

# Kempower

## Company report

2/9/2024



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✓ Inderes corporate customer

This report is a summary translation of the report “Kysynnän kasvu hidastunut Euroopassa” published on 2/9/2024 at 8:25 am EET.

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res.**

# Demand growth slowed in Europe

We expect Kempower to deliver a strong fourth quarter in terms of earnings and revenue. We believe there is more uncertainty about the growth in order intake, as market-level investment in transport electrification appears to be leveling off after a strong period. We made cuts to order intake and growth forecasts for 2024-25. We reiterate our Buy recommendation and lower our target price to EUR 41 (was EUR 44).

## We lowered our order forecasts due to weak market developments

We expect Q4 revenue to be EUR 96.0 million (consensus: 97.2 MEUR), an increase of approximately 154% year-on-year. Revenue for the full year 2023 would thus be 297 MEUR (guidance 280-310 MEUR). We expect revenue to continue to come mainly from Europe, as the US did not have time to deliver very significant volumes during 2023. Q4 revenue is supported by one delivery of around 10 MEUR to the UK, which was postponed from Q3 to Q4 due to a delay. Kempower had a strong order book of 127 MEUR at the end of Q3, which has supported the revenue in Q4. For new order intake, we lowered our forecasts to 77 MEUR, which would represent an increase of 25% year-on-year (previously 88 MEUR). The slowdown in sales growth of electric vehicles, partly due to reduced subsidies, will also affect the pace of investment by charging operators in Europe. For example, we estimate that the order intake of competitor ABB e-Mobility fell by as much as 51% in Q4, although we expect Kempower to continue to gain market share from ABB. At the same time, we lowered our 2024-25 revenue and EBIT forecasts by 4% and 5%, respectively. Our revenue growth forecast for 2024-25 is around 30% p.a., mainly driven by expansion into new markets (mainly the US and Germany), especially in 2024.

## We expect Q4 profitability to be surprisingly positive

Our adjusted EBIT forecast for Q4 is at 18.1 MEUR (18.9% of revenue), which is significantly above the consensus forecast (10.6 MEUR). The operational EBIT margin for the full year 2023 would therefore be 17.9% (guidance: above 14%). Kempower has guided for fixed costs to weigh on profitability in Q4'2023 due to the company's growth initiatives and expansion into North America. We forecast fixed costs to grow by 106%, below the projected growth in revenue. Our gross margin forecast for Q4 is 50.8% (Q4'22: 46.8%, Q3'23: 52.9%), which is slightly above the consensus (50.1%). We forecast EPS of EUR 0.28 (consensus EUR 0.15), but we do not expect Kempower to pay a dividend. Our net cash forecast for the end of 2023 is 84.9 MEUR.

## Target price decreases with estimate revisions

We expect the electrification of transport to move in waves, moving from a strong period in 2021-23 to a period of slower growth, at least temporarily in Europe. However, we do not see any significant change for the worse in Kempower's competitiveness or in the long-term growth prospects of the market. Kempower's strong profitability development has lowered earnings-based valuation multiples so that the stock is priced at 23x EV/EBIT for 2024e and 16x and 11x for 2025-26e, even under declining profitability assumptions. Cyclical risks are elevated in the current year and our growth assumption of 33% (2024e) includes risks despite geographical expansion. We still believe the market will return to its long-term trend in the next few years, which is why we see the current more difficult economic environment as a good opportunity to buy the stock.

## Recommendation

**Buy**

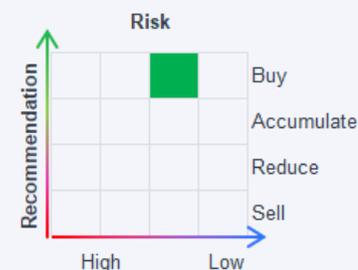
(previous Buy)

**EUR 41.00**

(previous EUR 44.00)

**Share price:**

28.72



## Key figures

	2022	2023e	2024e	2025e
<b>Revenue</b>	103.6	296.8	394.8	505.3
<b>growth-%</b>	278%	187%	33%	28%
<b>EBIT adj.</b>	6.7	53.3	63.3	91.2
<b>EBIT-% adj.</b>	6.5 %	17.9 %	16.0 %	18.1 %
<b>Net Income</b>	3.4	43.6	49.4	71.2
<b>EPS (adj.)</b>	0.07	0.79	0.89	1.28
<b>P/E (adj.)</b>	>100	36.5	32.3	22.4
<b>P/B</b>	10.8	11.1	8.2	6.0
<b>Dividend yield-%</b>	0.0 %	0.0 %	0.0 %	0.0 %
<b>EV/EBIT (adj.)</b>	>100	28.4	23.4	15.7
<b>EV/EBITDA</b>	>100	25.5	19.8	13.7
<b>EV/S</b>	10.0	5.1	3.8	2.8

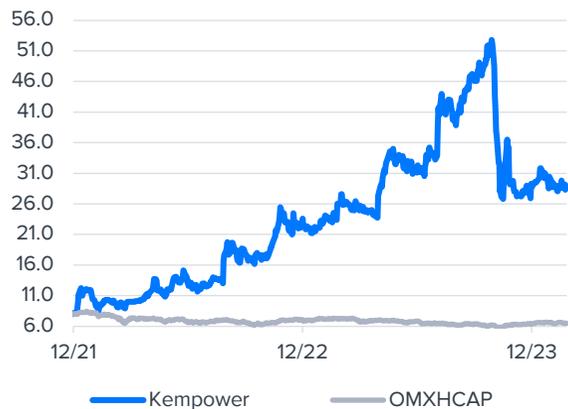
Source: Inderes

## Guidance

(Unchanged)

