NEXSTIM

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INDERES CORPORATE CUSTOMER

COMPANY REPORT

Brainlab potential to be weighed later this year

Nexstim's revenue and earnings improved and exceeded our forecast in H1. The outperformance was mainly due to the recognition of the Sinaptica exclusivity agreement signed last year, which had no cash flow impact. Adjusted for revenue recognition, the figures were broadly in line with our expectations. Our current year estimates are on the rise due to the recognition of revenue and a revision of sales estimates. Our estimates for the coming years remain virtually unchanged, which is why we reiterate our recommendation and target price. Our positive recommendation relies on the potential of the Brainlab collaboration, with concrete developments expected later this year.

Comparable revenue grew by 6%

Reported revenue grew by 16% year-on-year to 5.2 MEUR (H1'25: 4.5 MEUR) and exceeded our 4.2 MEUR estimate. Adjusted for non-recurring items, comparable growth was 6%. The growth and the beat are explained by the recognition of revenue from the Sinaptica exclusivity agreement (0.8 MEUR) and a higher-than-expected guaranteed sales margin of 0.7 MEUR from Brainlab (H1'25: 0.1 MEUR). The revenue recognition concerns the 1.5 MEUR payments agreed upon last year, of which Nexstim received 0.5 MEUR in cash last year, and 1 MEUR was converted into Sinaptica's bond. Last year, 0.3 MEUR was recognized as revenue, and the remaining 1.2 MEUR will be recognized this year without a cash flow impact. Diagnostics and therapy revenue were at the level of the comparison period (-2% vs H1'25). During the period, 12 systems were delivered (H1'25: 10) and the order backlog at the end of June was 7 systems (H1'25: 8). Several orders have already been received in H2, which supports the growth outlook for the rest of the year.

Revenue recognition also supported the reported result

EBIT was -0.3 MEUR (Q2'25: -0.2 MEUR) and exceeded our -0.8 MEUR expectation. The earnings beat is also mainly explained by Sinaptica revenue recognition and a higher-than-expected guaranteed sales margin. Operating costs were slightly higher than we expected, as Nexstim had strengthened its organization with a few additional recruitments. The balance sheet strengthened as a result of the share issue carried out in the spring, and the company was net debt-free at the end of H1. Cash flow after investments was -0.9 MEUR. Cash flow was supported by a decrease in working capital from the turn of the year (+0.7 MEUR) due to a decrease in trade receivables.

Upward estimate revisions for the rest of the year – medium-term unchanged

We raise our current year revenue forecast to 13.9 MEUR as a result of the Sinaptica revenue recognition (impact +1.0 MEUR) and an increase in sales estimates (+0.2 MEUR) Our forecast for the rest of the year is based on the delivery of 18 new systems in addition to the already announced deals. Our estimates for the coming years remain practically unchanged, positively impacted by our estimate for Brainlab sales and negatively by the slow progress of Sinaptica and the Magnus Medical license fees, which we are pushing forward in time

Valuation cautiously attractive

The valuation relies on revenue multiples and the DCF model, as earnings multiples will only become viable in the medium term. On our estimates, the 2026–27 EV/S multiple is 5.5x–4.6x. We believe the multiples are absolutely neutral or cautiously attractive when reflecting on the growth and profitability potential. Relative to its peers, the stock has become more expensive due to the decrease in valuation multiples of medical device companies during 2026. Our DCF model suggests a moderate upside for the stock. We believe the risk/reward warrants a positive recommendation. However, the valuation necessitates success in the Brainlab collaboration in the coming years.

Recommendation
Accumulate
(was Accumulate)

Target price:
EUR 11.00
(was EUR 11.00)

Share price:
EUR 9.72

Business risk: ●●●○○

Valuation risk: ●●●○○

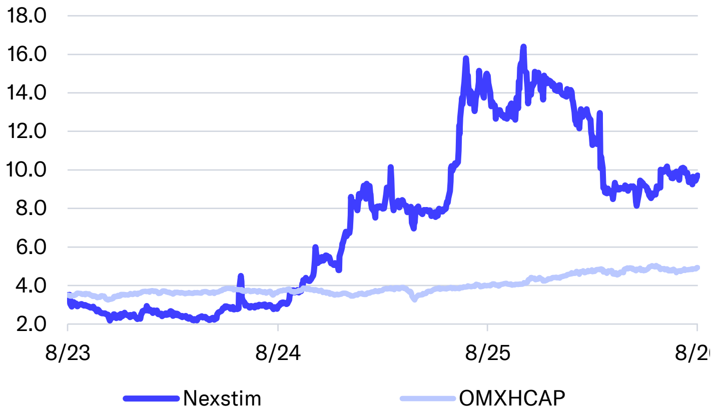
	2025	2026e	2027e	2028e
Revenue	11.0	13.9	16.1	19.7
growth-%	26%	27%	16%	22%
EBIT adj.	0.6	1.3	2.3	3.2
EBIT-% adj.	5.8 %	9.4 %	14.1 %	16.0 %
Net Income	0.6	0.7	2.2	2.7
EPS (adj.)	0.08	0.08	0.27	0.34
P/E (adj.)	>100	>100	36.0	28.5
P/B	17.1	7.9	6.5	5.3
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	>100	59.0	33.0	23.0
EV/EBITDA	43.0	30.7	20.3	15.6
EV/S	6.7	5.5	4.6	3.7

