

Aiforia Technologies Plc

Company report

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✓ Inderes corporate customer

This report is a summary translation of the report "Kasvua rakennetaan nyt paremmin pääomitettuna published on 5/29/2024 at 10:40 pm EEST

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Growth is now built with better capitalization

With the 10 MEUR share issue last week, Aiforia's financial situation strengthened. In light of positive sales news, the company seems to continue moving toward a strong position in its rapidly emerging markets, although weak growth predictability still argues for certain caution in pricing the potential. However, we still find the risk/reward ratio of the company's promising long-term growth story attractive. We raise our target price to EUR 4.6 on the back of the decline in the risk level and forecast changes (was EUR 4.2) and reiterate our Accumulate recommendation.

A stronger balance sheet and sales continuing on track lower the risk level

Aiforia [carried out](#) a directed share issue last week, raising some 10 MEUR (estimated good 9 MEUR after expenses) from domestic and international institutional and professional investors. The pricing of the issue met our expectations, but eliminating the financial risk was still positive. In the spring, the company has also announced two new contracts (veterinary medicine and Fimlab) and seems to continue its successful sales work. Competitive tendering is actively underway, especially in Europe, so visibility of growth in the next few years and our forecasts has again improved slightly. On the other hand, the timing for customer ramp-ups and new regulatory approvals remain as uncertainties.

Digital pathology is catching on, although it is difficult to predict how fast the market will develop

The digitization of pathology is at a very early stage, and by 2020, only 14% of pathology samples were digitized worldwide. Technological limitations that were a barrier have largely disappeared over time. With an aging population, the need for pathology analysis is expected to increase and there is already a shortage of pathologists. We believe there are clear demand drivers for solutions that increase efficiency and capacity, although the competitive landscape of the young market is still being formed. However, given Aiforia's differentiating factors (customizability, cell-level detection, first commercialized predictive AI model) and significant clinical references, the company's competitiveness appears very promising. We believe the company is well positioned to become a long-term winner in its market.

Strong growth is expected, but timing also depends on factors outside the company

We revised our cost forecasts, which slightly improved the negative cash flows in the coming years. We expect Aiforia's commercial success to more clearly translate into revenue in 2024-27, as clinical customers expand their use of the software. We expect annual revenue growth to be a very high 75-90% from a low base and EBIT margin to strengthen from a loss-making investment phase to 3% in 2027. We expect revenue in 2030 to already be 74 MEUR (target: >100 MEUR ~2030). Our forecasts assume that the company will remain among the few winners in the clinical market and proceed effectively in terms of both regulatory approvals and customer implementation. We compensate for the forecasting risks associated with this with a higher return requirement than usual.

The potential is still more attractive than the risks at the current price

Aiforia's valuation (24e EV/S 22x, 25-26e 13-8x) relies on expected very strong and scalable growth. With methods that price growth at various slopes and confidence intervals, we can justify the company's value at a wide range of EUR 1.4-8.0 per share (previous EUR 1.0-7.6). In light of the evidence provided, our confidence in the company's growth is strong and financial risks have also eased (we cut WACC -% 13.8% -> 13.1%). However, the uncertainty of the slope of growth still results in elevated risks. We see the risk/reward ratio at the current price as attractive as a whole, however. Winning new customers and likely strengthening of revenue growth offer positive drivers.

Recommendation

Accumulate
(previous Accumulate)

EUR 4.60
(previous EUR 4.20)

Share price:
3.79



Key figures

	2023	2024e	2025e	2026e
Revenue	2.4	4.3	8.1	14.2
growth-%	49%	80%	88%	75%
EBIT adj.	-12.9	-11.5	-10.1	-5.9
EBIT-% adj.	-537.1 %	-266.2 %	-124.3 %	-41.7 %
Net Income	-12.9	-11.7	-10.4	-6.2
EPS (adj.)	-0.50	-0.41	-0.36	-0.22

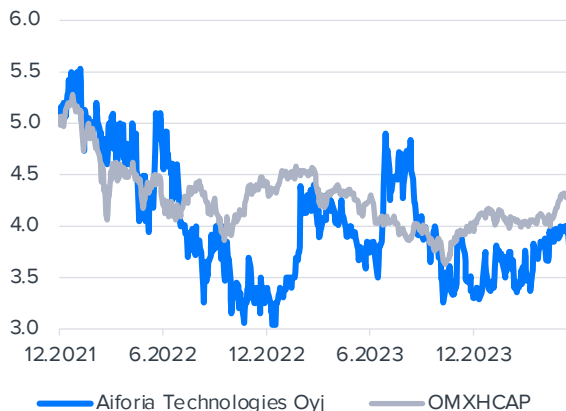
P/E (adj.)	neg.	neg.	neg.	neg.
P/B	3.4	4.5	7.8	14.0
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	neg.	neg.	neg.	neg.
EV/EBITDA	neg.	neg.	neg.	>100
EV/S	34.4	22.0	12.9	7.7