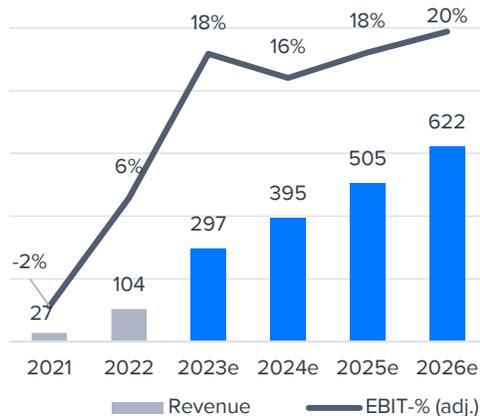
2023 revenue; EUR 280–310 million, assuming no major impact of foreign currency exchange rates. 2023 operative EBIT margin, %; over 14%.

### Share price



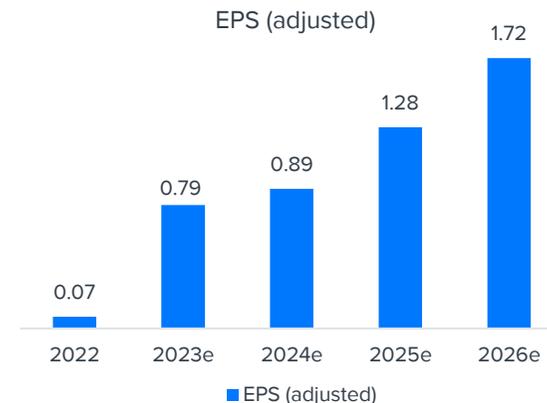
Source: Millstream Market Data AB

### Revenue and EBIT-%



Source: Inderes

### EPS and dividend



Source: Inderes



### Value drivers

- Electrification of transport creates a huge need for efficient and versatile charging capacity
- Products are highly competitive, and it can take a long time for competitors to develop similar features
- Growing the distribution channel allows the company to become one of the big global manufacturers
- Higher gross margins than for competitors



### Risk factors

- Rapidly growing the organization slows profitability development in the short term
- Uncertainty about long-term profitability levels in the industry
- Changes in technological competitiveness could threaten growth and pricing
- Slowdown in demand growth and narrowing technological gaps are likely trends in the long term
- A high valuation based on long-term earnings growth carries significant risk

Valuation	2023e	2024e	2025e
Share price	28.7	28.7	28.7
Number of shares, millions	55.5	55.5	55.5
Market cap	1595	1595	1595
EV	1510	1482	1428
P/E (adj.)	36.5	32.3	22.4
P/E	36.6	32.3	22.4
P/B	11.1	8.2	6.0
P/S	5.4	4.0	3.2
EV/Sales	5.1	3.8	2.8
EV/EBITDA	25.5	19.8	13.7
EV/EBIT (adj.)	28.4	23.4	15.7
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

# We expect strong profitability in Q4

## However, the order intake is subject to significant uncertainty

- Our Q4 revenue growth forecast (154%) is broadly in line with consensus.
- Our gross margin forecast (Q4) is slightly above consensus.
- Our operating EBIT and net profit forecasts are significantly above consensus for Q4. This will be partly influenced by how much fixed costs will increase in Q4, e.g., due to the expansion in the US. In previous quarters, Kempower's profitability has consistently exceeded consensus expectations and we expect this to continue in Q4.

Estimates MEUR / EUR	Q4'22	Q4'23	Q4'23e	Q4'23e	Consensus		2023e
	Comparison	Actualized	Inderes	Consensus	Low	High	Inderes
Revenue	37.8		96.0	97.2	94.2	- 101	297
Order intake	61.7		77.2	77.2	55.0	- 88.4	286
Gross margin	46.8 %		50.8 %	50.1 %	42%	- 58%	51.4 %
EBIT (adj.)	3.5		18.1	10.6	-3.9	- 19.3	53.3
EBIT	2.9		18.1	10.9	-3.9	- 19.3	53.2
EPS (reported)	0.05		0.28	0.15	-0.1	- 0.3	0.79
Revenue growth-%	352.0 %		154.0 %	157.1 %	149%	- 166%	186.5 %
EBIT-% (adj.)	9.3 %		18.9 %	10.9 %			17.9 %

Source: Inderes & Vara (consensus: 8 analysts)

# We lowered our growth forecasts due to the weakening market

## EBIT estimates for 2024-25 decreased by 5%

- We made cuts to Kempower's growth forecasts in our Q4 pre-update. Our order intake forecast for Q4 is now 77 MEUR (+25% y/y), compared to our previous forecast of 88 MEUR. Revenue forecasts for 2024-25 fell by 4%.
- We base the cuts on a weakening market, including investment postponements in the automotive industry, and a slowdown in the order intake of some charging equipment competitors, which we estimate will be mainly in Europe (ABB e-Mobility orders -51% y/y in Q4 according to our interpretation). Although there is no strong historical evidence of a correlation between companies' new orders, we see this data point as an uncertainty-increasing observation, to say the least.
- We lowered our EBIT forecasts for 2024-25 by 5% due to cuts in growth forecasts.
- We have slightly lowered our Q4 earnings estimates, but we still expect the company to come in well above consensus profitability estimates.