Source: Inderes

Guidance (Unchanged)

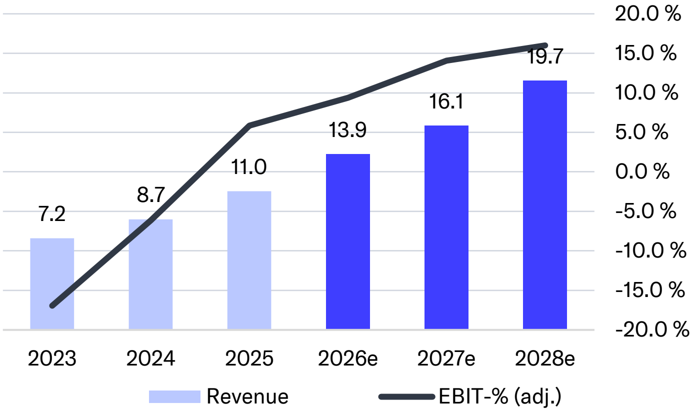
The company estimates an improvement in revenue and EBIT.

Share price



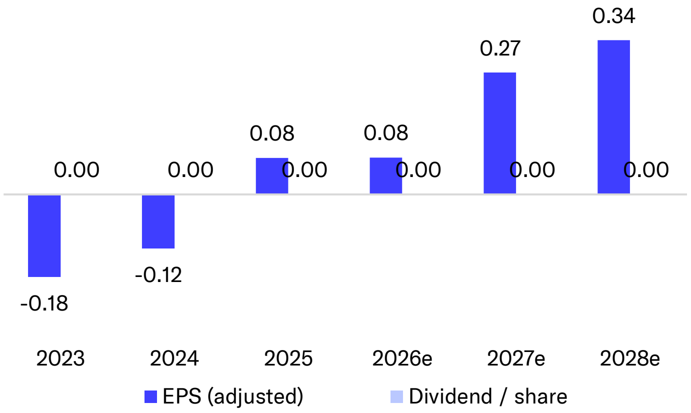
Source: Millistream Market Data AB

Revenue and EBIT % (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Large target market supported by megatrends.
- The popularity and use of TMS treatments are on a growing trend.
- Licensing income can generate significant cash flow.
- Strong position in diagnostic business.
- Potential to expand in new indications such as Alzheimer's disease.
- Opportunities in new markets such as India and Japan.

Risk factors

- The competitive situation in the therapy market is partly challenging.
- Competition in diagnostics has increased.
- The company's resources are limited compared to its competitors
- Limited visibility going forward.
- Binary risk related to Sinaptica and Magnus Medical agreements.

Valuation	2026e	2027e	2028e
Share price	9.72	9.72	9.72
Number of shares, millions	8.05	8.05	8.05
Market cap	78	78	78
EV	77	75	72
P/E (adj.)	>100	36.0	28.5
P/E	>100	36.0	28.5
P/B	7.9	6.5	5.3
P/S	5.6	4.8	4.0
EV/Sales	5.5	4.6	3.7
EV/EBITDA	30.7	20.3	15.6
EV/EBIT (adj.)	59.0	33.0	23.0
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Revenue exceeded our estimate due to revenue recognition

Revenue exceeded our estimate due to revenue recognition

Revenue of 5.2 MEUR exceeded our 4.2 MEUR estimate by 1.0 MEUR, or 24%. The deviation was mainly due to the deferred revenue recognition of 0.8 MEUR from the Sinaptica exclusivity agreement. Revenue was also supported by a higher-than-expected (0.7 MEUR) guaranteed sales margin payment from Brainlab, which Brainlab pays if the margin target agreed upon by the companies (4 MEUR in 2026) is not met. Of the 1.5 MEUR Sinaptica agreement, Sinaptica paid 0.5 MEUR in cash last year, and 1.0 MEUR was implemented as a convertible bond. The recognition of the cash payment was known, but we had not modeled the portion related to the convertible bond as revenue. According to management, Sinaptica's successful financing round released the portion of revenue that was not recognized last year to be recognized in the current year. However, these items do not impact cash flow. 12 systems were delivered during the period (H1'25: 10). By segment, diagnostics and therapy were roughly at the comparison period's level, and the research segment grew strongly, supported by revenue recognition.

EBIT was also supported by revenue recognition and guaranteed sales margin

EBIT of -0.3 MEUR exceeded our estimate of -0.8 MEUR by 0.5 MEUR, and EBITDA of 0.3 MEUR similarly exceeded our estimate of -0.2 MEUR. The outperformance was due to the sales margin boost from Sinaptica revenue recognition. The reported sales margin remained at 80% and the comparable margin was 77%. Operating expenses were slightly higher than our estimate due to a larger headcount. Depreciation amounted to 0.6 MEUR (H1'25: 0.5 MEUR) and were still somewhat lower than investments (0.76 MEUR). Net profit was -0.9 MEUR, weighed down by arrangement costs of 0.6 MEUR for the directed share issue carried out during the period. The result was also roughly in line with our estimate, considering the impact of revenue recognition on the reported figures.

