our estimates. As such, adjusted EBIT improved notably both quarter-on-quarter and year-on-year, mainly driven by significantly lower game development amortization. The cash position declined by some 61 MSEK to 130 MSEK due to continued high investments, unfavorable working capital changes, and negative earnings. Starbreeze experienced a delay in cash inflows from game-related sales due to the negotiations that the company has with PLAION. However, after the first quarter, the company received its claims against PLAION linked to PD3 of ~62 MSEK, as well as issue proceeds of 33 MSEK**.

Estimate changes more focused on the current year

Despite the stronger-than-expected revenue from PD3, our overall outlook for the game remains unchanged for the medium and long term, as we see the contribution of the PlayStation Plus deal as more of a one-time effect. As such, we continue to see a significant resurgence in player base and revenue as unlikely. However, we are slightly more optimistic about PD2 with the company gaining greater control of the broader IP following the [deal with PLAION announced last week](#). We believe this could allow Starbreeze to revitalize the game by adding new content. Following the Q1 report, we have increased our PAYDAY-related revenue for 2025 by some 20%, and while we keep our PD3 revenue estimates beyond 2025 largely intact, we have slightly increased our estimates for PD2. Conversely, the weak 3PP performance in Q1 had a slightly negative impact on our estimates and partially offset the revenue increases from the PAYDAY franchise on the longer-term estimates. The overall impact on free cash flow remained limited.

We remain cautiously optimistic about the stock

Following our estimate revisions, we arrive at a DCF value of SEK 0.44 (was SEK 0.45). However, our DCF value reflects a moderately optimistic scenario and should be viewed with caution. We still believe the DCF provides limited near-term support as the share price remains closely tied to the performance of PD3s (and PAYDAY IP in general), which remain soft, as well as the upcoming Baxter release, where the visibility is still low. That said, we continue to see underlying value in the PAYDAY IP, and the recent publishing rights deal gives Starbreeze more levers to pull than before. Given the current low absolute valuation and improved cash flows from the KRAFTON work-for-hire agreement, we continue to believe that Starbreeze could be an interesting, albeit high-risk, investment over the next 12 months.

Recommendation

Accumulate

(prev. Accumulate)

Target price:

0.26 SEK

(prev. 0.26 SEK)

Share price:

0.21 SEK

Business risk



Valuation risk



	2024	2025e	2026e	2027e
Revenue	186	254	386	279
growth-%	-71%	37%	52%	-28%
EBIT adj.	-229	19	-82	-47
EBIT-% adj.	-123.2 %	7.6 %	-21.3 %	-16.9 %
Net Income	-199	-8	-86	-50
EPS (adj.)	-0.15	0.01	-0.05	-0.03
P/E (adj.)	neg.	15.8	neg.	neg.
P/B	0.4	0.5	0.5	0.6
EV/EBIT (adj.)	neg.	8.0	neg.	neg.
EV/EBITDA	1.1	1.6	0.9	1.5
EV/S	0.6	0.6	0.5	0.6

Source: Inderes

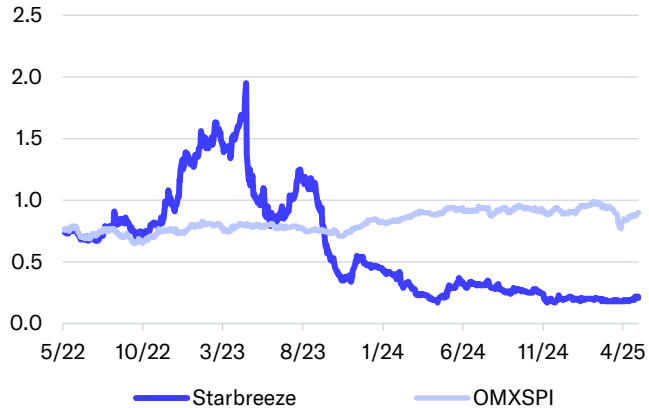
Guidance

(Starbreeze provides no guidance)

* 16.5 MSEK in increased depreciation following change of premise, and 13.6 MSEK in write-downs.

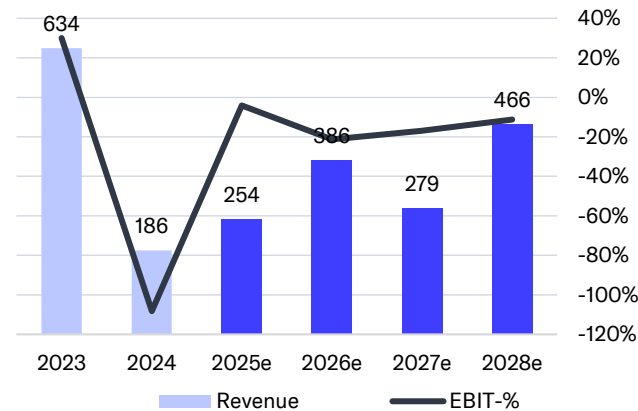
**Of the total proceeds of 33 MSEK, 29 MSEK will be used to finance the acquisition of full publishing rights of PAYDAY 3 from PLAION. In addition, transaction costs are expected to amount to 0.25 MSEK.

Share Price



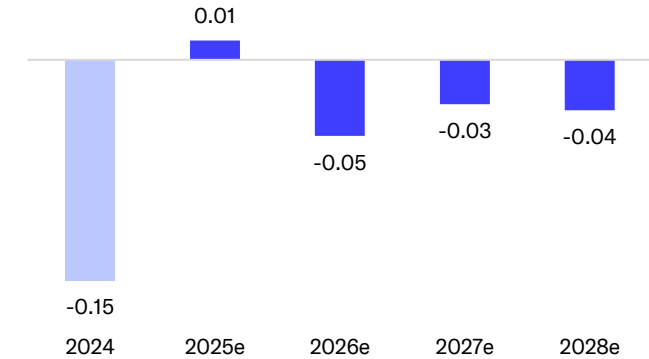
Source: Millstream Market Data AB

Revenues and operating profit-%



Source: Inderes

Earnings per share



Source: Inderes

Value drivers

- The company's main asset is its ownership of the PAYDAY game franchise
- A player resurgence in PAYDAY 3 would significantly strengthen Starbreeze's financial outlook and IP expansion potential
- Full publishing rights to PAYDAY 3 give Starbreeze a greater control over monetization and future development
- A successful 2026 launch of Project Baxter would improve Starbreeze's financial position and overall outlook notably
- Third-party publishing operations and adding new platforms for existing titles
- Highly scalable business model with successful launches

Risk factors

- If PAYDAY-related revenue continues to decline, alongside weakening player sentiment and activity, the IP's value and Starbreeze's overall financial position would deteriorate noticeably
- Limited visibility into Project Baxter and the 2028 game release makes it hard to assess the company's long-term potential
- Commercial failure and/or delays in future game projects
- Changes in expectations for future games can cause significant volatility in the stock
- High development costs and fixed-cost base exert pressure on cash flows

Valuation	2025e	2026e	2027e
Share price	0.21	0.21	0.21
Number of shares, millions	1,624	1,624	1,624
Market cap	344	344	344
EV	155	187	176
P/E (adj.)	15.8	neg.	neg.
P/E	neg.	neg.	neg.
P/B	0.5	0.5	0.6
P/S	1.4	0.9	1.2
EV/Sales	0.6	0.5	0.6
EV/EBITDA	1.6	0.9	1.5
EV/EBIT (adj.)	8.0	neg.	neg.