## New orders (EUR)

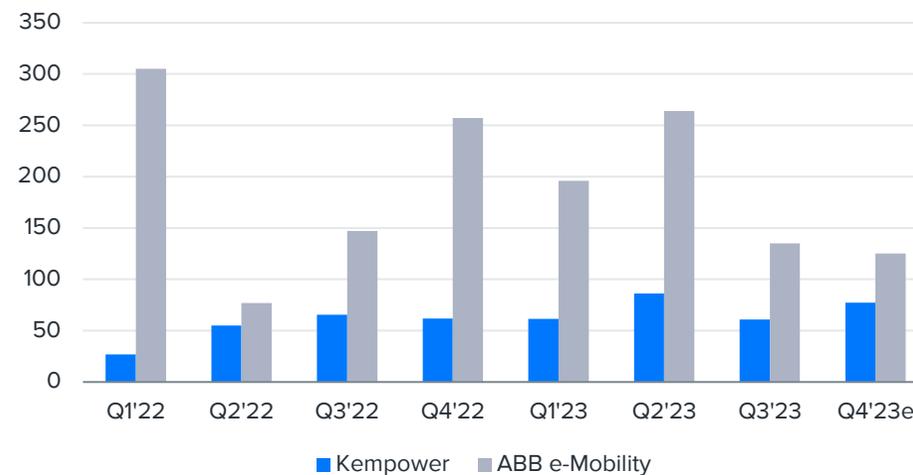


ABB e-Mobility includes not only fast chargers but also other businesses such as AC chargers and software solutions.

Estimate revisions	2023e			2024e			2025e		
	Old	New	Change %	Old	New	Change %	Old	New	Change %
MEUR / EUR									
Revenue	297	297	0%	395	395	0%	505	505	0%
EBITDA	59.3	59.3	0%	74.7	74.7	0%	104	104	0%
EBIT (exc. NRIs)	53.3	53.3	0%	63.3	63.3	0%	91.2	91.2	0%
EBIT	53.2	53.2	0%	63.3	63.3	0%	91.2	91.2	0%
PTP	53.9	53.9	0%	63.3	63.3	0%	91.2	91.2	0%
EPS (excl. NRIs)	0.79	0.79	0%	0.89	0.89	0%	1.28	1.28	0%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

# Detailed estimates

MEUR	2018	2019	2020	2021	2022	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	Terminal period
<b>Order intake</b>			<b>7</b>	<b>37</b>	<b>209</b>	<b>286</b>	<b>400</b>	<b>524</b>						
- growth %				427%	459%	37%	40%	31%						
<b>Order book</b>			<b>4</b>	<b>14</b>	<b>119</b>	<b>108</b>	<b>113</b>	<b>132</b>						
				261%	768%	-9%	5%	17%						
<b>Revenue</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>27</b>	<b>104</b>	<b>297</b>	<b>395</b>	<b>505</b>	<b>622</b>	<b>727</b>	<b>836</b>	<b>920</b>	<b>1012</b>	
- growth %		68%	909%	730%	278%	187%	33%	28%	23%	17%	15%	10%	10%	3%
Revenue by geography														
The Nordics	0	0	2	23	58	108	120	134	146	160				
- growth %					150%	87%	11%	11%	9%	10%				
Rest of Europe	0	0	1	4	41	158	193	232	270	313				
- growth %					893%	289%	22%	20%	16%	16%				
North America	0	0	0	0	2	14	56	102	153	189				
- growth %							301%	81%	50%	24%				
Rest of the world	0	0	0	0	4	16	25	37	52	65				
- growth %							55%	50%	40%	25%				
Material and service costs	0.0	-0.1	-1.5	-13.6	-52.4	-137.1	-183.5	-238.0	-295.8	-349.8	-406.4	-451.7		
Personnel costs	-0.3	-1.1	-2.2	-7.5	-21.9	-46.9	-70.7	-84.9	-97.6	-112.0	-126.3	-136.1		
Other costs	-0.4	-1.3	-1.8	-5.9	-19.9	-53.5	-65.9	-78.5	-89.9	-103.2	-116.3	-125.2		
<b>EBITDA</b>	<b>-0.6</b>	<b>-2.2</b>	<b>-2.1</b>	<b>0.5</b>	<b>9.5</b>	<b>59.3</b>	<b>74.7</b>	<b>103.9</b>	<b>138.2</b>	<b>162.2</b>	<b>187.3</b>	<b>206.9</b>	<b>228.5</b>	
- % of revenue				1.8%	9.2%	20.0%	18.9%	20.6%	22.2%	22.3%	22.4%	22.5%	22.6%	
Depreciation	0.0	0.0	-0.1	-1.1	-3.4	-6.1	-11.4	-12.6	-15.5	-18.2	-20.1	-22.1	-23.3	
<b>EBIT</b>	<b>-0.6</b>	<b>-2.2</b>	<b>-2.2</b>	<b>-0.7</b>	<b>6.1</b>	<b>53.2</b>	<b>63.3</b>	<b>91.2</b>	<b>122.6</b>	<b>144.1</b>	<b>167.2</b>	<b>184.8</b>	<b>205.2</b>	
- % of revenue				-2.6%	5.9%	17.9%	16.0%	18.1%	19.7%	19.8%	20.0%	20.1%	20.3%	20.0%
Financial expenses				-0.2	-1.3	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Taxes				1.1	-1.2	-10.2	-13.9	-20.1	-27.0	-31.7	-36.8	-40.7	-45.1	
- Tax rate %				122%	25%	19%	22%	22%	22%	22%	22%	22%	22%	22%
Net profit				0.3	3.6	43.6	49.4	71.2	95.6	112.4	130.4	144.1	160.1	
<b>EPS (EUR)</b>				<b>0.01</b>	<b>0.07</b>	<b>0.79</b>	<b>0.89</b>	<b>1.28</b>	<b>1.72</b>	<b>2.02</b>	<b>2.35</b>	<b>2.59</b>	<b>2.88</b>	
Investments (incl. capitalization of leasing contracts)			0	4	23	20	27	24	25	26	27	27	28	
Net working capital			3	4	21	25	31	38	43	47	50	50	55	
Cash and cash equivalents			1	90	74	105	113	180	265	349	470	608	759	
Headcount (at the end of year)	5	17	38	136	375	694	850							