Balance sheet and cash flow

Cash flow was clearly weaker than the reported result. Cash flow from operating activities was -0.15 MEUR. Cash flow from investments was -0.76 MEUR and mainly consisted of capitalized product development expenses. Cash flow after investments was -0.9 MEUR, which was supported by a 0.69 MEUR reduction in working capital. Working capital decreased mainly due to a decrease in trade receivables from the turn of the year, when they are seasonally high due to year-end sales. Cash and cash equivalents rose to 5.6 MEUR, supported by the financing arrangement, and the equity ratio increased to 61%. In the 5 MEUR financing arrangement in May, Eiffel Investment Group and Brainlab subscribed for new shares. According to the management, the driver for the arrangement was specifically the working capital required for growth. We estimate that the cash reserves are sufficient for future growth needs, but the company's operating cash flow is modest for now.

MEUR / EUR	H1'25 Comparison	H1'26 Actualized	H1'26e Inderes	H1'26e Consensus	Consensus Low	Consensus High	2026e Inderes
Revenue	4.5	5.2	4.2				13.9
EBITDA	0.0	0.2	-0.2				2.5
EBIT	-0.2	-0.3	-0.8				1.3
EPS (reported)	-0.05	-0.12	-0.12				0.08
Revenue growth-%	41.8 %	16.1 %	-6.1 %				26.6 %
EBIT-% (adj.)	-5.4 %	-6.1 %	-19.9 %				9.4 %

Source: Inderes

This year's estimates up

Estimate revisions

- Our revenue estimate for the current year increases by 1.2 MEUR. The upgrade is based on the Sinaptica revenue recognition, which has an impact of 1.0 MEUR. However, this has no cash flow impact. Another factor (0.2 MEUR) is our updated sales estimate.
- The increase in our sales estimate is based on Nexstim's backlog of undelivered systems (7 at the end of H1) and system sales announced after H1, including the delivery of 10 systems to a distributor. In addition to these, we expect 18 new system deliveries on top of those already announced.
- We estimate the average sales price of delivered systems to be 0.18 MEUR, which is in line with the realization of recent years.
- The impact on the 2026 bottom line is more modest, as we moderately raise our cost estimates based on a higher headcount.
- We expect H2 profitability to face headwinds from the guaranteed sales margin, of which Nexstim received 0.7 MEUR in H1. If Brainlab's full-year sales margin target of 4 MEUR is met, we believe the sales margin payment received in H1 will be recognized as a negative item in H2 reporting

Estimate revisions MEUR / EUR	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %	2028e Old	2028e New	Change %
Revenue	12.7	13.9	9%	16.1	16.1	0%	19.6	19.7	0%
EBITDA	2.5	2.5	1%	3.7	3.7	-1%	4.7	4.6	0%
EBIT	1.2	1.3	8%	2.3	2.3	0%	3.1	3.2	0%
PTP	1.0	1.1	10%	2.2	2.2	0%	3.0	3.1	0%
EPS (excl. NRIs)	0.12	0.14	10%	0.27	0.27	0%	0.34	0.34	0%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

The valuation is cautiously attractive

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 medium term. 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 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 a share price drop

The revenue-based EV/S valuation has increased significantly due to the company's improved future prospects. We feel, however, there was an overvaluation last year, which has corrected to a reasonable level in the early part of the year. With continued strong growth in our estimates, the 2026e EV/S multiple is 5.5x, and for 2027e, it is 4.6x. We consider the multiples to be neutral or cautiously attractive, but they require continued growth. Our forecast assumes the realization of the Sinaptica agreement, which will lead to a development agreement during 2027 (was 2026). Successful Brainlab collaboration is the most crucial component of our estimates and positive investment view. The significance of the Magnus Medical license agreement has decreased, and we are modeling 2 MEUR from the agreement starting from 2028.

The closest peers, Neuronetics and Brainsways, have 2026 multiples of 4.1x and 12.5x, 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 rapid growth materializes as expected in the coming years. The safety margin in the multiples is thin, and slower-than-expected growth will likely lead to a weak share return. In terms of the cash position, the situation has developed positively. We believe that the financial risk is quite low at the moment. However, sustainable profitability is not yet fully certain, and cash flow, particularly during the seasonally weak H1, is significantly negative, so substantial growth is still needed to strengthen cash flows.

DCF model indicates a modest upside in the stock

Our DCF model indicates that the current value of Nexstim’s cash flows is EUR 11.4 per share. The model implies a modest upside for the stock. 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 9% and reflects the risk profile of a defensive company working on an earnings turnaround. The DCF model is very sensitive to the assumptions used, especially when cash flows are far in the future. 65% of the DCF is explained by the terminal period after 2035.

Valuation picture has become more attractive

In our view, the stock's risk/reward ratio is cautiously attractive. Based on the EV/S ratio, the stock is priced fairly neutrally, and in a scenario of positive development, the expected return is good. On the other hand, the multiples are not low in absolute terms or relative to peers, and a slowdown in growth would likely result in a weak share return. The DCF model also indicates a moderate return potential for the stock. We believe the stock's risk level is medium and has decreased with the progress of the earnings turnaround.

