

# MERUS POWER

02/23/2026 08:25 EET

This is a translated version of the "Kasvutarina edennyt kannattavampaan suuntaan" report, published on 02/23/2026



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INDERES CORPORATE CUSTOMER

# EXTENSIVE REPORT



# Growth story moving in a more profitable direction

Merus Power has grown strongly in recent years and gained a significant share of the energy storage market in Finland. The industry is competitive and has low margins, but as the scale increases, operational profitability also improves. We got a first taste of the profitability turnaround and the international growth of energy storage deliveries during 2025, and we expect these themes to strengthen in the coming years. Assessing long-term profitability is still difficult for now, which increases the valuation risk. As the EBIT margin continues to improve, the stock could have significant value creation potential in a market supported by megatrends. We reiterate our Accumulate recommendation and a target price of EUR 4.7.

## Power electronics for growing market segments

Merus Power is a Finnish technology company founded in 2008 that designs and produces energy storage systems, power quality solutions, and related services. Both of the company's product segments are based on self-developed modular core technology and software, which enable easily customizable and high-performance solutions for various applications. Production is located at the new factory in Ylöjärvi and is relatively capital-light, consisting mainly of component assembly and testing. In addition, the company's deliveries may include significant purchased components, such as batteries and transformers.

Energy storage systems are the company's key growth segment and accounted for an estimated 77% of total revenue in 2025. The demand for energy storage is growing, particularly driven by renewable electricity generation. The demand for power quality solutions is also growing in the long term, supported by the increasing adoption of frequency-controlled pumps and investments in the steel industry. The company has delivered its power quality solutions to more than 70 countries through its extensive distribution network. The energy storage

business is more local and the aim is to expand it from Finland to the rest of Europe through distribution partnerships.

## Profitability and revenue diversification under observation

We expect the company to be able to continue its strong growth trajectory in the medium term (revenue growth 2026-30: 13% p.a.), although we estimate that 2026 growth will be in the single digits after last year's leap. So far, most of the estimated growth is based in Finland, but growth could be significantly stronger than our estimates if the company's energy storage systems prove competitive in international markets as well. The company received its first two energy storage orders from Poland in H2'25. Another key share price driver is profitability, which has been under pressure due to factory investments and rapid organizational growth before the 2025 turnaround (EBIT 0.6%, improved by 6 percentage points). Margins in energy storage are low (estimated at ~25%), and we believe the industry's sustainable long-term EBIT-% is around 5% (e.g., Wärtsilä targets 3-5% in the medium term).

## Potential for value-creating growth

If the profitability turnaround and customer base expansion continue, the business could become highly value-creative (ROI 2028e: 16%). Fair earnings-based valuation multiples could be well above the stock market average in the long term, influenced by value creation in addition to a strong long-term growth outlook. Our fair estimate of around 15x EV/EBIT would imply an annual return of ~15% based on our 2028 estimates. The share's risk level is also clearly higher than average due to the poor predictability of profitability, dependence on individual large energy storage orders, and limited balance sheet flexibility. However, if the recent favorable development continues, it could decrease the aforementioned risks and enable significant upside potential in a favorable scenario.

## Recommendation

**Accumulate**

(was Accumulate)

## Target price:

**EUR 4.70**

(was EUR 4.70)

## Share price:

EUR 4.30

## Business risk



## Valuation risk



	2025	2026e	2027e	2028e
<b>Revenue</b>	54.6	57.9	69.5	80.6
<b>growth-%</b>	53%	6%	20%	16%
<b>EBIT adj.</b>	0.3	1.4	2.8	3.7
<b>EBIT-% adj.</b>	0.6 %	2.3 %	4.0 %	4.6 %
<b>Net Income</b>	-1.1	0.2	1.6	2.7
<b>EPS (adj.)</b>	-0.14	0.02	0.19	0.33
<b>P/E (adj.)</b>	neg.	>100	22.6	13.2
<b>P/B</b>	3.5	3.3	2.9	2.4
<b>Dividend yield-%</b>	0.0 %	0.0 %	0.0 %	0.0 %
<b>EV/EBIT (adj.)</b>	>100	28.9	14.3	10.5
<b>EV/EBITDA</b>	21.4	14.0	9.0	7.1
<b>EV/S</b>	0.7	0.7	0.6	0.5

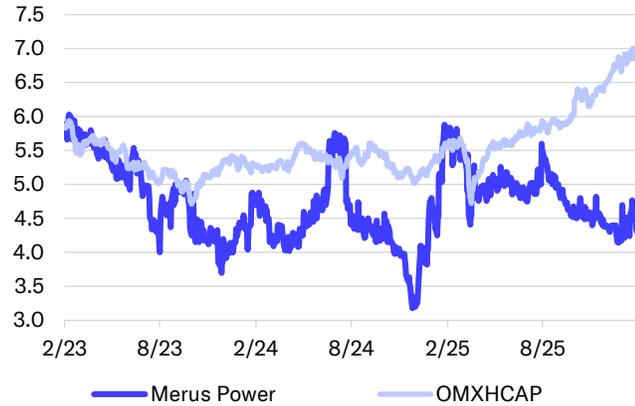
Source: Inderes

## Guidance

(Unchanged)

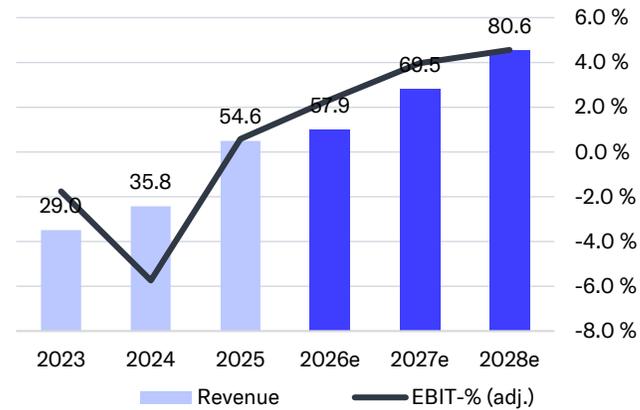
Merus Power estimates that in 2026 the company's revenue will increase compared to 2025. EBITDA is estimated to be 2-4 MEUR.

## Share price



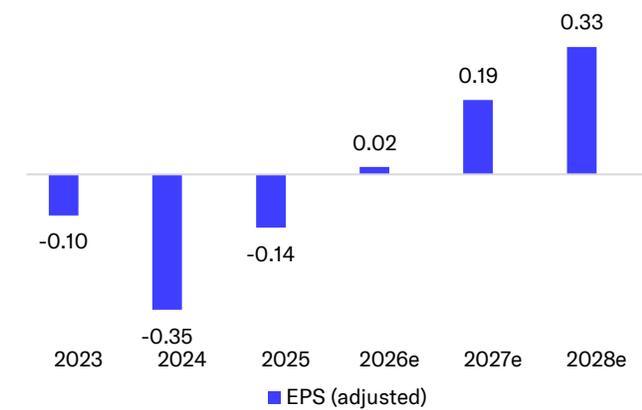
Source: Millstream Market Data AB

## Revenue and EBIT-% (adj.)



Source: Inderes

## Earnings per share



Source: Inderes

## Value drivers

- Rapidly growing end markets due to the energy system transformation
- Specialized technological expertise
- Listing has supported resources and enabled accelerated growth
- Revenue growth brings economies of scale and supports profitability in the medium term

## Risk factors

- Long-term profitability levels involve uncertainty due to the development phase of the energy storage business and the market
- The business's composition of large deliveries brings volatility to revenue development
- Fluctuations in investment-driven demand
- Growth has burdened the balance sheet as the profitability turnaround has been delayed

Valuation	2026e	2027e	2028e
Share price	4.30	4.30	4.30
Number of shares, millions	8.22	8.22	8.22
Market cap	35	35	35
EV	39	39	39
P/E (adj.)	>100	22.6	13.2
P/E	>100	22.6	13.2
P/B	3.3	2.9	2.4
P/S	0.6	0.5	0.4
EV/Sales	0.7	0.6	0.5
EV/EBITDA	14.0	9.0	7.1
EV/EBIT (adj.)	28.9	14.3	10.5
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

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# Company description and business model 1/4

Merus Power develops power quality solutions, energy storage systems, and services. The company aims for growth while contributing to the sustainable energy transition.

## 2008

Year of establishment

## 2021

Listing of the First North list of Nasdaq Helsinki

## MEUR 54.6

Revenue 2025 (growth 53 % y/y)

## MEUR 1.8

Adjusted EBITDA 2025

## MEUR 24.5

Order book 2025 (down -18%)

## 141

Average number of personnel in 2025

### Before listing (-2021)

- The business consisted mainly of power quality solutions
- Diversified global distribution and a good margin profile in power quality solutions
- First energy storage deliveries in 2019

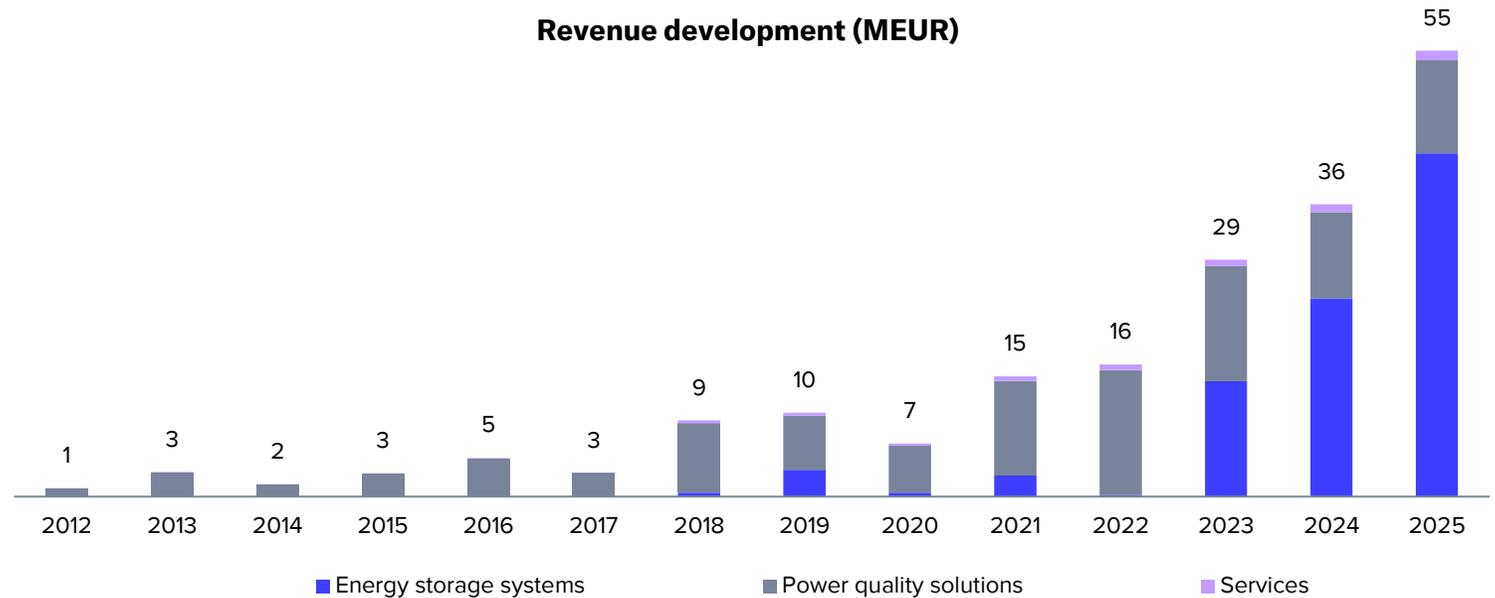
### Rapid growth as a listed company (2021-25)

- The strengthened balance sheet from the IPO enabled a transition to a new size class in energy storage projects
- Significant increase in production capacity and human resources
- The margin profile of energy storage systems is low, and efficiency has been suboptimal at the outset

### The aim is profitable growth (2026-)

- The aim is to improve profitability and turn the company's cash flow around
- Internationalization of the energy storage business and diversification of the customer base
- Adapting to new market growth priorities

### Revenue development (MEUR)



The segment breakdown is based on Inderes' estimate

# Company description and business model 2/4

## Merus Power in brief

Merus Power is a Finnish technology company that develops and produces energy storage systems, power quality solutions, and services. Power quality solutions have been sold to a wide global customer base for years. Energy storage, a newer product line, has initially focused on Finland, but the internationalization of energy storage sales is on the agenda and progressing. The company has its own sales organization in Finland and sales offices in Germany, the Middle East, and South America, but otherwise, the company's extensive network of distribution partners is utilized in the export market.

The company was established in 2008 by the current management. Merus Power piloted its first power quality-related delivery in the fall of 2010, after which it has continued to develop its product portfolio and has already sold its solutions to more than 70 different countries. In 2025, the revenue was 55 MEUR, which corresponded to a growth of 53%, aided by energy storage deliveries. Profitability has still been close to zero (2025 operating result: 0.3 MEUR), which has been impacted by, e.g., the rapid increase in resources to achieve growth. The number of employees has grown strongly since the IPO. In 2025, the company already employed an average of 141 people.

## Market transformation offers growth opportunities

Energy production transformation and electrification of societies increases demand for Merus Power's solutions in both of the company's segments. The annual revenue of the energy storage market is expected to more than double in Europe from 2025 to 2030, which would correspond to an annual growth rate of approximately 17%. The power quality solutions market is expected to grow at an annual rate of around 7% in 2025-30<sup>1</sup>.

<sup>1</sup>) Source: Mordor Intelligence (more on market growth on pages 13 and 19)

## The IPO provided resources for growth

Merus Power raised net proceeds of some 12 MEUR in its IPO in 2021, with the key objective of growing into a significant player in the rapidly developing energy storage market. Since the listing, the company has multiplied its personnel and expanded into larger energy storage projects. The company aims to multiply its revenue to 80 MEUR by 2026, mainly organically. The majority of the growth target relies on energy storage systems and renewable energy integrations, which are targeted to account for 70% of revenue by the end of the strategy period. According to our assessment, the company appears to have achieved its targeted scenario in relative terms, although the total revenue in euros is likely to fall slightly short of the target, despite strong growth.

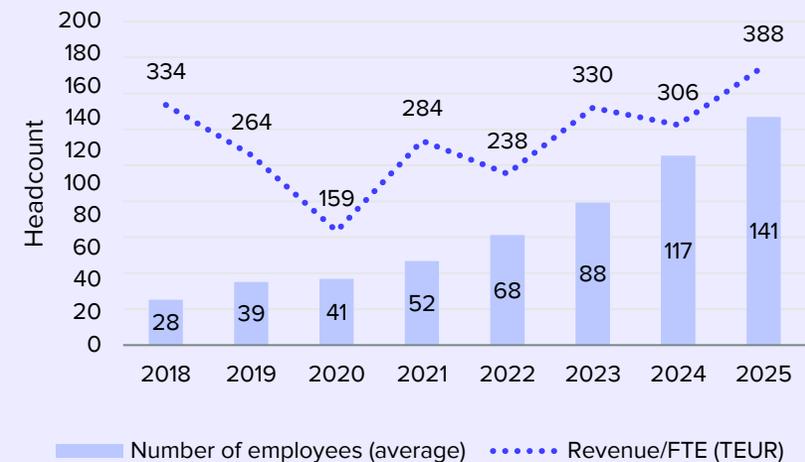
## Aim to improve profitability and cash flow

In the early part of the strategy period, the company's profitability has been low, but Merus Power aims for an average EBITDA margin of over 15%. We estimate that the scaling of implemented growth investments will improve profitability to a higher level than in recent years, but at the same time, we consider the targeted profitability level to be quite ambitious. The development of the company's profitability is also partly dependent on its own growth investments. In addition to the IPO proceeds, growth has so far been financed by a small 2 MEUR share issue (2025) and partly by debt. The company has little net debt (2025 net debt: 2.9 MEUR), but growth in larger energy storage projects ties up significant working capital. Continuing strong growth could necessitate strengthening the balance sheet in the future, depending on, e.g., the company's profitability development, and the payment terms of the energy storage projects the company is pursuing.

## Merus Power on the map



## Development of the number of personnel



# Company description and business model 3/4

## Energy storage and power quality solutions are built around the same technology

Before the listing, Merus Power's revenue was mainly generated from the power quality solutions segment, for which the company has developed several solutions based on the same core technology throughout its history. The power electronics of energy storage systems also utilize similar technology to power quality solutions, which partly supports the strategic logic of why Merus Power has wanted to expand its business into the growing energy storage segment.

The nature of the energy storage business differs somewhat from the power quality business, especially in terms of average order size. In the energy storage business, individual orders can be up to tens of millions of euros, and their delivery can tie up significant working capital because delivery times are typically long and customer payments are weighted towards the end of deliveries. In power quality solutions, the business also includes quite large project-like deliveries (up to 5 MEUR), but typically at least half of the revenue comes from smaller orders, some of which are small projects and some product sales that can be delivered quickly. Thus, revenue in power quality solutions is clearly more dispersed across orders, customers and geography.

## The position in the value chain differs between product segments

In the power quality solutions product segment, Merus Power's position in the value chain is to act as a solution supplier to the actual system suppliers. An advantage of this business model is that the scope of delivery is limited

and mainly includes the company's own core technology, which keeps the risks of cost overruns low.

In the energy storage product segment, Merus Power aims to profile itself as a complete system supplier, so the added value created by the integration of different elements would remain with the company, and it can enter into continuous service agreements with its customers. At the same time, the company also assumes the risk associated with project management. Although individual energy storage deliveries are large from Merus Power's perspective, they are small to medium-sized in the market context. In this size category (of around 5-30 MEUR), we estimate that the company's technological expertise stands out and supports its competitiveness compared to, e.g., the smallest deliveries in the corporate and consumer segments (0-2 MEUR). The company's strengths also do not extend to the largest projects, sometimes even worth hundreds of millions of euros, where global companies compete on procurement efficiency.

## Proprietary technology at the core of competitiveness

Merus Power's competitiveness is based on the company's self-developed technology, which it can utilize in a scalable way in its products. The mechanical part of the company's technology is specifically based on the serial assembly of power electronics modules, which are used in all of the company's products and can be connected as needed, incorporating application-specific needs. In addition, control and software solutions developed by the company play a key role. We believe that the technical specifications, such as speed and power density, are at a competitive level in Merus Power's solutions. However, the technology must be continuously developed to maintain competitiveness

## Revenue distribution<sup>1</sup>

■ Energy storage systems ■ Power quality solutions ■ Services



### Energy storage systems

- Large turnkey deliveries
- Strong growth
- Lower material margin
- Internationalization is still in its initial stages

### Power quality solutions

- Product sales and projects
- Stable growth phase
- High material margin
- Extensive global distribution

Common core technologies and scalable production

1) Based on Inderes' estimate (2025).

# Company description and business model 4/4

## Production consists of assembly and testing, and energy storage systems also include subcontracted elements

Merus Power's power electronics and control units are manufactured at the plant in Ylöjärvi. The assembly line assembles the products from purchased components, after which the products are thoroughly tested before delivery to their destination. For larger orders, shipped products are installed into cabinets at the destination and connected to a control unit. Installation is typically an outsourced service. After installation, Merus Power's employees perform a commissioning inspection and the product can be handed over to the customer. The batteries used in energy storage are sourced from global suppliers and delivered directly to installation sites. In turnkey energy storage projects, Merus Power also commissions the necessary construction work and project management mainly through subcontractors.

Production operations at the factory are mainly predictable and efficient. Potential surprises or challenges in deliveries can sometimes be related to component availability, delivery entities of a new size class, or expansion into new markets. For example, the delivery of the first larger-scale energy storage project (20 MEUR) was delayed in 2024 due to design challenges, but subsequent similar deliveries have met targets, which reflects the importance of learning and repetition for the company's efficiency.

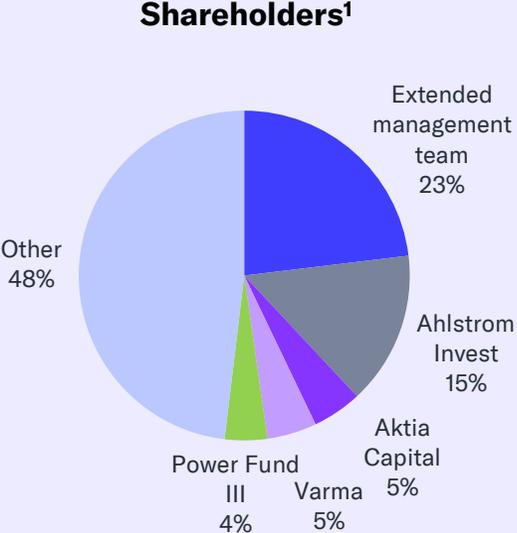
## New modern facilities in use

The company moved to modern 4,700 square meter premises in Ylöjärvi in the fall 2023. The premises are almost three times larger compared to the previous premises in Nokia, where the company had operated since

its establishment. The company also has office premises elsewhere in Finland, which are used, e.g., by the company's salespersons and product development. The new facilities have enabled more efficient production and offer the capacity to multiply revenue up to 100 MEUR. Merus Power's production mainly consists of module assembly and testing, which does not require large investments in production equipment. However, product development and testing processes require specialized laboratory facilities.