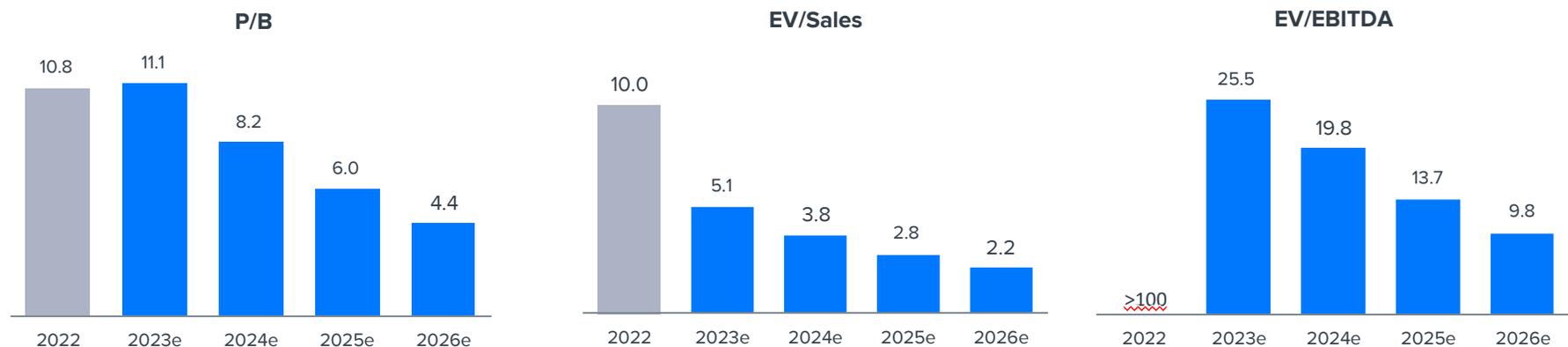
Source: Inderes

The data are presented in accordance with FAS 2018-20 and IFRS from 2021 onwards.

# Valuation table

Valuation	2022	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e
Share price	19.6	28.7	28.7	28.7	28.7	28.7	28.7	28.7	28.7
Number of shares, millions	55.5	55.5	55.5	55.5	55.5	55.5	55.5	55.5	55.5
Market cap	1091	1595	1595	1595	1595	1595	1595	1595	1595
EV	1033	1510	1482	1428	1347	1267	1166	1045	906
P/E (adj.)	>100	36.5	32.3	22.4	16.7	14.2	12.2	11.1	10.0
P/E	>100	36.6	32.3	22.4	16.7	14.2	12.2	11.1	10.0
P/B	10.8	11.1	8.2	6.0	4.4	3.4	2.6	2.1	1.8
P/S	10.5	5.4	4.0	3.2	2.6	2.2	1.9	1.7	1.6
EV/Sales	10.0	5.1	3.8	2.8	2.2	1.7	1.4	1.1	0.9
EV/EBITDA	>100	25.5	19.8	13.7	9.8	7.8	6.2	5.1	4.0
EV/EBIT (adj.)	>100	28.4	23.4	15.7	11.0	8.8	7.0	5.7	4.4
Payout ratio (%)	0.0 %	0.0 %	0.0 %	0.0 %					
Dividend yield-%	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	2023e	2024e	2023e	2024e	2023e	2024e	2023e	2024e	2023e	2024e	2023e
Tritium	15	168		15.8			1.1	0.5					
Tesla	555330	533524	55.3	51.4	36.4	33.7	5.9	5.2	59.6	60.9			11.4
Wallbox	250	344				53.0	2.2	1.2					4.1
Zaptec	170	157	18.6	9.7	14.5	8.2	1.3	1.0	26.7	13.7			2.7
Alfen	1096	1175	28.6	19.1	22.2	14.7	2.4	1.9	35.6	26.5			6.0
<b>Kempower (Inderes)</b>	<b>1595</b>	<b>1510</b>	<b>28.4</b>	<b>23.4</b>	<b>25.5</b>	<b>19.8</b>	<b>5.1</b>	<b>3.8</b>	<b>36.5</b>	<b>32.3</b>	<b>0.0</b>	<b>0.0</b>	<b>11.1</b>
<b>Average</b>			<b>34.1</b>	<b>24.0</b>	<b>24.4</b>	<b>27.4</b>	<b>2.6</b>	<b>1.9</b>	<b>40.6</b>	<b>33.7</b>			<b>6.0</b>
<b>Median</b>			<b>28.6</b>	<b>17.4</b>	<b>22.2</b>	<b>24.2</b>	<b>2.2</b>	<b>1.2</b>	<b>35.6</b>	<b>26.5</b>			<b>5.0</b>
<b>Diff-% to median</b>			<b>-1%</b>	<b>34%</b>	<b>15%</b>	<b>-18%</b>	<b>131%</b>	<b>227%</b>	<b>2%</b>	<b>22%</b>			<b>119%</b>