Source: Inderes

Strong top line in Q1, but one-offs weighed on the result

PAYDAY-related revenue was above expectations

Q1 revenues reached 68 MSEK, landing 26% above our estimates and 20% higher than last year. Quarter-on-quarter, revenue increased by 46%, primarily driven by the work-for-hire partnership with KRAFTON, which contributed with 18 MSEK to revenue, and PD3, which featured as the game of the month on PlayStation Plus during February. Revenue from PD3 increased by 18 MSEK quarter-on-quarter to 33 MSEK (Q4'24: 15 MSEK), and PD2 revenue increased by 2 MSEK to 12 MSEK, while third-party revenue decreased by 12 MSEK to 3 MSEK (Q4'24: 15 MSEK). While the work-for-hire contribution during the quarter was in line with our estimates, PAYDAY-related revenue stood out as clearly positive, where the effects from the PlayStation Plus feature were stronger than estimated. On the other hand, the 3PP revenue came as a bit of a surprise on the downside, as we had anticipated a more gradual decline during the quarter, following the strong Q4 print. While not disclosed explicitly, FX effects are likely to have impacted

the top line negatively during quarter and given current FX rates we expect the stronger Swedish krona (against USD and EUR) to weigh on the financials in Q2 as well.

One-off costs weighed on the results during Q1

Starbreeze reported a Q1 operating loss (EBIT) of -29 MSEK (Q4'24: -52 MSEK, Q1'24 adj: -43 MSEK), which was well below our expectations (-6 MSEK). However, following the change of premises during the first quarter, the termination of contracts resulted in an increase in depreciation of 17 MSEK year-on-year, and thus negatively impacting reported EBIT. In addition, Starbreeze made an impairment of 14 MSEK during quarter on a previously booked advance royalty related to historical projects. When adjusting for these, EBIT would have amounted to around 1 MSEK, and thus slightly above our estimates. The quarter-on-quarter as well as year-on-year improvement was mainly driven by reduced amortization on game development (Q1'25: 24 MSEK, Q4'24: 65 MSEK, Q1'24: 68 MSEK). The amortization level was well in line with our estimates (Inderes est. 25

MSEK) and the significant reduction comes as the heaviest D&A period related to PD3 is now behind following its second year on the market. We expect amortization levels to be relatively stable at this level, even a bit lower, for the remainder of 2025 and until the 2026 release of Baxter.

Cash inflows was delayed during the quarter

Cash flow from operating activities after working capital changes was -12 MSEK and investments for the quarter totaled 53 MSEK, leading to a free cash flow of -65 MSEK (Q4'24: -66 MSEK). The company experienced a delay in cash inflows from game-related sales due to the negotiations that the company has with PLAION. However, after the first quarter, the company has received its claims against PLAION linked to PD3 of ~62 MSEK, as well as issue proceeds of 33 MSEK*. At the end of Q1, cash balance stood at 130 MSEK (Q4'24: 192 MSEK), with virtually no debt (excl. leasing). A partner deal regarding Baxter is still our base case as it would alleviate cash flow pressures, likely at the expense of revenue potential.

Estimates	Q1'24	Q1'25	Q1'25e	Q1'25e	Consensus		Difference (%)	2025e
MSEK / SEK	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. Inderes	Inderes
Revenue	56.6	67.7	53.8				26%	254
EBITDA	48.5	15.7	25.1				-37%	99.8
EBIT (adj.)	28.6	0.8	-5.6				114%	19.4
EBIT	-23.3	-28.8	-5.6				-416%	-10.7
EPS (reported)	-0.01	-0.02	0.00				-447%	-0.01
Revenue growth-%	112.3 %	19.5 %	-5.0 %				24.6 pp	36.9 %
EBIT-% (adj.)	50.5 %	1.2 %	-10.4 %				11.5 pp	7.6 %

Source: Inderes

*Of the total proceeds of 33 MSEK, 29 MSEK will be used to finance the acquisition of full publishing rights of PAYDAY 3 from PLAION. In addition, transaction costs are expected to amount to 0.25 MSEK.

Long-term picture remain intact

Estimate changes

- Following the Q1'25 revenue mix, we have revised our PD3 revenue estimate up by 20%. Additionally, we slightly increased our PD2 revenue forecasts due to stronger-than-expected revenue in Q1 and indications that Starbreeze will release smaller updates to the game in the future. As a result, our total PAYDAY franchise revenue estimate for 2025 has been revised up by 22%, with a modest carryover effect in the subsequent years, driven mainly by PD2, as our PD3 assumptions beyond 2025 remain largely unchanged.
- Additionally, we have lowered our third-party publishing revenue forecast by 10-21% in 2025-2026, primarily due to the weak Q1 performance from the segment, with a follow-through effect on the rest of the forecast period.
- Despite these adjustments in the revenue mix, the overall impact on our Group-level revenue estimates was minimal for the coming years.
- As Starbreeze's adjusted results were largely in line with our expectations, we made only minor revisions on the cost side, with slightly higher marketing and administrative expenses for 2025. Given the upward adjustment to our revenue forecasts, the net effect was a modest uplift to our adjusted EBIT estimate for the current year, while the impact on longer-term estimates was slightly negative.
- Above-mentioned adjustments had only a minor impact on our DCF valuation.