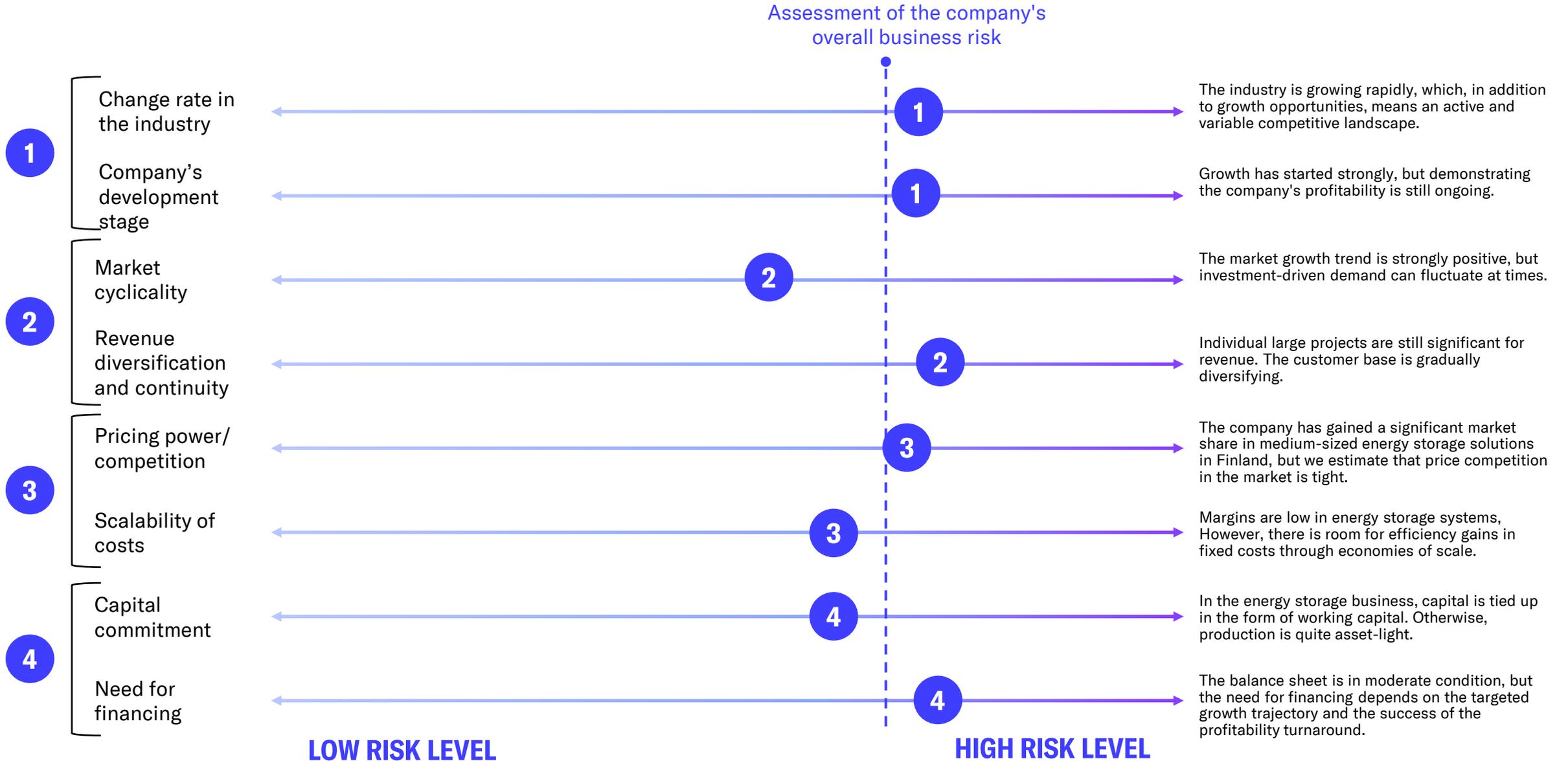
## Owners include management, institutions, and private investors

The company's long-standing CEO and one of its founders, Kari Tuomala, is the company's largest shareholder with an 18.2% stake. Prior to the listing, the largest owners included private equity funds such as Power Fund III and Inventure Fund, but they have reduced or abandoned their holdings since the listing. Instead, a wide group of institutional investors investing in listed shares has emerged, the largest of which are currently Ahlstrom Invest, Varma, and Aktia Capital. At the end of 2025, the company had 4,597 shareholders.

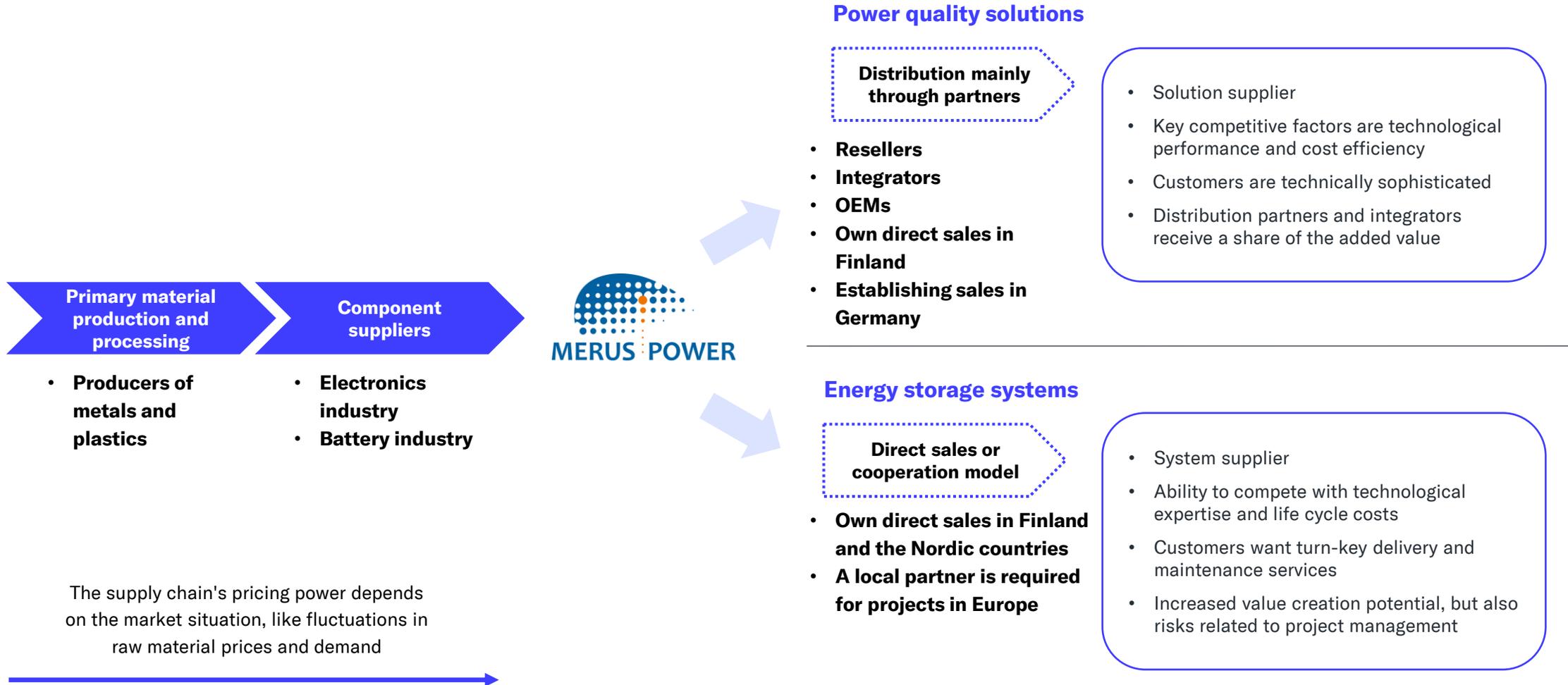


1) 01/31/2026

# Risk profile of the business



# The role of the company in the value chain



# Energy storage systems 1/6

Energy storage systems have become Merus Power's largest product segment measured by revenue as a result of the strategic change following the IPO. We estimate that the energy storage business generated revenue of around 42 MEUR in 2025, representing as much as 77% of the company's total revenue. The energy storage market will grow strongly in the long term, driven by the renewable energy transition. However, demand in the investment-driven market can occasionally fluctuate based on the laws of supply and demand.

## The company's core technology plays an important role in energy storage systems

The most important technology in energy storage systems consists of grid inverters, control, protection, and trading software developed and manufactured by Merus Power. In addition, energy storage requires energy-saving technology, typically a lithium-ion battery that Merus Power purchases through subcontracting. The company's internally developed technologies enable, e.g., very fast response, ensuring power quality, and supporting grid voltage in disturbance situations. The company's solutions can meet various customer needs in terms of capacity and output, but the competitiveness of the company's products is best highlighted in energy storage systems where the discharge rate is relatively high compared to the battery capacity.

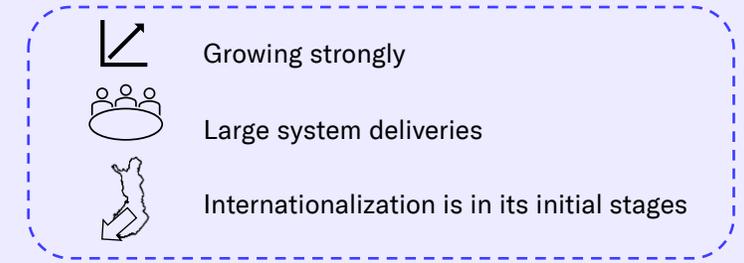
The domestic content of the company's energy storage systems has typically been around 40-60%. The domestic content and the share of proprietary technology are significantly affected by the power discharge rate the customer requires, as the share of externally sourced

batteries is emphasized in slower power discharge rates. Container solutions, grid inverters, and control systems are manufactured in Ylöjärvi mainly from Finnish and European components. Batteries typically come from Asia.

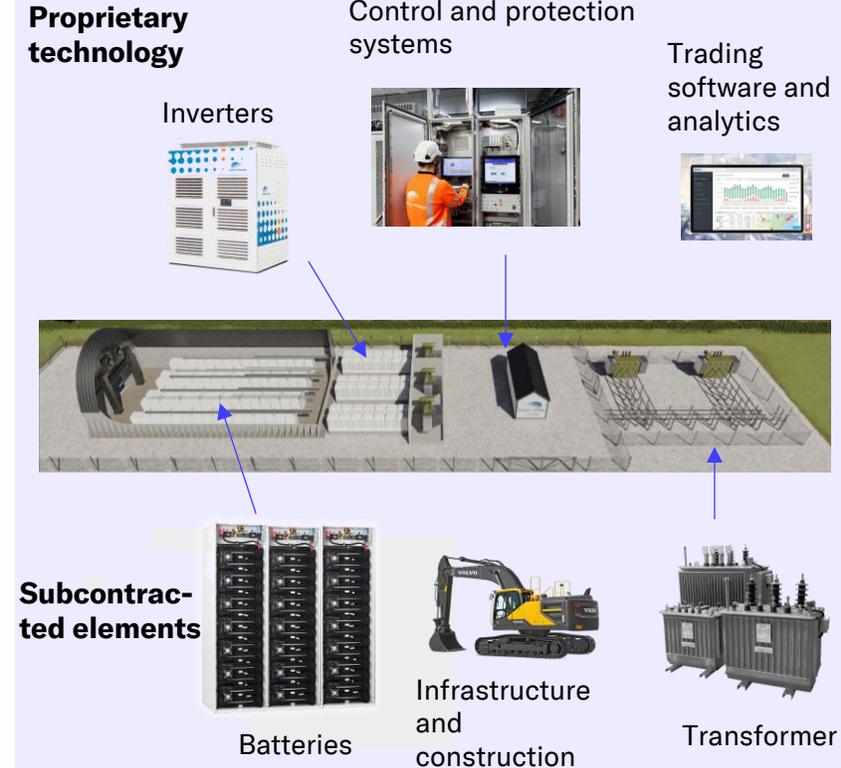
## Revenue mainly consists of large deliveries

The power of Merus Power's energy storage systems has so far ranged from around one megawatt to tens of megawatts, with delivery values reaching up to 20 MEUR. The size of the energy storage systems delivered by the company has been on an upward trend, measured by both power and capacity, and by the euro amount. The company operates in the small and medium-sized energy storage segment, but the scale of individual projects is large relative to the company's own size. Revenue is thus more concentrated, and annual development is more dependent on the timing of individual orders compared to, e.g., product sales of power quality solutions. At the same time, large energy storage deliveries enable rapid growth in revenue and power electronics production volumes.

The company's energy storage deliveries show some variation in terms of content. Sometimes the company only supplies the energy storage technology itself (described in the right sidebar), and sometimes it provides comprehensive turnkey deliveries, which include, e.g., offering a suitable plot of land, permits, and construction of the surrounding infrastructure. The company has identified and reserved plots suitable for energy storage facilities in Finland along national grid connections to offer potential customers ready-made and advanced investment opportunities.



## Merus Power integrates both its own and subcontracted technology into energy storage systems<sup>1</sup>



# Energy storage systems 2/6

## In energy storage, the relative margin level is thin

The relative margin level for energy storage systems is structurally lower than for power quality solutions, as batteries account for a significant proportion of the value of deliveries, and this technology is not developed by Merus Power. We estimate that for deliveries currently typical for the company, in the 20 MEUR range, the gross margin varies between 20-30%. A thin margin means that running a profitable business requires sufficient volume and efficient project execution. The risk of implementation challenges is emphasized when moving to new project sizes (such as the first 20 MEUR storage system in 2024) and when expanding into new markets. Operational efficiency improves with repetition and learning.

## Services and software support overall competitiveness

During the life cycle of the energy storage, Merus Power offers its customers maintenance and support services, as well as trading software and analytics. Services complement the company's comprehensive offering, providing customers with ease and clarity through a one-stop shop model. In addition to the trading software it has developed, the company has a team in Helsinki focusing on electricity market analytics, which supports customers in, e.g., participating in the frequency reserve market as profitably as possible.

Maintenance and support services are almost without exception part of the company's energy storage deliveries. Trading and analytics services have been offered since 2024, and so far, these have only been sold to a few smaller-scale energy storage projects (Sallila Energia and Herrfors). In addition to direct service revenue, in-house electricity market analytics expertise can provide value in sales negotiations, for example.

## Internationalization has started in Poland

In the initial phase of the energy storage business, all of Merus Power's deliveries have been to Finland. However, the company has been working on expanding into new markets in recent years and succeeded in the latter half of 2025 by securing two supply agreements in Poland with different customers. The company continues its expansion into new markets and aims to agilely identify suitable target markets, rather than building permanent sales channels in individual pre-selected countries.

As deliveries are targeted outside of Finland, Merus Power needs a local partner who can handle regulatory and construction-related matters and act as a fully responsible supplier in the customer interface. Outside Finland, Merus Power's role is primarily to act as a technical solution provider, which to some extent limits risks related to cost overruns, for example.

## Winning new markets would diversify risks

Expanding energy storage deliveries outside Finland supports growth and diversifies country-specific risks. Finland's energy storage market has been progressive by European standards, but investment-driven demand may slow down or fluctuate in the future after a period of strong growth in installed capacity. Many potential target countries, such as Poland, are in an earlier stage of development, meaning their future growth potential could be significantly higher than in Finland. However, the threshold for achieving a strong competitive position outside Finland is significant, as Merus Power cannot leverage its comprehensive capabilities abroad in the same way as in Finland (e.g., land acquisition, project development, services).

## Announced energy storage supply contracts

Customer	Commissioning	Target country	Battery capacity (MWh)	Power (MW)
LEMENE	2019	Finland	1.3	1.6
TuuliWatti	2019	Finland	6.0	6.0
Lidl	2019	Finland	1.6	2.6
S Group	2021	Finland	2.0	2.0
Elenia	2024	Finland	1.2	1.2
Helen	2024	Finland	0.3	0.3
Taaleri Energy	2024	Finland	36	30
Sallila Energia	2025	Finland	1.7	1.7
Herrfors	2025	Finland	7.0	7.0
eNordic <sup>1</sup>	2025	Finland	40	38
Alpiq	2025	Finland	36	30
Enertia	2025e	Finland	10	10
Ardian	2026e	Finland	30	30
Enea Operator	2026e	Poland	8.0	8.0
Podkowa	2026e	Poland	9.0	2.0
Exilion	2026e	Finland	66	30
Neve (Rovaniemi)	2026e	Finland	80	30

<sup>1</sup>) eNordic Oy is a joint venture between the Finnish subsidiary of the international private equity investor Ardian and Lappeenranta Energia

# Energy storage systems 3/6

## The energy storage market is growing strongly

Demand for energy storage systems has grown strongly globally in recent years, and the industry is expected to grow rapidly in the long term as well. According to Rystad Energy and SEB's estimates, new installations of European energy storage capacity reached 31 GWh in 2025 and will grow to 84 GWh by 2030, which would imply an average annual growth of 22% in new capacity installations. The growth in installation volumes supports the euro-denominated market size, but the fall in battery technology prices and a shift to lower discharge rates, in turn, decrease the revenue generated from supplying energy storage per installed capacity. According to Mordor Intelligence's estimate<sup>1</sup> market value growth would be around 17% p.a. in 2025-30.

## Renewable energy is the main driver for energy storage

The key driver for growing energy storage demand is related to the transformation of the energy markets, where traditional stable but polluting energy production forms are replaced by clean technologies with variable production volumes, such as wind and solar power. Renewable energy is cheaper to produce than fossil forms, which has led to strong growth in investments in recent years. The development and lower costs of energy storage and other flexible technologies also support investments in renewable energy. However, investments in renewable energy are subject to volatility, influenced by factors such as electricity price trends, financing costs, and political decision-making.

1) Europe Energy Storage Systems Market Size & Share Analysis

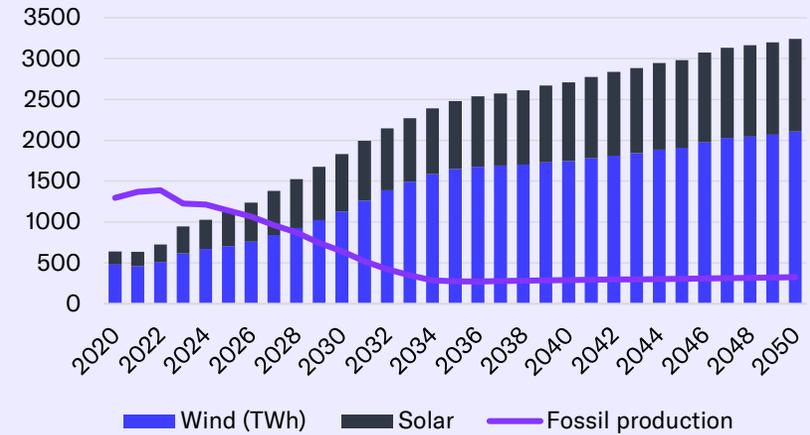
## Energy storage has several applications, but the frequency regulation market has been emphasized so far

The company's customers acquire energy storage for many reasons, the most central of which, in recent years in Finland, has been participation in the frequency regulation market. In addition, energy storage can be used, e.g., for energy trading, back-up power procurement, power consumption optimization in a microgrid, and enabling and integrating renewable energy production into the grid.

In 2023-25, four out of five of the company's largest energy storage orders had a power discharge rate of 1 hour, meaning they were particularly suitable for the frequency regulation market for rapid grid balancing. However, during 2025, revenues from the frequency regulation market have decreased, and investors have started to prepare for other earning models in battery storage construction, such as intraday electricity trading. This has meant that during 2025, the popularity of energy storage systems with longer power discharge rates (2-4 hours) has increased. The decrease in battery prices has partly supported the shift to energy storage with larger battery capacities.