Source: Refinitiv / Inderes

# Income statement

Income statement	2020	2021	Q1'22	Q2'22	Q3'22	Q4'22	2022	Q1'23	Q2'23	Q3'23	Q4'23e	2023e	Q1'24e	Q2'24e	Q3'24e	Q4'24e	2024e	2025e	2026e
Revenue	3.3	27.4	11.5	21.6	32.7	37.8	104	55.8	72.5	72.6	96.0	297	84.8	101	105	103	395	505	622
EBITDA	-2.1	0.5	-0.2	2.7	3.2	3.9	9.5	7.9	15.4	16.0	19.9	59.3	15.6	20.9	20.9	17.4	74.7	104	138
Depreciation	-0.1	-1.1	-0.8	-0.9	-0.8	-1.0	-3.4	-1.1	-1.5	-1.7	-1.9	-6.1	-2.5	-3.0	-3.2	-2.7	-11.4	-12.6	-15.5
EBIT (excl. NRI)	-2.2	-0.6	-1.0	1.8	2.4	3.5	6.7	6.9	13.9	14.4	18.1	53.3	13.1	17.9	17.7	14.6	63.3	91.2	123
EBIT	-2.2	-0.6	-1.0	1.8	2.4	2.9	6.1	6.8	13.9	14.4	18.1	53.2	13.1	17.9	17.7	14.6	63.3	91.2	123
Net financial items	0.0	-0.2	-0.2	-1.0	-0.6	0.5	-1.3	0.2	0.3	0.2	0.0	0.7	-0.2	-0.2	-0.2	0.6	0.0	0.0	0.0
PTP	-2.2	-0.8	-1.2	0.8	1.8	3.4	4.8	7.0	14.2	14.6	18.1	53.9	12.9	17.7	17.5	15.2	63.3	91.2	123
Taxes	0.0	1.1	0.1	-0.2	-0.4	-0.9	-1.4	-1.3	-3.2	-2.9	-2.8	-10.2	-2.6	-3.5	-3.5	-4.3	-13.9	-20.1	-27.0
Net earnings	-2.2	0.3	-1.1	0.6	1.4	2.5	3.4	5.7	11.0	11.7	15.3	43.6	10.3	14.1	14.0	10.9	49.4	71.2	95.6
EPS (adj.)		0.01	-0.02	0.01	0.03	0.06	0.07	0.10	0.20	0.21	0.28	0.79	0.19	0.25	0.25	0.20	0.89	1.28	1.72
EPS (rep.)		0.01	-0.02	0.01	0.03	0.05	0.06	0.10	0.20	0.21	0.28	0.79	0.19	0.25	0.25	0.20	0.89	1.28	1.72
Key figures	2020	2021	Q1'22	Q2'22	Q3'22	Q4'22	2022	Q1'23	Q2'23	Q3'23	Q4'23e	2023e	Q1'24e	Q2'24e	Q3'24e	Q4'24e	2024e	2025e	2026e
Revenue growth-%	909.2 %	730.3 %	400.0 %	222.4 %	227.0 %	350.0 %	278.1 %	384.9 %	235.5 %	122.0 %	154.0 %	186.5 %	52.0 %	40.0 %	45.0 %	7.6 %	33.0 %	28.0 %	23.0 %
Adjusted EBIT growth-%			100.0 %	260.0 %	13.4 %			-788.8 %	671.5 %	504.7 %	414.3 %	695.1 %	89.6 %	28.7 %	23.0 %	-19.1 %	18.8 %	44.2 %	34.4 %
EBITDA-%			-2.0 %	12.3 %	9.7 %	10.3 %	9.2 %	14.1 %	21.2 %	22.1 %	20.8 %	20.0 %	18.4 %	20.6 %	19.9 %	16.8 %	18.9 %	20.6 %	22.2 %
Adjusted EBIT-%			-8.7 %	8.3 %	7.3 %	9.3 %	6.5 %	12.4 %	19.2 %	19.8 %	18.9 %	17.9 %	15.4 %	17.6 %	16.8 %	14.2 %	16.0 %	18.1 %	19.7 %
Net earnings-%			-9.6 %	2.8 %	4.3 %	6.7 %	3.3 %	10.2 %	15.2 %	16.1 %	15.9 %	14.7 %	12.1 %	13.9 %	13.3 %	10.6 %	12.5 %	14.1 %	15.4 %