Valuation	2026e	2027e	2028e
Share price	9.72	9.72	9.72
Number of shares, millions	8.05	8.05	8.05
Market cap	78	78	78
EV	77	75	72
P/E (adj.)	>100	36.0	28.5
P/E	>100	36.0	28.5
P/B	7.9	6.5	5.3
P/S	5.6	4.8	4.0
EV/Sales	5.5	4.6	3.7
EV/EBITDA	30.7	20.3	15.6
EV/EBIT (adj.)	59.0	33.0	23.0
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	4.78	4.00	2.69	7.90	10.0	**9.72**	**9.72**	**9.72**	**9.72**
Number of shares, millions	7.27	7.27	7.27	7.16	7.16	**8.05**	**8.05**	**8.05**	**8.05**
Market cap	35	29	20	57	72	**78**	**78**	**78**	**78**
EV	33	28	23	59	74	**77**	**75**	**72**	**69**
P/E (adj.)	neg.	22.2	neg.	neg.	>100	**>100**	**36.0**	**28.5**	**21.1**
P/E	neg.	22.2	neg.	neg.	>100	**>100**	**36.0**	**28.5**	**21.1**
P/B	10.9	7.1	6.9	15.0	17.1	**7.9**	**6.5**	**5.3**	**4.2**
P/S	5.4	3.1	2.7	6.5	6.5	**5.6**	**4.8**	**4.0**	**3.3**
EV/Sales	5.2	3.0	3.1	6.7	6.7	**5.5**	**4.6**	**3.7**	**2.9**
EV/EBITDA	neg.	21.4	neg.	>100	43.0	**30.7**	**20.3**	**15.6**	**10.9**
EV/EBIT (adj.)	neg.	33.6	neg.	neg.	>100	**59.0**	**33.0**	**23.0**	**14.5**
Payout ratio (%)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**

Source: Inderes

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	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	**MEUR**	**MEUR**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Neuronetics	217	257					4.2	4.1					
Brainsway	572	523		289.8		278.1	15.6	12.5		232.1			
Ambu	2758	2739	71.7	29.9	33.3	19.6	4.3	3.8	132.0	40.1	0.2		3.8
C Rad	108	96	18.2	14.1	16.0	12.6	2.6	2.2	30.5	19.5			4.3
Elekta	1801	2169	14.6	10.3	8.5	6.9	1.4	1.3	17.5	13.1	4.2	4.9	2.3
Optomed	35	30					1.9	2.1					1.4
Vitrolife	1119	1190	18.3	16.7	11.5	10.7	3.7	3.6	27.0	22.9	1.2	1.3	0.8
Xvivo Perfusion	845	828	201.8	80.5	93.4	51.2	14.8	11.1	256.7	62.9			4.8
Nexstim (Inderes)	**78**	**77**	**59.0**	**33.0**	**30.7**	**20.3**	**5.5**	**4.6**	**118.8**	**36.0**	**0.0**	**0.0**	**7.9**
Average			**53.4**	**61.3**	**28.8**	**52.2**	**5.9**	**5.1**	**75.4**	**56.8**	**1.8**	**2.5**	**3.4**
Median			**19.7**	**24.6**	**16.0**	**16.2**	**4.0**	**3.7**	**30.5**	**31.9**	**1.7**	**1.9**	**3.0**
Diff-% to median			***200%***	***35%***	***92%***	***25%***	***39%***	***25%***	***289%***	***13%***	***-100%***	***-100%***	***161%***

Source: Refinitiv / Inderes

Income statement

Income statement	H1'25	H2'25	2025	H1'26	H2'26e	2026e	H1'27e	H2'27e	2027e	2028e	2029e
Revenue	**4.5**	**6.5**	**11.0**	**5.2**	**8.7**	**13.9**	**0.0**	**0.0**	**16.1**	**19.7**	**23.6**
EBITDA	**0.2**	**1.5**	**1.7**	**0.3**	**2.2**	**2.5**	**0.0**	**0.0**	**3.7**	**4.6**	**6.3**
Depreciation	-0.5	-0.6	-1.1	-0.6	-0.6	-1.2	0.0	0.0	-1.4	-1.5	-1.6
EBIT	**-0.2**	**0.9**	**0.6**	**-0.3**	**1.6**	**1.3**	**0.0**	**0.0**	**2.3**	**3.2**	**4.7**
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	-0.2	0.0	0.0	-0.1	-0.1	-0.1
PTP	**-0.3**	**0.9**	**0.6**	**-0.4**	**1.5**	**1.1**	**0.0**	**0.0**	**2.2**	**3.1**	**4.6**
Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.3	-0.9
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	**-0.3**	**0.9**	**0.6**	**-0.4**	**1.5**	**1.1**	**0.0**	**0.0**	**2.2**	**2.7**	**3.7**
EPS (adj.)	**-0.05**	**0.13**	**0.08**	**-0.05**	**0.19**	**0.14**	**0.00**	**0.00**	**0.27**	**0.34**	**0.46**
EPS (rep.)	**-0.05**	**0.13**	**0.08**	**-0.05**	**0.19**	**0.08**	**0.00**	**0.00**	**0.27**	**0.34**	**0.46**