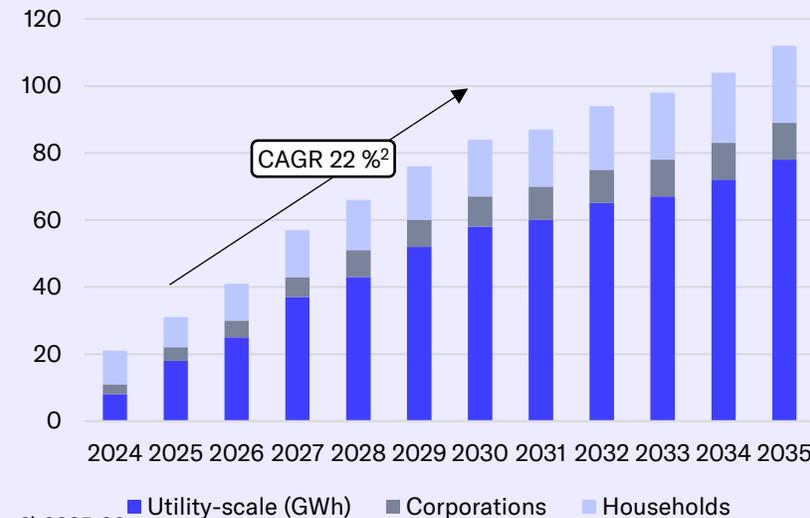
In the past, Merus Power has also delivered several small-scale energy storage systems, partly due to customers' desire to test the viability of energy storage for certain new types of applications. For example, a pilot solution has been implemented with Elenia, where an energy storage is used to secure electricity distribution in sparsely populated areas. Helen, in turn, has ordered a small energy storage system from Merus Power to explore the possibility of strengthening the regulating power of hydropower plants in frequency support amid tightening technical requirements.

Electricity production in Europe



Source: Bloomberg NEF

Increases in BESS capacity in Europe



Source: Rystad Energy and SEB

# Energy storage systems 4/6

## Market-specific differences in earning models

There is great variation within Europe in the typical earning models for energy storage systems. Different earning models can be partly utilized in parallel (revenue stacking), which helps the owners of energy storage systems maximize and diversify returns.

For example, in many Northern European countries, the most important earnings model for industrial-scale energy storage is participation in market mechanisms that balance the electricity grid, such as Fingrid's frequency reserve market in Finland. A similar market is also being launched in Poland, for example. In these market mechanisms, pricing varies continuously, and buyers of suitable energy storage systems can offer capacity to the mechanisms on a daily basis. In the frequency reserve market, energy storage systems participate in stabilizing the grid frequency when imbalances occur in electricity consumption and production.

Capacity payments are another widely available revenue model for energy storage owners at a European level, though not significant in Finland. In these cases, government bodies pay the constructor of the energy storage system based on long-term contracts, for example, 15 years. Capacity payments are typically tendered through an auction process.

Trading in the wholesale electricity market is the third major earnings model. The increased price volatility in the electricity markets offers more opportunities for profit-seeking through intraday electricity trading. This type of trading can also be carried out alongside other short-term market-driven earning models, such as participation in the frequency reserve market.

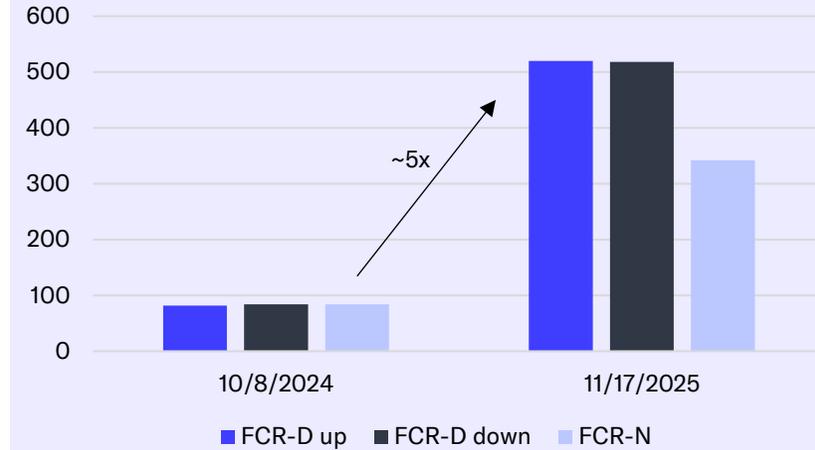
## New capacity has been built rapidly in Finland

In Finland, in recent years, the revenues offered by the frequency regulation market have at times been very high, as a result of which a lot of energy storage capacity has been rapidly built on the market. Fingrid's reserve markets have several different market sub-segments, of which the most profitable for energy storage have been FCR-D and FCR-N, which necessitate a rapid response. The amount of energy storage capacity suitable for these markets has multiplied in just over a year, which has depressed the frequency regulation market's returns towards a more sustainable level. Demand in the frequency regulation markets is also growing with the increase in renewable energy production, but the pace is slower compared to the growth in energy storage capacity supply in recent years.

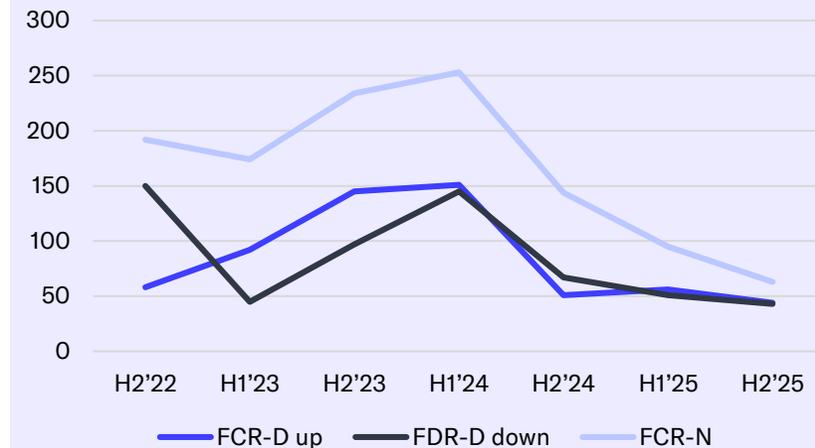
The decrease in revenues from the frequency regulation market is also why investors have started to build slower energy storage systems, allowing a higher relative battery capacity to be utilized, e.g., in wholesale electricity trading. We estimate that the focus of energy storage's earnings logic will, in the long term, shift even more towards electricity price-based arbitrage, the attractiveness of which is particularly affected by short-term volatility in the market price of electricity. Energy storage systems can relatively efficiently balance the highest intraday price fluctuations.

Energy storage is not the only technology in the frequency regulation market; it also competes with hydropower and industrial demand-side flexibility, among others. However, the total capacity growth of competing technologies has not been significant recently. We consider hydropower to be a potentially decreasing technology and demand-side flexibility to be an increasing one.

**Energy storage capacity in Fingrid's frequency regulation markets**



**Revenue from the frequency regulation market (TEUR per MW capacity per 6 month period)<sup>1</sup>**



1) Assumption of 100% utilization in these markets. Does not consider additional revenue from optimization between different markets.  
Source: Fingrid

# Energy storage systems 5/6

## Competitive landscape

### The largest global players focus on a different size category

The energy storage market includes both large multinational corporations, as well as medium-sized and smaller players that focus specifically on energy storage and electricity grid solutions. Large multinational companies have focused on producing standardized energy storage solutions for capital-intensive, large-scale projects, where integrators generally compete on brand, total delivery, procurement organization, and particularly price. Many large-scale companies do not even operate in Finland but instead focus on larger markets and project sizes than what is typically seen in Finland.

### Merus Power carries out smaller, but still utility-scale projects

Merus Power is one of the smaller players, which also include European companies such as Alfen, Intilion and Leclanché. The competitiveness of companies of this size is based on technological and local specialization, as well as the ability and willingness to consider the customer-specific requirements of the projects. This includes companies utilizing their own technology and customizing the solutions for the customers instead of trying to integrate large standardized solutions from the technologies available in the market. Local grid connection requirements vary by country, which limits the geographical expansion of different players and naturally leaves room for local players.

### The smallest storages are a separate matter

A separate category consists of suppliers of very small-scale energy storage systems, who typically sell ready-

made technology imported from China to, e.g., companies or consumers. Merus Power is not actively involved in this segment, although it has previously supplied some small-scale energy storage solutions for corporate use.

### Merus Power's competitiveness stems from specialization and proprietary technology

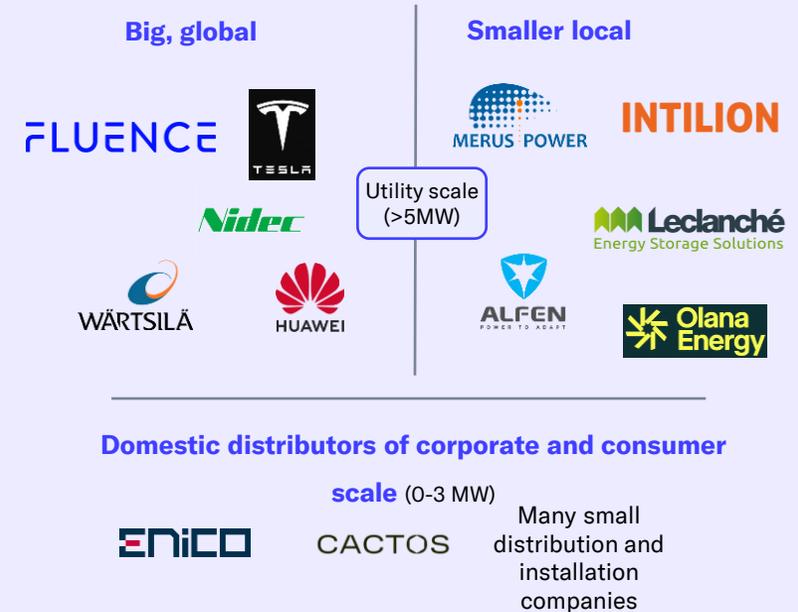
In our view, Merus Power's competitiveness in energy storage systems is supported by its technological expertise in power electronics and control systems. The company manufactures its own power electronics and control units, making it most competitive in projects where the power-to-capacity ratio is high. Its ability to combine energy storage systems and power quality solutions into a single package improves product compatibility and reduces potential operational disturbances, e.g., in terms of power supply.

The company also has strong knowledge of Fingrid's grid connection requirements and the ability to meet them, exemplified by the company building the first viable grid-forming energy storage facility in the Nordic countries. This feature is becoming mandatory for all energy storage systems operating in the reserve market.

### A possibility to develop into a larger-scale supplier in the future

Merus Power's technology can be scaled to various size classes, meaning that the same technology could, in principle, be used in larger projects. As a small company, it is, however, difficult for Merus Power to achieve sufficient scale (and thus cost competitiveness) in procurements to be competitive in large-scale (>100 MWh) energy storage systems. Working capital financing could also become a bottleneck in the company's current situation.

## Competitive landscape in the energy storage business



# Energy storage systems 6/6

The company's brand and distribution organization for energy storage systems are not yet on par with larger competitors outside Finland. As the energy storage market is still in its early stages, we consider it possible that Merus Power can develop the aforementioned weaknesses and improve its global competitiveness in the energy storage market in the medium term.

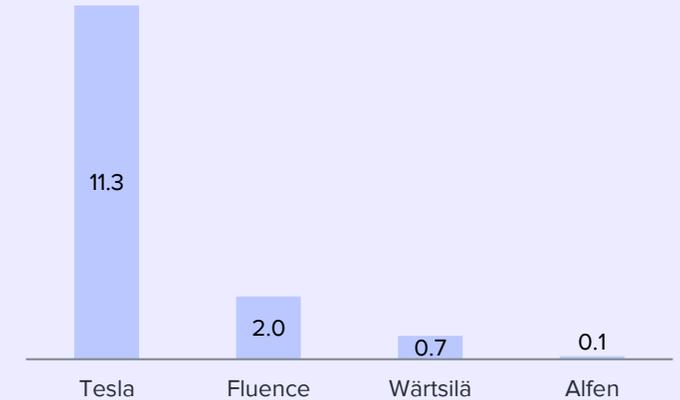
## The industry is aiming for profitability

The rapidly developing energy storage market has seen various turns in recent years due to factors such as macroeconomics and geopolitics. During the COVID-19 pandemic, institutional investors valued growth-oriented companies, which intensified price competition. Since 2023, the weight of profitability in companies' strategies has increased, which, in our view, might also have had a restoring effect on market pricing. For example, Fluence and Wärtsilä have reported positive operational EBIT for 2024, although the positive trend in the profitability of these peer companies has not continued into 2025.

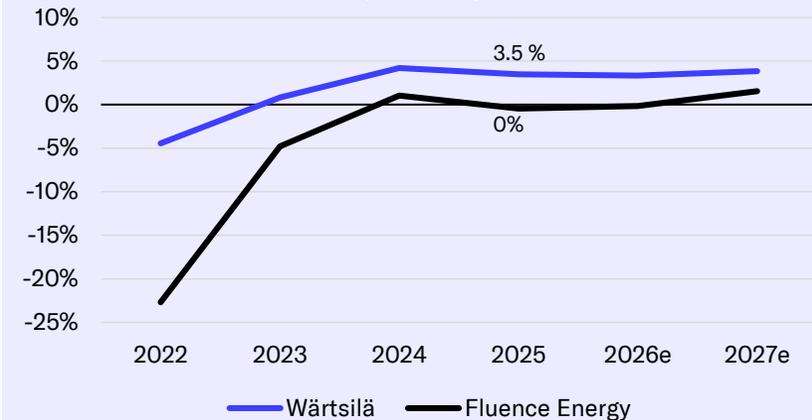
## US tariffs have intensified competition in Europe

Another significant negative market shock for Western companies occurred in 2025 when the US implemented high tariffs on batteries imported from China. Fear of tariffs has clearly stagnated the US energy storage market, causing global companies to redirect deliveries to other countries, which in turn has led to intensified global competition. However, the effects on Finland may be limited due to the absence of most large companies. Intensified competition in Europe can, however, make the internationalization of Merus Power's energy storage business more challenging.

Revenue figures of listed industry companies from the energy storage business (BEUR)<sup>1</sup>



Profitability of industry companies in the energy storage business (EBIT-%)<sup>1</sup>



1) Last reported 12 months

2) Wärtsilä is based on Inderes' estimate, Fluence on Bloomberg's consensus as of February 20, 2026.

# Power quality solutions 1/6

Power quality solutions have been at the core of Merus Power's business since the company was founded, so the development phase is further along than in energy storage systems. We estimate the segment to have generated revenue of around 11 MEUR in 2025, which is stable compared to 2024 levels and weaker compared to the strong economic conditions of 2022-23. We estimate the business segment's medium-term growth profile is quite favorable, which is especially supported by the strengthening of distribution channels in new markets and the growth of the target market as societies become increasingly electrified.

## What are power quality solutions?

Merus Power's power quality solutions consist of active filters and compensators that can meet different customer needs. The purpose of power quality solutions is to improve power quality, reduce disruptions, and improve process reliability, as well as energy efficiency. Active filters and compensators filter disruptions in the electrical networks, such as harmonic overcurrents caused by non-linear loads in electrical grids. Power disturbances jeopardize the stability of the grid and cause, e.g., damage to electrical devices, increased downtime and production losses. Merus Power's power quality solutions measure disturbances in the grid and eliminate them by feeding a pulse with the opposite phase into the power grid in real time. The solutions correct customers' power quality to meet the required power quality standards.

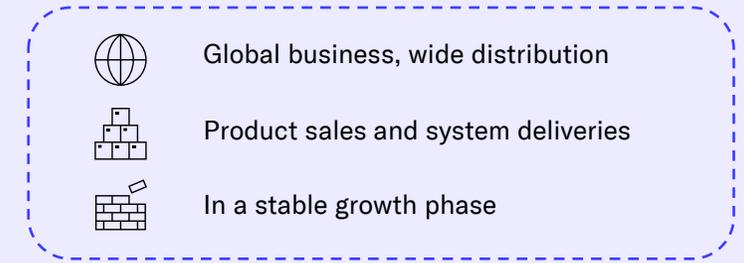
The business can be divided into product sales and system sales; the former typically consists of orders for standard products with fast delivery (particularly the A2 active filter),

while the latter comprises larger individual system orders (STATCOM and SVC) with lead times often exceeding one year. Both are based on similar technology.

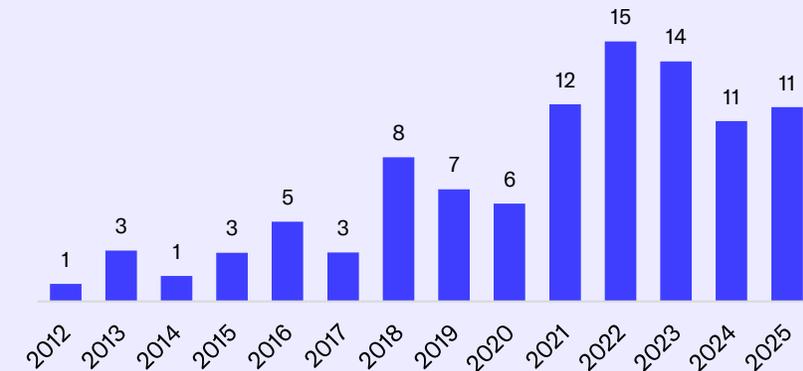
## Product sales consist mainly of active filters

A significant part of the revenue from power quality solutions comes from high-margin product sales, which include many small orders that can be delivered in just a few weeks. In the long term, we estimate product sales to account for 40-50% of the total revenue of power quality solutions. Economic cycles also affect product sales, but we still estimate that product sales are more stable in terms of demand compared to larger project-based deliveries. The majority of product sales consist of A2 active filters. In addition, the company's selection includes the more stripped-down 4Drives active filter and the HPQ hybrid compensator.

Active filters are used, e.g., in data centers, various properties, and industries where processes are particularly sensitive to disturbances in power quality. Disturbances in power quality are often caused by frequency inverters that can control electric motors steplessly. The use of frequency converters is increasing, e.g., with the increasing use of HVAC pumps for both heating and cooling purposes. The use of water pumps in water and waste treatment plants also causes problems, for which active filters are a solution. Merus Power is focusing its growth investments especially on these growing segments.



Revenue, power quality solutions (MEUR)<sup>1</sup>



Revenue distribution (2022-25)<sup>1</sup>



<sup>1</sup>) Based on Inderes' estimate

# Power quality solutions 2/6

## System deliveries for heavy industry

Typically, slightly over half of the power quality solutions' revenue comes from the delivery of STATCOM and SVC systems to heavy industry. These deliveries are often worth some millions of euros (<5 MEUR) with delivery times of about 12-18 months. We estimate that the margin levels of these larger systems are lower than product sales, which is affected by, e.g., the subcontracted sub-assemblies included in the solutions. STATCOM and SVC compensators developed by Merus Power are mainly used in the metal and mining industries. The systems ensure, e.g., efficient and uninterrupted operation of electric-arc furnaces. STATCOM and SVC orders are typically part of the customer's broader investment package, so demand varies according to investment trends in the metal industry. Merus Power also implements solutions for modernization projects, so demand is not only based on new factory projects.

A buyer of a large-scale industrial power quality system is often a system integrator responsible for the overall investment package ordered by the end customer. The integrator's tasks typically include the construction of a large entity (e.g., a steel mill production line) by combining the system integrator's own and third-party deliveries.

## Solutions are delivered around the world

Power quality solutions, both products and projects, are delivered internationally mainly through an extensive distribution network. The company's approximately 40 resellers have established local contact networks with industrial, real estate and infrastructure customers, as well as expertise in local electrical requirements. Merus Power

continuously aims to develop its distribution network and offers training and technical support to distributors through its own regional offices and, e.g., international webinars.

The company has its own sales organization in Finland. Sales offices were also opened in Germany and the United Arab Emirates at the end of 2022, and in Colombia, South America, in 2025. The foreign sales offices operate in cooperation with local distribution partners.

## Targeting both emerging and mature markets

A significant portion of the company's historical growth in power quality solutions has originated from emerging markets such as Asia, the Middle East, and Latin America, in addition to its home country of Finland. It has been easier for the agile company to gain a foothold in new markets where larger industry players have not been active.

Winning market shares in the more competitive western market is more challenging and requires long-term work. Since the IPO, the company has increased its presence in, e.g., German-speaking Europe and the US, where it did not yet have significant business before the listing. In the US, investments have already yielded concrete results, but conquering the sluggish German market has taken a little more time. However, we believe that the work aimed at developing distribution supports long-term growth opportunities. US sales efforts could also support the company in other geographies, as many data center projects relevant to Merus Power, built in different parts of the world, are commissioned and led by US companies. At the same time, the volatile US tariff policy makes operating in the market more difficult.