Source: Inderes

# Balance sheet

Assets	2021	2022	2023e	2024e	2025e
<b>Non-current assets</b>	<b>5.2</b>	<b>24.3</b>	<b>37.1</b>	<b>52.2</b>	<b>63.1</b>
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	1.1	2.6	4.1	5.7	7.2
Tangible assets	2.9	21.1	33.0	46.6	55.9
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	1.3	0.6	0.0	0.0	0.0
<b>Current assets</b>	<b>103</b>	<b>130</b>	<b>241</b>	<b>288</b>	<b>397</b>
Inventories	6.4	27.1	65.9	87.6	110
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	6.6	28.7	70.5	87.8	107
Cash and equivalents	90.4	74.0	105	113	180
<b>Balance sheet total</b>	<b>109</b>	<b>154</b>	<b>278</b>	<b>341</b>	<b>460</b>

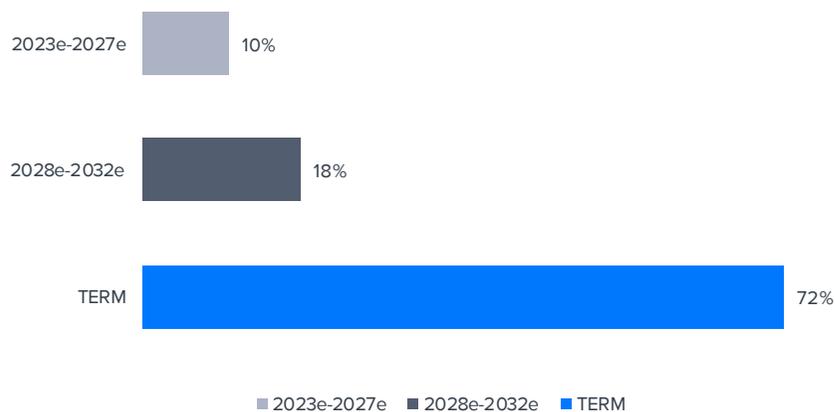
Source: Inderes

Liabilities & equity	2021	2022	2023e	2024e	2025e
<b>Equity</b>	<b>97.5</b>	<b>101</b>	<b>144</b>	<b>194</b>	<b>265</b>
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	1.8	6.4	50.0	99.4	171
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	95.7	94.2	94.2	94.2	94.2
Minorities	0.0	0.0	0.0	0.0	0.0
<b>Non-current liabilities</b>	<b>1.0</b>	<b>16.0</b>	<b>19.9</b>	<b>2.8</b>	<b>13.9</b>
Deferred tax liabilities	0.3	0.4	0.4	0.4	0.4
Provisions	0.2	2.4	2.4	2.4	2.4
Interest bearing debt	0.5	13.3	17.1	0.0	11.1
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	0.0	0.0	0.0	0.0
<b>Current liabilities</b>	<b>10.0</b>	<b>37.5</b>	<b>114</b>	<b>144</b>	<b>181</b>
Interest bearing debt	0.6	2.4	3.0	0.0	2.0
Payables	9.4	35.1	111	144	179
Other current liabilities	0.0	0.0	0.0	0.0	0.0
<b>Balance sheet total</b>	<b>108</b>	<b>154</b>	<b>278</b>	<b>341</b>	<b>460</b>

# DCF calculation

DCF model	2022	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	TERM
Revenue growth-%	278.1 %	186.5 %	33.0 %	28.0 %	23.0 %	17.0 %	15.0 %	10.0 %	10.0 %	10.0 %	3.0 %	3.0 %
EBIT-%	5.9 %	17.9 %	16.0 %	18.1 %	19.7 %	19.8 %	20.0 %	20.1 %	20.3 %	20.0 %	20.0 %	20.0 %
<b>EBIT (operating profit)</b>	<b>6.1</b>	<b>53.2</b>	<b>63.3</b>	<b>91.2</b>	<b>123</b>	<b>144</b>	<b>167</b>	<b>185</b>	<b>205</b>	<b>223</b>	<b>229</b>	
+ Depreciation	3.4	6.1	11.4	12.6	15.5	18.2	20.1	22.1	23.3	23.6	24.6	
- Paid taxes	-0.6	-9.6	-13.9	-20.1	-27.0	-31.7	-36.8	-40.7	-45.1	-49.0	-50.4	
- Tax, financial expenses	-0.4	0.1	0.0	0.0	0.0	0.0	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	-17.2	-4.3	-6.3	-6.2	-5.5	-3.7	-2.8	-0.4	-5.0	-5.5	-1.8	
<b>Operating cash flow</b>	<b>-8.6</b>	<b>45.5</b>	<b>54.5</b>	<b>77.6</b>	<b>106</b>	<b>127</b>	<b>148</b>	<b>166</b>	<b>178</b>	<b>192</b>	<b>202</b>	
+ 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	
- Gross CAPEX		-19.5	-26.5	-23.5	-24.8	-25.8	-26.7	-27.3	-28.0	-28.6	-26.3	
<b>Free operating cash flow</b>	<b>26.0</b>	<b>28.0</b>	<b>54.0</b>	<b>80.8</b>	<b>101</b>	<b>121</b>	<b>139</b>	<b>150</b>	<b>163</b>	<b>175</b>	<b>175</b>	
+/- Other		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	26.0	28.0	54.0	80.8	101	121	139	150	163	175	175	3505
<b>Discounted FCFF</b>	<b>26.2</b>	<b>26.1</b>	<b>46.6</b>	<b>64.4</b>	<b>74.5</b>	<b>82.4</b>	<b>87.3</b>	<b>87.6</b>	<b>87.8</b>	<b>87.3</b>	<b>87.3</b>	<b>1746</b>
Sum of FCFF present value	2416	2390	2364	2317	2253	2178	2096	2008	1921	1833	1746	
<b>Enterprise value DCF</b>	<b>2416</b>											
- Interest bearing debt		-15.7										
+ Cash and cash equivalents		74.0										
-Minorities		0.0										
-Dividend/capital return		0.0										
<b>Equity value DCF</b>	<b>2474</b>											
<b>Equity value DCF per share</b>	<b>44.5</b>											

