

# Nexstim

## Company report

1/3/2025



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This report is a summary translation of the report “Hyvä päätös vahvalle vuodelle” published on 1/3/2025 at 7:00 am EET

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# Good end to a strong year

Nexstim's strong 2024 culminated in a seasonally busy Q4 sales season. The total number of system sales reported for the year was 28, up from 24 last year and the best sales year in Nexstim's history. The final order amount will be disclosed in the financial statements and may be even higher. We are upgrading our forecasts based on very strong sales and are postponing the Sinaptica contract, which our models had for H2'24, by six months. The valuation picture has become more challenging with the sharp rise in the share price. We raise the target price to EUR 7.0 (was EUR 6.2) and lower our recommendation to Reduce (was Accumulate).

## Sales also in good shape at the end of the year

The end of the year is seasonally strong for Nexstim as hospitals and research institutes make their acquisitions. According to the company's press releases, a total of at least 28 systems were sold during 2024 (2023: 24 systems), which is a single-year sales record. There may be more orders, as not all sales are necessarily announced, and the final number will be revealed in the financial statements. During H2, 18 orders were announced, which also exceeds the comparison period (H2'23: 16 systems).

## Expectations for a good year, but its direction will be significantly influenced by the outcome of the Sinaptica deal

We expect strong growth in the year ahead, visibility for which is provided by continued business growth through an increased installed base, as well as the guaranteed EBITDA from the recent BrainLab agreement. The guaranteed amount is 4 MEUR for the year 2025 and according to the company's management, the guarantee seems to have continuity beyond this year, although the commercial details of the contract are not public. On the other hand, there is also a high degree of binarity in the projections due to the Sinaptica contract. Nexstim and Sinaptica signed a letter of intent in June 2024. The final agreement, if implemented, would mean cumulative revenue of 6 MEUR for Nexstim over two years and, in the long term, additional potential for TMS treatments for Alzheimer's disease. We expect a 2/3 probability that the deal will go through, which is also included in our models.

## Sales forecasts raised – Sinaptica deal shifted in forecasts

Previously, the signing of the Sinaptica contract and its advance payments were included in our models in H2'24. However, this schedule did not materialize, so we are postponing our estimate by six months to H1'25. The postponement of the contract timing has a downward impact on our 2024 forecasts. Our expectations on the content of the agreement remain unaffected, so the practical impact of the delay will be very limited. Given the good system sales in 2024, we are raising our estimates for system sales and recurring revenue in the next few years.

## The price rally seems excessive

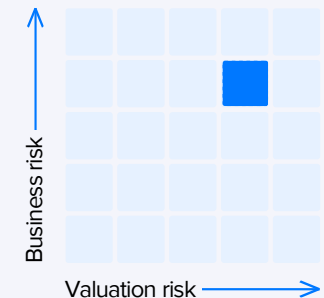
With our expectations of strong growth in the coming year, the EV/S ratio is 4.6x, which is at the upper end of our acceptable range of 3-5x. We think the ratio is a bit high given the risk associated with the low visibility and the binary element that the Sinaptica contract introduces. However, we also see potential in the stock if the Sinaptica deal goes through as agreed in the letter of intent. The DCF model suggests that the stock is fully priced. In our view, the sharp rise in the share price over the last year (around 60% in the last month) has been largely well-deserved, thanks to the improved growth outlook and the higher acceptable prices brought about by the turnaround in cash flows. However, we believe that the risk/reward ratio is currently somewhat lacking.

## Recommendation

**Reduce**  
(was Accumulate)

**EUR 7.00**  
(was EUR 6.20)

**Share price:**  
8.76



## Key figures

|                    | 2023    | 2024e  | 2025e  | 2026e  |
|--------------------|---------|--------|--------|--------|
| <b>Revenue</b>     | 7.2     | 8.6    | 14.3   | 17.5   |
| <b>growth-%</b>    | -24%    | 19%    | 65%    | 23%    |
| <b>EBIT adj.</b>   | -1.2    | -0.2   | 2.5    | 4.0    |
| <b>EBIT-% adj.</b> | -16.9 % | -1.8 % | 17.8 % | 22.6 % |
| <b>Net Income</b>  | -1.3    | -0.3   | 2.3    | 3.7    |
| <b>EPS (adj.)</b>  | -0.18   | -0.04  | 0.33   | 0.52   |

|                         |       |       |       |       |
|-------------------------|-------|-------|-------|-------|
| <b>P/E (adj.)</b>       | neg.  | neg.  | 26.8  | 16.7  |
| <b>P/B</b>              | 6.9   | 24.4  | 12.8  | 7.2   |
| <b>Dividend yield-%</b> | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| <b>EV/EBIT (adj.)</b>   | neg.  | neg.  | 25.6  | 15.5  |
| <b>EV/EBITDA</b>        | neg.  | >100  | 18.9  | 12.5  |
| <b>EV/S</b>             | 3.1   | 7.8   | 4.6   | 3.5   |