## Key customer segments



## Announced orders 2023-25<sup>1</sup>

Announced	Delivery target	Solution	Revenue
01/12/2023	Data center, USA	A2	0.9
10/02/2023	Steel mill, Imatra	SVC	1.0
11/22/2023	Steel mill, Poland	SVC	1.0
07/08/2024	Green steel mill, Europe	STATCOM	5.5
07/25/2024	Ilmenite smelter, Saudi Arabia	STATCOM	3.8
08/01/2024	Rail transport, Estonia	STATCOM	1.0
05/23/2025	Steel mill, Egypt	STATCOM	1.0
06/04 2025	Water treatment, Egypt	A2	6.0
06/16 2025	Steel mill, Finland	STATCOM	2.0

1) Revenue is partly based on Inderes' estimate. A2 active filters are sold in large quantities in small deliveries, so orders are not reported separately. **18**

# Power quality solutions 3/6

## OEM partnerships serve as a small distribution channel

Merus Power has had a relatively significant OEM customer in China (Nokian Capacitors Shanghai), which has sold the company's active filters under its own brand. However, the Chinese market has recently become more challenging due to increased competition and geopolitical reasons, which has practically halted revenue from this market at the latest during 2025. Outside China, Merus Power's OEM partnerships are small-scale, but the operating model itself is viable, and the company is open to developing new partnerships.

## The market is growing as the energy system electrifies and renewable energy becomes more widespread

The size of the power quality solutions market is estimated to be some 19 BUSD globally in 2025<sup>1</sup>. The market is expected to continue to grow by an average of around 7% p.a. and reach around 27 BNU\$D by 2030. The key market areas for Merus Power's business in power quality solutions are static synchronous compensators (SVC), active filters and static var compensators (STATCOM), the combined market size of which is just under 3 BUSD, which is only a small part of the entire power quality market. We estimate that the growth rate of the aforementioned segments, which are key to Merus Power, is close to the growth rate estimated for the entire market (7% p.a.).

The market growth of power quality solutions is driven by several factors related to, e.g., the electrification of the energy system and the increase in the share of renewable energy. The affordability of renewable energy makes electrification viable in several segments. Wind and solar power generation also cause power quality problems in

themselves, the compensation of which calls for solutions, especially in countries with high power quality requirements.

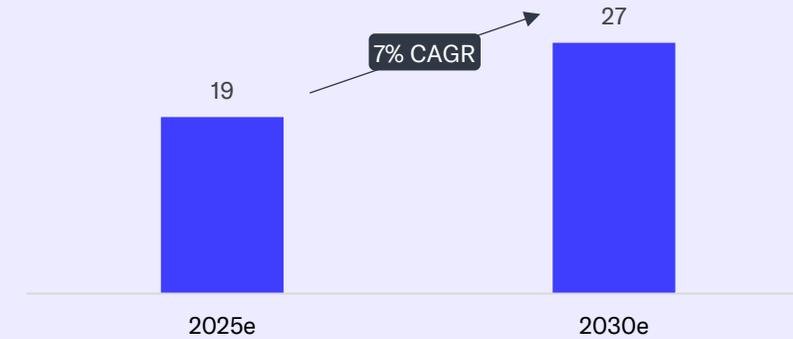
## Growth and renewal in the metal industry create demand

Electrification increases the demand for metals, which, in turn, increases the investment needs of the metal industry, which often also includes power quality solutions, e.g., improving the viability of electric-arc furnaces. Particularly, the production of carbon-free steel is a growth opportunity for the company, even though the market is still at a very early stage of development.

## The increasing prevalence of pump technology drives the need for active filters

Properties are increasingly using frequency converter-controlled electric motor-operated pumps and fans for heating and cooling, which cause disturbances in power quality. The same applies to data centers, which are increasingly invested in, e.g., to increase cloud server space and AI computing power. Water treatment plants with their pumps are also a key source of demand for the company and a growing segment due to, e.g., global urbanization and environmental protection.

## Annual revenue of the power quality market BNU\$D<sup>1</sup>



## Market growth drivers

- Electrification of societies and development of infrastructure
- Increase in renewable energy production
- Frequency-controlled electric motors are becoming more common, e.g., due to pump technology
- Investments in data centers
- Increasing prevalence of precision manufacturing (e.g., semiconductors)

# Power quality solutions 4/6

## Competitive landscape in power quality solutions

The power quality market includes large international players (e.g. ABB, Siemens, Eaton, Schneider Electric, Hitachi and Danfoss). These types of companies produce standardized solutions, especially for large capital-intensive projects, where suppliers mainly compete with extensive delivery packages and the ability to supply a wide range of components and products.

Merus Power is among the smaller-sized specialized operators. Other smaller specialized players include, e.g., Comsys, Sinexcel Electric and Schaffner. Competition with specialized players is mainly focused on product quality and the ability to deliver solutions that incorporate the customer's specific needs.

## A niche has been found, but is the scale sufficient for good profitability?

We believe the company has found a niche segment in the power quality solution market where its technological solution is competitive. This is evidenced by the significant growth of the power quality business from zero to over 10 MEUR in revenue in 2010-2023.

However, the industry is competitive, and maintaining competitiveness requires continuous product development and adaptation to industry changes. We estimate the power quality business to be moderately profitable, but it is likely to remain clearly overshadowed by the industry's large star companies (e.g. ABB and Schneider Electric EBITA 2024: 18-19%). Raising profitability to a value-creating level would

likely require a significant increase in the scale of the business from the current level. The long-term growth trend has been clearly upward, but in the short term, the order book does not provide visibility for significant growth over the next 12 months (2026).

## Competitiveness factors

### Large integrators

- Cost-effective procurement
- Recognition
- Economies of scale in the service business
- Strong sales channels



### Specialised smaller players

- Utilizing smaller revenue segments
- Specialized own technologies
- Adapting solutions to customer needs



# Power quality solutions 5/6

## Product sales of power quality solutions: A2, 4Drives ja HPQ

### Merus™ A2 – active harmonic filter

- The A2 filter, launched in 2017, replaced Merus Power's previous active filter model. The majority of Merus Power's product sales are based on the A2 product.
- The product is generally designed for industrial, infrastructure and building use.
- Reacts to power outages in real time by feeding an opposing electrical wave into the system.
- Very fast response time and high power density.
- The modular structure enables scalability for different sized solutions.
- Can be customized with software for different voltages and uses.
- The same modular solution can also be used as a part of power electronics in energy storage systems.



- Flexible universal solution for power quality management
- Performance, versatility and scalability are the key competitive factors
- An important part of Merus Power's other more specialized solutions, such as the HPQ product and energy storage systems

### Merus™ 4Drives – active harmonic filter for frequency converters

- The product is optimized to filter power quality disturbances caused by frequency converters
- Typical applications include water treatment plants, buildings, data centers, HVAC solutions
- Specifically sold to OEM manufacturers and system integrators of frequency converters
- Technically, the solution is based on the A2 filter, but it has been stripped of extra features and made optimal for a specific customer base
- Launched in 2023



- Cost-optimized solution for power quality disturbances caused by frequency converters

### Merus™ HPQ – hybrid compensator (Hybrid Power Quality)

- Combines the modern active filtering technology of the A2 module with traditional capacitor technology, enabling a cost-effective solution for many customer needs.
- Merus Power is responsible for the active technology used in the product, system design, control and software solutions.
- Passive capacitors come from external suppliers or customers.



- A cost-effective solution for many power quality challenges
- The solution enables upgrading old capacitor systems to more modern ones

# Power quality solutions 6/6

## Power quality solutions for heavy industry needs: Merus™ STATCOM and SVC

### Merus™ STATCOM – active reactive power compensator

- Merus Power's STATCOM technology is based on a modular, scalable structure, similar to A2 modules, but on a larger scale.
- Merus™ STATCOM has an additional feature of filtering harmonic currents, which can save the customer from having to purchase a separate filter.
- The system improves the power quality of heavy industry customers, reduces disturbances and increases the reliability of processes.
- Ultra-fast response time – only 0.6 milliseconds with high power density.

### General information about STATCOM technology

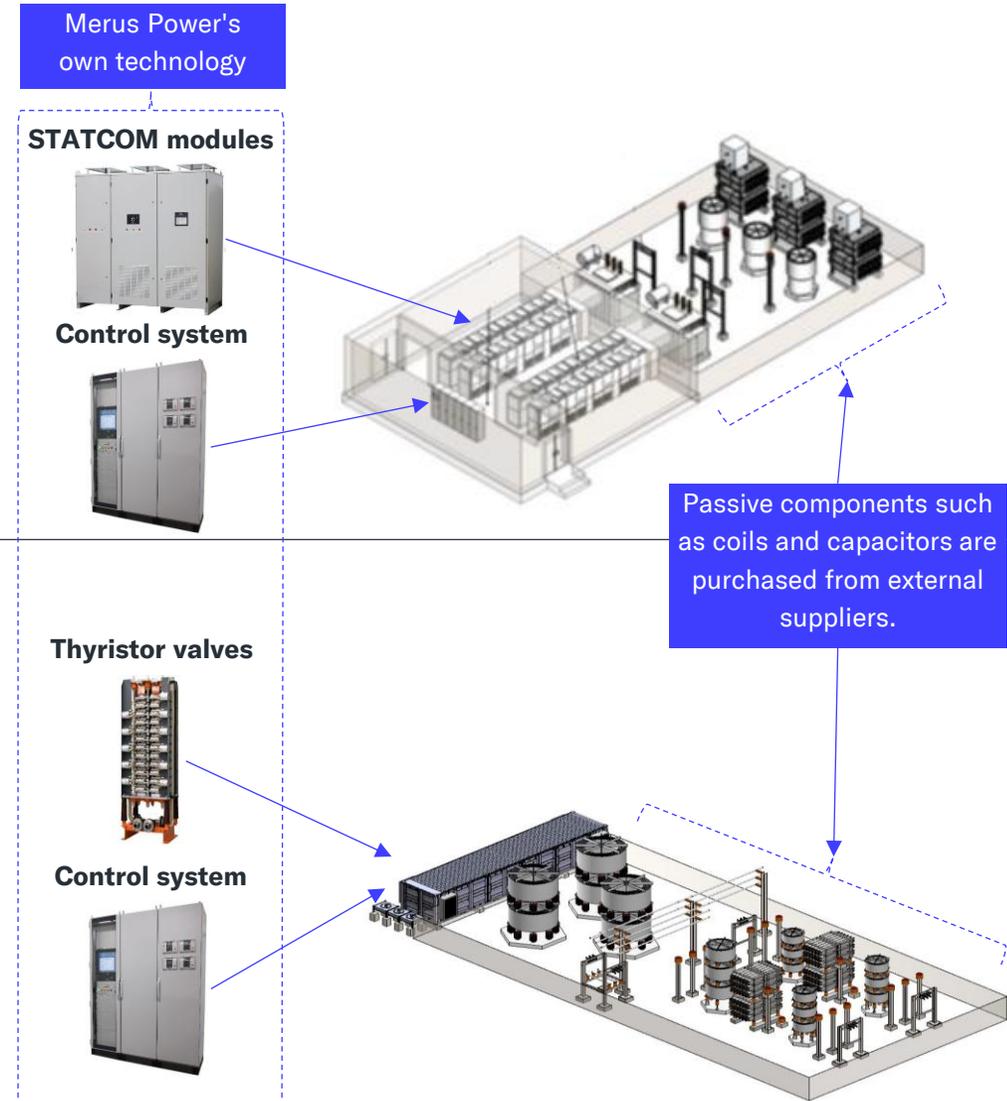
- The equipment is used, e.g., in the steel industry and mines.
- STATCOM technology became more common in industrial use in the 2000s and has partially replaced the use of SVC systems due to its better performance.

### Merus™ SVC – adjustable reactive power compensator

- Merus Power also offers its customers an SVC system, as it enables a more cost-effective solution for certain large-scale electrical engineering problems than the STATCOM system.
- The system improves the power quality of heavy industry customers, reduces disturbances and increases the reliability of processes.
- Response time 20 milliseconds.

### General information about SVC technology

- Serves the same purposes as STATCOM but has a lower performance.
- The technology was introduced in industry in the 1970s.
- In addition to industry, SVC technology is also used in infrastructure, such as substations. The scale of infrastructure projects is larger than that of industrial solutions and, for the time being, outside Merus Power's focus.



# Strategy and financial targets 1/2

Merus Power's current strategy was launched in connection with the company's IPO, with 2026 set as its targeted end year. A new strategy for the next strategy period is expected to be announced in 2026-27.

In line with the current strategy, the company's goal is to increase its recognition, sales and profitability, as well as strengthen its market position in the sustainable energy revolution. The company is aiming for strong growth, especially in the energy storage market, and aims to increase its market share in the global power quality solutions market.

**The company has listed five themes that form the cornerstones of its growth strategy:**

## Scalable product portfolio

The inverters, control units, and software developed by Merus Power can be used both in power quality solutions and energy storage systems. The scalability and modularity of the product portfolio support efficient production, also enabling customized solutions for customer needs. The development of larger and more diverse energy storage systems has required significant financial investments from the company, but the development work can be leveraged in new deliveries over a long period of time.

## Multi-channel sales strategy

The company's sales are based on several channels, including direct sales, a resale network, system integrators, and OEM manufacturers. Distribution has been increased and developed after the listing by, e.g., opening new regional offices and strengthening the distributor network, also in new geographical markets.

## Energy storage systems: Improving profitability and expanding customer base

With the listing, Merus Power aimed to expand its energy storage business to a larger delivery size category, and in our view, it has succeeded in this. Next, the company's key objectives include improving the profitability of the energy storage business and expanding operations outside Finland to grow and diversify the customer base and target market. The first energy storage orders from outside Finland came from Poland in the second half of 2025.

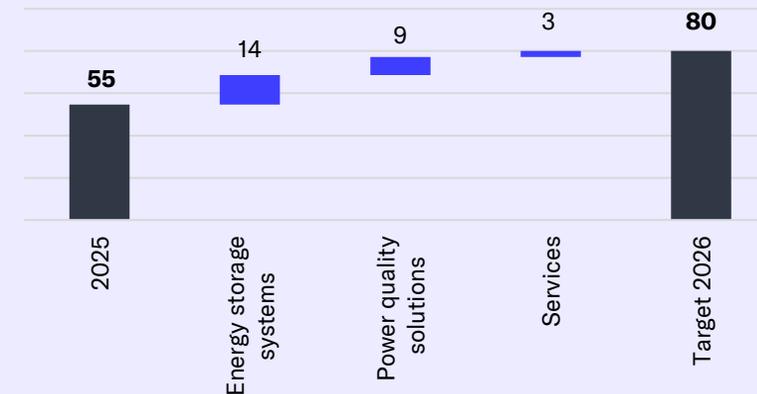
## Power quality solutions: Developing distribution and strengthening the position in growth segments

The power quality solutions business is already on a relatively stable footing in terms of profitability. The company continues to aim for long-term revenue growth by developing its distribution network and strengthening its position in growth segments such as data centers and green steel projects.

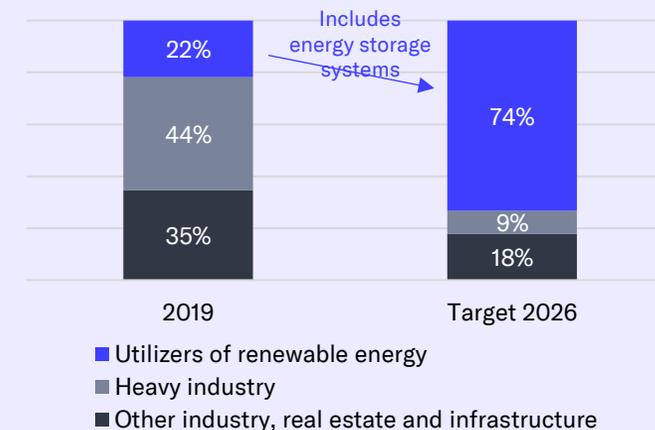
## Increasing the share of services

The company's service business has traditionally consisted of maintenance services, the growth of which is supported by new energy storage deliveries and related service agreements. The company is developing its global maintenance operations by training its cooperation network and introducing various remote support services. In addition, developing energy storage trading software and analytics services enable new revenue sources. However, we estimate that the relative share of these services will remain quite low in total revenue.

**Distribution of the revenue growth target (MEUR)<sup>1</sup>**



**Targeted customer base development**



1) The segment-specific breakdown of the baseline (2025) is based on Inderes' estimate

Source: Merus Power and Inderes

# Strategy and financial targets 2/2

## Financial targets

- Revenue growth to 80 MEUR by 2026, mainly organically.
- EBITDA on average over 15%.
- Equity ratio over 35%
- Dividend payments are a possible option in the medium term, but for now the company aims to use its funds to achieve its growth targets.

## The strategy aligns with market trends and has succeeded in generating strong revenue growth

The energy storage-driven growth strategy is very well aligned with the global energy transition, as investments in renewable energy and energy storage have grown strongly in recent years, and the trend is expected to continue in the big picture. Some of the technical capabilities required by the strategy are based on the company's previous expertise, which has benefited the company. Nevertheless, the ramp-up of the energy storage business has required significant additional development work and strengthening of resources, which has weighed on profitability so far. Revenue has grown rapidly, but based on the order book, we find it unlikely that the high growth target for 2026 will be achieved.

## Continuity and predictability as a challenge

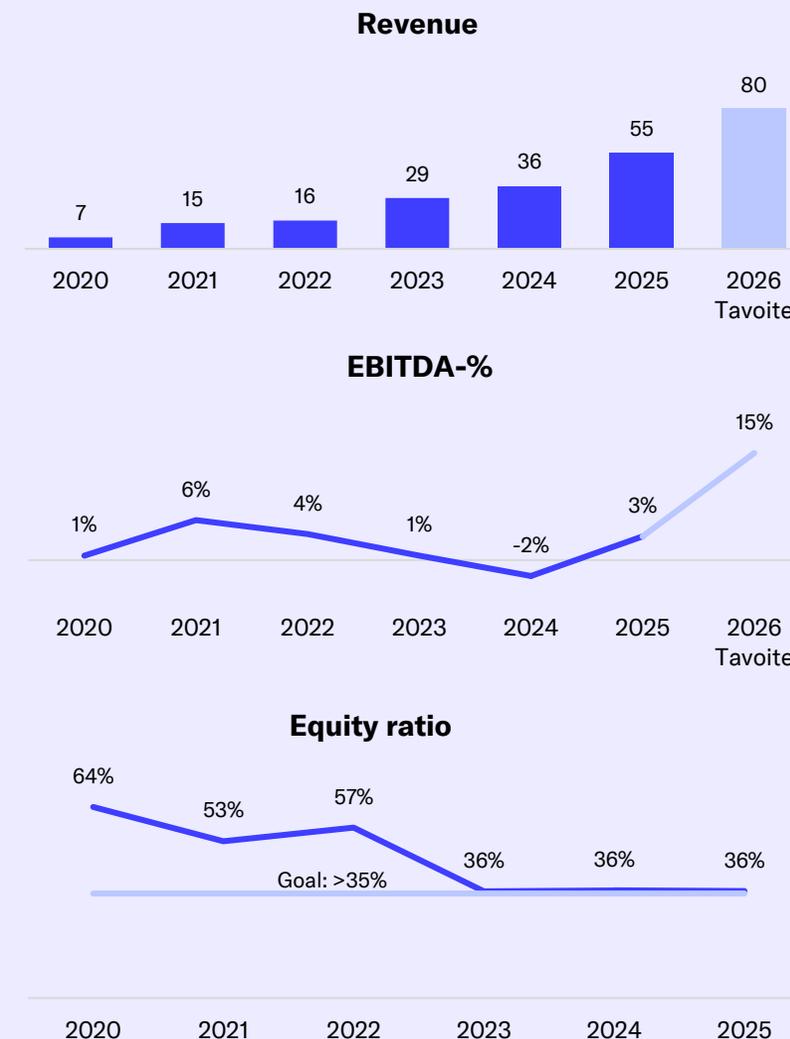
From an investor's perspective, the growth of the energy storage business, which consists of large individual system deliveries, is difficult to estimate. For example, the timing of individual projects or volatility in investment-driven demand can affect revenue, even though the trend has so far been

largely on a strong upward trajectory. Dependence on investment cycles and the project-based nature of the energy storage business cannot be fully eliminated, but revenue can be diversified by expanding the customer base to new countries with the support of local partners. So far, a significant portion of the growth has come from the company moving into a larger size class in energy storage deliveries. Going forward, the company should consider whether to emphasize the diversification of revenue into several small projects or to continue increasing the overall size. We expect the company to continue internationalizing its operations, although expansion may negatively impact profitability in the initial phase.

