

CANATU

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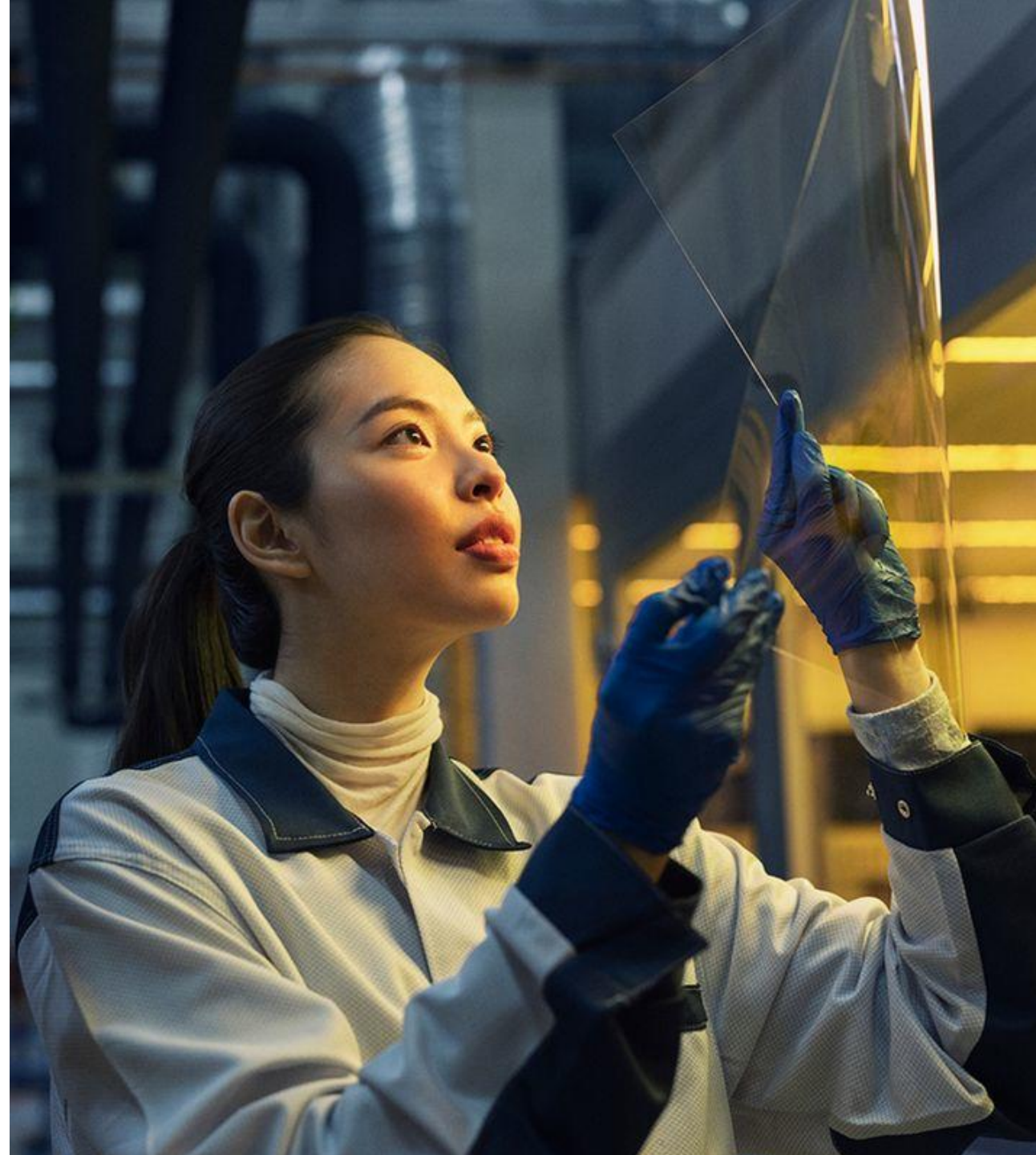
This is a translated version of the "Vuoden 2025 epäselvä kasvunäkymä voi tarjota ostopaikkoja" report, published on 03/31/2025



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INDERES CORPORATE CUSTOMER

COMPANY REPORT



Vague 2025 growth outlook can offer buying opportunities

We reiterate our Accumulate recommendation and EUR 13.0 target price for Canatu. Canatu's long-term potential remains unchanged and is one step closer, although growth this year may be modest due to timing issues in the reactor business. We remain cautiously optimistic about the stock, relying on the attractive long-term growth outlook, although the high valuation and potentially stalling growth may offer even better buying opportunities this year.