Source: Inderes

## Guidance

(Unchanged)

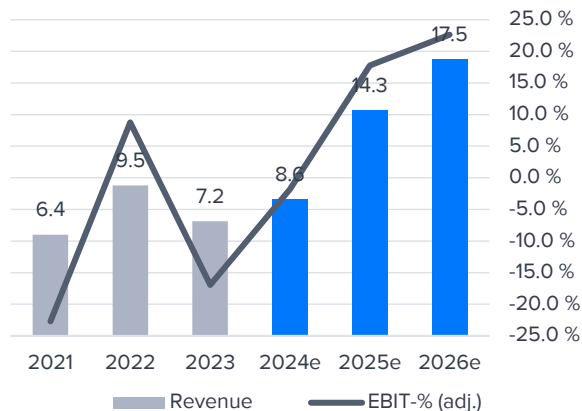
Based on business forecasts, the company expects that in 2024 the company's comparable revenue will grow and EBIT will improve in 2024.

## Share price



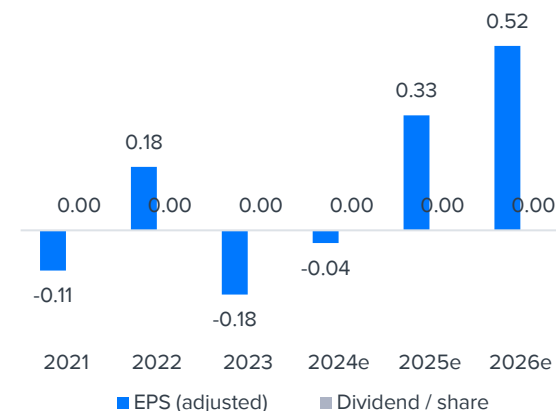
Source: Millstream Market Data AB

## Revenue and EBIT-%



Source: Inderes

## EPS and dividend



Source: Inderes



## Value drivers

- Growing markets and underlying megatrends
- Growth in system base drives profitable and scalable recurring revenue
- Licensing agreement generates strong cash flow in the ongoing decade
- Opportunities for value creation from expanding the network of exclusive partner clinics



## Risk factors

- Tough competition in the therapy business can chip away at growth and margins
- Considerable uncertainty about the timing and level of license fees
- The company may fall behind the competition if the development of accelerated treatment protocols fails
- The company's resources are small compared to its competitors
- Possibility of new share issues cannot be excluded

| Valuation                  | 2024e | 2025e | 2026e |
|----------------------------|-------|-------|-------|
| Share price                | 8.76  | 8.76  | 8.76  |
| Number of shares, millions | 7.16  | 7.16  | 7.16  |
| Market cap                 | 63    | 63    | 63    |
| EV                         | 67    | 65    | 61    |
| P/E (adj.)                 | neg.  | 26.8  | 16.7  |
| P/E                        | neg.  | 26.8  | 16.7  |
| P/B                        | 24.4  | 12.8  | 7.2   |
| P/S                        | 7.3   | 4.4   | 3.6   |
| EV/Sales                   | 7.8   | 4.6   | 3.5   |
| EV/EBITDA                  | >100  | 18.9  | 12.5  |
| EV/EBIT (adj.)             | neg.  | 25.6  | 15.5  |
| Payout ratio (%)           | 0.0 % | 0.0 % | 0.0 % |
| Dividend yield-%           | 0.0 % | 0.0 % | 0.0 % |

Source: Inderes

# Sales forecasts raised - Sinaptica deal shifted in forecasts

## Estimate revisions 2024e-2026e

- Our revenue forecast for 2024 is reduced by 0.5 MEUR, which includes an increase of 0.5 MEUR for the core business and a negative impact of 1 MEUR due to the postponement of the Sinaptica contract.
- Our forecast anticipated a signing fee of 1 MEUR in H2'24, which is now pushed to 2025.
- Apart from the six-month delay, our expectations regarding the content of the agreement remain unchanged.
- Our revenue forecasts for the next few years are also rising because of the increase in the moderate sales forecasts.
- We have also made minor revisions to our cost estimates, which we expect to increase as a result of the development project related to the Sinaptica contract and an increase in the number of employees.