Source: Inderes

Guidance (Unchanged)

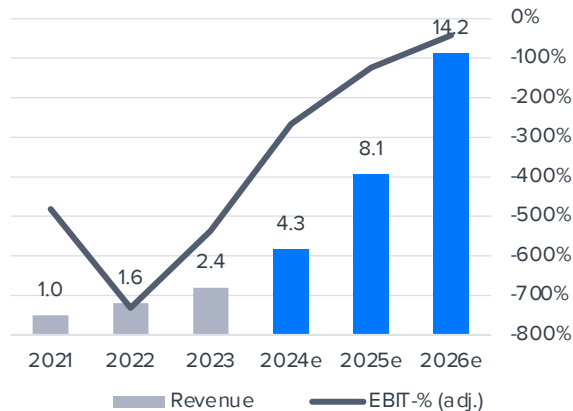
Aiforia has not provided guidance.

Share price



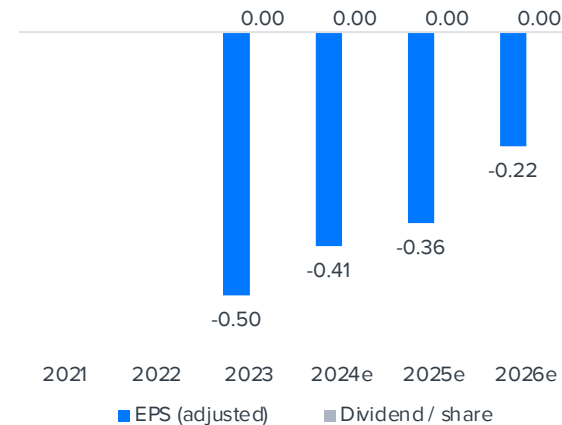
Source: Millistream Market Data AB

Revenue and EBIT-%



Source: Inderes

EPS and dividend



Source: Inderes



Value drivers

- Significant market potential in increasing automation in pathology
- Early evidence of the product's competitiveness
- Plenty of room for growth especially increasing the number of sample types supported by clinical customers and technology
- SaaS business model provides continuity and scalability as growth is successful
- Aiforia's attractiveness as an acquisition target in a highly valued sector



Risk factors

- The business is only being built and the company's valuation virtually relies on future promises
- Falling behind ambitious objectives and drop in valuation that relies on successful strong growth
- Slower than expected progress in the implementation of new technology in a conservative industry, tightening regulations
- Competing technologies, changes in the company's position in the value chain of digital pathology, key personnel risks
- Data breach including personal health data
- Cash flow still strongly negative, which increases financial risk

Valuation	2024e	2025e	2026e
Share price	3.79	3.79	3.79
Number of shares, millions	28.8	28.8	28.8
Market cap	109	109	109
EV	95	105	110
P/E (adj.)	neg.	neg.	neg.
P/E	neg.	neg.	neg.
P/B	4.5	7.8	14.0
P/S	25.3	13.4	7.7
EV/Sales	22.0	12.9	7.7
EV/EBITDA	neg.	neg.	>100
EV/EBIT (adj.)	neg.	neg.	neg.
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Overall, positive forecast changes on the cost side

Forecast changes 2024e-2026e

- We added the recent 10 MEUR directed share issue to our forecasts, which mitigated the loss of earnings per share due to the increased number of shares.
- We updated the level of costs recorded from the company's option schemes to personnel costs. Expense entries linked to the share price level are recorded in the income statement from Aiforia's option schemes. The cost has no cash flow effect and is realized as a possible later dilution.
- We also revised our investment and cost forecasts for 2024-2026 somewhat. Aiforia's R&D capitalizations are higher than depreciation and are not yet fully reflected in the EBIT forecasts for the coming years. However, from the perspective of cash flow, the financial situation we expect for the next few years improved.
- The funding available to Aiforia will reach its lowest level of some 5 MEUR in 2026 before cash flow turns positive in 2027. Therefore, with the current forecast the company does not necessarily have to collect new capital. Due to the low predictability of growth, the situation can go both ways and on the other hand, achieving a strong position in a rapidly emerging market may require higher frontloaded sales investments than we expect. In light of current information, we expect the company to strengthen its financial position further in late 2025.

Estimate revisions	2024e	2024e	Change	2025e	2025e	Change	2026e	2026e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	4.3	4.3	0%	8.1	8.1	0%	14.2	14.2	0%
EBITDA	-6.8	-7.0	-2%	-3.4	-4.4	-29%	1.0	0.5	-44%
EBIT (excl. NRIs)	-11.3	-11.5	-2%	-9.7	-10.1	-4%	-6.3	-5.9	6%
EBIT	-11.3	-11.5	-2%	-9.7	-10.1	-4%	-6.3	-5.9	6%
PTP	-11.5	-11.7	-2%	-10.0	-10.4	-4%	-6.6	-6.2	6%
EPS (excl. NRIs)	-0.44	-0.41	7%	-0.37	-0.36	2%	-0.24	-0.22	10%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

The risk/reward ratio remains clearly attractive

Valuation methods rely on the long game

We believe Aiforia's valuation relies on an expectation of scalable growth especially over the next decade. Only inaccurate methods are available, so it is practically impossible to estimate the fair value of the company accurately. Aiforia's sales successes have already brought some visibility to the estimates and support to the valuation, but the low predictability of the growth of won customers keeps the forecast risks high.