Key figures	H1'25	H2'25	2025	H1'26	H2'26e	2026e	H1'27e	H2'27e	2027e	2028e	2029e
Revenue growth-%	41.8 %	16.2 %	25.5 %	16.1 %	34.0 %	26.6 %	-100.0 %	-100.0 %	16.3 %	22.0 %	20.0 %
Adjusted EBIT growth-%	71.9 %	168.1 %	219.8 %	-32.0 %	83.6 %	103.1 %	100.0 %	-100.0 %	74.5 %	38.8 %	50.0 %
EBITDA-%	5.4 %	22.7 %	15.6 %	5.0 %	25.8 %	18.0 %			22.9 %	23.5 %	26.6 %
Adjusted EBIT-%	-5.4 %	13.7 %	5.8 %	-6.1 %	18.7 %	9.4 %			14.1 %	16.0 %	20.0 %
Net earnings-%	-7.6 %	14.3 %	5.3 %	-8.0 %	17.6 %	7.9 %			13.4 %	13.9 %	15.7 %

Source: Inderes

Full-year earnings per share are calculated using the number of shares at year-end.

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	**5.2**	**5.7**	**5.9**	**6.1**	**6.4**
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	3.8	4.4	4.5	4.6	4.7
Tangible assets	0.4	0.4	0.5	0.6	0.7
Associated companies	1.0	1.0	1.0	1.0	1.0
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
Current assets	**9.0**	**7.5**	**8.4**	**10.6**	**13.7**
Inventories	0.8	0.6	0.8	0.9	1.1
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	4.4	4.2	4.2	4.5	4.9
Cash and equivalents	3.9	2.7	3.5	5.2	7.8
Balance sheet total	**14.2**	**13.2**	**14.3**	**16.8**	**20.1**

Source: Inderes

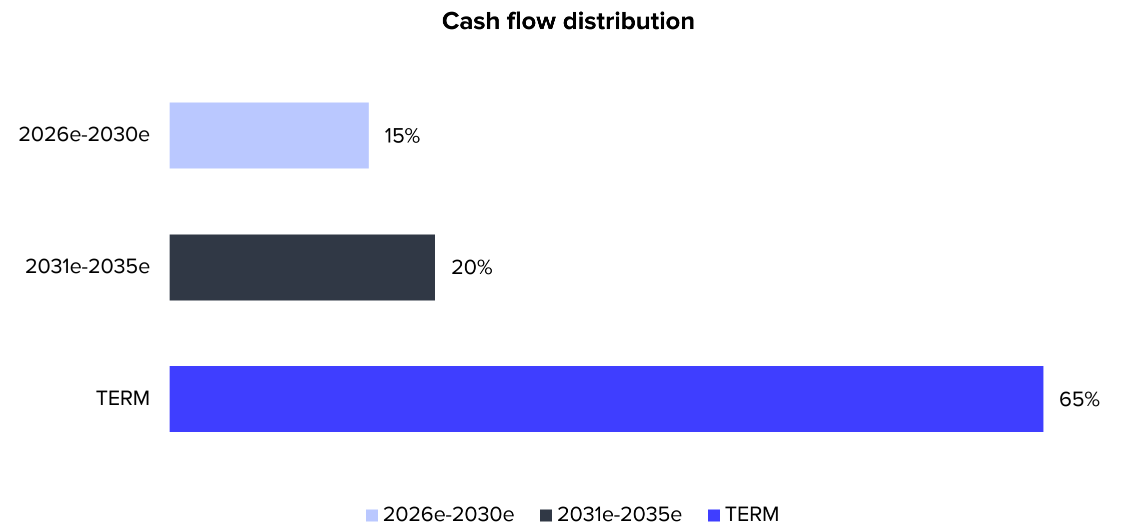
Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	**3.8**	**4.2**	**9.8**	**12.0**	**14.8**
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	-53.2	-52.9	-52.3	-50.1	-47.3
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	56.9	57.0	62.0	62.0	62.0
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	**4.7**	**3.1**	**1.5**	**1.5**	**1.5**
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	4.7	3.1	1.5	1.5	1.5
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
Current liabilities	**5.7**	**5.9**	**3.0**	**3.2**	**3.8**
Interest bearing debt	1.1	1.6	0.5	0.5	0.5
Payables	4.6	4.3	2.5	2.7	3.3
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	**14.2**	**13.2**	**14.3**	**16.8**	**20.1**