| Estimate revisions<br>MEUR / EUR | 2024e |       |          | 2025e |      |          | 2026e |      |          |
|----------------------------------|-------|-------|----------|-------|------|----------|-------|------|----------|
|                                  | Old   | New   | Change % | Old   | New  | Change % | Old   | New  | Change % |
| Revenue                          | 9.1   | 8.6   | -5%      | 13.2  | 14.3 | 8%       | 16.6  | 17.5 | 5%       |
| EBITDA                           | 0.8   | 0.7   | -20%     | 2.4   | 3.4  | 45%      | 4.1   | 4.9  | 19%      |
| EBIT                             | 0.0   | -0.2  | -5051%   | 1.7   | 2.5  | 47%      | 3.6   | 4.0  | 10%      |
| PTP                              | -0.1  | -0.3  | -164%    | 1.5   | 2.3  | 53%      | 3.5   | 3.7  | 7%       |
| EPS (excl. NRIs)                 | -0.01 | -0.04 | -164%    | 0.21  | 0.33 | 53%      | 0.49  | 0.52 | 7%       |
| DPS                              | 0.00  | 0.00  |          | 0.00  | 0.00 |          | 0.00  | 0.00 |          |

Source: Inderes

# Valuation picture has tightened as share price has risen

## Valuation is based on the DCF model and EV/S ratio

We use the EV/S multiple to value Nexstim as earnings multiples only become useful in the coming years. A key tool is also the DCF model that models the current value of cash flows. We do not expect a dividend from Nexstim in the next few years, so the investor's return is based on value changes in the share. The margin of error in valuation is high due to the estimate risk and low business visibility. The valuation multiples may, therefore, fluctuate significantly as we have seen throughout the history of the share. In the near future, binarity will be caused by the news flow from the Sinaptica and Magnus Medical deals.

## EV/S is attractive after forecast changes and share price drop

In our latest [extensive report](#), we outlined the fair range of the EV/S ratio to be about 2.5-3.5x. Given the turnaround in cash flows and the improved outlook, we believe the fair range is 3-5x. In our 2025 projections, the EV/S multiple has risen to 4.6x (was 2.9), which we consider slightly high relative to our forecasts assuming strong growth and the binary risk inherent in the Sinaptica and Mangus Medical contracts. The closest peers, Neuronetics and Brainsways, have 2024 multiples of 1.6x and 3.3x, respectively, but their valuation utility is limited, as we have described in the extensive report. We believe Nexstim's multiples are reasonable for the profitability potential of the business, assuming growth materializes as expected in the coming years. On the cash side, the situation has developed positively thanks to the guaranteed gross profit and the advance payment. We believe that the financial risk is low at the moment.

## DCF model also indicates upside

Our DCF model indicates that the current value of Nexstim's cash flows is EUR 7.0 per share. The model indicates that the stock is fully priced after the price rally. There is, of course, considerable uncertainty about the realization of these forecasts. The weighted average cost of capital (WACC) we use in the model is 10% with a moderated risk profile. The DFC model is very sensitive to the assumptions used, especially when cash flows are far in the future.

53% of the DCF is explained by the terminal period after 2033. We believe this is a relatively modest proportion and is largely explained by the expected near-term income from Sinaptica and Magnus Medical, which are subject to binary uncertainty. We have taken these uncertainties into account in our forecasts.

## Improved valuation picture

Nexstim's stock is up nearly 60% since our last update a month ago. At the same time, the growth outlook has improved, but less than the increase in the share price. The risk/reward ratio has therefore become less attractive. Based on EV/S multiples, the stock is slightly overpriced with multiples at the upper end of our fair value range with 2025 projections. The DCF model also suggests that the stock is fully priced. We feel the risk level of the stock is highish due to a high forecast risk and the loss making. However, the positive outlook and improving financing position have reduced the risk.

| Valuation                  | 2024e | 2025e | 2026e |
|----------------------------|-------|-------|-------|
| Share price                | 8.76  | 8.76  | 8.76  |
| Number of shares, millions | 7.16  | 7.16  | 7.16  |
| Market cap                 | 63    | 63    | 63    |
| EV                         | 67    | 65    | 61    |
| P/E (adj.)                 | neg.  | 26.8  | 16.7  |
| P/E                        | neg.  | 26.8  | 16.7  |
| P/B                        | 24.4  | 12.8  | 7.2   |
| P/S                        | 7.3   | 4.4   | 3.6   |
| EV/Sales                   | 7.8   | 4.6   | 3.5   |
| EV/EBITDA                  | >100  | 18.9  | 12.5  |
| EV/EBIT (adj.)             | neg.  | 25.6  | 15.5  |
| Payout ratio (%)           | 0.0 % | 0.0 % | 0.0 % |
| Dividend yield-%           | 0.0 % | 0.0 % | 0.0 % |