Short-term sales multiples provide some support for the company's valuation, although they are very high in absolute terms (2024-25e EV/S 22-13x) due to the low revenue level. We approach multiple-based valuation through our 2025 and 2027 EV/S multiples and our estimates (see next page). In the scenarios, we now assume one share issue of 5 MEUR (Aiforia raised ~10 MEUR last week) in 2025 using the current share price with a 10% discount as the valuation (EUR 3.41). This is a typical discount in a directed issue, which we consider the most likely option. Aiforia does not necessarily need new equity financing (with current forecasts funding is sufficient) or may need more if the revenue growth is slower than we forecast. The multiple-based valuation for the next few years indicates a present value range of EUR 3.8-6.7 for the share. In light of the scenarios, the stock's valuation seems attractive.

We use the discounted cash flow (DCF) model as a second benchmark of company value. Our DCF model exceptionally continues for 15 years due to Aiforia's long growth path. The DCF is very sensitive to the assumptions used, so it also acts as a guiding indicator. We approach the DCF model through three scenarios (see next page), which include varying degrees of strong growth. A weaker scenario is also possible, but the implementation of the company's growth strategy has progressed promisingly and the likelihood of a

nosedive is already quite limited in our opinion. The DCF scenarios indicate a present value of EUR 1.4-8.0 per share (previous 1.0-7.6) and in the neutral scenario EUR 5.0 per share (previous 4.8), relative to which the stock is attractively valued. The DCF model assumes that Aiforia will only use debt for any new financing. This is a bit optimistic, but as cash-flow neutrality approaches, it is already a viable financing option. After the improved financial situation and good sales momentum continued, we lowered our required return to 13.1% (was 13.8 %).

Despite the obvious risks, the risk/reward ratio remains attractive

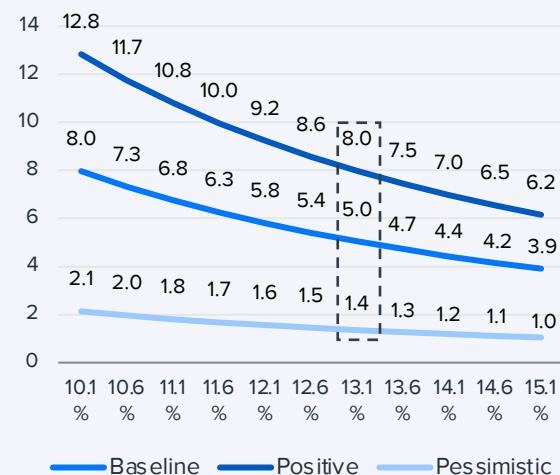
With methods that price growth at various rates and confidence intervals, we can justify the wide EUR 1.4-8.0 (previous 1.0-7.6) per share range that depicts the high uncertainty of the company's value. The implementation of Aiforia's strategy has progressed well and, given the promising evidence, we see the company as a highly interesting long-term investment for investors with a high risk tolerance. If the company progresses according to our forecasts, the return potential becomes very attractive, and on the other hand, winning new customers and revenue growth becoming visible in figures offer clear positive drivers. At the same time, we feel the possibility of delayed growth (regulation, slowness of customers) still favors a more cautious positive view for the time being.

We also see Aiforia as a potential acquisition target. The company is strategically well-positioned thanks to having gained significant customers in the clinical segment. In our view, the company has proven to be a leading player in its market and could be a logical acquisition target for players in the digital pathology value chain. A buyout option supports share pricing and also provides a degree of speculative safety as downside protection.

Valuation	2024e	2025e	2026e
Share price	3.79	3.79	3.79
Number of shares, millions	28.8	28.8	28.8
Market cap	109	109	109
EV	95	105	110
P/E (adj.)	neg.	neg.	neg.
P/E	neg.	neg.	neg.
P/B	4.5	7.8	14.0
P/S	25.3	13.4	7.7
EV/Sales	22.0	12.9	7.7
EV/EBITDA	neg.	neg.	>100
EV/EBIT (adj.)	neg.	neg.	neg.
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Iderecs