DCF-calculation

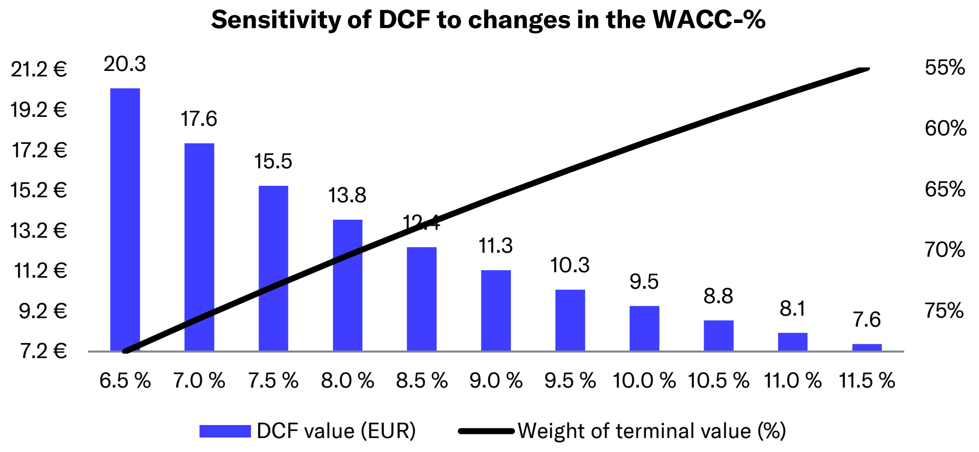
DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	25.5 %	26.6 %	16.3 %	22.0 %	20.0 %	20.0 %	20.0 %	20.0 %	12.0 %	6.0 %	3.0 %	3.0 %
EBIT-%	5.8 %	9.4 %	14.1 %	16.0 %	20.0 %	20.0 %	20.0 %	20.0 %	20.0 %	20.0 %	20.0 %	20.0 %
EBIT (operating profit)	**0.6**	**1.3**	**2.3**	**3.2**	**4.7**	**5.7**	**6.8**	**8.2**	**9.2**	**9.7**	**10.0**	
+ Depreciation	1.1	1.2	1.4	1.5	1.6	1.6	1.7	1.7	1.8	1.9	1.9	
- Paid taxes	0.0	0.0	0.0	-0.3	-0.9	-1.1	-1.3	-1.6	-1.8	-1.9	-2.0	
- 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	0.1	-2.0	-0.2	0.0	0.2	0.4	0.0	0.9	0.0	0.0	0.0	
Operating cash flow	**1.8**	**0.5**	**3.5**	**4.4**	**5.6**	**6.5**	**7.1**	**9.2**	**9.1**	**9.7**	**9.9**	
+ 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	-1.7	-1.4	-1.6	-1.7	-1.8	-1.9	-1.9	-2.0	-2.0	-2.1	-2.0	
Free operating cash flow	**0.1**	**-0.9**	**1.9**	**2.6**	**3.7**	**4.7**	**5.2**	**7.2**	**7.1**	**7.6**	**7.9**	
+/- Other	0.0	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	0.1	4.1	1.9	2.6	3.7	4.7	5.2	7.2	7.1	7.6	7.9	135
Discounted FCFF		**4.0**	**1.7**	**2.1**	**2.8**	**3.2**	**3.3**	**4.1**	**3.8**	**3.7**	**3.5**	**60.4**
Sum of FCFF present value		92.5	88.6	86.9	84.8	82.0	78.8	75.5	71.4	67.6	63.9	60.4
Enterprise value DCF		**92.5**										
- Interest bearing debt		-4.7										
+ Cash and cash equivalents		2.7										
+ Associated companies		0.0										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		**90.5**										
Equity value DCF per share		**11.4**										

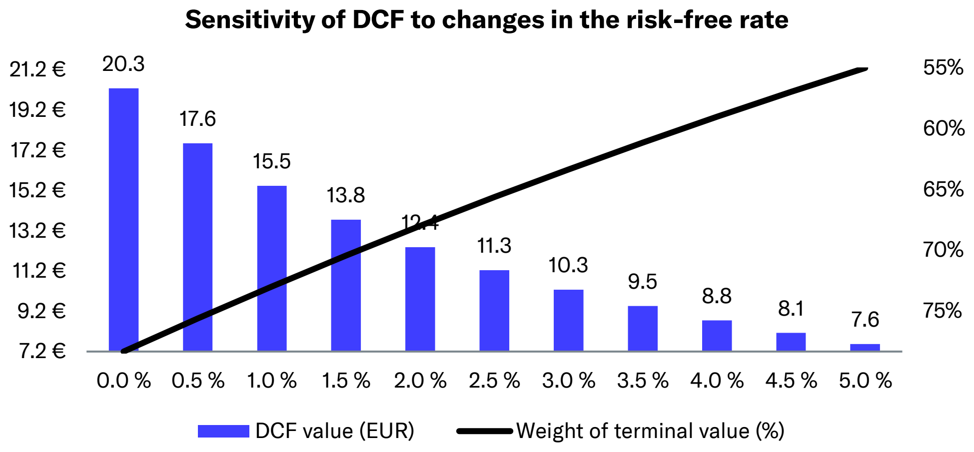
WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	0.0 %
Cost of debt	5.0 %
Equity Beta	1.05
Market risk premium	4.75%
Liquidity premium	1.50%
Risk free interest rate	2.5 %
Cost of equity	**9.0 %**
Weighted average cost of capital (WACC)	**9.0 %**