## The profitability target is challenging considering the industry

We find the company's 15% EBITDA target challenging, as we estimate that gross margins in the energy storage business are clearly lower than in power quality solutions. Reflecting on history, an EBITDA margin of 10% in power quality solutions alone is likely realistic. Assessing the profitability of energy storage is still very challenging at this stage. The company's energy storage business must prove more competitive than its rivals, or the market as a whole should become more profitability-oriented, for the company to come close to achieving its profitability target. The EBIT margins of major competitors such as Wärtsilä or Fluence have ranged between zero and 5%. Rapid market growth and high revenue figures have attracted a lot of competition to the sector, including smaller companies, although we estimate that Merus Power has an advantage in technology, expertise, and brand recognition compared to smaller competitors.

## Starting points for financial targets



# Historical development and financial position 1/3

## Revenue has grown, driven by energy storage

Merus Power's revenue was 55 MEUR in 2025, and the company has guided that its revenue will grow in 2026. In the long term, the company's revenue has been on a strong growth trend. Both business segments generate growth, but in energy storage, growth is stronger and stems from larger individual orders. On an annual basis, revenue has not always developed steadily. The timing of large system deliveries explains the variation in revenue (like in 2017 and 2020). Large deliveries spanning more than one year or with a value of at least 0.5 MEUR are recognized using the percentage-of-completion method. We estimate that the share of system deliveries accounted for using the percentage-of-completion method is over 80% of total revenue.

We estimate that 2022 revenue did not include significant energy storage sales, while in 2023, the share of energy storage systems rose to almost 50%, which explains the steep growth spurt. In 2024, revenue has suffered from the weak industrial cycle in power quality solutions, which is compensated by the rapid growth in energy storage. Strong growth in 2025 again came from energy storage. The demand for energy storage in Finland in 2023-25 has been positively impacted by the high revenues from Finland's frequency regulation market.

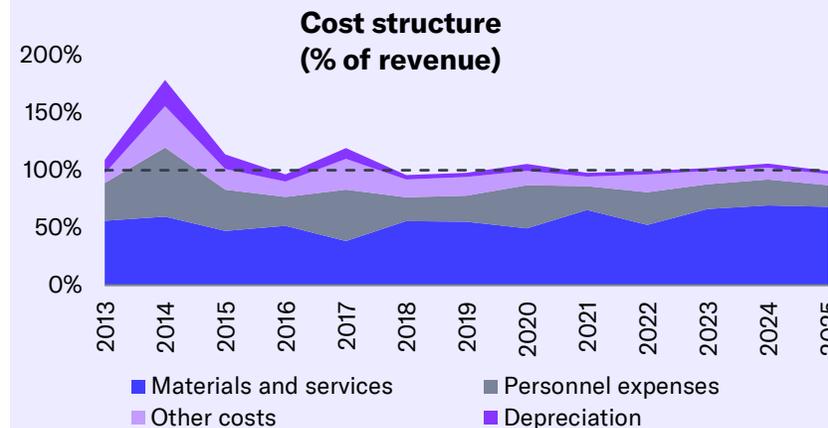
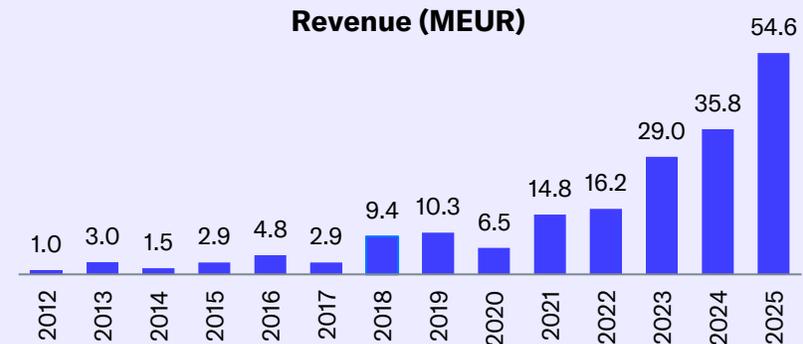
## The lower margin level of energy storage systems is reflected in the cost structure

Materials and services account for the majority of Merus Power's operating costs. In 2013-17, the gross margin averaged 53% of revenue, with the company's business consisting of power quality solutions, where raw material

costs are relatively lower, and the margin level is good. In 2023-25, the gross margin decreased to just 32-34%, influenced by the thinner margin profile of the energy storage business and, to some extent, cost overruns on large system deliveries in 2023-24. The material margin can vary considerably between years, along with revenue distribution.

## The full potential of the implemented growth investments has not yet been realized

The share of personnel costs and other operating expenses in revenue has varied on an annual basis (2025 total: 29%), but has generally been decreasing with the company's business growth and as the company implements larger low-margin energy storage projects, where the share of purchased components is higher. In our view, the scalability of fixed costs has not yet been fully reflected in the margin, as the company has made significant growth investments in resources since its 2021 listing. The number of personnel has roughly tripled in the four years following the listing (2025: 141). In addition, the rent level increased with the new premises starting from the end of 2023. Depreciation and impairment amounted to 1.5 MEUR in 2025, consisting mainly of depreciation of intangible assets according to plan, which includes capitalized product development investments and other intangible items. The company complies with Finnish Accounting Standards (FAS) in its reporting, as a result of which, e.g., lease agreements are not capitalized on the balance sheet nor depreciated annually.



# Historical development and financial position 2/3

## Earnings have been low due to growth efforts

The company's profitability has historically varied considerably between years and has been at a low level on average. During 2018-2025, the company's average EBITDA margin was about 3% and EBIT margin a tad below 0%. The weak margin level is broadly related to the company's small size and, on the other hand, front-loaded growth investments, such as expanding product development and the sales organization. Profitability turned more clearly negative in 2024 due to growth investments and initial challenges related to the delivery of a larger energy storage project.

The company's net financial expenses have been quite low in its early years as a listed company (2022-24: 0.2-0.6 MEUR), as the company has been able to finance its operations with IPO proceeds. Financial expenses rose to 1.4 MEUR in 2025, which we estimate was due to an increase in debt, temporary costs related to the share issue, and bank guarantees necessitated by strong growth.

So far, the company has not paid much taxes because the business has been mainly loss-making. At the end of 2025, the company had accumulated losses of 9.5 MEUR on its balance sheet from the current and previous financial years, most of which is tax-deductible if the business turns profitable in the future.

## Balance sheet that strengthened in the IPO has been put to work

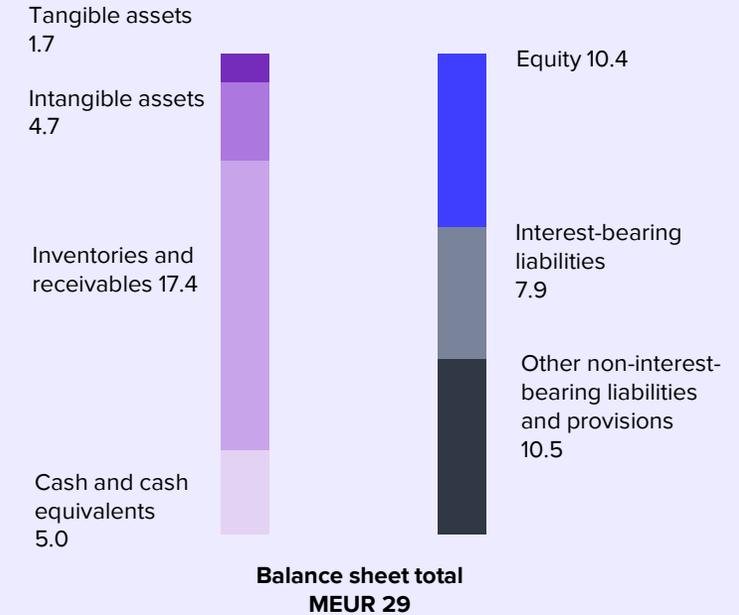
As an unlisted small growth company, Merus Power's financial position has been challenging in the past. In connection with the IPO, the company received net assets of 12 MEUR, which have been put to work to achieve

growth in the form of both costs and working capital. The balance sheet has long been nearly net debt-free, but the company needs working capital financing to pursue continued strong growth. Financial institutions also require the company to have a sufficiently strong balance sheet to grant advance payment guarantees. For these reasons, the company wanted to strengthen its balance sheet and raised gross proceeds of around 2 MEUR in a directed share issue in June 2025. In addition, the 5 MEUR debt package concluded with the environment finance company NEFCO at the end of 2025 provides visibility for financing growth in the coming years. Net debt rose to 2.9 MEUR at the end of 2025.

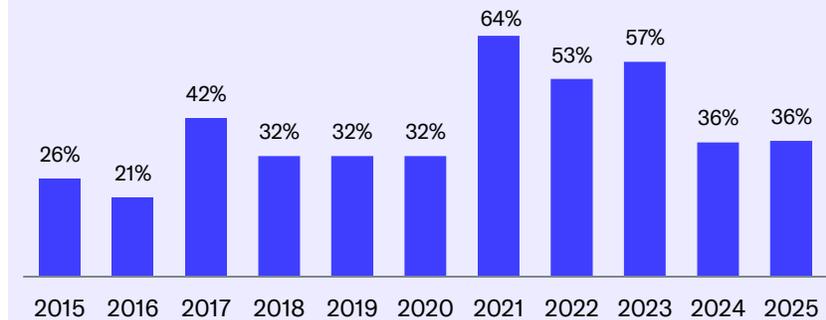
## Production is relatively asset-light

At the end of 2025, Merus Power's balance sheet total was 28.8 MEUR, of which 17.3 MEUR consisted of inventories and receivables. Cash assets amounted to 4.0 MEUR. Non-current assets totaled 6.5 MEUR, most of which consisted of intangible assets such as capitalized development costs. In terms of machinery and equipment, production is relatively capital light and scalable. The factory, commissioned at the end of 2023, has sufficient capacity to increase revenue up to 100 MEUR. The property is leased, but the relocation slightly increased capex investments, for example, due to equipment investments in testing and laboratory facilities. Investments related to product development expenses have also been elevated in 2023-24, as the company started delivering significantly larger energy storage solutions than before. The company has also built a small energy storage facility for both commercial and product development purposes. Moving this energy storage facility to the company's balance sheet significantly increased investments in 2025.

## Balance sheet at the end of 2025 (MEUR)



## Equity ratio



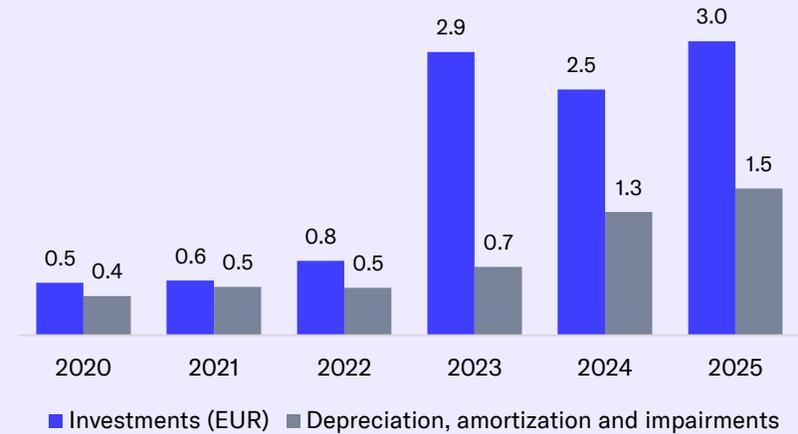
# Historical development and financial position 3/3

## Working capital financing is, in some cases, a bottleneck for energy storage-driven growth

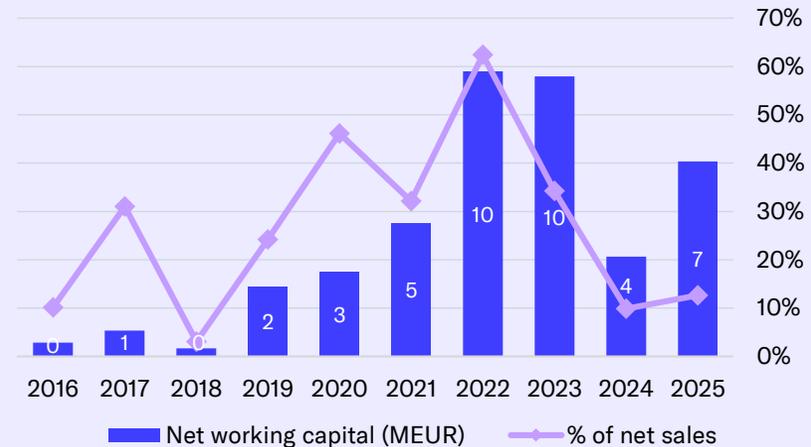
Working capital ties up most capital, and this has been emphasized by the growth targeted with energy storage systems. Net working capital at the end of 2025 was 7 MEUR, or 13% of revenue, but has fluctuated strongly and was at least 30% of the past year's revenue in 2021-23.

In the company's most important growth segment, the energy storage business, the payment terms for sales receivables are typically weaker for the energy storage supplier. Without the funds raised in the IPO, Merus Power would hardly have had the opportunity to participate in energy storage projects of tens of millions of euros. However, the balance sheet position has still, to some extent, limited Merus Power's ability to pursue energy storage projects with the most challenging payment terms. Despite balance sheet bottlenecks, we believe the company can continue its energy storage-driven growth if its profitability strengthens and the company succeeds in expanding its customer base. Strengthening profitability would support both internal cash flow and improve opportunities to strengthen the balance sheet with better financing terms.

Investments and depreciation



Development of net working capital



# Estimates 1/5

## Estimate model

We forecast Merus Power's revenue through three business segments: energy storage systems, power quality solutions, and services. The company does not report segment revenue separately, but we can use the information in the prospectus and the reported orders to support our segment-specific estimates. We do not break down EBITDA or EBIT for different segments, but we aim to incorporate the estimated margin levels of the different segments in the group-level estimates.

## More moderate growth is estimated for 2026

Merus Power took a big growth leap in 2025 (+53%), after which we expect growth to slow down significantly during 2026 (we estimate 6%). The company guides for growing revenue and an EBITDA of 2-4 MEUR for 2026. The order book at the end of 2025 was relatively low at 24.5 MEUR (-18% y/y), but the company received a large 13 MEUR energy storage order early in the year, and we expect it to continue winning orders that will generate significant revenue for this year. Our 2026 revenue estimate is 58 MEUR, which requires a 13 MEUR revenue impact from potential new energy storage orders. In addition, the estimate assumes an 8% growth in power quality solutions, which would, however, require a recovery in order intake relative to the weaker demand cycle of 2024-25.

## In the longer term, growth can remain strong

We estimate Merus Power's revenue to turn to faster growth in 2027-30, driven by energy storage (total growth averaging 15% p.a.). Growth is supported by the rapid market growth in existing markets and expansion into new

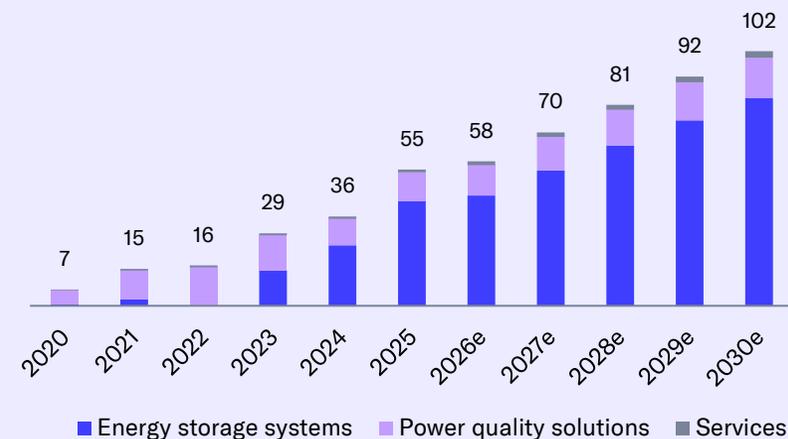
markets in energy storage. The estimated growth for the energy storage business in 2027-30 is 17%, and for power quality solutions, it is 7%. For services, we expect annual growth of 16%, although the share of services in the total is still low.

## Changes in the demand drivers for domestic energy storage; we expect Merus Power to adapt

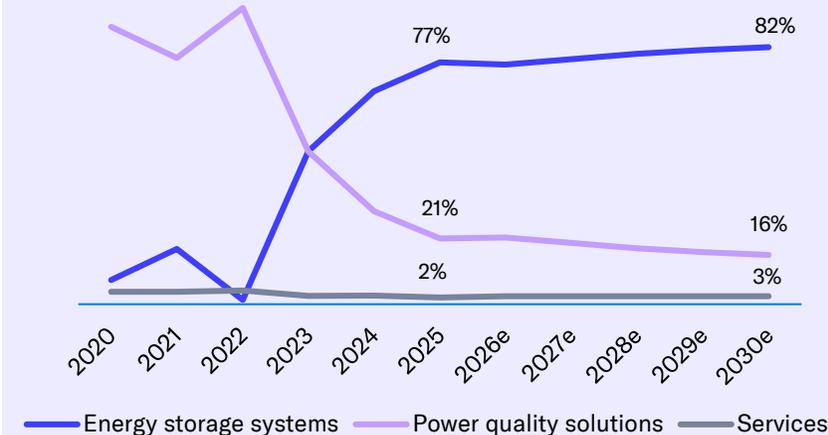
We believe the strong growth of the energy storage business in 2023-25 is at least partly due to the high attractiveness of the frequency regulation market maintained by Fingrid in Finland. The decrease in returns in this market during 2025 has, in turn, shifted demand towards more versatile energy storage systems with larger relative battery capacity (discharge rate 2-4h), which can be better utilized, e.g., in wholesale electricity trading. In such solutions, the advantages of Merus Power's own power electronics may not be as pronounced as in the "1-hour" battery storage systems that were in demand in 2023-24. On the other hand, the decrease in battery prices reduces the impact of the change on the margin structures of deliveries. A market change represents a certain discontinuity in demand, which could impact Merus Power's competitiveness or margin level.

However, our current assumption is that the company will be able to adapt to the new market and leverage its other competitive advantages, such as expertise, comprehensive offering, and turnkey delivery model. The company received its first major orders for 2-hour energy storage systems in the fall of 2025 and early 2026. Our growth estimates assume similar orders will continue to flow in.

## Revenue development (MEUR)



## Revenue distribution



# Estimates 2/5

## We see an international breakthrough in energy storage as a growth option

One key variable in the growth outlook relates to the success of expanding the energy storage business's market area. Our current assumptions do not include a scenario where Merus Power achieves a market position in new markets that is anywhere near its Finnish market share, so we consider such a scenario a positive option. Finland is clearly ahead of most European countries in energy storage, especially in frequency regulation. This means that Merus Power is a relatively experienced player in this segment, and on the other hand, that the strongest growth phase of the market in the rest of Europe is still ahead. We also see challenges and strong price competition in operating outside Finland, so, the company's competitiveness in energy storage outside Finland cannot be taken for granted. Our current estimates assume selective, moderately sized international deliveries, which will account for around 10-20% of energy storage revenue by the end of the decade. The company received its first two international energy storage orders from Poland in H2'25, which are relatively small in size. If the company were to consistently receive orders exceeding 10 MEUR from abroad, there could be clear upside in the growth estimates.

## Strengthening distribution supports the growth of power quality solutions in the medium term

The growth outlook for power quality solutions is more moderate compared to energy storage, but we estimate the overall growth to be on an upward trend. We estimate an average growth of 7% for 2026-30, which practically corresponds to market growth. Annual growth may fluctuate due to factors such as investment activity in the steel industry and the timing of individual contracts. However, we

expect the work aimed at strengthening distribution to support growth opportunities in the coming years, as the company has gained a strong foothold in the Middle East and strengthened its presence in, e.g., Central Europe and Latin America.