Source: Inderes

# Valuation table

| Valuation                  | 2019  | 2020  | 2021  | 2022  | 2023  | 2024e          | 2025e        | 2026e        | 2027e        |
|----------------------------|-------|-------|-------|-------|-------|----------------|--------------|--------------|--------------|
| Share price                | 0.12  | 0.10  | 4.78  | 4.00  | 2.69  | <b>8.76</b>    | <b>8.76</b>  | <b>8.76</b>  | <b>8.76</b>  |
| Number of shares, millions | 62.8  | 439.6 | 7.27  | 7.27  | 7.27  | <b>7.16</b>    | <b>7.16</b>  | <b>7.16</b>  | <b>7.16</b>  |
| Market cap                 | 7.5   | 43    | 35    | 29    | 20    | <b>63</b>      | <b>63</b>    | <b>63</b>    | <b>63</b>    |
| EV                         | 9.5   | 45    | 33    | 28    | 23    | <b>67</b>      | <b>65</b>    | <b>61</b>    | <b>56</b>    |
| P/E (adj.)                 | neg.  | neg.  | neg.  | 22.2  | neg.  | <b>neg.</b>    | <b>26.8</b>  | <b>16.7</b>  | <b>12.2</b>  |
| P/E                        | neg.  | neg.  | neg.  | 22.2  | neg.  | <b>neg.</b>    | <b>26.8</b>  | <b>16.7</b>  | <b>12.2</b>  |
| P/B                        | neg.  | neg.  | 10.9  | 7.1   | 6.9   | <b>24.4</b>    | <b>12.8</b>  | <b>7.2</b>   | <b>4.5</b>   |
| P/S                        | 2.3   | 10.5  | 5.4   | 3.1   | 2.7   | <b>7.3</b>     | <b>4.4</b>   | <b>3.6</b>   | <b>3.2</b>   |
| EV/Sales                   | 2.9   | 10.9  | 5.2   | 3.0   | 3.1   | <b>7.8</b>     | <b>4.6</b>   | <b>3.5</b>   | <b>2.8</b>   |
| EV/EBITDA                  | neg.  | neg.  | neg.  | 21.4  | neg.  | <b>&gt;100</b> | <b>18.9</b>  | <b>12.5</b>  | <b>9.0</b>   |
| EV/EBIT (adj.)             | neg.  | neg.  | neg.  | 33.6  | neg.  | <b>neg.</b>    | <b>25.6</b>  | <b>15.5</b>  | <b>10.7</b>  |
| Payout ratio (%)           | 0.0 % | 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 % | 0.0 % | <b>0.0 %</b>   | <b>0.0 %</b> | <b>0.0 %</b> | <b>0.0 %</b> |

Source: Inderes

# Income statement

| Income statement                   | H1'23        | H2'23       | 2023         | H1'24        | H2'24e      | 2024e        | H1'25e      | H2'25e      | 2025e       | 2026e       | 2027e       |
|------------------------------------|--------------|-------------|--------------|--------------|-------------|--------------|-------------|-------------|-------------|-------------|-------------|
| <b>Revenue</b>                     | <b>2.5</b>   | <b>4.7</b>  | <b>7.2</b>   | <b>3.2</b>   | <b>5.5</b>  | <b>8.6</b>   | <b>6.5</b>  | <b>7.8</b>  | <b>14.3</b> | <b>17.5</b> | <b>19.9</b> |
| Nexstim                            | 2.5          | 4.7         | 7.2          | 3.2          | 5.5         | 8.6          | 6.5         | 7.8         | 14.3        | 17.5        | 19.9        |
| <b>EBITDA</b>                      | <b>-1.1</b>  | <b>0.6</b>  | <b>-0.5</b>  | <b>-0.5</b>  | <b>1.1</b>  | <b>0.7</b>   | <b>0.9</b>  | <b>1.6</b>  | <b>3.4</b>  | <b>4.9</b>  | <b>6.3</b>  |
| Depreciation                       | -0.3         | -0.4        | -0.7         | -0.4         | -0.4        | -0.8         | 0.0         | 0.0         | -0.9        | -1.0        | -1.0        |
| <b>EBIT (excl. NRI)</b>            | <b>-1.4</b>  | <b>0.2</b>  | <b>-1.2</b>  | <b>-0.9</b>  | <b>0.7</b>  | <b>-0.2</b>  | <b>0.9</b>  | <b>1.6</b>  | <b>2.5</b>  | <b>4.0</b>  | <b>5.3</b>  |
| <b>EBIT</b>                        | <b>-1.4</b>  | <b>0.2</b>  | <b>-1.2</b>  | <b>-0.9</b>  | <b>0.7</b>  | <b>-0.2</b>  | <b>0.9</b>  | <b>1.6</b>  | <b>2.5</b>  | <b>4.0</b>  | <b>5.3</b>  |
| Nexstim                            | -1.4         | 0.2         | -1.2         | -0.9         | 0.7         | -0.2         | 0.9         | 1.6         | 2.5         | 4.0         | 5.3         |
| Share of profits in assoc. compan. | 0.0          | 0.0         | 0.0          | 0.0          | 0.0         | 0.0          | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |
| Net financial items                | -0.1         | 0.0         | -0.1         | -0.1         | -0.1        | -0.1         | -0.1        | -0.1        | -0.2        | -0.2        | -0.1        |
| <b>PTP</b>                         | <b>-1.4</b>  | <b>0.1</b>  | <b>-1.3</b>  | <b>-0.9</b>  | <b>0.7</b>  | <b>-0.3</b>  | <b>0.8</b>  | <b>1.5</b>  | <b>2.3</b>  | <b>3.7</b>  | <b>5.2</b>  |
| Taxes                              | 0.0          | 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         | 0.0         |
| <b>Net earnings</b>                | <b>-1.4</b>  | <b>0.1</b>  | <b>-1.3</b>  | <b>-0.9</b>  | <b>0.7</b>  | <b>-0.3</b>  | <b>0.8</b>  | <b>1.5</b>  | <b>2.3</b>  | <b>3.7</b>  | <b>5.2</b>  |
| <b>EPS (adj.)</b>                  | <b>-0.20</b> | <b>0.02</b> | <b>-0.18</b> | <b>-0.13</b> | <b>0.09</b> | <b>-0.04</b> | <b>0.11</b> | <b>0.21</b> | <b>0.33</b> | <b>0.52</b> | <b>0.72</b> |
| <b>EPS (rep.)</b>                  | <b>-0.20</b> | <b>0.02</b> | <b>-0.18</b> | <b>-0.13</b> | <b>0.09</b> | <b>-0.04</b> | <b>0.11</b> | <b>0.21</b> | <b>0.33</b> | <b>0.52</b> | <b>0.72</b> |