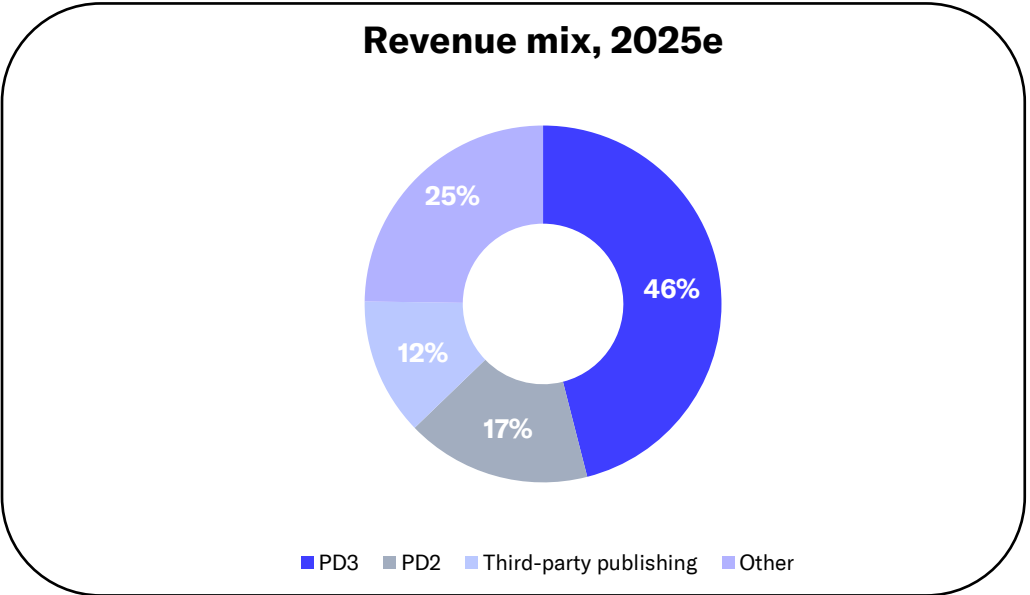
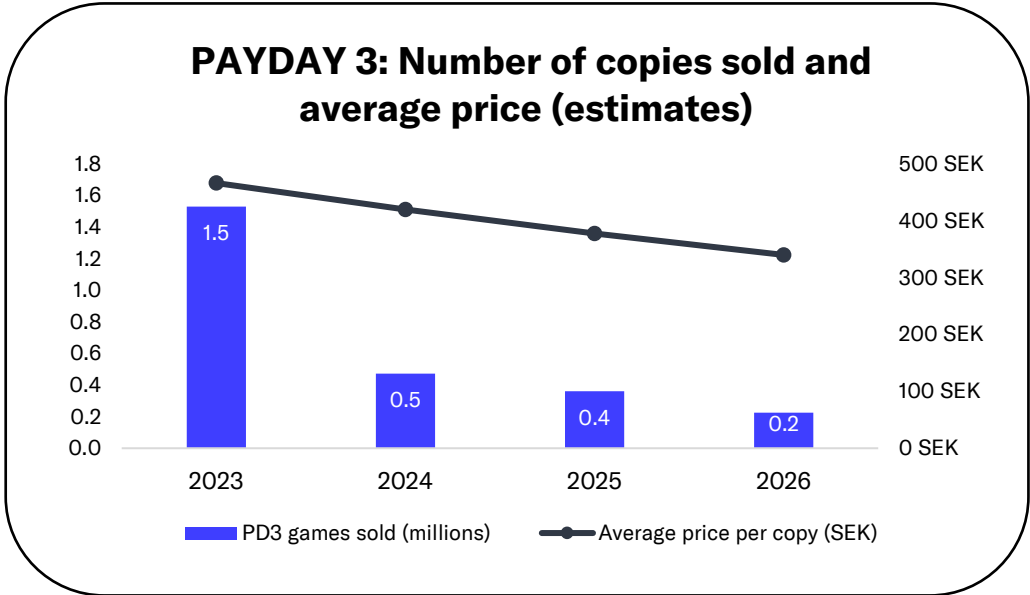
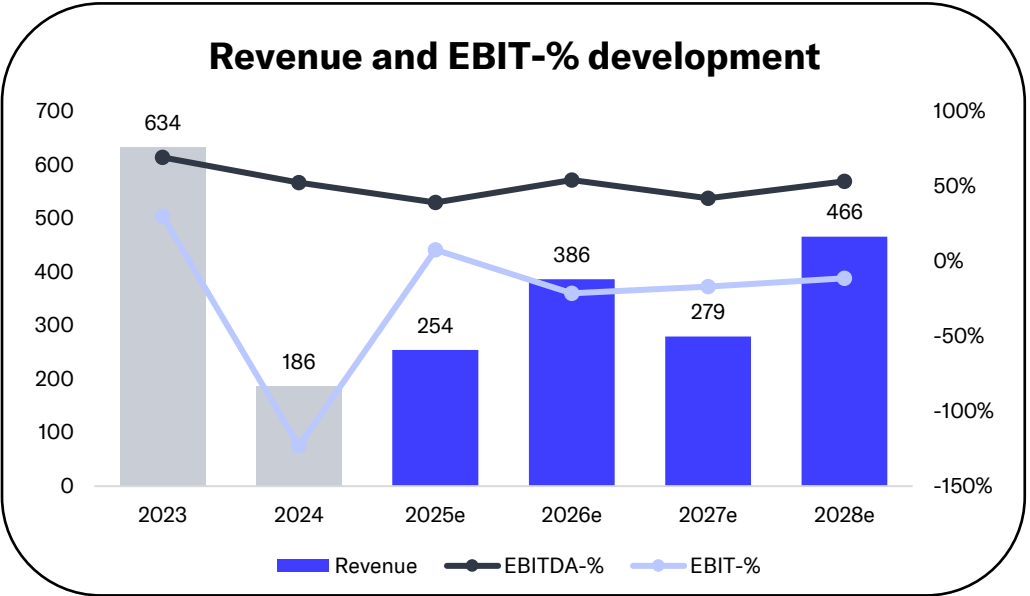
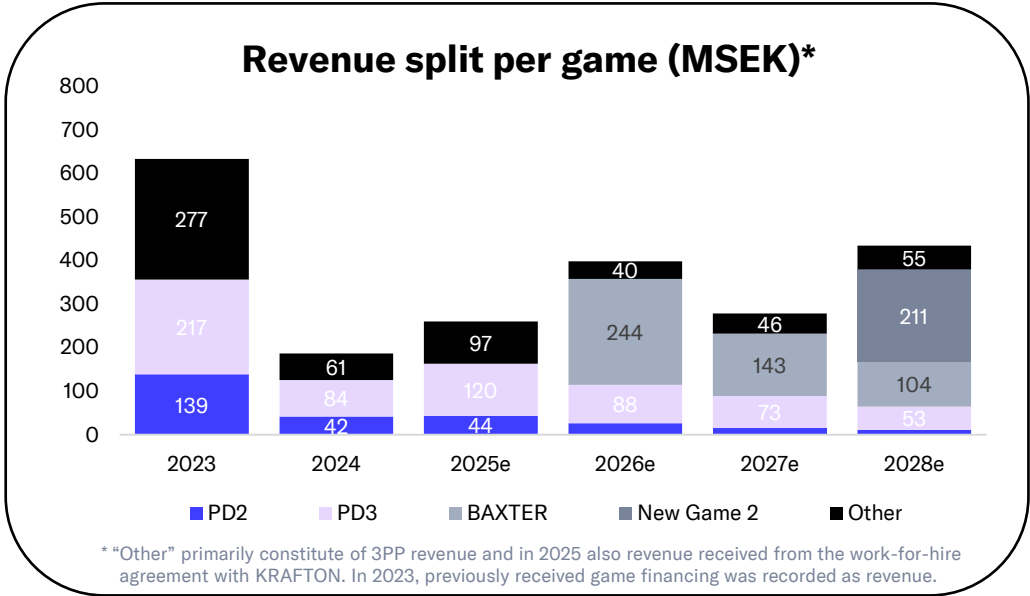
Estimate revisions	2025e	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MSEK / SEK	Old	New	%	Old	New	%	Old	New	%
Revenue	230	254	10%	385	386	0%	281	279	0%
EBITDA	113	99.8	-12%	217	209	-4%	118	118	0%
EBIT (exc. NRIs)	13.5	19.4	44%	-81.6	-82.2	-1%	-45.2	-47.2	-4%
EBIT	13.5	-10.7	-179%	-81.6	-82.2	-1%	-45.2	-47.2	-4%
EPS (excl. NRIs)	0.01	0.01	51%	-0.05	-0.05	-3%	-0.03	-0.03	-7%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