Reactor deliveries visible as strong growth as expected

Canatu reported strong growth figures for 2024 (revenue 22.0 MEUR, +62%) driven by the semiconductor industry (19.8 MEUR, +77%), although revenue was slightly below our forecast due to the automotive industry (2.3 MEUR, -7%). Adjusted EBIT (2024: -4.8 MEUR) was, however, a notch more in the red than we expected when the gross margin (62.5% vs. 70.9%) fell compared to our expectations due to the first reactor deliveries. Connecting to customers' systems and processes initially caused additional costs, which are not expected in connection with subsequent deliveries. In addition, the company has learned a lot from the first deliveries, which will provide efficiency benefits for upcoming projects.

Growth outlook for this year remains unclear

Canatu did not yet provide guidance for 2025, but according to the company, 2025 revenue will focus on H2 due to potential new reactor orders. As expected, the semiconductor industry will account for the largest share of this year's revenue, but based on the company's comments, the magnitude and timing of revenue appear to be largely dependent on customer decisions. For the first two reactors, customers still need to complete the approval tests before volume production of pellicle membranes can start. After the approval tests, customers still go through a four-stage process to ensure that their production line is ready for mass production. Then, the

process proceeds gradually from pilot/risk production to mass production. All of this takes time, in light of which the first reactors are unlikely to be in full mass production with customers this year, although approval tests are expected to be completed this year. Canatu also expects that any further reactor orders from existing customers will likely depend on the successful completion of the final approval tests of the first two reactors and related equipment. Canatu is engaged in sales discussions with other potential reactor customers, and we believe the company could announce the delivery of one or two more new reactors later this year. Based on the outlook comments, we clearly lowered our short-term estimates and now expect nearly stable revenue (22.8 MEUR) this year. The company estimates that its long-term potential in all business areas has remained unchanged, and we also believe this. Thus, we still predict that the company will meet the targets set for 2027 (revenue >100 MEUR, adj. EBIT >30%) at a slightly slower pace in 2028.

We continue to be cautiously optimistic about the stock

The pricing of Canatu's valuation (2025e EV/S of 13.5x-15.5x) reflects expectations of strong scalable growth. With the company's investment profile and growth prospects, we believe a high valuation is justified, although uncertainty about short-term growth has increased. However, the company's reactor business is progressing in the right direction, which creates a basis for strong earnings growth in the coming years. We note that the current valuation still leaves no room for essential dents in the story, and growth that may temporarily stall this year can also put pressure on the stock. Through scenarios modeling growth and profitability at different rates, we have estimated a wide value range of some EUR 6-21 for Canatu, which partly reflects the risks and opportunities associated with the company.

Recommendation

Accumulate

(was Accumulate)

Target price:

EUR 13.00

(was 13.00 EUR)

Share price:

11.40

Business risk



Valuation risk



	2024	2025e	2026e	2027e
Revenue	22.0	22.8	35.4	76.4
growth-%	62%	4%	55%	116%
EBIT adj.	-4.8	-7.5	-4.0	17.2
EBIT-% adj.	-21.9 %	-32.8 %	-11.4 %	22.5 %
Net Income	-1.7	-4.4	-2.9	14.0
EPS (adj.)	-0.01	-0.11	-0.07	0.42
P/E (adj.)	11.2	neg.	neg.	27.3
P/B	2.2	3.5	3.6	3.2
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	5.8	neg.	neg.	17.6
EV/EBITDA	5.3	neg.	neg.	14.8
EV/S	2.0	13.5	8.9	4.0