| Key figures                   | H1'23    | H2'23    | 2023     | H1'24   | H2'24e  | 2024e   | H1'25e   | H2'25e  | 2025e     | 2026e  | 2027e  |
|-------------------------------|----------|----------|----------|---------|---------|---------|----------|---------|-----------|--------|--------|
| <b>Revenue growth-%</b>       | -63.1 %  | 73.5 %   | -23.9 %  | 26.9 %  | 15.1 %  | 19.2 %  | 104.4 %  | 42.5 %  | 65.3 %    | 22.7 % | 13.4 % |
| <b>Adjusted EBIT growth-%</b> | -159.5 % | -110.6 % | -246.7 % | -37.7 % | 345.2 % | -87.3 % | -206.0 % | 129.3 % | -1725.6 % | 56.3 % | 32.9 % |
| <b>EBITDA-%</b>               | -43.0 %  | 11.6 %   | -7.3 %   | -14.7 % | 20.5 %  | 7.5 %   | 14.1 %   | 20.9 %  | 24.1 %    | 28.1 % | 31.5 % |
| <b>Adjusted EBIT-%</b>        | -55.4 %  | 3.4 %    | -16.9 %  | -27.2 % | 13.0 %  | -1.8 %  | 14.1 %   | 20.9 %  | 17.8 %    | 22.6 % | 26.5 % |
| <b>Net earnings-%</b>         | -57.6 %  | 2.4 %    | -18.3 %  | -28.8 % | 12.0 %  | -3.0 %  | 12.6 %   | 19.6 %  | 16.4 %    | 21.4 % | 26.0 % |

Source: Inderes

# Balance sheet

| Assets                     | 2022        | 2023       | 2024e       | 2025e       | 2026e       |
|----------------------------|-------------|------------|-------------|-------------|-------------|
| <b>Non-current assets</b>  | <b>3.0</b>  | <b>3.9</b> | <b>5.6</b>  | <b>5.7</b>  | <b>5.7</b>  |
| Goodwill                   | 0.0         | 0.0        | 0.0         | 0.0         | 0.0         |
| Intangible assets          | 2.1         | 2.9        | 4.0         | 4.0         | 3.9         |
| Tangible assets            | 0.4         | 0.3        | 0.3         | 0.5         | 0.6         |
| Associated companies       | 0.5         | 0.7        | 1.2         | 1.2         | 1.2         |
| 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>7.3</b>  | <b>5.9</b> | <b>6.9</b>  | <b>8.0</b>  | <b>8.6</b>  |
| Inventories                | 0.9         | 1.0        | 0.9         | 1.3         | 1.6         |
| Other current assets       | 0.0         | 0.0        | 0.0         | 0.0         | 0.0         |
| Receivables                | 1.9         | 3.4        | 2.6         | 2.9         | 3.2         |
| Cash and equivalents       | 4.4         | 1.5        | 3.5         | 3.9         | 3.9         |
| <b>Balance sheet total</b> | <b>10.2</b> | <b>9.9</b> | <b>12.5</b> | <b>13.7</b> | <b>14.3</b> |