Starbreeze, Webcast, Q1'25

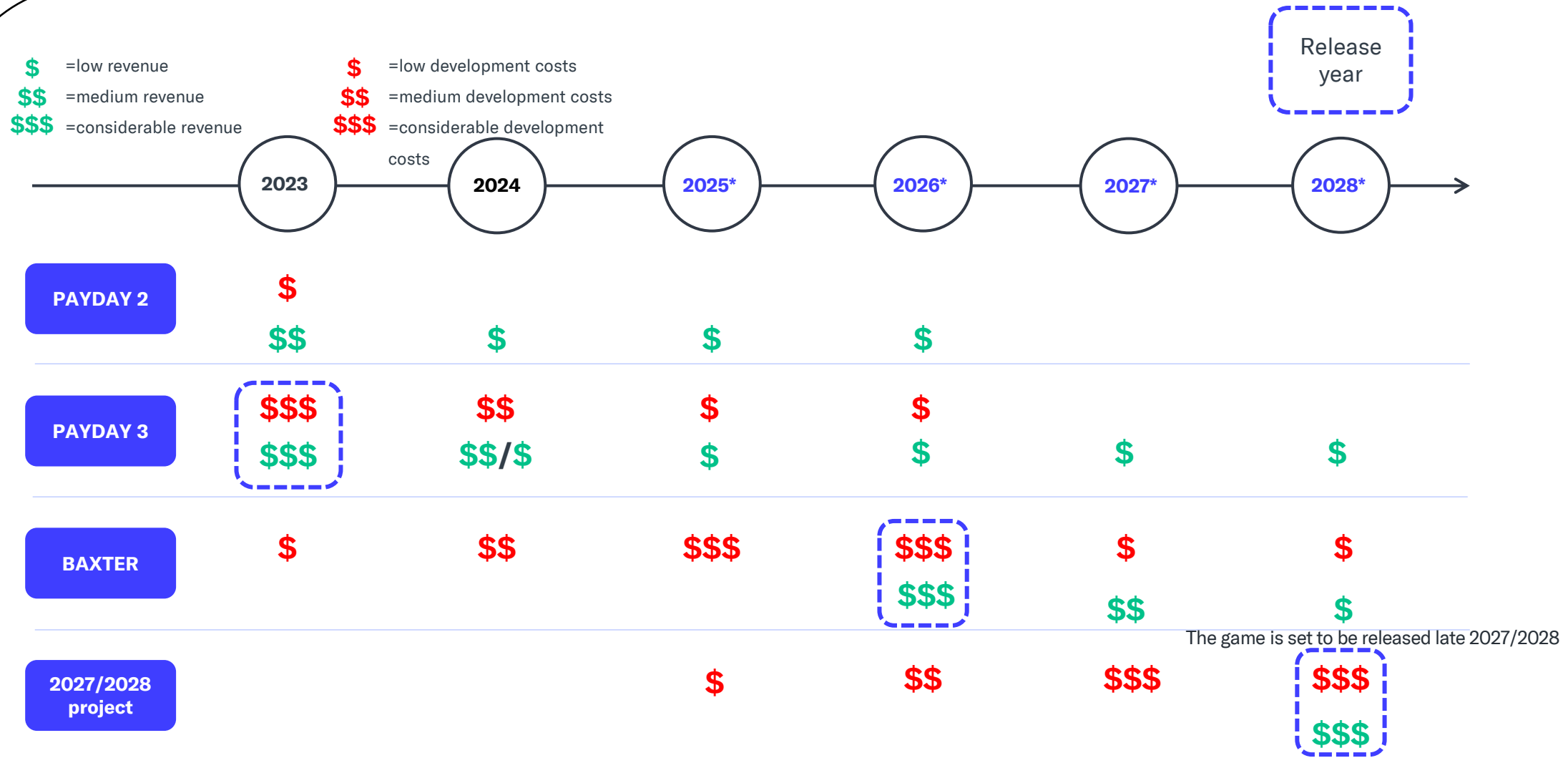


Underlying assumptions for revenue estimates



Source: Starbreeze, Inderes estimates

Timeline for internal game projects



Valuation 1/3

Low enterprise value mitigates the downside risk

Starbreeze’s current valuation remains low both in absolute terms and relative to its potential, particularly if the company successfully reignites player interest in PD3 and achieves a strong launch for Project Baxter. As it stands, we believe the current share price reflects the market’s skepticism about the likelihood of these events materializing.

Considering Starbreeze's current net cash position (Q1’25: 130 MSEK) and a market cap of around 345 MSEK, the enterprise value is low, which should help mitigate downside risk at current share price levels. While we remain unconvinced of a PD3 turnaround, regaining full ownership of PD3 publishing rights allows Starbreeze to retain all game-related revenues, while also providing greater control over the game and the broader IP. While costs will increase moderately, the uplift in revenue is proportionally greater and enables an improved overall profitability profile of the game. In addition, the work-for-hire partnership with KRAFTON provides Starbreeze with additional revenue streams in 2025, helping the company to reduce cash outflows during what we expect to be a transition period ahead of the 2026 release. We also think the partnership showcases that the PAYDAY IP remain attractive in the gaming industry despite its troubled launch and the current state of the game.

While we continue to believe that Starbreeze’s current cost structure and heavy investments in game development for 2025 will strain its cash position, the positive cash flow effect from the partnership puts Starbreeze in a better financial position going forward, all things being equal. At current valuation, expectations for both the PAYDAY

franchise and the upcoming 2026 release are low for all the right reasons, in our view. That said, we continue to see this as an opportunity to be contrarian. Hence, we reiterate our Accumulate recommendation, while keeping our target price of SEK 0.26 unchanged.

However, our patience is limited. Should PD3 activity decline further, interest in Project Baxter prove weak as marketing ramps up, or the financial situation worsen, we will not hesitate to change our view.

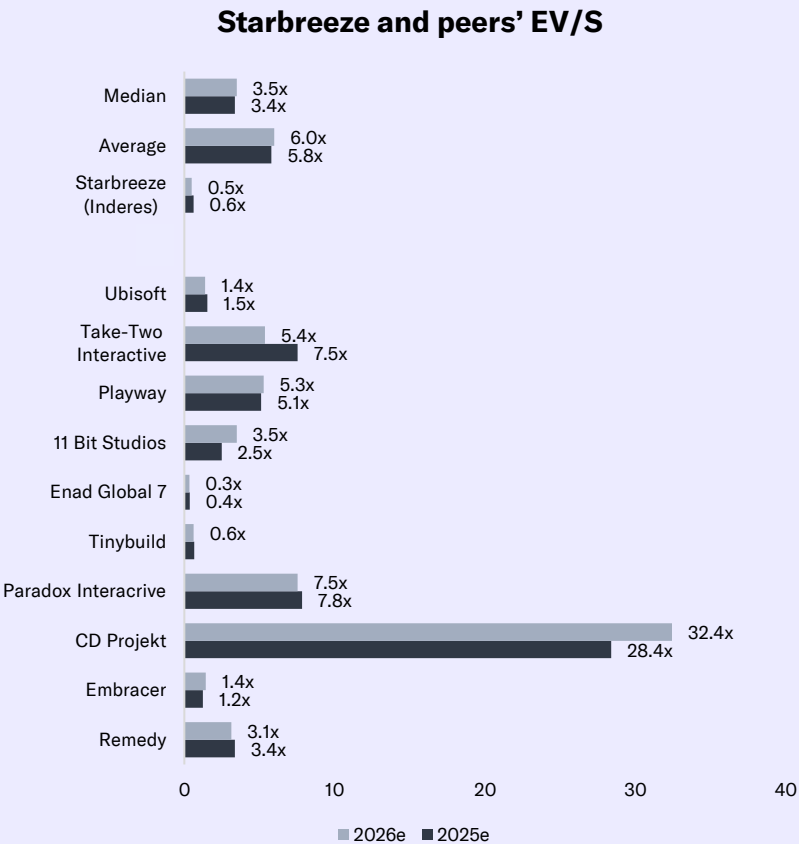
Multiple-based valuation suffers from fluctuating financials

Starbreeze's fluctuating revenues and earnings naturally result in variance in multiples. Depreciation and amortization will also fluctuate based on the timing of game releases. In addition, it is not easy to determine an appropriate multiple for Starbreeze. For instance, EBITDA multiples do not fully account for game development costs and paint an overly rosy picture. Meanwhile, EV/EBIT and P/E suffer from uneven D&A costs related to game releases. This essentially leaves us with sales-based multiples (P/S and EV/S) in the short term, of which EV/S is more appropriate as it accounts for net debt. However, even EV/S is problematic given how revenue fluctuations linked to game release cycles can distort comparisons.

With our revenue estimates, the EV/S multiples for 2025 and 2026 are 0.6x and 0.5x, respectively. These multiples are lower than the peer group median of 3.4-3.5x for 2025-2026. However, a discount is reasonable as Starbreeze is significantly smaller than the peer group average and possesses a less diversified games portfolio as of today, which in turn presents a higher degree of volatility in earnings and uncertainty regarding cash flows.

Valuation	2025e	2026e	2027e
Share price	0.21	0.21	0.21
Number of shares, millions	1,624	1,624	1,624
Market cap	344	344	344
EV	155	187	176
P/E (adj.)	15.8	neg.	neg.
P/E	neg.	neg.	neg.
P/B	0.5	0.5	0.6
P/S	1.4	0.9	1.2
EV/Sales	0.6	0.5	0.6
EV/EBITDA	1.6	0.9	1.5
EV/EBIT (adj.)	8.0	neg.	neg.

Source: Inderes



Valuation 2/3

In addition, there are significant company-specific differences in the multiples, and we currently do not see the peer group multiples having a meaningful impact on Starbreeze's valuation.

Normalized multiples

For a more meaningful relative valuation of Starbreeze, it makes sense to assess its position further into the future, when the company is expected to be more established. By 2029, we estimate that Starbreeze could have a more mature profile, with three active, revenue-generating games in the market. However, it would still be less mature compared to the broader peer group.