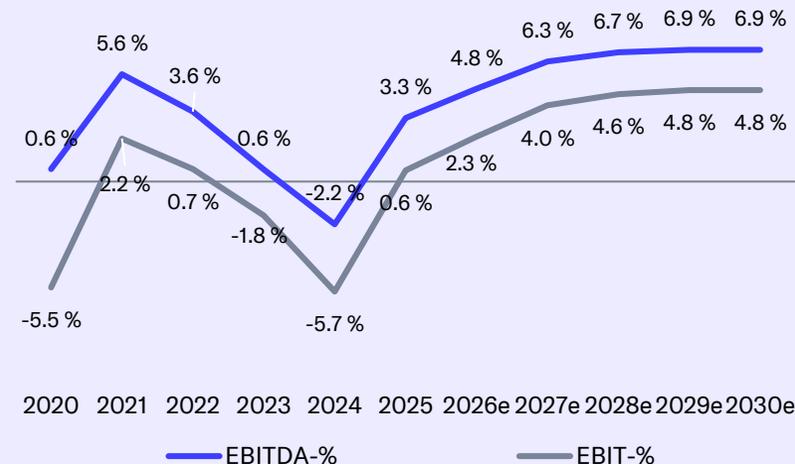
## Revenue almost doubles by 2030 in our estimates

On the back of the aforementioned growth estimates, the company's revenue would reach 102 MEUR in 2030, of which 83 MEUR would come from energy storage. The estimate assumes growth will come particularly from the diversification of the order base, although the monetary value of the largest deliveries will also likely increase somewhat. Significantly larger projects than at present would not necessarily be optimal from a risk diversification perspective, but this option cannot be completely ruled out either. At the end of the strategy period in 2026, we expect the company to set new growth targets. Of interest in the targets is not only the euro-denominated target, but also how energy storage revenue is expected to be diversified across orders and distributed across different markets.

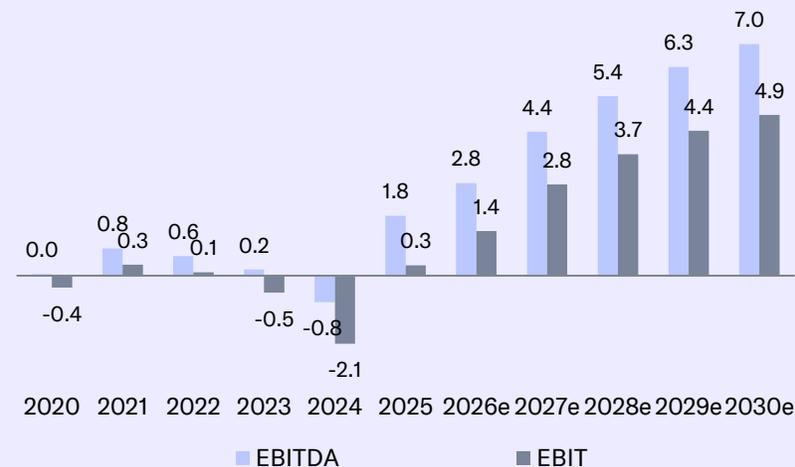
## The work to improve profitability continues

In recent years, the company has primarily focused on growth by multiplying its staff, moving to new premises, and expanding into a significantly larger scale of energy storage deliveries than before. At the same time, profitability has largely remained subdued, although 2025 already saw a clear step for the better. If market demand remains favorable and the company can repeat what it has learned in recent years, we see good prerequisites for it to continue improving its profitability. We expect EBITDA to improve to 2.8-5.4 MEUR in 2026-28 (4.8-6.7% of revenue).

Operational profitability (% of revenue)



Operational profitability (MEUR)



# Estimates 3/5

From 2028 onwards, our EBITDA estimate is 6.9%, with an EBIT margin of 4.8% and a return on investment (ROI) of 17%. The industry has proven to be low-margin, but, e.g., Wärtsilä, which represents the relatively profitable end, has achieved an EBIT margin of 4% in the energy storage business in 2024 and is targeting 3-5% in the medium term. We also expect net income to turn positive starting in 2026.

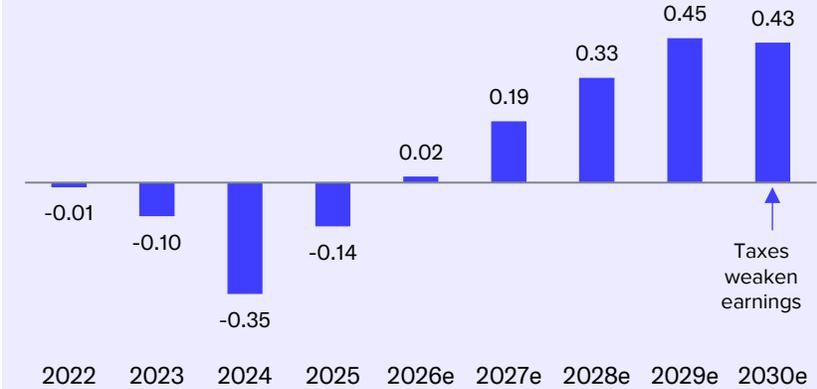
## Key drivers behind profitability estimates

- **Gross margin** or the margin after raw materials and services remains relatively low in our estimates as the share of energy storage increases. We estimate the gross margin for energy storage to be 20-30% and for power quality solutions 50-60%. As a combination of these, we estimate the Group's gross margin to be around 33% in 2026 and around 32% in 2027-28 (2023-25: ~33%). Although the share of energy storage revenue is increasing, weakening the mix, we estimate that production efficiency will strengthen with routine and repetition, so the margin level would not decrease significantly from the current level. We believe that expansion into new markets poses a risk to the strengthening of efficiency, as the initial deliveries in an unfamiliar operating environment may incur learning costs, as was the case in Finland with the first large-scale energy storage deliveries in 2023-24. However, our current estimates for international growth in energy storage are quite moderate, which is why we have not particularly factored this into our margin estimates.
- **Personnel costs** will rise more moderately than before, as the organization has been brought into good shape and key product development targets for energy storage

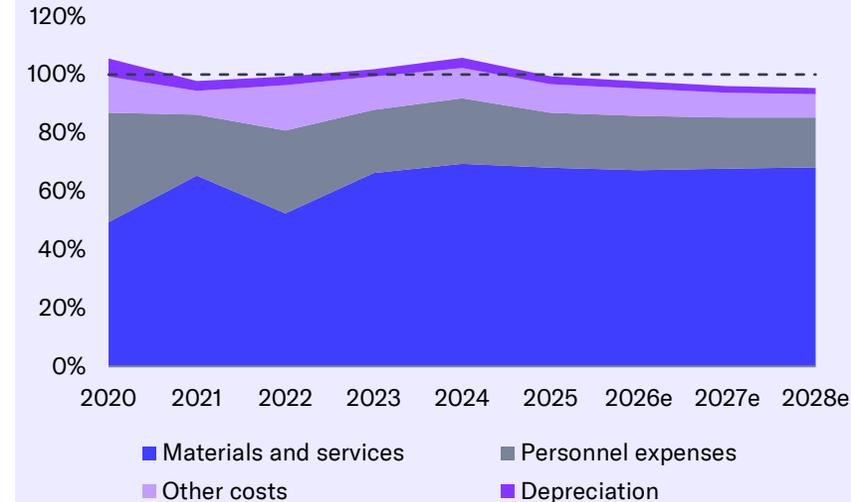
have been achieved. We estimate that personnel costs as a percentage of revenue will decrease to 17% as revenue scales in 2028 (2025: 19%).

- **Other operating expenses** scale with revenue growth, as the company's facilities and other material resources are at a good level, enabling significant revenue growth with moderate additional investments. We estimate that the increase in costs is mainly attributable to travel and other sales-related investments. The share of revenue will fall to 8% in 2027-28 (2025: 10%).
- In the medium term, the increase in **depreciation** is mainly related to capitalized product development investments. Depreciation as a percentage of revenue falls to 2.2% in 2028 (2025: 2.7%).
- **Financing costs** have risen as the company increasingly finances the working capital required by energy storage-driven growth with debt. In 2025, the company signed a 5 MEUR loan agreement with the Nordic Environment Finance Corporation (NEFCO), with an estimated interest rate of around 5% p.a. The 2025 financial expenses were very high relative to the amount of debt (approximately 28%), which we estimate is partly due to temporary costs and, e.g., fees related to bank guarantees. For 2026, we forecast net financing expenses of 1.2 MEUR, and in 2028, we expect the expense to decrease to 1.0 MEUR as the earnings turnaround strengthens the company's solvency. In addition to interest expenses, the forecast includes other financing costs.

Earnings per share (EUR)



Cost structure (% of revenue)



# Estimates 4/5

- The company does not have to pay **corporate tax** for many years to come due to losses from previous years (in our estimates, taxes are not paid until 2030). We have assumed a long-term tax rate of 20%.

## Profitability improvement supports cash flows, even though more working capital is still being tied up

Scaling up the energy storage business ties up significant working capital, which will negatively impact Merus Power's cash flow in the medium term. We estimate working capital to be some 14% of revenue in the coming years, or 18% of energy storage revenue (2025: 13% and 16%). The annual negative cash flow impact averages -1.5 MEUR in 2026-30. Working capital commitment weighs on the company's cash flow, which we estimate to be, on average, 69% of EBITDA (excluding financing costs) during the estimate period. Nevertheless, the company's cash flow will improve significantly in the coming years, supported by the assumed profitability turnaround.

## We do not expect investment needs to increase from recent years

Although Merus Power's production is not capital-intensive, the company continuously invests in technology, which is reflected in capitalized R&D expenses. We expect investments to decrease in 2026 compared to 2023-25, which included one-off investments in equipment for new facilities and a new class of energy storage technology, as well as the construction of a proprietary energy storage facility for R&D use in Lempäälä. We estimate that the weight of investments in the company's cash flows will still remain relatively significant in the future, even as the company reaches a profitable phase (investments representing 48% of operating cash flow in 2028-30).

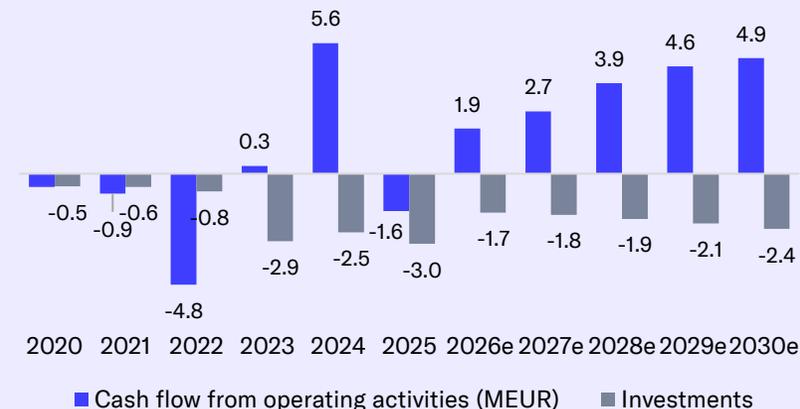
## Net debt remains low, but equity may still need further strengthening

We expect net debt to increase slightly in the short term due to factors such as low operational profitability, working capital being tied up, financing costs, and investments. However, net debt will peak at only around 4 MEUR (2026-27e) and will decrease in 2028 as profitability strengthens. The company's equity ratio will remain close to its current level (of around 36%) in the coming years and will start to rise as profitability strengthens more from 2028 onwards. However, due to the difficulty in forecasting working capital, profitability, and the growth trajectory, we do not rule out the possibility that the company may need to strengthen its equity in the coming years.

We also consider it possible that the company could significantly strengthen its balance sheet in the medium term as it pursues strong growth in the next strategy period (e.g., larger energy storage deliveries or more aggressive international growth). A stronger balance sheet would also expand the company's options for new energy storage deliveries, including those where payment terms are not the most favorable in terms of working capital.

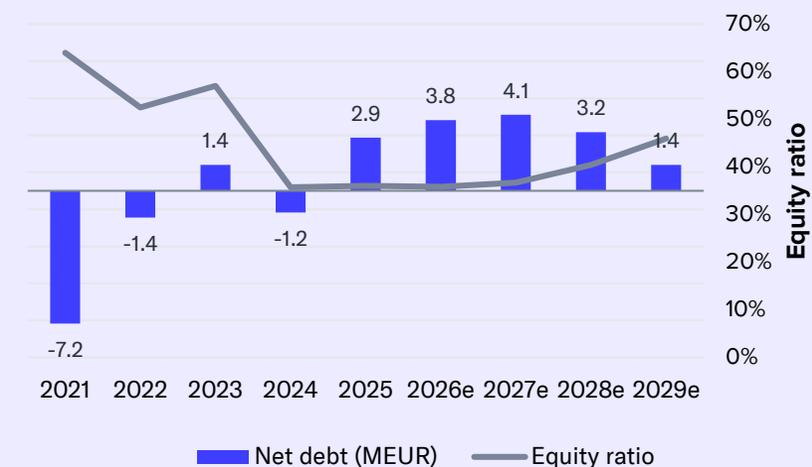
Succeeding in the profitability turnaround during 2026 would strengthen the prerequisites for obtaining equity financing. Failure in the turnaround, in a negative scenario, could lead to an unfortunate situation where the balance sheet would need strengthening, but the availability of equity financing would be poor, and a share issue might require accepting significant dilution of the share capital.

## Cash flow and investments



The presented operating cash flow deviates from the company's reporting method in that it does not include financing costs.

## Development of balance sheet key figures



# Estimates 5/5

## Detailed estimates

MEUR	2018	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e
<b>Order intake</b>		<b>7</b>	<b>15</b>	<b>13</b>	<b>17</b>	<b>34</b>	<b>54</b>	<b>48</b>	<b>60</b>		
- growth %			100%	-11%	30%	100%	59%	-10%	25%		
<b>Order book</b>	<b>5</b>	<b>2</b>	<b>10</b>	<b>8</b>	<b>9</b>	<b>14</b>	<b>30</b>	<b>24</b>	<b>27</b>		
- growth %				-17%	8%	53%	116%	-18%	9%		
<b>Revenue</b>	<b>9</b>	<b>10</b>	<b>7</b>	<b>15</b>	<b>16</b>	<b>29</b>	<b>36</b>	<b>55</b>	<b>58</b>	<b>70</b>	<b>81</b>
- growth %		10%	-37%	127%	10%	79%	23%	53%	6%	20%	16%
Revenue by segment, MEUR											
Power quality solutions	8	7	6	12	15	14	11	11	12	14	14
- growth %		-22%	-13%	102%	32%	-8%	-25%	8%	8%	10%	6%
Energy storage systems	1	3	1	3	0	14	24	42	44	54	64
- growth %		560%	-85%	420%	-91%	6279%	72%	73%	5%	23%	19%
Services	0	0	0	1	1	1	1	1	1	2	2
- growth %		10%	-37%	127%	20%	10%	25%	20%	25%	20%	15%
Material margin %	44.9%	44.9%	52.6%	35.0%	47.8%	34.2%	32.8%	32.1%	33.0%	32.4%	31.9%
Personnel expenses, % of revenue	20.7%	22.6%	37.5%	20.9%	28.4%	21.6%	22.4%	18.8%	18.6%	17.5%	17.1%
Other costs, % of revenue	15.3%	16.4%	12.5%	8.2%	15.5%	11.5%	10.4%	9.8%	9.3%	8.5%	8.0%
<b>EBITDA</b>	<b>0.8</b>	<b>0.6</b>	<b>0.0</b>	<b>0.8</b>	<b>0.6</b>	<b>0.2</b>	<b>-0.8</b>	<b>1.8</b>	<b>2.8</b>	<b>4.4</b>	<b>5.4</b>
- % of revenue	8.1%	5.7%	0.6%	5.6%	3.6%	0.6%	-2.2%	3.3%	4.8%	6.3%	6.7%
Depreciation and amortization	#REF!	-0.4	-0.4	-0.5	-0.5	-0.7	-1.3	-1.5	-1.5	-1.6	-1.8
<b>EBIT</b>	<b>0.4</b>	<b>0.2</b>	<b>-0.4</b>	<b>0.3</b>	<b>0.1</b>	<b>-0.5</b>	<b>-2.1</b>	<b>0.3</b>	<b>1.4</b>	<b>2.8</b>	<b>3.7</b>
- % of revenue	4.1%	2.3%	-5.5%	2.3%	0.7%	-1.8%	-5.7%	0.6%	2.3%	4.0%	4.6%
Investments	#REF!	0.0	0.5	0.6	0.8	2.9	2.5	3.0	1.7	1.8	1.9
Net working capital	0.3	2.5	3.0	4.7	10.1	9.9	3.5	6.9	7.8	9.5	11.0
Net debt				-7.2	-1.4	1.4	-1.2	2.9	3.8	4.1	3.2

Source: Inderes

# Investment profile

- 1 A technology company whose competitive advantage lies in its expertise and specialized know-how
- 2 Favorable megatrends and strong market growth rate
- 3 Dependence on large individual projects and the Finnish energy storage market
- 4 The energy storage business has low margins and its profitability potential is yet to be proven
- 5 High risk level, but also high value creation potential if targets are met

## Strengths

- Technology expertise and R&D
- The modular and scalable product portfolio enables rapid business growth
- Strong market growth, especially in energy storage, driven by the transformation of energy production
- The proceeds from the IPO have been used to lay the groundwork for growth and to strengthen R&D, production, and international sales

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## Risks

- The profitability of the energy storage market is still a question mark, as the industry is competitive and margins are relatively low
- We believe improving profitability to the desired level is challenging
- Uneven growth development due to large orders
- Strengthening the balance sheet may become relevant to support growth, depending partly on the success of the profitability turnaround

# Valuation 1/3

## Investment profile: A strong growth company that has shown nascent signs of an earnings turnaround

Merus Power is growing strongly, driven by market growth offered by the energy system transformation. The energy storage-driven growth in 2023-2025 has demonstrated that the company has competitive capabilities at least locally and the capacity to quickly scale operations to a new size. Although we feel the energy market disruption is a sustainable growth driver, investment-driven demand can fluctuate on an annual level and cause volatility in estimates. The growth story could be further strengthened if Merus Power succeeds in diversifying its demand drivers by winning energy storage projects abroad and proving the competitiveness of its energy storage systems also outside Finland.

In addition to growth, we consider it important for the investment case that the company is able to strengthen its profitability, of which there were already clear signs during 2025. Defining the long-term profitability level is challenging so far, and we believe future evidence in this area is a key driver from a valuation perspective. In our view, it is challenging to achieve high double-digit EBIT margins in the energy storage business due to the thin margin levels of the projects. Our current long-term EBIT margin assumption is nearly 5%, which roughly corresponds to the best profitability levels of large players in the industry. The entire industry is still in a growth phase, which is why its profitability could strengthen in the long term as the market matures.

## Valuation is high in the short term

Merus Power's earnings-based valuation multiples are currently quite high due to growth investments and the incompleteness of the profitability turnaround (2026 EV/EBIT: 29x, EV/EBITDA: 14x), and we do not believe they warrant the stock's current value. However, multiples will decrease quite rapidly in the coming years due to the estimated earnings growth. The valuation relying on an uncertain future earnings turnaround partly increases the stock's valuation risk. From a balance sheet perspective, the stock's valuation is quite expensive (P/B 2026e: 3.3x) relative to the low return on capital achieved (ROE 2025: -11%, ROI: 2%). As the earnings turnaround continues, we also expect that the return on capital will strengthen significantly above the required return in the medium term.

## The view is based on future multiples and DCF

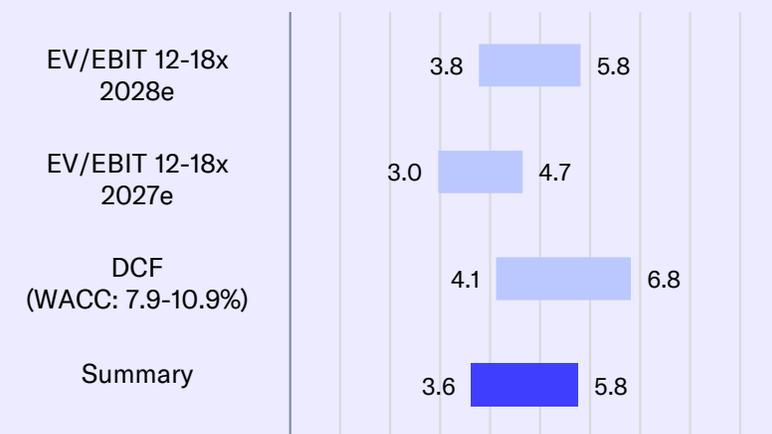
In valuing the stock, we particularly emphasize earnings-based valuation with medium-term estimates, but we also give weight to the DCF model. As a combined result of the methods, we estimate the fair value per share to be in the range of EUR 3.6-5.8.

Due to the strong growth profile and the ongoing profitability turnaround, we believe the fair medium-term earnings-based valuation multiples for the share are higher than the stock market average. Our fair value range is based on a two-thirds weighting of earnings-based valuation multiples (EV/EBIT 12-18x on 2027-28 estimates, discounted to the present). One-third of the valuation is based on discounted cash flow (DCF) analysis, which further emphasizes the importance of long-term profitability and growth assumptions.