Sensitivity of the DCF value to the required return, EUR per share, WACC-%



Source: Iderecs

Valuation in graphs

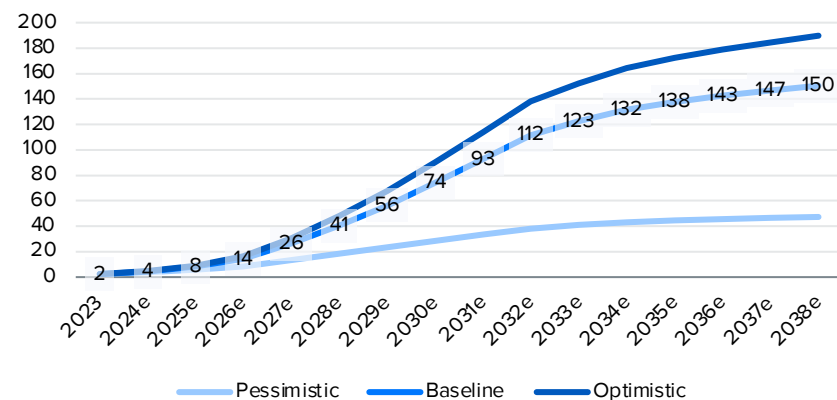
Estimated future valuation ranges, 2025e and 2027e

2025e, MEUR	Low	High
Revenue	8.1	8.1
EV/S, LTM	16	24
EV/S, NTM	9.1	13.7
EV	130	195
Net cash	9.6	9.6
Market cap	140	205
Per share	4.6	6.8
Per share currently	3.8	5.5

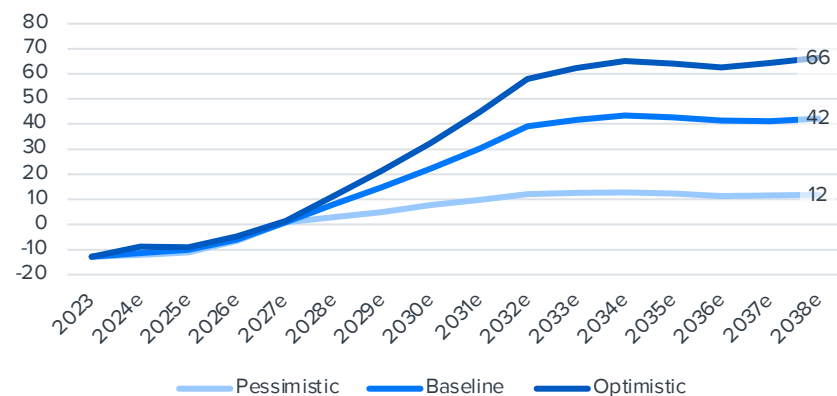
2027e, MEUR	Low	High
Revenue	26.3	26.3
EV/S, LTM	8	12
EV/S, NTM	5.2	7.8
EV	211	316
Net cash	5	5
Market cap	216	321
Per share	7.1	10.6
Per share currently	4.5	6.7

The scenarios include a directed share issue of EUR 5 MEUR in 2025 assuming a valuation level of EUR 3.41 per share (share price at the time of the update -10%).

Revenue development in DCF scenarios, Fiscal periods 2023-2038e, MEUR



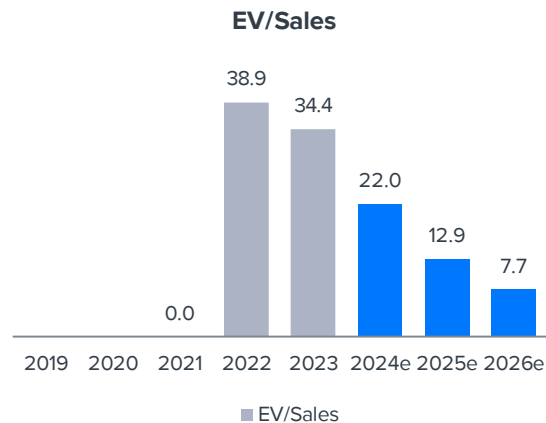
Profitability development under different scenarios (EBIT), Fiscal periods 2023-2038e, MEUR



Valuation table

Valuation	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e
Share price			5.22	3.23	3.49	3.79	3.79	3.79	3.79
Number of shares, millions			25.8	25.8	26.0	28.8	28.8	28.8	28.9
Market cap			135	83	91	109	109	109	109
EV			99	62	82	95	105	110	109
P/E (adj.)			neg.	neg.	neg.	neg.	neg.	neg.	>100
P/E			neg.	neg.	neg.	neg.	neg.	neg.	>100
P/B			3.5	2.8	3.4	4.5	7.8	14.0	13.2
P/S			>100	51.9	37.8	25.3	13.4	7.7	4.2
EV/Sales			>100	38.9	34.4	22.0	12.9	7.7	4.1
EV/EBITDA			neg.	neg.	neg.	neg.	neg.	>100	14.3
EV/EBIT (adj.)			neg.	neg.	neg.	neg.	neg.	neg.	>100
Payout ratio (%)			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 %