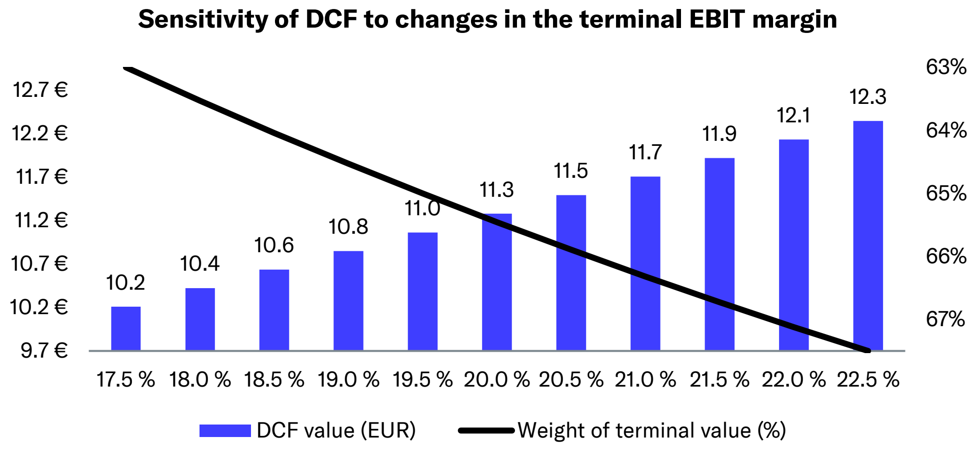
Source: Inderes

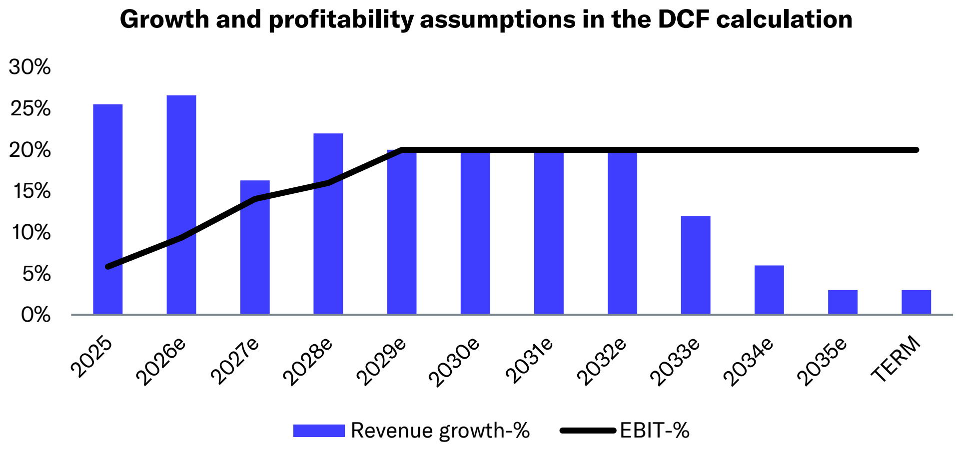


DCF sensitivity calculations and key assumptions in graphs









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

Summary

Income statement	2023	2024	2025	2026e	2027e
Revenue	7.2	8.7	11.0	**13.9**	**16.1**
EBITDA	-0.5	0.3	1.7	**2.5**	**3.7**
EBIT	-1.2	-0.5	0.6	**1.3**	**2.3**
PTP	-1.3	-0.9	0.6	**0.7**	**2.2**
Net Income	-1.3	-0.9	0.6	**0.7**	**2.2**
Extraordinary items	0.0	0.0	0.0	**0.0**	**0.0**

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	9.9	14.2	13.2	**14.3**	**16.8**
Equity capital	2.8	3.8	4.2	**9.8**	**12.0**
Goodwill	0.0	0.0	0.0	**0.0**	**0.0**
Net debt	3.0	1.9	2.0	**-1.5**	**-3.2**

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	-0.5	0.3	1.7	**2.5**	**3.7**
Change in working capital	-1.7	1.3	0.1	**-2.0**	**-0.2**
Operating cash flow	-2.2	1.6	1.8	**0.5**	**3.5**
CAPEX	-1.5	-1.7	-1.7	**-1.4**	**-1.6**
Free cash flow	-3.7	0.9	0.1	**4.1**	**1.9**

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	3.1	6.7	6.7	**5.5**	**4.6**
EV/EBITDA	neg.	>100	43.0	**30.7**	**20.3**
EV/EBIT (adj.)	neg.	neg.	>100	**59.0**	**33.0**
P/E (adj.)	neg.	neg.	>100	**>100**	**36.0**
P/B	6.9	15.0	17.1	**7.9**	**6.5**
Dividend-%	0.0 %	0.0 %	0.0 %	**0.0 %**	**0.0 %**

Source: Inderes

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	-0.18	-0.12	0.08	**0.08**	**0.27**
EPS (adj.)	-0.18	-0.12	0.08	**0.08**	**0.27**
OCF / share	-0.31	0.23	0.25	**0.06**	**0.43**
OFCF / share	-0.51	0.13	0.02	**0.51**	**0.23**
Book value / share	0.39	0.53	0.58	**1.22**	**1.49**
Dividend / share	0.00	0.00	0.00	**0.00**	**0.00**

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	-24%	21%	26%	**27%**	**16%**
EBITDA growth-%	-140%	161%	430%	**46%**	**48%**
EBIT (adj.) growth-%	-247%	56%	220%	**103%**	**75%**
EPS (adj.) growth-%	-201%	34%	168%	**1%**	**230%**
EBITDA-%	-7.3 %	3.7 %	15.6 %	**18.0 %**	**22.9 %**
EBIT (adj.)-%	-16.9 %	-6.1 %	5.8 %	**9.4 %**	**14.1 %**
EBIT-%	-16.9 %	-6.1 %	5.8 %	**9.4 %**	**14.1 %**
ROE-%	-38.5 %	-26.0 %	14.6 %	**9.4 %**	**19.9 %**
ROI-%	-16.6 %	-6.3 %	6.9 %	**12.6 %**	**17.6 %**
Equity ratio	28.6 %	26.7 %	31.8 %	**68.6 %**	**71.7 %**
Gearing	105.6 %	51.3 %	47.7 %	**-14.8 %**	**-26.9 %**
Net debt/EBITDA	-5.7	6.0	1.2	**-0.6**	**-0.9**
EBITDA/net financials	-5.5	1.0	28.5	**3.9**	**36.9**