Source: Inderes

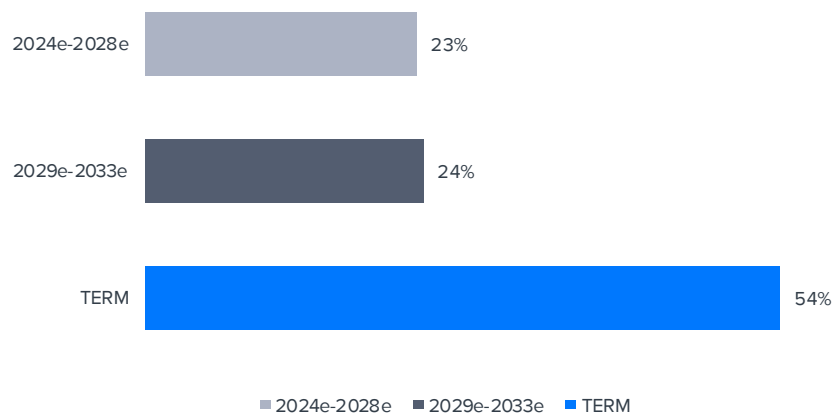
| Liabilities & equity           | 2022        | 2023       | 2024e       | 2025e       | 2026e       |
|--------------------------------|-------------|------------|-------------|-------------|-------------|
| <b>Equity</b>                  | <b>4.1</b>  | <b>2.8</b> | <b>2.6</b>  | <b>4.9</b>  | <b>8.7</b>  |
| Share capital                  | 0.1         | 0.1        | 0.1         | 0.1         | 0.1         |
| Retained earnings              | -51.0       | -52.3      | -52.6       | -50.2       | -46.5       |
| 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                   | 55.0        | 55.0       | 55.0        | 55.0        | 55.0        |
| Minorities                     | 0.0         | 0.0        | 0.0         | 0.0         | 0.0         |
| <b>Non-current liabilities</b> | <b>2.6</b>  | <b>3.6</b> | <b>5.9</b>  | <b>4.6</b>  | <b>1.9</b>  |
| Deferred tax liabilities       | 0.0         | 0.0        | 0.0         | 0.0         | 0.0         |
| Provisions                     | 0.0         | 0.0        | 0.0         | 0.0         | 0.0         |
| Interest bearing debt          | 2.6         | 3.6        | 5.9         | 4.6         | 1.9         |
| 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>3.5</b>  | <b>3.4</b> | <b>4.0</b>  | <b>4.1</b>  | <b>3.8</b>  |
| Interest bearing debt          | 0.9         | 0.8        | 2.3         | 1.5         | 0.6         |
| Payables                       | 2.7         | 2.6        | 1.7         | 2.6         | 3.2         |
| Other current liabilities      | 0.0         | 0.0        | 0.0         | 0.0         | 0.0         |
| <b>Balance sheet total</b>     | <b>10.2</b> | <b>9.9</b> | <b>12.5</b> | <b>13.7</b> | <b>14.3</b> |



# DCF calculation

| DCF model                               | 2023        | 2024e       | 2025e      | 2026e      | 2027e      | 2028e      | 2029e      | 2030e      | 2031e      | 2032e      | 2033e      | TERM        |
|---|-------------|-------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|
| Revenue growth-%                        | -23.9 %     | 19.2 %      | 65.3 %     | 22.7 %     | 13.4 %     | 15.0 %     | 12.0 %     | 10.0 %     | 6.0 %      | 3.0 %      | 2.5 %      | 2.5 %       |
| EBIT-%                                  | -16.9 %     | -1.8 %      | 17.8 %     | 22.6 %     | 26.5 %     | 25.0 %     | 24.0 %     | 24.0 %     | 22.0 %     | 20.0 %     | 20.0 %     | 20.0 %      |
| <b>EBIT (operating profit)</b>          | <b>-1.2</b> | <b>-0.2</b> | <b>2.5</b> | <b>4.0</b> | <b>5.3</b> | <b>5.7</b> | <b>6.1</b> | <b>6.8</b> | <b>6.6</b> | <b>6.1</b> | <b>6.3</b> |             |
| + Depreciation                          | 0.7         | 0.8         | 0.9        | 1.0        | 1.0        | 1.0        | 1.0        | 1.0        | 1.1        | 1.2        | 1.1        |             |
| - Paid taxes                            | 0.0         | 0.0         | 0.0        | 0.0        | 0.0        | -0.6       | -1.2       | -1.3       | -1.3       | -1.2       | -1.2       |             |
| - Tax, financial expenses               | 0.0         | 0.0         | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |             |
| + 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             | -1.7        | 0.1         | 0.2        | 0.0        | -0.2       | -0.3       | -0.2       | 0.1        | 0.2        | -0.1       | -0.1       |             |
| <b>Operating cash flow</b>              | <b>-2.2</b> | <b>0.8</b>  | <b>3.6</b> | <b>4.9</b> | <b>6.1</b> | <b>5.9</b> | <b>5.7</b> | <b>6.4</b> | <b>6.5</b> | <b>6.0</b> | <b>6.1</b> |             |
| + Change in other long-term liabilities | 0.0         | 0.0         | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |             |
| - Gross CAPEX                           | -1.5        | -1.9        | -1.0       | -1.0       | -1.0       | -1.1       | -1.1       | -1.4       | -1.3       | -1.0       | -1.1       |             |
| <b>Free operating cash flow</b>         | <b>-3.7</b> | <b>-1.1</b> | <b>2.6</b> | <b>3.9</b> | <b>5.0</b> | <b>4.8</b> | <b>4.6</b> | <b>5.1</b> | <b>5.2</b> | <b>5.0</b> | <b>5.0</b> |             |
| +/- Other                               | 0.0         | 1.0         | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |             |
| FCFF                                    | -3.7        | -0.1        | 2.6        | 3.9        | 5.0        | 4.8        | 4.6        | 5.1        | 5.2        | 5.0        | 5.0        | 68.9        |
| <b>Discounted FCFF</b>                  |             | <b>-0.1</b> | <b>2.4</b> | <b>3.2</b> | <b>3.8</b> | <b>3.3</b> | <b>2.9</b> | <b>2.9</b> | <b>2.7</b> | <b>2.3</b> | <b>2.1</b> | <b>29.3</b> |
| Sum of FCFF present value               |             | 54.7        | 54.8       | 52.5       | 49.3       | 45.5       | 42.2       | 39.3       | 36.4       | 33.8       | 31.4       | 29.3        |
| <b>Enterprise value DCF</b>             |             | <b>54.7</b> |            |            |            |            |            |            |            |            |            |             |
| - Interest bearing debt                 |             | -4.4        |            |            |            |            |            |            |            |            |            |             |
| + Cash and cash equivalents             |             | 1.5         |            |            |            |            |            |            |            |            |            |             |
| -Minorities                             |             | 0.0         |            |            |            |            |            |            |            |            |            |             |
| -Dividend/capital return                |             | 0.0         |            |            |            |            |            |            |            |            |            |             |
| <b>Equity value DCF</b>                 |             | <b>51.8</b> |            |            |            |            |            |            |            |            |            |             |
| <b>Equity value DCF per share</b>       |             | <b>7.3</b>  |            |            |            |            |            |            |            |            |            |             |