Source: Inderes



Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		Revenue growth-%		EBIT-%		Rule of 40
Company	MEUR	MEUR	2024e	2025e	2024e	2025e	2024e	2025e	2024e	2025e	2024e	2025e	2025e
Sectra AB	4066	4008	91.0	74.3	75.5	62.7	16.4	13.8	21%	19%	18%	19%	38%
ContextVision AB	39	33	13.1	12.7	7.8	7.2	2.8	2.7	-1%	4%	22%	22%	26%
Roche Holding AG	189568	214146	10.8	10.0	9.3	8.6	3.5	3.3	1%	6%	32%	33%	39%
Feedback PLC	11	2					1.6	0.8	17%	91%	-255%	-133%	-42%
PainChek Ltd	32	31		23.7			5.7	3.3	50%	72%	-22%	14%	86%
Renalytix PLC	34	21					4.7	2.3	40%	104%	-534%	-181%	-77%
Diagnos Inc	16	18				23.9	87.7	4.5		1844%			
CellaVision AB	548	538	29.2	22.8	24.3	19.8	8.0	7.0	18%	14%	27%	31%	45%
RaySearch Laboratories AB	416	424	26.7	20.2	10.0	8.8	4.3	3.9	11%	12%	16%	19%	31%
Aiforia Technologies Oyj (Inderes)	109	95	-8.3	-10.3	-13.6	-24.0	22.0	12.9	80%	88%	-266%	-124%	-36%
Average			34.2	27.3	25.4	21.8	15.0	4.6	17%	217%	-77%	-20%	
Median	34.5	30.5	26.7	21.5	10.0	14.3	4.7	3.3	17%	17%	16%	19%	33%
Diff-% to median	217%	211%	-131%	-148%	-236%	-268%	373%	287%	371%	436%			-209%

Source: Refinitiv / Inderes

Income statement

Income statement	H1'22	H2'22	2022	H1'23	H2'23	2023	H1'24e	H2'24e	2024e	2025e	2026e	2027e
Revenue	0.6	1.0	1.6	1.0	1.4	2.4	2.0	2.3	4.3	8.1	14.2	26.3
EBITDA	-4.0	-5.5	-9.5	-5.0	-4.7	-9.7	-3.5	-3.4	-7.0	-4.4	0.5	7.6
Depreciation	-0.9	-1.3	-2.2	-1.4	-1.7	-3.2	-2.1	-2.5	-4.5	-5.8	-6.5	-6.8
EBIT (excl. NRI)	-4.9	-6.9	-11.8	-6.4	-6.5	-12.9	-5.6	-5.9	-11.5	-10.1	-5.9	0.8
EBIT	-4.9	-6.9	-11.8	-6.4	-6.5	-12.9	-5.6	-5.9	-11.5	-10.1	-5.9	0.8
Net financial items	0.0	-0.4	-0.4	-0.1	0.1	0.0	-0.1	-0.1	-0.2	-0.3	-0.3	-0.3
PTP	-4.9	-7.3	-12.2	-6.5	-6.4	-12.9	-5.7	-6.0	-11.7	-10.4	-6.2	0.5
Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	-4.9	-7.3	-12.2	-6.5	-6.4	-12.9	-5.7	-6.0	-11.7	-10.4	-6.2	0.5
EPS (adj.)				-0.25	-0.25	-0.50	-0.20	-0.21	-0.41	-0.36	-0.22	0.02
EPS (rep.)				-0.25	-0.25	-0.50	-0.20	-0.21	-0.41	-0.36	-0.22	0.02

Key figures	H1'22	H2'22	2022	H1'23	H2'23	2023	H1'24e	H2'24e	2024e	2025e	2026e	2027e
Revenue growth-%	34.7 %		64.9 %	67.4 %	39.2 %	49.3 %	110.0 %	60.1 %	80.1 %	88.4 %	75.1 %	84.8 %
Adjusted EBIT growth-%	163.9 %		150.7 %	31.1 %	-5.8 %	9.6 %	-12.5 %	-8.9 %	-10.7 %	-12.1 %	-41.3 %	-113.9 %
EBITDA-%	-695.8 %	-536.2 %	-593.3 %	-517.3 %	-329.0 %	-404.5 %	-175.0 %	-148.9 %	-161.1 %	-53.5 %	3.8 %	29.0 %
Adjusted EBIT-%	-850.7 %	-665.8 %	-731.9 %	-666.4 %	-450.6 %	-537.1 %	-277.6 %	-256.3 %	-266.2 %	-124.3 %	-41.7 %	3.1 %
Net earnings-%	-846.5 %	-707.1 %	-756.9 %	-679.8 %	-444.8 %	-539.0 %	-282.0 %	-260.1 %	-270.3 %	-127.9 %	-43.8 %	2.0 %

Source: Inderes

Balance sheet

Assets	2022	2023	2024e	2025e	2026e
Non-current assets	10.2	13.2	14.1	14.0	13.7
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	8.7	11.8	13.0	13.1	12.9
Tangible assets	1.5	1.3	1.2	0.9	0.7
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	0.1	0.1	0.0	0.0	0.0
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
Current assets	26.3	15.0	23.5	14.5	10.9
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	1.6	1.0	1.4	2.1	2.9
Cash and equivalents	24.7	14.0	22.1	12.5	8.0
Balance sheet total	36.5	28.2	37.7	28.5	24.5