Valuation	2026e	2027e	2028e
Share price	4.30	4.30	4.30
Number of shares, millions	8.22	8.22	8.22
Market cap	35	35	35
EV	39	39	39
P/E (adj.)	>100	22.6	13.2
P/E	>100	22.6	13.2
P/B	3.3	2.9	2.4
P/S	0.6	0.5	0.4
EV/Sales	0.7	0.6	0.5
EV/EBITDA	14.0	9.0	7.1
EV/EBIT (adj.)	28.9	14.3	10.5
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

## Fair value range (EUR/share)



# Valuation 2/3

## Challenging to find a good comparison from peers

It is challenging to find publicly listed peers with a similar investment profile to Merus Power. Below, we have listed a few different investment profiles based on existing listed companies.

**Mature power engineering companies with strong profitability.** This group includes, e.g., European ABB, Schneider Electric, and Chinese Sinexcel Electric. The companies have high profitability (EBIT% >10%) and return on invested capital. The growth profiles are relatively good (~5-10% p.a.) but lower than those of companies primarily focused on energy storage (like Merus Power). For these companies, we believe a fair valuation level is EV/EBIT 15-25x, partly depending on the growth profile. We see the valuation risk for this group as relatively moderate due to its established market position and predictable cash flows.

**High-growth companies with low profitability.** This group includes many companies primarily focused on the energy storage market, like Fluence Energy and Merus PowerNext to growth, the valuation of these companies is particularly driven by evidence of a targeted profitability turnaround. EV/S-based valuation multiples are quite low, but on the other hand, short-term earnings-based valuation multiples are high. The valuation risk is high, and share price fluctuations, e.g., due to changes in profitability or financing outlook, can be significant. We also see the Dutch company Alfen belonging to this group, although the company's growth outlook is weaker, as revenue also includes slower-growing elements. For companies awaiting a profitability turnaround, it is difficult to determine a fair earnings-based valuation level for the short term, so earnings-based valuation must rely on longer-term estimates.

## The stock has reasonable upside potential in the baseline scenario

We examine Merus Power's valuation with medium-term earnings estimates (2028e) by forming three different scenarios for the company's revenue and EBIT margin.

We aim to illustrate the company's potential value using EV/EBIT multiples. We estimate a fair valuation level for the share at EV/EBIT 15x, which we believe is realistic even in a negative scenario and possibly even conservative for the baseline and positive scenarios. At the same time, it must be stated that the estimates, particularly regarding margin expansion, are quite uncertain, as only the first signs of the company's earnings turnaround have been seen, and the industry's demand outlook and competitive dynamics can change significantly. For the sake of simplicity, we have assumed that the company's net cash position in all scenarios develops in line with the estimates of our baseline scenario, as higher growth would tie up more capital in working capital.

**In the baseline scenario,** revenue in 2028 would be 81 MEUR and the EBIT margin would be 4.6%. With these assumptions, the company's 2028 EV would be 55 MEUR and the market cap 52 MEUR. In this scenario, the share price would have a 47% upside to the 2028 estimate, which would correspond to a moderately attractive annual return of 15%. Even the profitability assumptions of the baseline scenario include a significant improvement from the current level, which keeps the forecast risk high. We estimate that the profitability of the baseline scenario corresponds to the industry's basic level in a more mature market development phase (e.g., Wärtsilä).

## Comparison to selected energy storage suppliers

Company	Sinexcel Electric	Alfen	Fluence Energy	Peers, average	Merus Power
Revenue CAGR next 3 years	16%	6%	28%	17%	14%
EBIT-% 2026e	16%	2%	2%	6%	4%
EV/EBIT 2026e	14	21	52	29	14
EV/S 2026e	2.7	0.5	0.9	1.4	0.7
P/B 2026e	4.5	1.3	5.4	3.7	3.3

Source: Inderes' estimate, Refinitiv and Bloomberg

## Scenario analysis

In 2028 MEUR	Negative scenario	Baseline scenario	Positive scenario
<b>Annual revenue growth in 2026-28</b>	3%	14%	30%
<b>Revenue</b>	60	81	120
<b>EBIT-%</b>	2.0%	4.6%	6.0%
<b>EBIT</b>	1.2	3.7	7.2
<b>EV/EBIT (x)</b>	15	15	15
<b>= EV</b>	18	55	108
<b>Net cash 2028e</b>	-3	-3	-3
<b>= Market cap</b>	15	52	105
<b>Share price 2028e</b>	1.8	6.3	12.8
<b>Return</b>	-58%	47%	197%
<b>Annual return</b>	-27%	15%	49%

Source: Inderes

# Valuation 3/3

**In our optimistic scenario**, we have set revenue close to the company's target levels, but our profitability assumption is still below the company's target, which we consider quite challenging to achieve. In this scenario, revenue would be 120 MEUR, representing an annual growth of 30% (2023-25 CAGR: 50%), and the EBIT margin would be 6%, resulting in an EBIT of 7.2 MEUR and an enterprise value (EV) of 108 MEUR. Thus, the share value in 2028 would be some 3 times the current price in this scenario. In reality, the valuation multiple could rise even higher than currently assumed if the profitability and growth in the positive scenario prove sustainable in the longer term as well. The scenario illustrates the high potential of the stock if the company's profitability were to rise above the industry's current profitability outlook. On the other hand, we consider achieving such high profitability challenging, given the low margin profile of energy storage.

**In the pessimistic scenario**, revenue would remain at 60 MEUR in 2028, which would still require an annual growth of 3%. Due to weak growth, profitability would also scale poorly and EBIT would remain at 1.2 MEUR. We do not consider this scenario likely to materialize, at least in terms of revenue, as the company has grown strongly in recent years and the market is expected to continue to provide strong tailwinds in the medium term. However, in new and rapidly developing industries, demand can vary from time to time, which could lead to unexpected changes in the investment-driven order book. Regarding profitability, the pessimistic scenario is not extremely pessimistic, as it assumes the EBIT margin will improve to 2%, representing an increase from the current level (2025: 0.6%). However, in our view, the profitability assumption is still lower than the expected baseline for a mature industry.

## DCF valuation

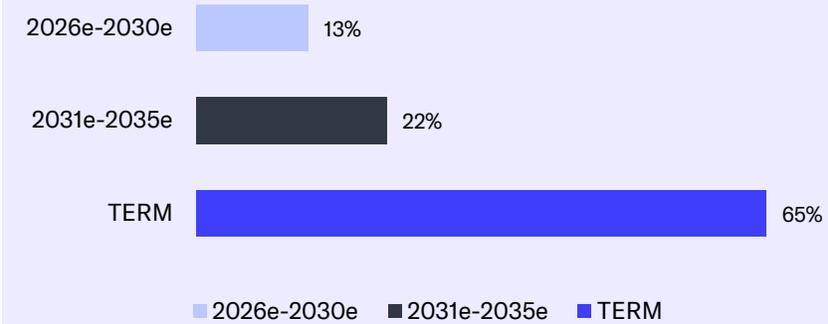
Our cash flow-based DCF model gives a value of 43 MEUR (EUR 5.3 per share) for Merus Power's equity. In our estimate model, the average annual revenue growth for 2026-2030 is relatively high (13% p.a.), after which growth slows down to only 3% in the terminal period after 2035.

In our model, the EBIT margin rises to 4.6% by 2028 and the EBITDA margin to 6.7% (company target is an average EBITDA margin of over 15%). Profitability still improves slightly in our long-term forecasts (EBIT 5.0% in the terminal period). The estimated long-term margin can be considered highish relative to the current profitability of the energy storage industry, but on the other hand, profitability will likely strengthen in the long term as the industry's growth-seeking decreases and the sector matures.

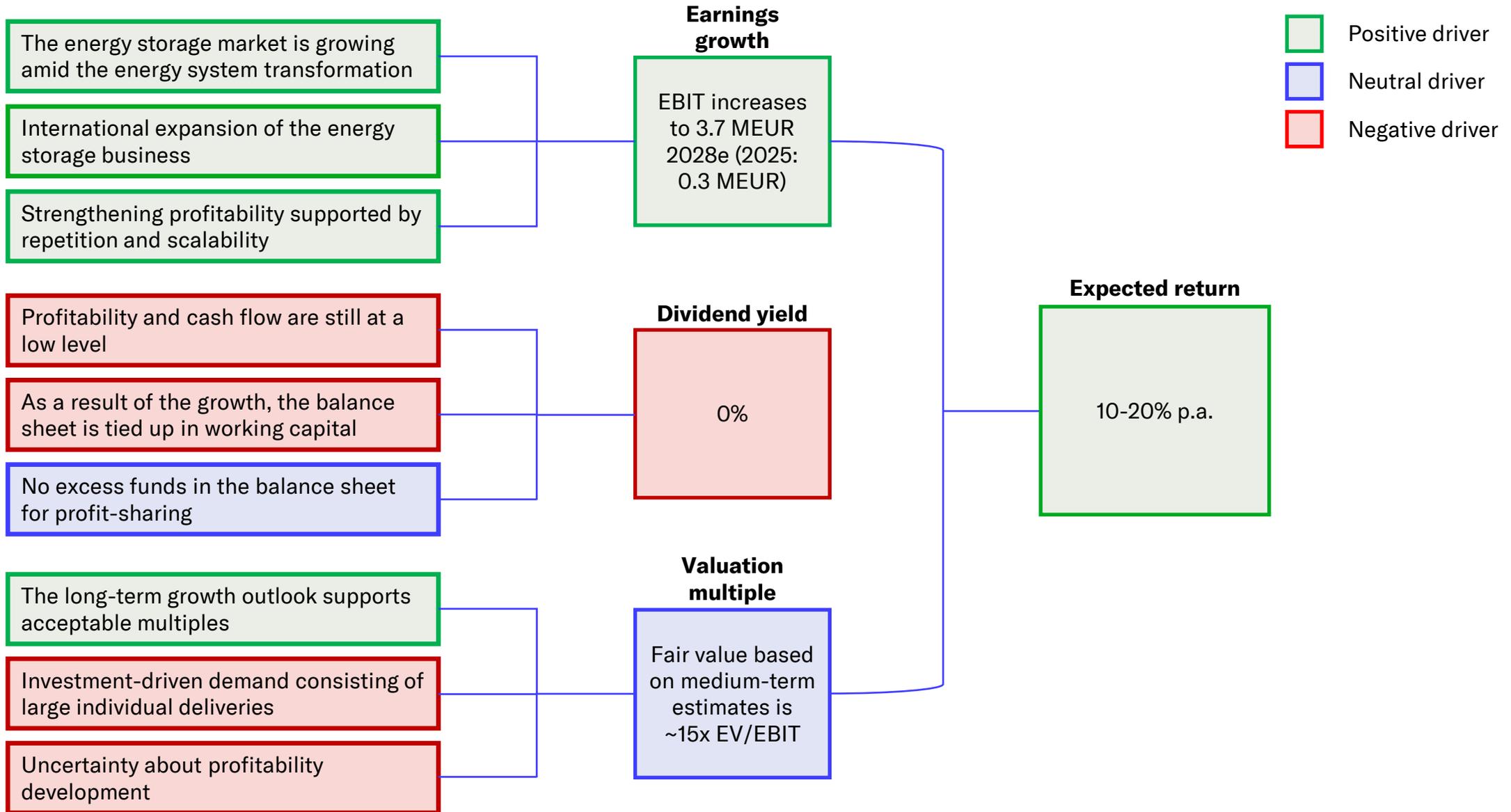
The applied cost of capital (WACC) is 9.4%, which reflects a higher risk level for the stock compared to an average listed company. The 65% share of cash flows in the terminal period is quite typical. We use a highish cost of equity (10.6%) because we still see considerable uncertainty in the company's outlook due to the company's and industry's development phase. Lowering the cost of equity by one percentage point would increase the DCF valuation by 19%, and raising it would decrease the value by 14%.

A key factor lowering the DCF valuation is related to working capital needs in the coming years due to the rapid growth of the energy storage business. For example, in 2026-30, we expect 1.5 MEUR of working capital to be committed per year, which is a relatively significant amount relative to the company's total market cap.

## DCF: Distribution of cash flow timing



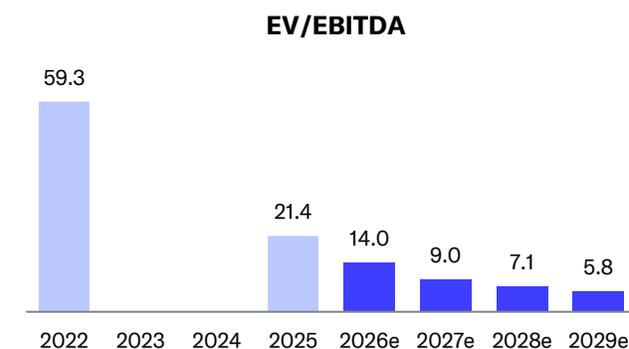
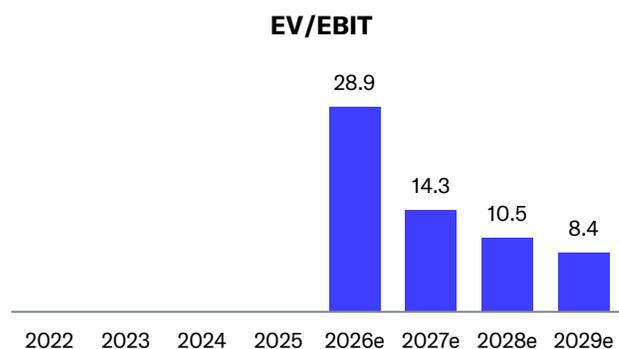
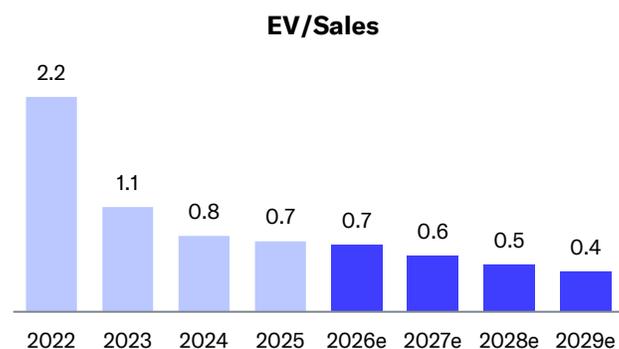
# Drivers of shareholder return (medium term)



# Valuation table

Valuation	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	4.77	3.82	3.71	4.37	<b>4.30</b>	<b>4.30</b>	<b>4.30</b>	<b>4.30</b>
Number of shares, millions	7.64	7.64	7.67	8.22	<b>8.22</b>	<b>8.22</b>	<b>8.22</b>	<b>8.22</b>
Market cap	36	29	28	36	<b>35</b>	<b>35</b>	<b>35</b>	<b>35</b>
EV	35	31	27	39	<b>39</b>	<b>39</b>	<b>39</b>	<b>37</b>
P/E (adj.)	neg.	neg.	neg.	neg.	>100	<b>22.6</b>	<b>13.2</b>	<b>9.6</b>
P/E	neg.	neg.	neg.	neg.	>100	<b>22.6</b>	<b>13.2</b>	<b>9.6</b>
P/B	2.8	2.4	3.0	3.5	<b>3.3</b>	<b>2.9</b>	<b>2.4</b>	<b>1.9</b>
P/S	2.3	1.0	0.8	0.7	<b>0.6</b>	<b>0.5</b>	<b>0.4</b>	<b>0.4</b>
EV/Sales	2.2	1.1	0.8	0.7	<b>0.7</b>	<b>0.6</b>	<b>0.5</b>	<b>0.4</b>
EV/EBITDA	59.3	>100	neg.	21.4	<b>14.0</b>	<b>9.0</b>	<b>7.1</b>	<b>5.8</b>
EV/EBIT (adj.)	>100	neg.	neg.	>100	<b>28.9</b>	<b>14.3</b>	<b>10.5</b>	<b>8.4</b>
Payout ratio (%)	0.0 %	0.0 %	0.0 %	0.0 %	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>

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 Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
			2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e
Sinexcel Electric	1499	1436	17.1	13.8	15.6	13.2	2.7	2.3	19.6	16.4	1.8	2.1	4.5
Alfen	202	223	42.4	20.7	8.5	7.0	0.5	0.5	71.6	33.8			1.3
ABB	141932	143870	23.8	22.1	21.3	19.9	4.7	4.4	28.6	27.8	1.3	1.4	9.0
Schneider Electric	151148	162566	20.7	18.5	17.3	15.6	3.8	3.5	26.5	23.1	1.8	1.9	4.5
Wärtsilä	21622	19620	21.8	19.6	18.6	16.9	2.8	2.6	32.2	28.8	1.7	1.9	7.2
Fluence Energy	2583	2613		52.0	62.9	24.3	0.9	0.8		61.1			5.4
<b>Merus Power (Inderes)</b>	<b>35</b>	<b>39</b>	<b>28.9</b>	<b>14.3</b>	<b>14.0</b>	<b>9.0</b>	<b>0.7</b>	<b>0.6</b>	<b>230.7</b>	<b>22.6</b>	<b>0.0</b>	<b>0.0</b>	<b>3.3</b>
<b>Average</b>			<b>25.2</b>	<b>24.5</b>	<b>24.0</b>	<b>16.2</b>	<b>2.6</b>	<b>2.3</b>	<b>35.7</b>	<b>31.8</b>	<b>1.6</b>	<b>1.8</b>	<b>5.3</b>
<b>Median</b>			<b>21.8</b>	<b>20.2</b>	<b>18.0</b>	<b>16.3</b>	<b>2.7</b>	<b>2.4</b>	<b>28.6</b>	<b>28.3</b>	<b>1.7</b>	<b>1.9</b>	<b>4.9</b>
<b>Diff-% to median</b>			<b>33%</b>	<b>-29%</b>	<b>-22%</b>	<b>-44%</b>	<b>-75%</b>	<b>-77%</b>	<b>706%</b>	<b>-20%</b>	<b>-100%</b>	<b>-100%</b>	<b>-32%</b>

Source: Refinitiv / Inderes

There are significant differences within the peer group, e.g., in the structure and development stage of the companies. The companies with stronger growth in the group include Sinexcel Electric, Alfen and Fluence Energy, although these companies are clearly larger than Merus Power. More established players in the group include ABB, Schneider Electric and Wärtsilä.