Cash flow distribution



| WACC   |               |
|--|---------------|
| Tax-% (WACC)                                   | 20.0 %        |
| Target debt ratio (D/(D+E))                    | 10.0 %        |
| Cost of debt                                   | 5.0 %         |
| Equity Beta                                    | 1.40          |
| Market risk premium                            | 4.75%         |
| Liquidity premium                              | 1.50%         |
| Risk free interest rate                        | 2.5 %         |
| <b>Cost of equity</b>                          | <b>10.7 %</b> |
| <b>Weighted average cost of capital (WACC)</b> | <b>10.0 %</b> |

Source: Inderes

# Summary

| Income statement          | 2021  | 2022  | 2023  | 2024e          | 2025e        | Per share data           | 2021    | 2022    | 2023    | 2024e          | 2025e         |
|---------------------------|-------|-------|-------|----------------|--------------|--------------------------|---------|---------|---------|----------------|---------------|
| Revenue                   | 6.4   | 9.5   | 7.2   | <b>8.6</b>     | <b>14.3</b>  | EPS (reported)           | -0.11   | 0.18    | -0.18   | <b>-0.04</b>   | <b>0.33</b>   |
| EBITDA                    | -1.0  | 1.3   | -0.5  | <b>0.7</b>     | <b>3.4</b>   | EPS (adj.)               | -0.11   | 0.18    | -0.18   | <b>-0.04</b>   | <b>0.33</b>   |
| EBIT                      | -1.5  | 0.8   | -1.2  | <b>-0.2</b>    | <b>2.5</b>   | OCF / share              | -0.25   | 0.14    | -0.31   | <b>0.11</b>    | <b>0.50</b>   |
| PTP                       | -0.7  | 1.3   | -1.3  | <b>-0.3</b>    | <b>2.3</b>   | FCF / share              | -0.41   | -0.05   | -0.51   | <b>-0.01</b>   | <b>0.36</b>   |
| Net Income                | -0.8  | 1.3   | -1.3  | <b>-0.3</b>    | <b>2.3</b>   | Book value / share       | 0.44    | 0.56    | 0.39    | <b>0.36</b>    | <b>0.68</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>   |
| Balance sheet             | 2021  | 2022  | 2023  | 2024e          | 2025e        | Growth and profitability | 2021    | 2022    | 2023    | 2024e          | 2025e         |
| Balance sheet total       | 10.0  | 10.2  | 9.9   | <b>12.5</b>    | <b>13.7</b>  | Revenue growth-%         | 56%     | 49%     | -24%    | <b>19%</b>     | <b>65%</b>    |
| Equity capital            | 3.2   | 4.1   | 2.8   | <b>2.6</b>     | <b>4.9</b>   | EBITDA growth-%          | -66%    | -230%   | -140%   | <b>-224%</b>   | <b>429%</b>   |
| Goodwill                  | 0.0   | 0.0   | 0.0   | <b>0.0</b>     | <b>0.0</b>   | EBIT (adj.) growth-%     | -56%    | -158%   | -247%   | <b>-87%</b>    | <b>-1726%</b> |
| Net debt                  | -1.3  | -1.0  | 3.0   | <b>4.7</b>     | <b>2.3</b>   | EPS (adj.) growth-%      | 1121%   | -257%   | -201%   | <b>-80%</b>    | <b>-1013%</b> |
| Cash flow                 | 2021  | 2022  | 2023  | 2024e          | 2025e        | EBITDA-%                 | -15.8 % | 13.8 %  | -7.3 %  | <b>7.5 %</b>   | <b>24.1 %</b> |
| EBITDA                    | -1.0  | 1.3   | -0.5  | <b>0.7</b>     | <b>3.4</b>   | EBIT (adj.)-%            | -22.7 % | 8.8 %   | -16.9 % | <b>-1.8 %</b>  | <b>17.8 %</b> |