To address potential earnings volatility during this period, we could smooth the earnings estimates by using the average EBIT estimate of around 55 MSEK over 2029-2034. In our view, an appropriate EV/EBIT multiple for Starbreeze at this stage would likely be between 9x and 12x, reflecting the lower portfolio diversification compared to peers. The actual multiple would depend on the company's growth outlook and market sentiment at that time. Applying this range to the projected EBIT results in an estimated equity value per share between SEK 0.43 and SEK 0.55 at the end of 2029.

That said, this valuation approach has inherent limitations. It relies heavily on a specific future scenario with limited visibility and is influenced by variability in peer group multiples. Consequently, there is a considerable degree of uncertainty in these estimates.

DCF valuation

Our DCF model indicates at share price of SEK 0.44 (was SEK 0.45). However, the DCF model represents a long-term scenario in which the next two games are moderately

successful (which cannot be taken for granted). At the current stage of the company's development, the model's assumptions are subject to considerable uncertainty and the cash flows are concentrated far in the future. Consequently, we do not view the DCF valuation offering strong near-term support, as Starbreeze's valuation remains closely tied to PD3's near term performance and the upcoming Baxter release.

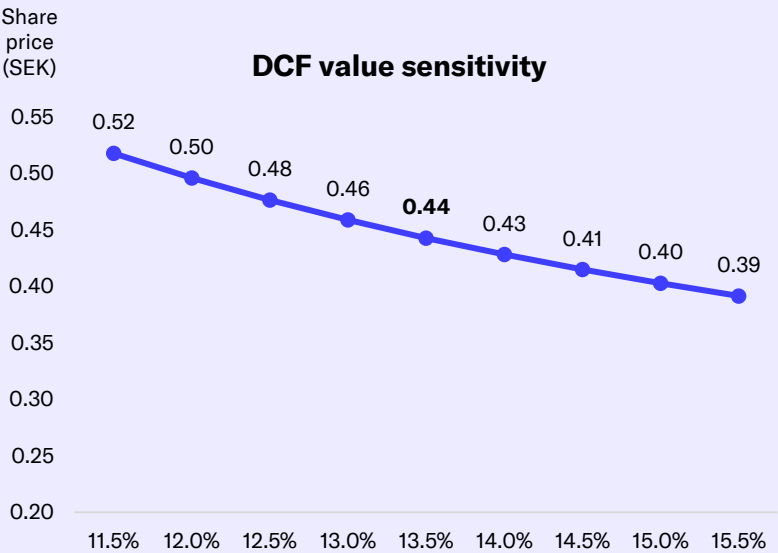
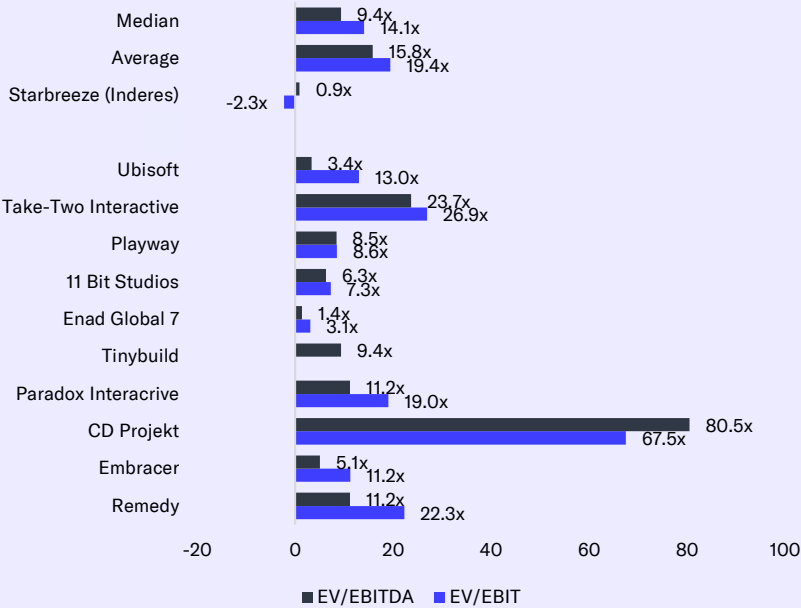
Scenario analysis

As our Starbreeze estimates are heavily dependent on projections of PD3 and future game projects, there is quite a bit of uncertainty in these estimates. Therefore, to support our valuation, we have conducted a DCF valuation for the following three scenarios: baseline case, downside case, and upside case.

The **baseline case** assumes that PD3 does not experience a significant recovery. However, upcoming game releases in 2026 and 2028 are expected to achieve moderate success, generating decent revenue streams without becoming blockbuster hits. From 2029 onward, we project that Starbreeze will have evolved into a more established game developer, with three key revenue-generating titles. As a result, revenue and earnings growth will be steadier, with less volatility. For the terminal period we have used an EBIT margin of 18% and a revenue growth rate of 2.5%.

In the **downside case**, we assume that the current struggles with PD3 persist, preventing any meaningful recovery, and that future game releases fail to achieve commercial success. While these releases would still generate a short-term revenue boost in the year of their launches, overall revenues and EBIT would be significantly lower over the next decade.

Starbreeze and peers' 2025e EV/EBIT and EV/EBITDA



Valuation 3/3

For the terminal period we have used an EBIT margin of 14% and a revenue growth rate of 2%. In this scenario, the equity value per share falls to SEK 0.13.

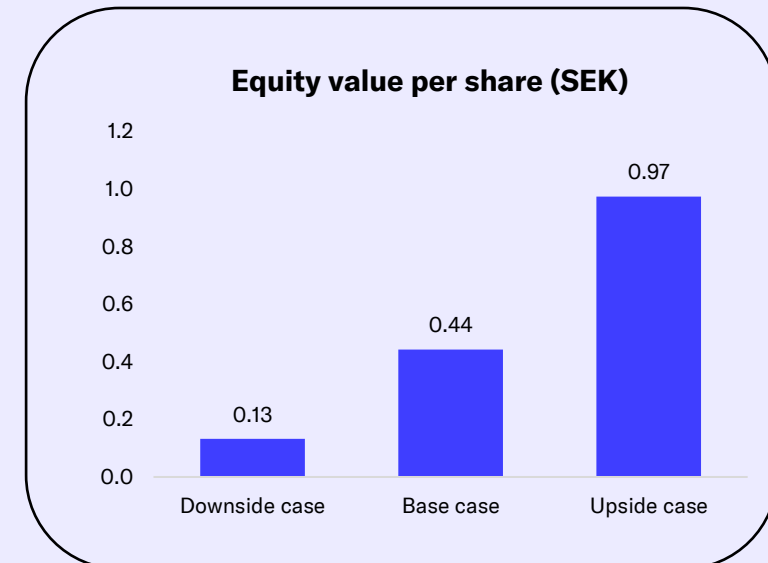
This illustrates the inherent downside risk of investing in binary cases like Starbreeze. Given the company's current low diversification and the volatile nature of the gaming industry, Starbreeze's future hinges on the success of its game launches to finance new projects. In this scenario, we anticipate that Starbreeze may not have sufficient cash to fund its upcoming titles, making it increasingly likely that the company will need to onboard an external publisher under less favorable terms due to its weakened position.

In this downside case, one could also consider the scenario where Starbreeze decides to sell the PAYDAY franchise. Such a sale could potentially fetch a value higher than our DCF model suggests, depending on the current state of the franchise at the time, the potential buyer, and other factors.

In the **upside case**, Starbreeze succeeds in revitalizing PD3 through new content and ongoing updates, leading to stronger commercial performance. Additionally, future game launches are assumed to achieve significant success. By turning PD3 around, Starbreeze would be in a stronger position to secure a larger share of future revenues, as reflected in the higher net revenue and earnings estimates in this scenario.

In this more optimistic outlook, we project an EBIT margin of 25% for the terminal period, compared to 18% in the baseline scenario. Based on these assumptions, we estimate a potential share price of SEK 0.97. However, the current market valuation suggests that investors assign a relatively low probability to this scenario materializing. Nonetheless, we believe it is important to consider this possibility, as Starbreeze remains a highly binary case, where fortunes could shift dramatically and unexpectedly, given the nature of the gaming industry.