Cash flow distribution

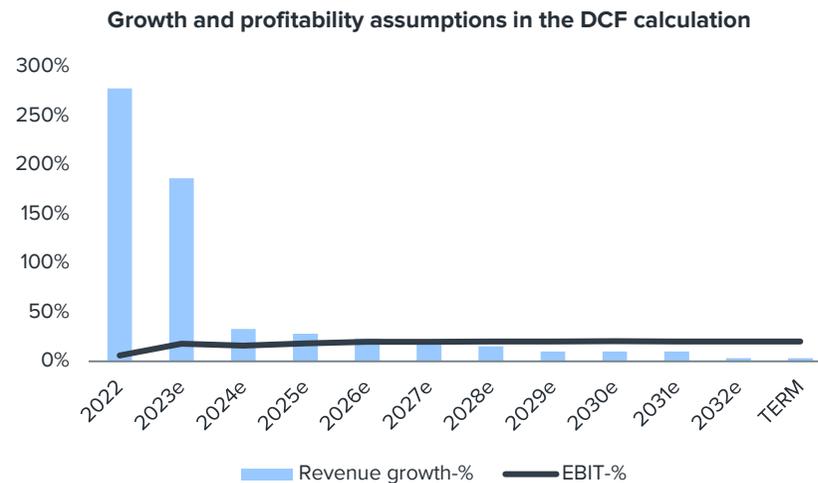
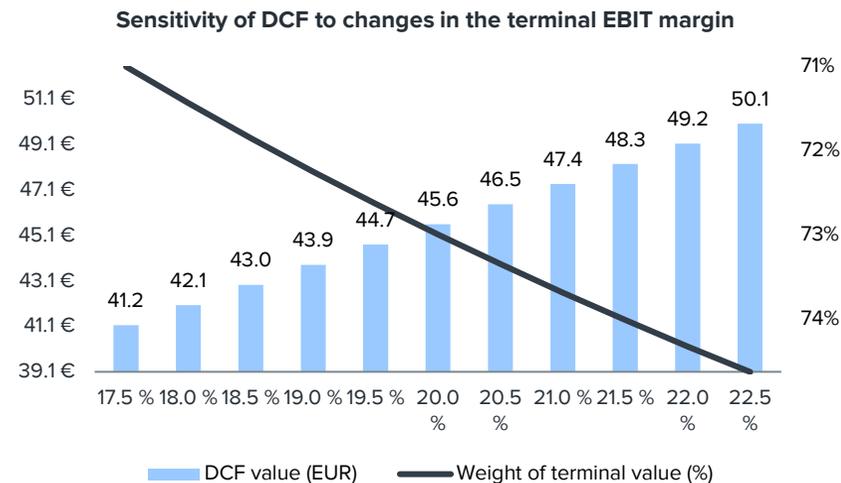
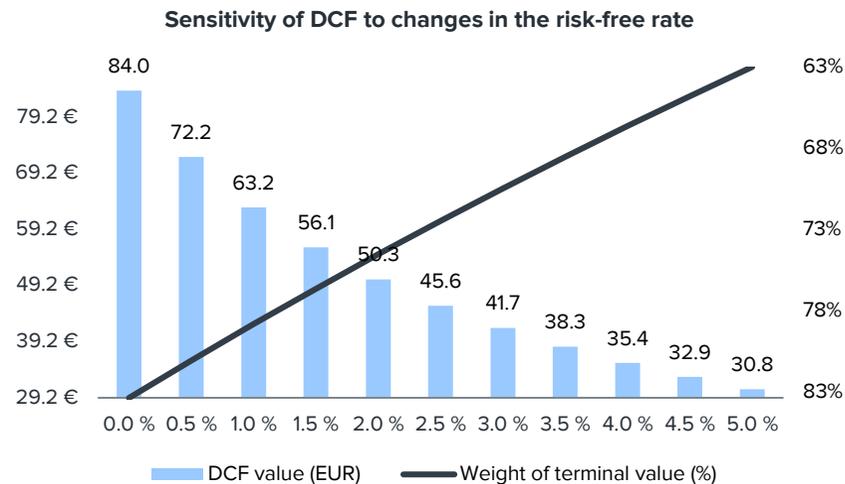
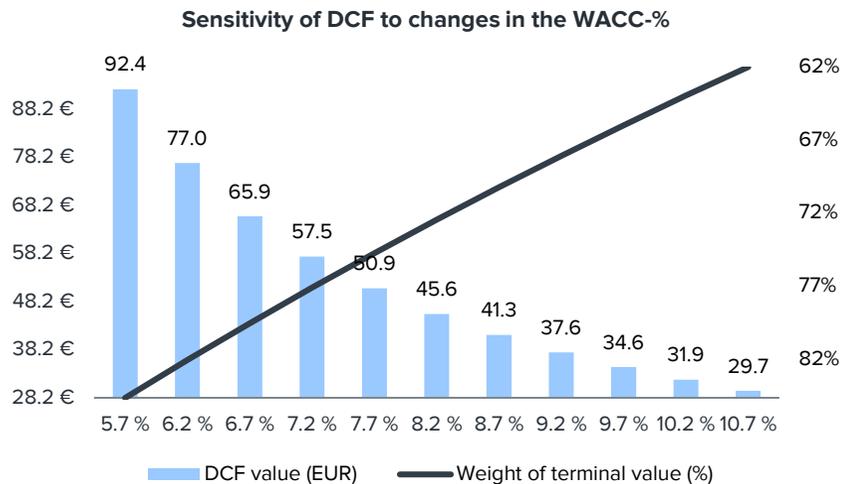