| Change in working capital | -0.6  | -0.3  | -1.7  | <b>0.1</b>     | <b>0.2</b>   | EBIT-%                   | -22.7 % | 8.8 %   | -16.9 % | <b>-1.8 %</b>  | <b>17.8 %</b> |
| Operating cash flow       | -1.8  | 1.0   | -2.2  | <b>0.8</b>     | <b>3.6</b>   | ROE-%                    | -96.0 % | 36.0 %  | -38.5 % | <b>-9.5 %</b>  | <b>62.6 %</b> |
| CAPEX                     | -1.2  | -1.4  | -1.5  | <b>-1.9</b>    | <b>-1.0</b>  | ROI-%                    | -27.2 % | 11.4 %  | -16.6 % | <b>-1.7 %</b>  | <b>23.3 %</b> |
| Free cash flow            | -3.0  | -0.4  | -3.7  | <b>-0.1</b>    | <b>2.6</b>   | Equity ratio             | 31.9 %  | 39.8 %  | 28.6 %  | <b>20.6 %</b>  | <b>35.9 %</b> |
| Valuation multiples       | 2021  | 2022  | 2023  | 2024e          | 2025e        | Gearing                  | -40.6 % | -23.4 % | 105.6 % | <b>184.0 %</b> | <b>47.4 %</b> |
| EV/S                      | 5.2   | 3.0   | 3.1   | <b>7.8</b>     | <b>4.6</b>   |                          |         |         |         |                |               |
| EV/EBITDA                 | neg.  | 21.4  | neg.  | <b>&gt;100</b> | <b>18.9</b>  |                          |         |         |         |                |               |
| EV/EBIT (adj.)            | neg.  | 33.6  | neg.  | <b>neg.</b>    | <b>25.6</b>  |                          |         |         |         |                |               |
| P/E (adj.)                | neg.  | 22.2  | neg.  | <b>neg.</b>    | <b>26.8</b>  |                          |         |         |         |                |               |
| P/B                       | 10.9  | 7.1   | 6.9   | <b>24.4</b>    | <b>12.8</b>  |                          |         |         |         |                |               |
| Dividend-%                | 0.0 % | 0.0 % | 0.0 % | <b>0.0 %</b>   | <b>0.0 %</b> |                          |         |         |         |                |               |

Source: Inderes

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

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## Recommendation history (>12 mo)

| Date       | Recommendation | Target | Share price |
|------------|----------------|--------|-------------|
| 5/30/2022  | Reduce         | 4.60 € | 4.85 €      |
| 8/15/2022  | Reduce         | 4.40 € | 4.73 €      |
| 9/8/2022   | Reduce         | 4.40 € | 4.06 €      |
| 1/10/2023  | Reduce         | 4.30 € | 4.25 €      |
| 2/28/2023  | Accumulate     | 4.50 € | 3.96 €      |
| 7/5/2023   | Accumulate     | 4.20 € | 3.51 €      |
| 8/21/2023  | Lisää          | 3.60 € | 3.05 €      |
| 9/26/2023  | Vähennä        | 3.00 € | 2.89 €      |
| 1/3/2024   | Accumulate     | 3.00 € | 2.69 €      |
| 2/28/2024  | Accumulate     | 3.00 € | 2.40 €      |
| 4/28/2024  | Accumulate     | 3.00 € | 2.26 €      |
| 6/10/2024  | Accumulate     | 4.00 € | 3.64 €      |
| 6/12/2024  | Reduce         | 3.40 € | 3.38 €      |
| 8/19/2024  | Accumulate     | 3.40 € | 2.95 €      |
| 10/21/2024 | Sell           | 4.00 € | 6.00 €      |
| 12/2/2024  | Accumulate     | 6.20 € | 5.52 €      |
| 1/3/2024   | Reduce         | 7.00 € | 8.76 €      |



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