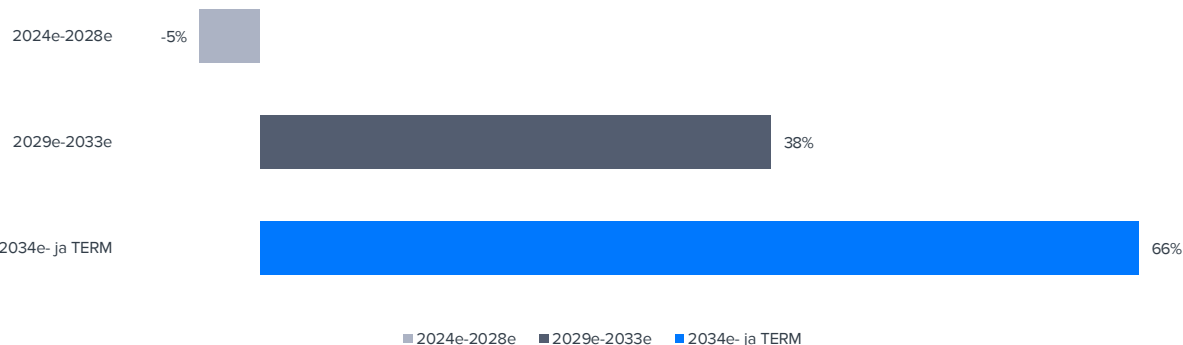
Source: Inderes

Liabilities & equity	2022	2023	2024e	2025e	2026e
Equity	29.3	27.0	24.4	14.0	7.8
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	-26.5	-38.3	-49.9	-60.3	-66.6
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	55.7	65.2	74.3	74.3	74.3
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	3.0	6.2	9.0	9.0	9.6
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	3.0	5.1	7.9	7.9	8.6
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	1.1	1.1	1.1	1.1
Current liabilities	4.2	4.1	4.3	5.5	7.1
Interest bearing debt	0.7	0.7	0.0	0.0	0.2
Payables	3.5	3.4	4.3	5.5	6.9
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	36.5	37.3	37.7	28.5	24.5

DCF calculation

DCF model	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e	2037e	2038e	TERM
Revenue growth-%	49.3 %	80.1%	88.4 %	75.1%	84.8 %	54.0 %	38.9 %	31.6 %	25.3 %	20.3 %	9.7 %	7.4 %	4.8 %	3.4 %	2.9 %	2.5 %	2.5 %
EBIT-%	-537.1 %	-266.2 %	-124.3 %	-41.7 %	3.1%	19.7 %	26.3 %	29.9%	32.6 %	35.0 %	34.0 %	33.0 %	31.0 %	29.0 %	28.0 %	28.0 %	28.0 %
EBIT (operating profit)	-12.9	-11.5	-10.1	-5.9	0.8	8.0	14.8	22.2	30.3	39.1	41.7	43.4	42.7	41.4	41.1	42.1	
+ Depreciation	3.2	4.5	5.8	6.5	6.8	7.1	8.0	8.8	9.7	10.9	11.8	12.3	12.6	12.9	13.0	13.0	
- Paid taxes	0.0	0.0	0.0	0.0	0.1	1.5	2.2	2.2	0.8	-7.8	-8.3	-8.6	-8.5	-8.2	-8.2	-8.4	
- Tax, financial expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	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	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	0.4	0.5	0.6	0.6	0.5	0.3	0.2	0.1	0.4	0.3	0.1	0.4	0.3	0.2	0.2	0.2	
Operating cash flow	-9.3	-6.5	-3.7	1.1	8.2	16.9	25.2	33.3	41.2	42.5	45.2	47.4	47.1	46.2	46.1	46.9	
+ Change in other long-term liabilities	1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-6.2	-5.5	-5.6	-6.2	-6.8	-7.4	-8.2	-9.0	-9.9	-10.9	-11.8	-12.3	-12.6	-12.9	-13.0	-13.0	
Free operating cash flow	-14.3	-12.0	-9.3	-5.0	1.5	9.4	17.0	24.3	31.2	31.6	33.4	35.2	34.5	33.3	33.1	34.0	
+/- Other	0.9	10.0	0.6	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-13.4	-2.0	-8.7	-4.9	1.5	9.4	17.0	24.3	31.2	31.6	33.4	35.2	34.5	33.3	33.1	34.0	327
Discounted FCFF		-1.8	-7.1	-3.6	0.9	5.3	8.5	10.8	12.2	10.9	10.2	9.5	8.3	7.0	6.2	5.6	54.1
Sum of FCFF present value		137	139	146	150	149	143	135	124	112	101	90.7	81.2	72.9	65.9	59.7	54.1
Enterprise value DCF		137															
- Interest bearing debt		-5.8															
+ Cash and cash equivalents		14.0															
-Minorities		0.0															
-Dividend/capital return		0.0															
Equity value DCF		145															
Equity value DCF per share		5.0															