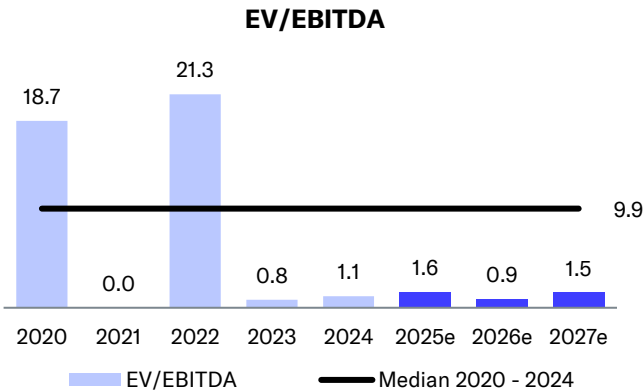
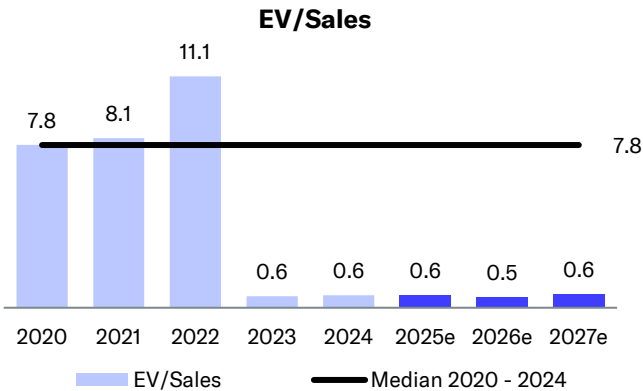
Base Case	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	Term
Revenues	254	386	279	466	380	447	512	558	572	586	2.5 %
EBIT	-11	-82	-47	-52	46	-14	24	83	88	105	
EBIT-%	-4%	-21%	-17%	-11%	12%	-3%	5%	15%	15%	18%	18%
Downside Case	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	Term
Revenues	216	328	182	349	266	304	333	363	372	381	2.0 %
EBIT	-97	-181	-82	-105	-67	-79	-17	18	45	53	
EBIT-%	-45%	-55%	-45%	-30%	-25%	-26%	-5%	5%	12%	14%	14%
Upside Case	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	Term
Revenues	305	560	391	652	494	604	681	742	760	779	2.5 %
EBIT	24	-56	-31	26	79	72	136	178	190	195	
EBIT-%	8%	-10%	-8%	4%	16%	12%	20%	24%	25%	25%	25%



Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	1.09	1.00	1.58	0.47	0.21	0.21	0.21	0.21	0.21
Number of shares, millions	725	725	725	1,477	1,477	1,624	1,624	1,624	1,624
Market cap	784	727	1,142	699	304	344	344	344	344
EV	919	1,021	1,413	350	111	155	187	176	303
P/E (adj.)	neg.	neg.	neg.	2.5	neg.	15.8	neg.	neg.	neg.
P/E	neg.	neg.	neg.	2.5	neg.	neg.	neg.	neg.	neg.
P/B	3.4	5.9	20.1	0.8	0.4	0.5	0.5	0.6	0.6
P/S	6.6	5.8	8.9	1.1	1.6	1.4	0.9	1.2	0.7
EV/Sales	7.8	8.1	11.1	0.6	0.6	0.6	0.5	0.6	0.6
EV/EBITDA	18.7	>100	21.3	0.8	1.1	1.6	0.9	1.5	1.2
EV/EBIT (adj.)	84.5	68.3	>100	1.8	neg.	8.0	neg.	neg.	neg.

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	EV		EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	MEUR	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2025e
Remedy	229	58.8	22.3	14.3	11.2	3.4	3.1	82.7	31.2				3.2
Embracer	2,915	8.8	11.2	5.1	5.1	1.2	1.4	13.4	10.8				0.6
CD Projekt	5,495	87.9	67.5	64.5	80.5	28.4	32.4	104.1	115.8	0.4	0.4		8.6
Paradox Interacrive	1,848	24.3	19.0	12.1	11.2	7.8	7.5	34.9	25.4	2.1	2.4		7.3
Tinybuild	22				9.4	0.7	0.6						
Enad Global 7	62	3.0	3.1	1.5	1.4	0.4	0.3	6.1	12.4				0.2
11 Bit Studios	113	5.0	7.3	3.7	6.3	2.5	3.5	4.8	6.4				1.6
Playway	425	9.1	8.6	9.0	8.5	5.1	5.3	12.1	11.5	7.0	7.5		4.5
Take-Two Interactive	38,126	67.8	26.9	54.5	23.7	7.5	5.4	89.9	32.7				7.0
Ubisoft	2,892		13.0	3.8	3.4	1.5	1.4		13.8				0.8
Starbreeze (Inderes)	14	8.0	-2.3	1.6	0.9	0.6	0.5	15.8	-4.0	0.0	0.0		0.5
Average		31.4	19.4	18.4	15.8	5.8	6.0	41.2	27.9	2.5	2.7		3.9
Median		18.2	14.1	10.6	9.4	3.4	3.5	22.7	16.3	1.3	1.5		3.9
Diff-% to median		-56%	-116%	-85%	-90%	-82%	-86%	-30%	-125%	-100%	-100%		-88%

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	634	57	40	43	46	186	68	65	64	58	254	386	279	466
EBITDA	439	48	8	21	20	98	16	30	30	24	100	209	118	248
Depreciation	-249	-72	-79	-76	-72	-299	-45	-22	-22	-22	-111	-291	-165	-301
EBIT (excl. NRI)	190	-43	-71	-63	-52	-229	1	9	8	2	19	-82	-47	-52
EBIT	190	-23	-71	-55	-52	-201	-29	9	8	2	-11	-82	-47	-52
Share of profits in assoc. compan.	0	1	0	0	0	1	0	0	0	0	0	0	0	0
Net financial items	17	1	0	-4	3	1	-1	0	0	0	-1	-4	-3	-5
PTP	208	-21	-71	-59	-49	-199	-29	9	8	2	-11	-86	-50	-57
Taxes	0	0	0	0	0	0	3	0	0	0	3	0	0	0
Minority interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net earnings	208	-21	-71	-58	-49	-199	-26	9	8	2	-8	-86	-50	-57
EPS (rep.)	0.19	-0.01	-0.05	-0.04	-0.03	-0.13	-0.02	0.01	0.00	0.00	-0.01	-0.05	-0.03	-0.04

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	396.5 %	112.3 %	-7.0 %	-91.4 %	-33.0 %	-70.7 %	19.5 %	62.8 %	49.5 %	24.2 %	36.9 %	51.8 %	-27.7 %	66.8 %
Adjusted EBIT growth-%	2721.0 %	272.7 %	2300.2 %	-121.0 %	-45.3 %	-220.4 %	-103.0 %	-112 %	-112.1 %	-103.7 %	-108.5 %	-523.4 %	-42.6 %	11.1 %
EBITDA-%	69.3 %	85.7 %	20.1 %	50.2 %	42.4 %	52.5 %	23.2 %	46.3 %	47.0 %	41.3 %	39.2 %	54.1 %	42.1 %	53.3 %
Adjusted EBIT-%	30.0 %	-76.3 %	-176.2 %	-147.7 %	-112.1 %	-123.2 %	1.9 %	13.2 %	11.9 %	3.4 %	7.6 %	-21.3 %	-16.9 %	-11.3 %
Net earnings-%	32.8 %	-37.1 %	-175.9 %	-136.8 %	-106.1 %	-107.2 %	-39.0 %	13.2 %	11.9 %	3.2 %	-3.3 %	-22.3 %	-17.9 %	-12.2 %