# Income statement

Income statement	2024	H1'25	H2'25	2025	H1'26e	H2'26e	2026e	2027e	2028e	2029e
<b>Revenue</b>	<b>35.8</b>	<b>24.9</b>	<b>29.7</b>	<b>54.6</b>	<b>24.7</b>	<b>33.3</b>	<b>57.9</b>	<b>69.5</b>	<b>80.6</b>	<b>91.9</b>
Group	35.8	24.9	29.7	54.6	24.7	33.3	57.9	69.5	80.6	91.9
<b>EBITDA</b>	<b>-0.8</b>	<b>0.3</b>	<b>1.5</b>	<b>1.8</b>	<b>0.1</b>	<b>2.7</b>	<b>2.8</b>	<b>4.4</b>	<b>5.4</b>	<b>6.3</b>
Depreciation	-1.3	-0.8	-0.7	-1.5	-0.7	-0.7	-1.5	-1.6	-1.8	-1.9
<b>EBIT (excl. NRI)</b>	<b>-2.1</b>	<b>-0.5</b>	<b>0.8</b>	<b>0.3</b>	<b>-0.6</b>	<b>2.0</b>	<b>1.4</b>	<b>2.8</b>	<b>3.7</b>	<b>4.4</b>
<b>EBIT</b>	<b>-2.1</b>	<b>-0.5</b>	<b>0.8</b>	<b>0.3</b>	<b>-0.6</b>	<b>2.0</b>	<b>1.4</b>	<b>2.8</b>	<b>3.7</b>	<b>4.4</b>
Group	-2.1	-0.5	0.8	0.3	-0.6	2.0	1.4	2.8	3.7	4.4
Share of profits in assoc. companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net financial items	-0.6	-0.7	-0.7	-1.4	-0.6	-0.6	-1.2	-1.2	-1.0	-0.7
<b>PTP</b>	<b>-2.7</b>	<b>-1.2</b>	<b>0.1</b>	<b>-1.1</b>	<b>-1.2</b>	<b>1.4</b>	<b>0.2</b>	<b>1.6</b>	<b>2.7</b>	<b>3.7</b>
Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net earnings</b>	<b>-2.7</b>	<b>-1.2</b>	<b>0.1</b>	<b>-1.1</b>	<b>-1.2</b>	<b>1.4</b>	<b>0.2</b>	<b>1.6</b>	<b>2.7</b>	<b>3.7</b>
<b>EPS (adj.)</b>	<b>-0.35</b>	<b>-0.14</b>	<b>0.01</b>	<b>-0.14</b>	<b>-0.15</b>	<b>0.17</b>	<b>0.02</b>	<b>0.19</b>	<b>0.33</b>	<b>0.45</b>
<b>EPS (rep.)</b>	<b>-0.35</b>	<b>-0.14</b>	<b>0.01</b>	<b>-0.14</b>	<b>-0.15</b>	<b>0.17</b>	<b>0.02</b>	<b>0.19</b>	<b>0.33</b>	<b>0.45</b>

Key figures	2024	H1'25	H2'25	2025	H1'26e	H2'26e	2026e	2027e	2028e	2029e
<b>Revenue growth-%</b>	23.4 %	273.8 %	1.9 %	52.5 %	-1.0 %	11.9 %	6.0 %	20.0 %	16.0 %	14.0 %
<b>Adjusted EBIT growth-%</b>	302.3 %	-87.8 %	-58.7 %	-115.4 %	28.5 %	145.9 %	326.9 %	104.1 %	33.1 %	19.3 %
<b>EBITDA-%</b>	-2.2 %	1.3 %	5.1 %	3.3 %	0.4 %	8.2 %	4.8 %	6.3 %	6.7 %	6.9 %
<b>Adjusted EBIT-%</b>	-5.7 %	-2.0 %	2.7 %	0.6 %	-2.5 %	6.0 %	2.3 %	4.0 %	4.6 %	4.8 %
<b>Net earnings-%</b>	-7.4 %	-4.7 %	0.2 %	-2.0 %	-5.0 %	4.2 %	0.3 %	2.2 %	3.3 %	4.0 %

Source: Inderes

# Balance sheet

Assets	2024	2025	2026e	2027e	2028e
<b>Non-current assets</b>	<b>4.9</b>	<b>6.4</b>	<b>6.7</b>	<b>6.8</b>	<b>7.0</b>
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	4.7	4.7	5.0	5.1	5.3
Tangible assets	0.2	1.7	1.7	1.7	1.7
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
<b>Current assets</b>	<b>21.8</b>	<b>22.4</b>	<b>22.8</b>	<b>26.2</b>	<b>29.6</b>
Inventories	9.1	6.9	7.2	8.4	9.4
Other current assets	0.0	0.1	0.1	0.1	0.1
Receivables	9.7	10.4	10.7	12.5	14.1
Cash and equivalents	3.0	5.0	4.8	5.2	6.0
<b>Balance sheet total</b>	<b>26.7</b>	<b>28.8</b>	<b>29.4</b>	<b>33.0</b>	<b>36.6</b>

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
<b>Equity</b>	<b>9.5</b>	<b>10.4</b>	<b>10.6</b>	<b>12.1</b>	<b>14.8</b>
Share capital	17.9	19.9	19.9	19.9	19.9
Retained earnings	-8.3	-9.5	-9.3	-7.7	-5.1
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	0.0	0.0	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	0.0
<b>Non-current liabilities</b>	<b>1.1</b>	<b>5.7</b>	<b>5.4</b>	<b>5.8</b>	<b>5.7</b>
Deferred tax liabilities	0.0	0.0	0.0	0.0	0.0
Provisions	0.1	0.2	0.2	0.2	0.2
Interest bearing debt	1.0	5.5	5.2	5.6	5.5
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>16.1</b>	<b>12.7</b>	<b>13.5</b>	<b>15.1</b>	<b>16.1</b>
Interest bearing debt	0.8	2.4	3.4	3.7	3.7
Payables	15.3	10.3	10.1	11.4	12.4
Other current liabilities	0.0	0.0	0.0	0.0	0.0
<b>Balance sheet total</b>	<b>26.7</b>	<b>28.8</b>	<b>29.4</b>	<b>33.0</b>	<b>36.6</b>

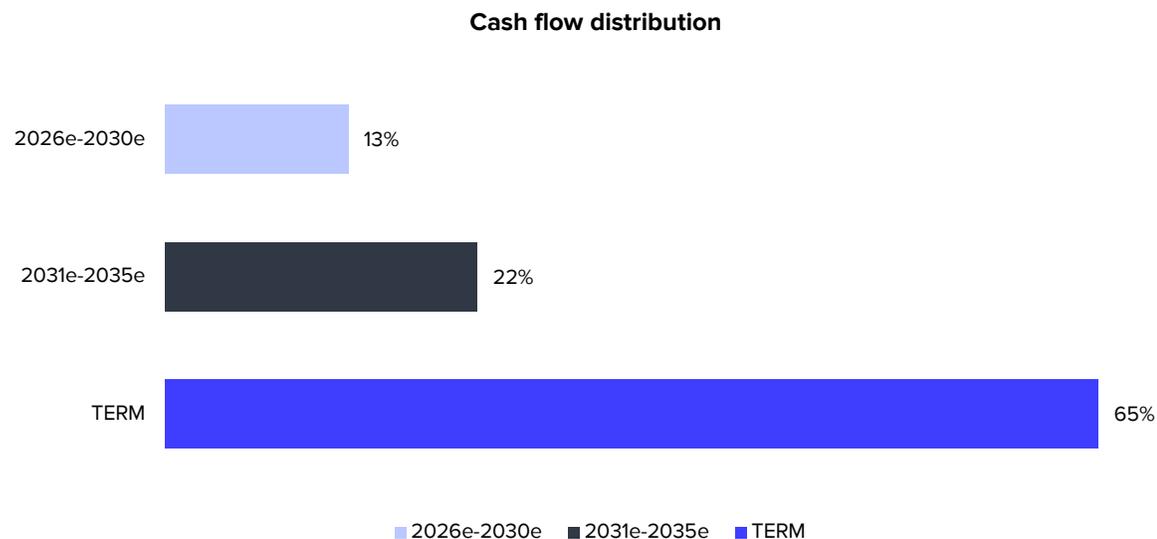
# DCF-calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	52.5 %	6.0 %	20.0 %	16.0 %	14.0 %	11.0 %	9.0 %	7.0 %	5.0 %	5.0 %	3.0 %	3.0 %
EBIT-%	0.6 %	2.3 %	4.0 %	4.6 %	4.8 %	4.8 %	4.8 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %
<b>EBIT (operating profit)</b>	<b>0.3</b>	<b>1.4</b>	<b>2.8</b>	<b>3.7</b>	<b>4.4</b>	<b>4.9</b>	<b>5.3</b>	<b>6.0</b>	<b>6.2</b>	<b>6.6</b>	<b>6.8</b>	
+ Depreciation	1.5	1.5	1.6	1.8	1.9	2.1	2.2	2.3	2.3	2.3	2.3	
- Paid taxes	0.0	0.0	0.0	0.0	0.0	-0.9	-1.1	-1.2	-1.2	-1.3	-1.4	
- Tax, financial expenses	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	-3.5	-0.9	-1.7	-1.6	-1.7	-1.1	-1.0	-0.8	-0.5	-0.6	-0.5	
<b>Operating cash flow</b>	<b>-1.7</b>	<b>1.9</b>	<b>2.7</b>	<b>3.9</b>	<b>4.6</b>	<b>4.9</b>	<b>5.4</b>	<b>6.2</b>	<b>6.8</b>	<b>7.0</b>	<b>7.2</b>	
+ Change in other long-term liabilities	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-3.0	-1.7	-1.8	-1.9	-2.1	-2.4	-2.4	-2.4	-2.4	-2.4	-2.8	
<b>Free operating cash flow</b>	<b>-4.6</b>	<b>0.3</b>	<b>0.9</b>	<b>1.9</b>	<b>2.5</b>	<b>2.6</b>	<b>3.1</b>	<b>3.9</b>	<b>4.4</b>	<b>4.7</b>	<b>4.5</b>	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-4.6	0.3	0.9	1.9	2.5	2.6	3.1	3.9	4.4	4.7	4.5	72.8
<b>Discounted FCFF</b>		<b>0.2</b>	<b>0.8</b>	<b>1.5</b>	<b>1.7</b>	<b>1.7</b>	<b>1.8</b>	<b>2.1</b>	<b>2.2</b>	<b>2.1</b>	<b>1.9</b>	<b>30.2</b>
Sum of FCFF present value		46.2	45.9	45.2	43.7	41.9	40.3	38.4	36.3	34.1	32.0	30.2
<b>Enterprise value DCF</b>		<b>46.2</b>										
- Interest bearing debt		-7.9										
+ Cash and cash equivalents		5.0										
-Minorities		0.0										
-Dividend/capital return		0.0										
<b>Equity value DCF</b>		<b>43.3</b>										
<b>Equity value DCF per share</b>		<b>5.3</b>										

## WACC

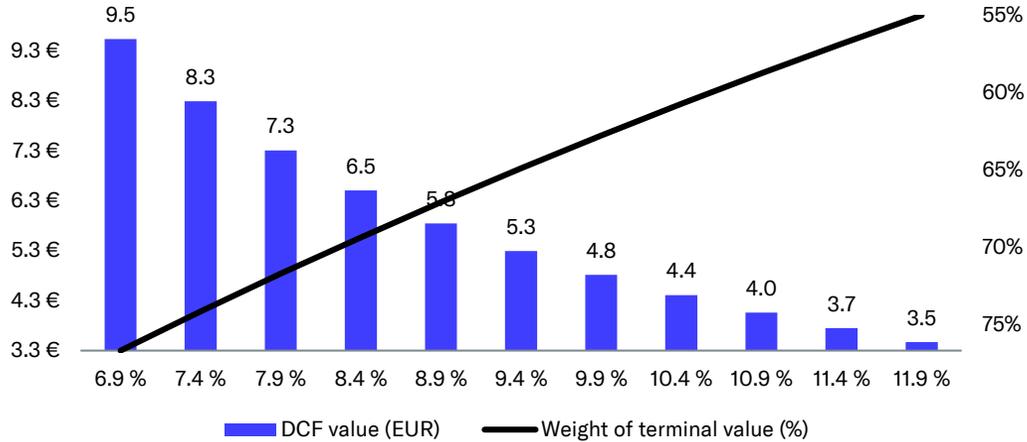
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	15.0 %
Cost of debt	3.0 %
Equity Beta	1.28
Market risk premium	4.75%
Liquidity premium	2.00%
Risk free interest rate	2.5 %
<b>Cost of equity</b>	<b>10.6 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>9.4 %</b>

Source: Inderes

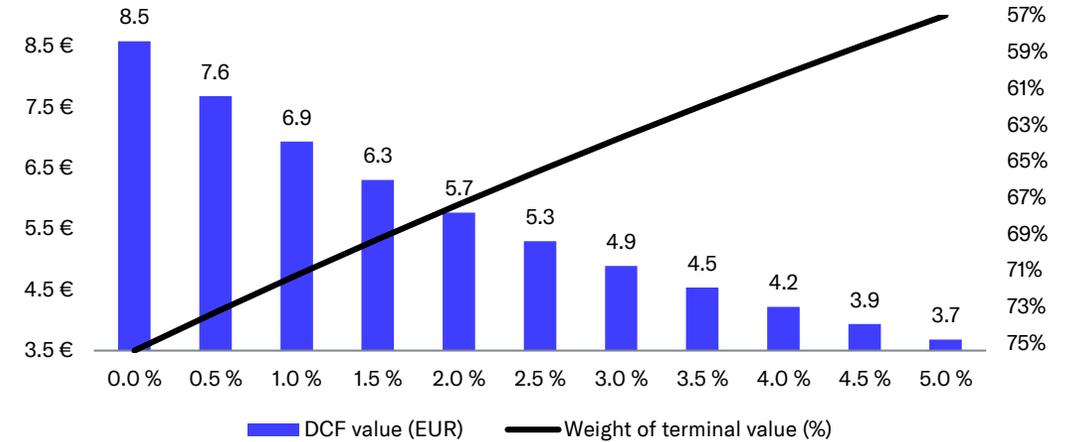


# DCF sensitivity calculations and key assumptions in graphs

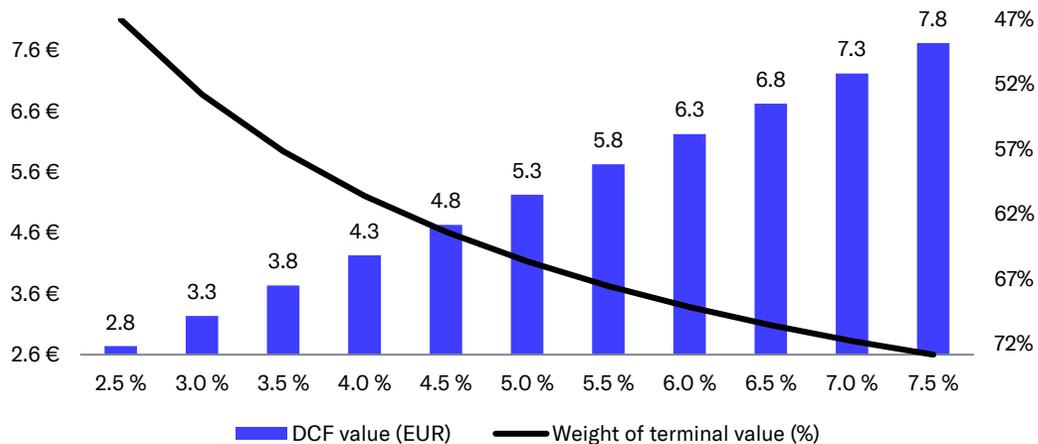
Sensitivity of DCF to changes in the WACC-%



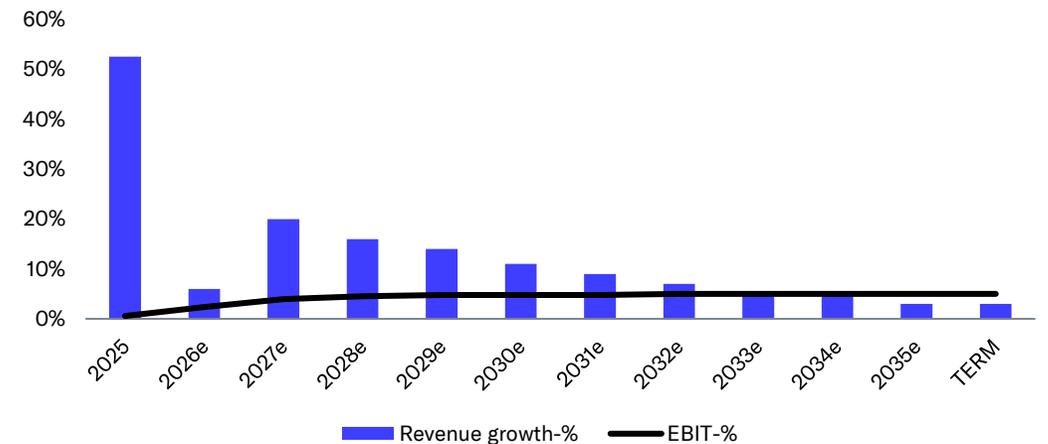
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



Source: Inderes. NBI The terminal value weight (%) is presented on a reverse scale for clarity.

# Summary

Income statement	2023	2024	2025	2026e	2027e	Per share data	2023	2024	2025	2026e	2027e
Revenue	29.0	35.8	54.6	<b>57.9</b>	<b>69.5</b>	EPS (reported)	-0.10	-0.35	-0.14	<b>0.02</b>	<b>0.19</b>
EBITDA	0.2	-0.8	1.8	<b>2.8</b>	<b>4.4</b>	EPS (adj.)	-0.10	-0.35	-0.14	<b>0.02</b>	<b>0.19</b>
EBIT	-0.5	-2.1	0.3	<b>1.4</b>	<b>2.8</b>	OCF / share	0.05	0.73	-0.20	<b>0.23</b>	<b>0.32</b>
PTP	-0.8	-2.7	-1.1	<b>0.2</b>	<b>1.6</b>	FCF / share	-0.33	0.40	-0.56	<b>0.03</b>	<b>0.11</b>
Net Income	-0.8	-2.7	-1.1	<b>0.2</b>	<b>1.6</b>	Book value / share	1.58	1.24	1.27	<b>1.28</b>	<b>1.47</b>
Extraordinary items	0.0	0.0	0.0	<b>0.0</b>	<b>0.0</b>	Dividend / share	0.00	0.00	0.00	<b>0.00</b>	<b>0.00</b>
<b>Balance sheet</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026e</b>	<b>2027e</b>	<b>Growth and profitability</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026e</b>	<b>2027e</b>
Balance sheet total	21.2	26.7	28.8	<b>29.4</b>	<b>33.0</b>	Revenue growth-%	79%	23%	53%	<b>6%</b>	<b>20%</b>
Equity capital	12.1	9.5	10.4	<b>10.6</b>	<b>12.1</b>	EBITDA growth-%	-69%	-530%	-327%	<b>55%</b>	<b>55%</b>
Goodwill	0.0	0.0	0.0	<b>0.0</b>	<b>0.0</b>	EBIT (adj.) growth-%	-582%	302%	-115%	<b>327%</b>	<b>104%</b>
Net debt	1.4	-1.2	2.9	<b>3.8</b>	<b>4.1</b>	EPS (adj.) growth-%	626%	231%	-61%	<b>-114%</b>	<b>919%</b>
<b>Cash flow</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026e</b>	<b>2027e</b>	EBITDA-%	0.6 %	-2.2 %	3.3 %	<b>4.8 %</b>	<b>6.3 %</b>
EBITDA	0.2	-0.8	1.8	<b>2.8</b>	<b>4.4</b>	EBIT (adj.)-%	-1.8 %	-5.7 %	0.6 %	<b>2.3 %</b>	<b>4.0 %</b>
Change in working capital	0.2	6.4	-3.5	<b>-0.9</b>	<b>-1.7</b>	EBIT-%	-1.8 %	-5.7 %	0.6 %	<b>2.3 %</b>	<b>4.0 %</b>
Operating cash flow	0.4	5.6	-1.7	<b>1.9</b>	<b>2.7</b>	ROE-%	-6.4 %	-24.5 %	-11.2 %	<b>1.5 %</b>	<b>13.8 %</b>
CAPEX	-2.9	-2.5	-3.0	<b>-1.7</b>	<b>-1.8</b>	ROI-%	-3.1 %	-15.0 %	2.1 %	<b>7.2 %</b>	<b>13.6 %</b>
Free cash flow	-2.6	3.1	-4.6	<b>0.3</b>	<b>0.9</b>	Equity ratio	57.1 %	35.7 %	36.1 %	<b>35.8 %</b>	<b>36.7 %</b>
						Gearing	11.6 %	-12.2 %	27.6 %	<b>36.1 %</b>	<b>33.9 %</b>
<b>Valuation multiples</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026e</b>	<b>2027e</b>						
EV/S	1.1	0.8	0.7	<b>0.7</b>	<b>0.6</b>						
EV/EBITDA	>100	neg.	21.4	<b>14.0</b>	<b>9.0</b>						
EV/EBIT (adj.)	neg.	neg.	>100	<b>28.9</b>	<b>14.3</b>						
P/E (adj.)	neg.	neg.	neg.	<b>&gt;100</b>	<b>22.6</b>						
P/B	2.4	3.0	3.5	<b>3.3</b>	<b>2.9</b>						
Dividend-%	0.0 %	0.0 %	0.0 %	<b>0.0 %</b>	<b>0.0 %</b>						

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. Per-share figures are calculated using the number of shares at year-end.

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

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## Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
11/1/2021	Accumulate	9.20 €	8.29 €
1/3/2022	Reduce	9.40 €	9.52 €
2/10/2022	Accumulate	8.20 €	7.54 €
8/24/2022	Reduce	7.20 €	7.89 €
11/15/2022	Reduce	5.20 €	5.00 €
2/9/2023	Reduce	6.50 €	6.82 €
8/2/2023	Reduce	5.00 €	4.95 €
8/24/2023	Reduce	4.00 €	4.36 €
12/12/2023	Reduce	3.50 €	4.08 €
12/15/2023	Reduce	3.70 €	3.82 €
2/8/2024	Reduce	3.70 €	4.28 €
2/14/2024	Accumulate	5.00 €	4.41 €
7/3/2024	Reduce	4.50 €	4.93 €
8/14/2024	Reduce	4.50 €	4.74 €
8/22/2024	Reduce	4.00 €	4.41 €
1/24/2025	Reduce	4.30 €	4.61 €
2/6/2025	Reduce	4.80 €	5.12 €
8/14/2025	Reduce	4.80 €	5.22 €
8/21/2025	Reduce	5.00 €	5.60 €
1/12/2026	Reduce	4.50 €	4.40 €
2/6/2026	Accumulate	4.70 €	4.24 €
2/23/2026	Accumulate	4.70 €	4.30 €



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