Cash flow distribution

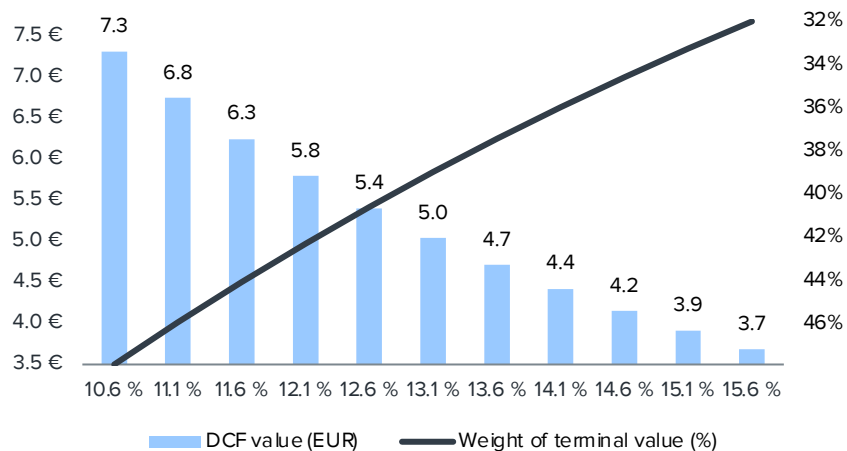


WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	5.0 %
Cost of debt	6.0 %
Equity Beta	1.70
Market risk premium	4.75%
Liquidity premium	3.00%
Risk free interest rate	2.5 %
Cost of equity	13.6 %
Weighted average cost of capital (WACC)	13.1 %

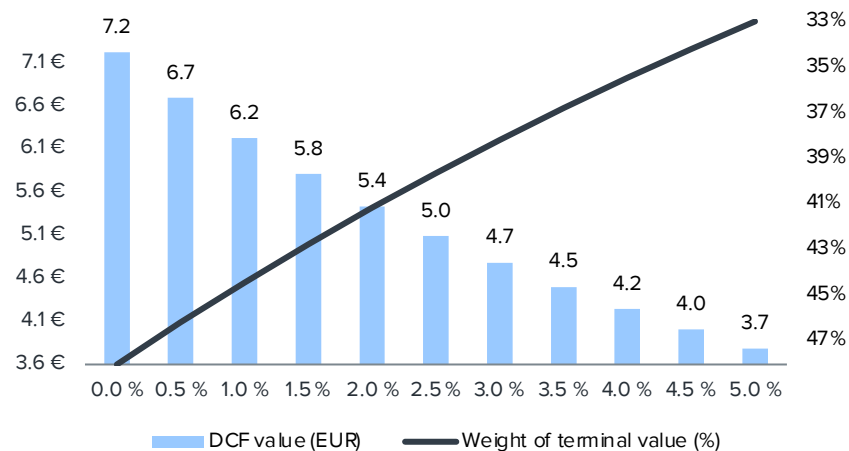
Source: Inderes

DCF sensitivity calculations and key assumptions in graphs

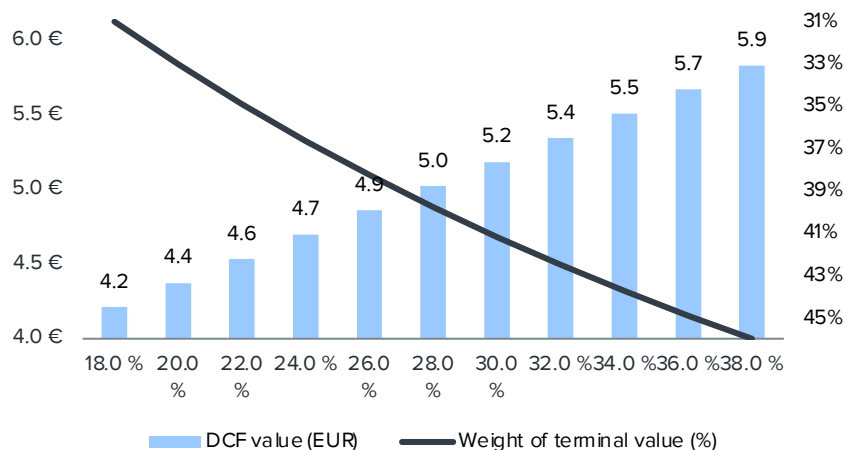
Sensitivity of DCF to changes in the WACC-%