Source: Inderes

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	537	521	700	617	653
Goodwill	47	0	0	0	0
Intangible assets	472	491	642	566	609
Tangible assets	11	26	53	46	39
Associated companies	1	0	0	0	0
Other investments	0	0	0	0	0
Other non-current assets	7	4	4	4	4
Deferred tax assets	0	0	0	0	0
Current assets	574	309	357	273	266
Inventories	0	0	0	0	0
Other current assets	0	0	0	0	0
Receivables	226	117	168	116	98
Cash and equivalents	348	192	190	157	168
Balance sheet total	1,111	830	1,057	890	919

Source: Inderes

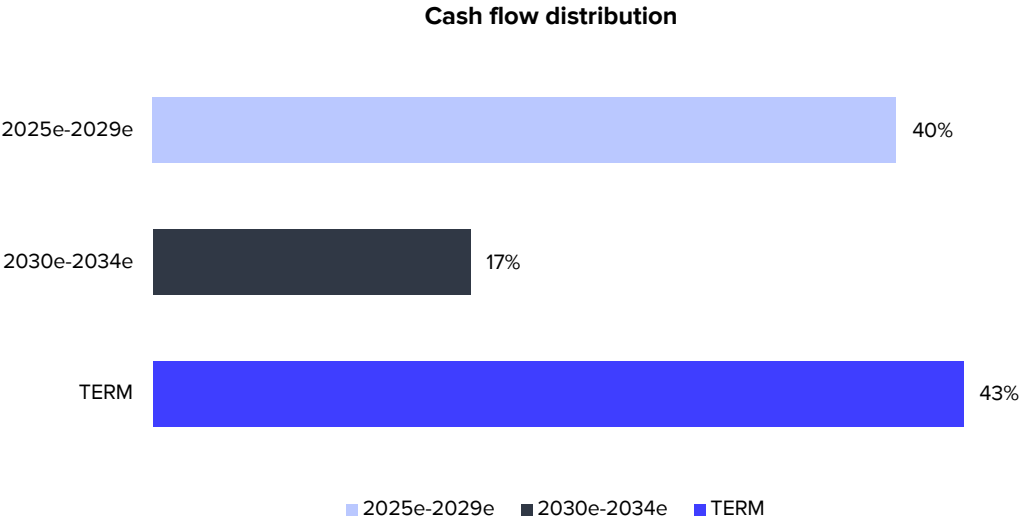
Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	895	705	730	644	594
Share capital	30	30	32	32	32
Retained earnings	-1,742	-1,942	-1,950	-2,036	-2,086
Hybrid bonds	0	0	0	0	0
Revaluation reserve	14	24	24	24	24
Other equity	2,593	2,593	2,623	2,623	2,623
Minorities	0	0	0	0	0
Non-current liabilities	2	3	111	108	200
Deferred tax liabilities	1	2	2	2	2
Provisions	0	0	0	0	0
Interest bearing debt	0	0	0	0	0
Convertibles	0	0	0	0	0
Other long term liabilities	1	1	109	106	198
Current liabilities	215	122	216	138	125
Interest bearing debt	0	0	0	0	0
Payables	208	104	206	128	115
Other current liabilities	7	18	10	10	10
Balance sheet total	1,111	830	1,057	890	919

DCF-calculation

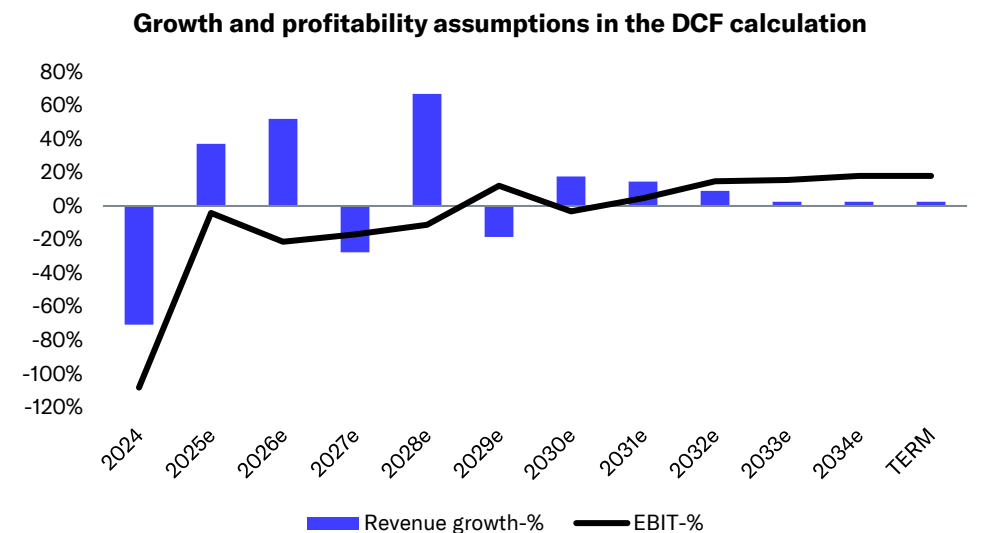
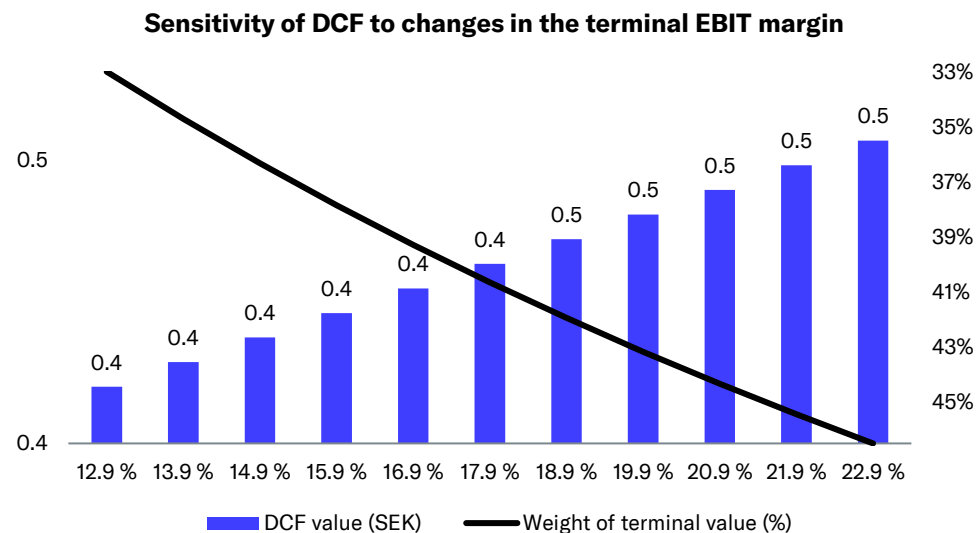
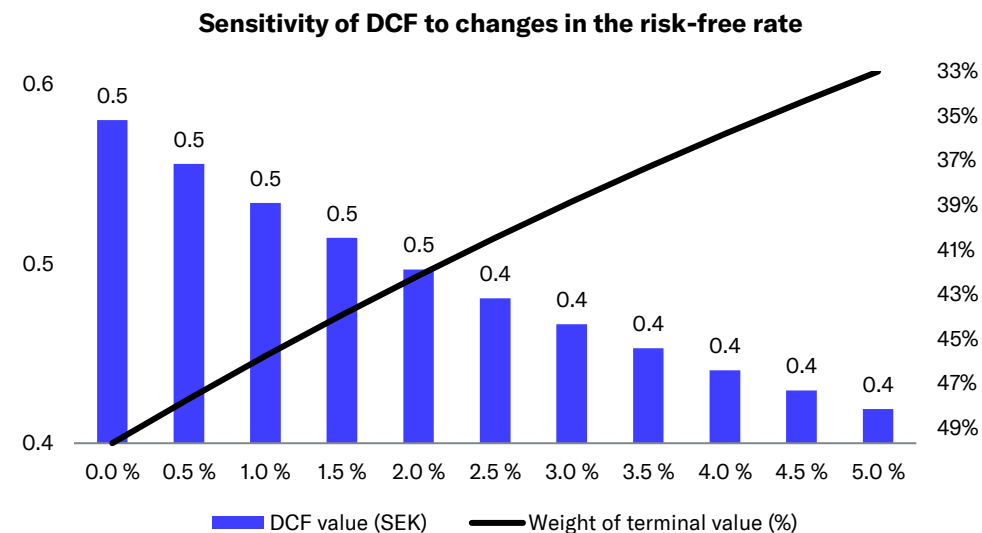
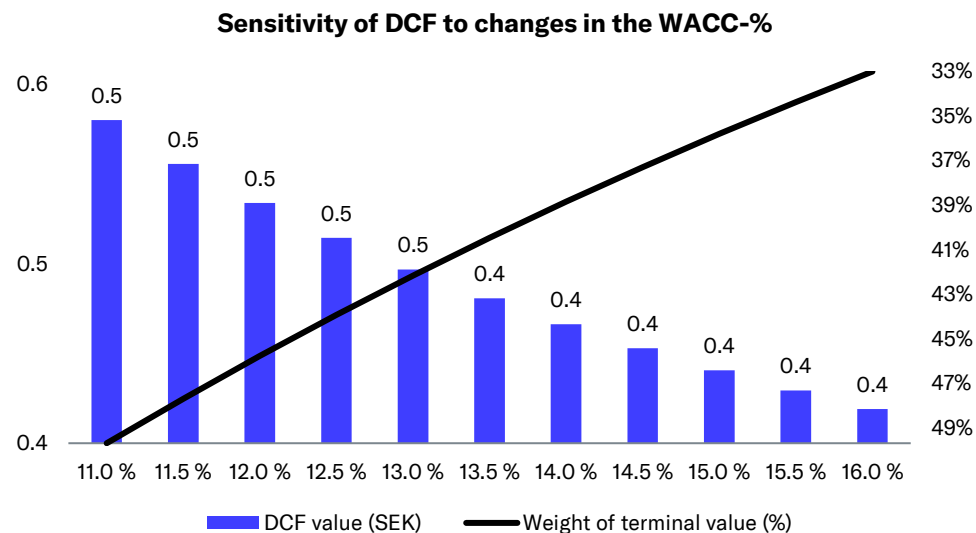
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	-70.7 %	36.9 %	51.8 %	-27.7 %	66.8 %	-18.4 %	17.6 %	14.5 %	9.0 %	2.5 %	2.5 %	2.5 %
EBIT-%	-108.2 %	-4.2 %	-21.3 %	-16.9 %	-11.3 %	12.1 %	-3.2 %	4.7 %	14.8 %	15.5 %	17.9 %	17.9 %
EBIT (operating profit)	-201	-11	-82	-47	-52	46	-14	24	83	88	105	
+ Depreciation	299	111	291	165	301	209	206	190	191	191	188	
- Paid taxes	0	3	0	0	0	0	0	-4	-16	-17	-21	
- Tax, financial expenses	0	-1	0	0	0	0	0	-1	-1	-1	-1	
+ Tax, financial income	0	1	0	0	0	0	0	0	0	0	0	
- Change in working capital	16	43	-27	5	2	-11	1	1	1	0	0	
Operating cash flow	115	146	183	123	250	244	193	210	257	262	271	
+ Change in other long-term liabilities	0	108	-3	92	-178	0	0	0	0	0	0	
- Gross CAPEX	-284	-289	-208	-201	-194	-188	-189	-192	-193	-183	-193	
Free operating cash flow	-169	-35	-29	14	-122	56	4	18	64	79	78	
+/- Other	0	33	156	0	259	0	0	0	0	0	0	
FCFF	-169	-2	127	14	137	56	4	18	64	79	78	0
Discounted FCFF		-2	103	10	87	31	2	8	24	26	23	214
Sum of FCFF present value		528	529	426	416	330	298	296	288	264	237	214
Enterprise value DCF		528										
- Interest bearing debt		0										
+ Cash and cash equivalents		192										
-Minorities		0										
-Dividend/capital return		0										
Equity value DCF		719										
Equity value DCF per share		0.44										