## WACC

Tax-% (WACC)	22.0 %
Target debt ratio (D/(D+E))	10.0 %
Cost of debt	3.0 %
Equity Beta	1.33
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.5 %
<b>Cost of equity</b>	<b>8.8 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>8.2 %</b>

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	2020	2021	2022	2023e	2024e	Per share data	2020	2021	2022	2023e	2024e
Revenue	3.3	27.4	103.6	296.8	394.8	EPS (reported)		0.01	0.06	0.79	0.89
EBITDA	-2.1	0.5	9.5	59.3	74.7	EPS (adj.)		0.01	0.07	0.79	0.89
EBIT	-2.2	-0.6	6.1	53.2	63.3	OCF / share		0.00	-0.16	0.82	0.98
PTP	-2.2	-0.8	4.8	53.9	63.3	FCF / share		-0.14	-0.53	0.47	0.50
Net Income	-2.2	0.3	3.4	43.6	49.4	Book value / share		1.76	1.81	2.60	3.49
Extraordinary items	0.0	0.0	-0.6	-0.1	0.0	Dividend / share	0.00	0.00	0.00	0.00	0.00
Balance sheet	2020	2021	2022	2023e	2024e	Growth and profitability	2020	2021	2022	2023e	2024e
Balance sheet total	6.2	108.5	154.2	278.5	340.5	Revenue growth-%	909%	730%	278%	187%	33%
Equity capital	0.6	97.5	100.7	144.3	193.7	EBITDA growth-%	-4%	-124%	1800%	524%	26%
Goodwill	0.0	0.0	0.0	0.0	0.0	EBIT (adj.) growth-%	-1%	-73%	-1217%	695%	19%
Net debt	-0.5	-89.3	-58.3	-84.9	-112.9	EPS (adj.) growth-%			1287%	951%	13%
Cash flow	2020	2021	2022	2023e	2024e	EBITDA-%	-63.6 %	1.8 %	9.2 %	20.0 %	18.9 %
EBITDA	-2.1	0.5	9.5	59.3	74.7	EBIT (adj.)-%	-66.7 %	-2.2 %	6.5 %	17.9 %	16.0 %
Change in working capital	-2.9	-0.6	-17.2	-4.3	-6.3	EBIT-%	-66.7 %	-2.2 %	5.9 %	17.9 %	16.0 %
Operating cash flow	-5.0	-0.1	-8.6	45.5	54.5	ROE-%	-430.1 %	0.6 %	3.5 %	35.6 %	29.2 %
CAPEX	-0.5	-4.4	-23.2	-19.5	-26.5	ROI-%	-430.1 %	-1.2 %	5.7 %	37.9 %	35.3 %
Free cash flow	-1.9	-7.7	-29.7	26.0	28.0	Equity ratio	9.7 %	89.9 %	65.3 %	51.8 %	56.9 %
						Gearing	-83.3 %	-91.5 %	-57.9 %	-58.8 %	-58.3 %
Valuation multiples	2020	2021	2022	2023e	2024e						
EV/S	neg.	20.2	10.0	5.1	3.8						
EV/EBITDA (adj.)	0.2	>100	>100	25.5	19.8						
EV/EBIT (adj.)	0.2	neg.	>100	28.4	23.4						
P/E (adj.)		>100	>100	36.5	32.3						
P/B	0.0	6.6	10.8	11.1	8.2						
Dividend-%		0.0 %	0.0 %	0.0 %	0.0 %						

Source: Inderes

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Reduce	The 12-month risk-adjusted expected shareholder return of the share is weak
Sell	The 12-month risk-adjusted expected shareholder return of the share is very weak

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Date	Recommendation	Target	Share price
8/15/2022	Accumulate	20.00 €	18.35 €
10/30/2022	Accumulate	22.00 €	19.64 €
2/15/2023	Reduce	27.00 €	27.56 €
4/14/2023	Lisää	30.00 €	27.30 €
4/20/2023	Accumulate	32.00 €	28.80 €
7/19/2023	Accumulate	43.00 €	41.68 €
7/25/2023	Reduce	43.00 €	42.84 €
9/18/2023	Accumulate	52.00 €	46.10 €
10/19/2023	Accumulate	44.00 €	37.88 €
10/31/2023	Buy	44.00 €	29.59 €
2/9/2024	Buy	41.00 €	28.72 €



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