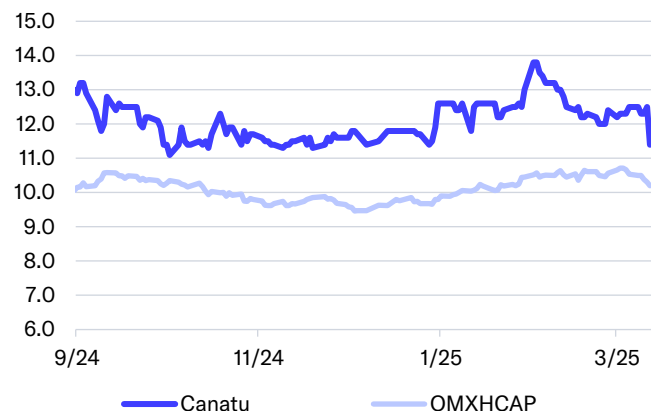
Source: Inderes

Guidance

(No guidance)

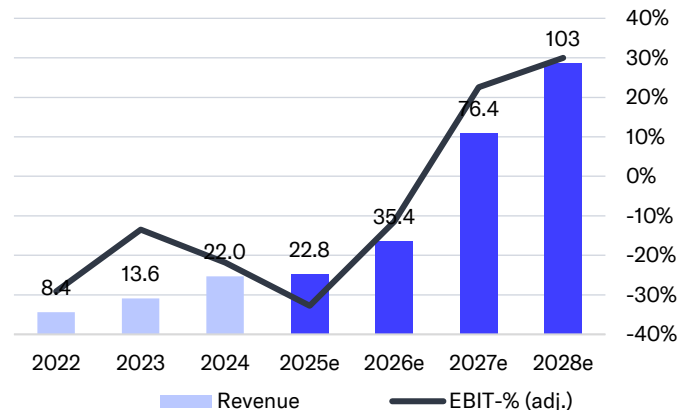
"Canatu does not issue any specific numerical guidance or other financial outlook for the financial year 2025 at this point. Canatu expects that its revenue for the financial year 2025 will be weighted towards the second half of the year. This is primarily driven by the anticipated timing of potential new CNT100 SEMI reactor orders and the associated revenue recognition of such orders."

Share price



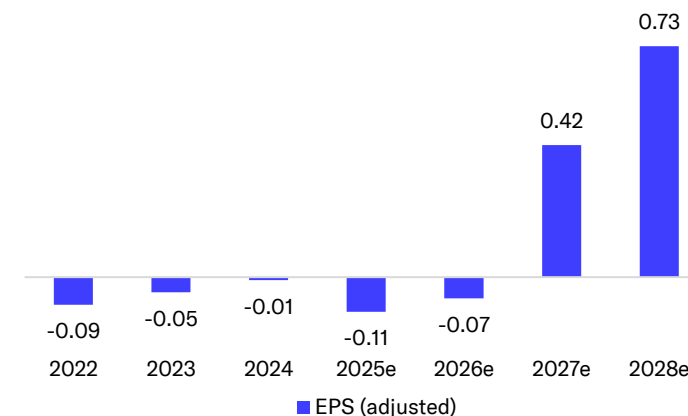
Source: Millstream Market Data AB

Revenue and EBIT-% (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Growth in the semiconductor industry is the key value driver in the coming years
- Unique and patented manufacturing technology is a clear competitive advantage
- High gross margins indicate pricing power and clear scalability potential in profitability
- Automotive industry and diagnostics support longer-term growth outlook
- Optionality related to Canatu's technology and possible new application areas
- The capital-light business model allows for a high ROI if growth continues

Risk factors

- Concentration, cyclicality and geopolitical risks in the semiconductor industry
- Dependency on individual significant customers
- Sustainability of the competitive advantage in Canatu's CNT manufacturing in the long term
- Competitive threat from other materials in Canatu's product areas
- The high valuation of the stock requires continued strong growth