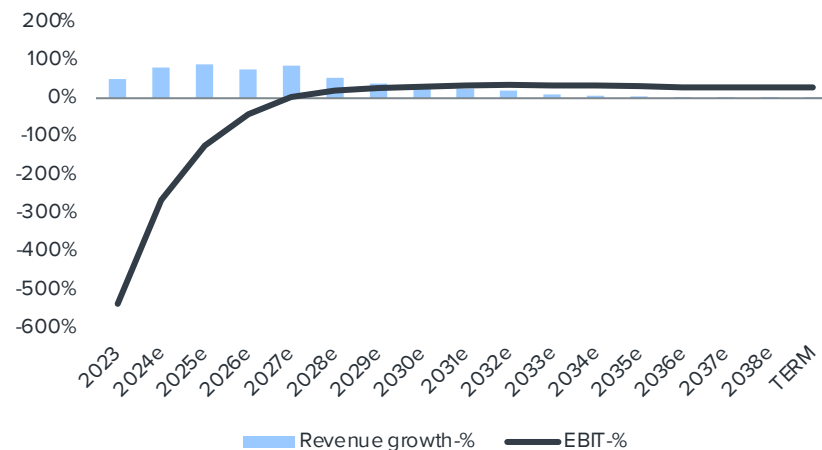
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



Source: Inderes. Note that the weight of the terminal value (%) is shown on an inverse scale for clarity.

Summary

Income statement	2021	2022	2023	2024e	2025e	Per share data	2021	2022	2023	2024e	2025e
Revenue	1.0	1.6	2.4	4.3	8.1	EPS (reported)		-0.47	-0.50	-0.41	-0.36
EBITDA	-3.5	-9.5	-9.7	-7.0	-4.4	EPS (adj.)		-0.47	-0.50	-0.41	-0.36
EBIT	-4.7	-11.8	-12.9	-11.5	-10.1	OCF / share		-0.37	-0.36	-0.22	-0.13
PTP	-7.6	-12.2	-12.9	-11.7	-10.4	FCF / share		-0.59	-0.52	-0.07	-0.30
Net Income	-7.6	-12.2	-12.9	-11.7	-10.4	Book value / share		1.13	1.04	0.85	0.49
Extraordinary items	0.0	0.0	0.0	0.0	0.0	Dividend / share		0.00	0.00	0.00	0.00
Balance sheet	2021	2022	2023	2024e	2025e	Growth and profitability	2021	2022	2023	2024e	2025e
Balance sheet total	43.9	36.5	28.2	37.7	28.5	Revenue growth-%	15%	65%	49%	80%	88%
Equity capital	37.9	29.3	27.0	24.4	14.0	EBITDA growth-%	114%	176%	2%	-28%	-37%
Goodwill	0.0	0.0	0.0	0.0	0.0	EBIT (adj.) growth-%	78%	151%	10%	-11%	-12%
Net debt	-35.2	-21.0	-8.1	-14.2	-4.6	EPS (adj.) growth-%				-19%	-11%
Cash flow	2021	2022	2023	2024e	2025e	EBITDA-%	-354.2 %	-593.3 %	-404.5 %	-161.1 %	-53.5 %
EBITDA	-3.5	-9.5	-9.7	-7.0	-4.4	EBIT (adj.)-%	-481.4 %	-731.9 %	-537.1 %	-266.2 %	-124.3 %
Change in working capital	2.0	-0.1	0.4	0.5	0.6	EBIT-%	-481.4 %	-731.9 %	-537.1 %	-266.2 %	-124.3 %
Operating cash flow	-1.4	-9.7	-9.3	-6.5	-3.7	ROE-%	-39.0 %	-36.2 %	-45.9 %	-45.4 %	-54.1 %
CAPEX	-3.8	-7.6	-6.2	-5.5	-5.6	ROI-%	-20.9 %	-31.8 %	-39.1 %	-35.3 %	-37.3 %
Free cash flow	-5.3	-15.2	-13.4	-2.0	-8.7	Equity ratio	86.4 %	80.3 %	95.8 %	64.9 %	49.2 %
						Gearing	-92.8 %	-71.6 %	-30.1 %	-58.1 %	-32.5 %
Valuation multiples	2021	2022	2023	2024e	2025e						
EV/S		38.9	34.4	22.0	12.9						
EV/EBITDA		neg.	neg.	neg.	neg.						
EV/EBIT (adj.)		neg.	neg.	neg.	neg.						
P/E (adj.)		neg.	neg.	neg.	neg.						
P/B		2.8	3.4	4.5	7.8						
Dividend-%		0.0 %	0.0 %	0.0 %	0.0 %						

Source: Inderes

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Accumulate	The 12-month risk-adjusted expected shareholder return of the share is attractive
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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
6/24/2022	Sell	4.00 €	4.58 €
8/26/2022	Reduce	4.00 €	3.52 €
12/3/2022	Reduce	4.00 €	3.50 €
3/3/2023	Accumulate	4.80 €	4.15 €
8/28/2023	Reduce	4.50 €	4.54 €
12/7/2023	Accumulate	4.20 €	3.45 €
2/29/2024	Accumulate	4.20 €	3.45 €
3/8/2024	Accumulate	4.20 €	3.44 €
5/30/2024	Accumulate	4.60 €	3.79 €



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