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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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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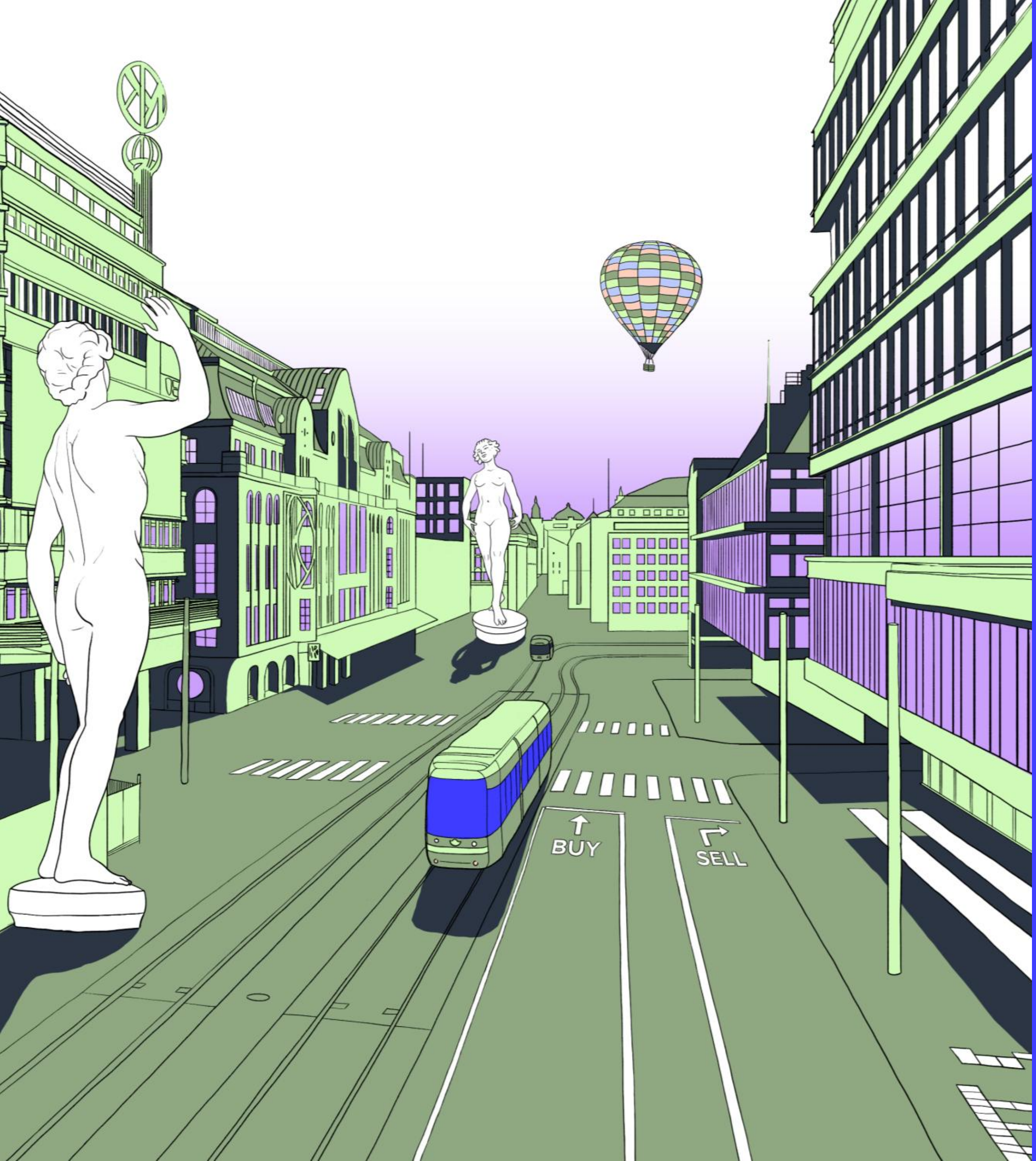
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
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	Accumulate	3.60 €	3.05 €
9/26/2023	Reduce	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 €
1/16/2024	Reduce	8.50 €	9.28 €
2/28/2025	Reduce	9.00 €	9.54 €
3/4/2025	Accumulate	9.00 €	7.90 €
6/26/2025	Reduce	10.00 €	12.30 €
7/1/2025	Sell	10.50 €	13.75 €
8/18/2025	Reduce	12.50 €	14.50 €
1/5/2025	Reduce	12.00 €	14.00 €
2/27/2026	Accumulate	11.50 €	10.10 €
5/15/2026	Accumulate	11.00 €	9.20 €
8/17/2026	Accumulate	11.00 €	9.72 €



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