WACC	
Tax-% (WACC)	20.6 %
Target debt ratio (D/(D+E))	0.0 %
Cost of debt	8.0 %
Equity Beta	2.00
Market risk premium	4.75%
Liquidity premium	1.50%
Risk free interest rate	2.5 %
Cost of equity	13.5 %
Weighted average cost of capital (WACC)	13.5 %

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	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	128	634	186	254	386	EPS (reported)	-0.08	0.19	-0.13	-0.01	-0.05
EBITDA	66	439	98	100	209	EPS (adj.)	-0.08	0.19	-0.15	0.01	-0.05
EBIT	7	190	-201	-11	-82	OCF / share	0.09	0.16	0.08	0.09	0.11
PTP	-54	208	-199	-11	-86	OFCF / share	-0.14	-0.03	-0.11	-0.02	0.08
Net Income	-60	208	-199	-8	-86	Book value / share	0.08	0.82	0.48	0.45	0.40
Extraordinary items	0	0	28	-30	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	746	1,111	830	1,057	890	Revenue growth-%	2%	396%	-71%	37%	52%
Equity capital	57	895	705	730	644	EBITDA growth-%	958%	562%	-78%	2%	109%
Goodwill	48	47	0	0	0	EBIT (adj.) growth-%	-55%	2721%	-220%	-108%	-523%
Net debt	271	-348	-192	-190	-157	EPS (adj.) growth-%	72%	-329%	-181%	-109%	-496%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	52.0 %	69.3 %	52.5 %	39.2 %	54.1 %
EBITDA	66	439	98	100	209	EBIT (adj.)-%	5.3 %	30.0 %	-123.2 %	7.6 %	-21.3 %
Change in working capital	-8	-262	16	43	-27	EBIT-%	5.3 %	30.0 %	-108.2 %	-4.2 %	-21.3 %
Operating cash flow	65	177	115	146	183	ROE-%	-66.6 %	43.6 %	-24.9 %	-1.2 %	-12.5 %
CAPEX	-151	-201	-284	-289	-208	ROI-%	1.4 %	28.6 %	-25.0 %	-1.2 %	-12.0 %
Free cash flow	-102	-28	-169	-35	127	Equity ratio	7.6 %	80.5 %	85.0 %	69.1 %	72.4 %
Valuation multiples	2022	2023	2024	2025e	2026e	Gearing	478.0 %	-38.9 %	-27.2 %	-26.0 %	-24.4 %
EV/S	11.1	0.6	0.6	0.6	0.5						
EV/EBITDA	21.3	0.8	1.1	1.6	0.9						
EV/EBIT (adj.)	>100	1.8	neg.	8.0	neg.						
P/E (adj.)	neg.	2.5	neg.	15.8	neg.						
P/B	20.1	0.8	0.4	0.5	0.5						
Dividend-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %						

Source: Inderes

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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
2023-05-30	Accumulate	1.15 SEK	1.03 SEK
2023-08-18	Reduce	1.15 SEK	1.19 SEK
2023-09-12	Accumulate	1.15 SEK	0.95 SEK
2023-10-02	Buy	0.85 SEK	0.60 SEK
2023-11-17	Accumulate	0.55 SEK	0.44 SEK
2024-02-16	Reduce	0.35 SEK	0.35 SEK
Change of Analyst			
2024-05-15	Reduce	0.30 SEK	0.27 SEK
2024-08-21	Reduce	0.30 SEK	0.28 SEK
2024-09-30	Reduce	0.30 SEK	0.28 SEK
2024-11-15	Reduce	0.22 SEK	0.20 SEK
2024-12-06	Accumulate	0.22 SEK	0.17 SEK
2025-02-19	Accumulate	0.24 SEK	0.20 SEK
2025-05-09	Accumulate	0.26 SEK	0.22 SEK
2025-05-14	Accumulate	0.26 SEK	0.21 SEK



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