Valuation level	Cuurent	>12e	>14e
Number of shares, million	34.7	41.2	44.8
Market cap	396	470	511
EV	308	348	354
EV/S 2025e	13.5	15.2	15.5
EV/S 2027e	4.0	4.5	4.6
EV/S 2028e	2.7	3.1	3.2
EV/EBIT 2027e	17.6	19.9	20.3
EV/EBIT 2028e	9.1	10.4	10.6
DCF value per share	13.2	12.0	11.8

Multiples have been calculated at the current share price, but the variable is the number of shares and the capital arising from exercising warrants

Reactor deliveries visible as strong growth as expected

Strong growth, but still slightly below expectations

Canatu's 2024 revenue grew by 62% to 22.0 MEUR, falling slightly short of our 22.7 MEUR estimate (consensus 22.4 MEUR). The company's guidance for 2024 expected a revenue of 20-25 MEUR, so the outcome was slightly below the mid-point of the range. As we expected, growth was driven by the semiconductor industry (19.7 MEUR, +77%), where the first two reactor deliveries to customers were visible as strong growth. According to the company, sales of inspection equipment also developed steadily. Both reactors and inspection equipment accounted for a significant portion of Canatu's revenue last year, but the company does not disclose the exact breakdown.

In the automotive industry, revenue decreased by 7% to 2.3 MEUR, while we expected 25% growth. The decrease was, according to the company, due to lower revenue from one of the main customers, who was destocking. As expected, Diagnostics, which is in an early stage of development, recorded zero revenue.

The gross margin deteriorated against our expectations

Canatu's adjusted pro forma EBIT was -4.8 MEUR last year (2023: -1.4 MEUR), when our forecast was -3.4 MEUR and the consensus was -1.7 MEUR. The underperformance relative to our estimate is mainly explained by the weaker gross margin (2024: 62.5% vs. 2023: 71%) compared to 2023, while our forecast (70%) expected a stable development. The decline in the gross margin reflects the deliveries of the first two reactors and the resulting change in the product mix. With the first reactors, the company has also had to, e.g., connect them to the customer's IT systems and other processes for the first time, as well as meet the necessary safety requirements. These have naturally incurred costs that are not expected to the same extent for any subsequent reactors. The company has also learned a lot from the deliveries of the first reactors, which will provide efficiency benefits for future projects. Therefore, we still see the company as having the prerequisites to reach a gross margin of approximately 70% in the longer term.

In 2024, Canatu continued strong recruitment and other investments, and with the SPAC listing, the company had to

also bear certain costs previously attributable to Lifeline SPAC I and other new costs arising from the listing. By the end of the year, the number of employees had increased to 137 (2023: 109).

The dividend taps remained closed as expected and capital is geared towards pursuing strong growth. The company's very strong balance sheet provides excellent conditions for this, and despite the investments already made, Canatu's net cash position at the end of the year was 92 MEUR. Cash assets have been invested in interest-bearing securities, as a result of which net financial income for last year was 3.6 MEUR. Thus, the net result was only 1.7 MEUR and reported EPS EUR -0.05.

In addition to [expanding the](#) production plant and thus almost doubling its capacity, Canatu will invest in several areas this year. Key projects include, e.g., the development of a new generation reactor for the semiconductor sector, the development of optical filters, accelerating investments in diagnostics, promoting the solar cell project with partners, and exploring new areas where carbon nanotubes could be utilized.

Estimates MEUR / EUR	H2'23 Comparison	H2'24 Actualized	H2'24e Inderes	H2'24e Consensus	Consensus Low High	Difference (%) Act. vs. inderes	2024 Toteutunut
Revenue	-	10.9	11.6	11.3	---	-6%	22.0
EBITDA	-	-	-	-	---		-3.6
EBIT (adj.)	-	-	-	-	---		-4.8
EPS (reported)	-	-	-	-	---		-0.05
DPS	0.00	0.00	0.00	0.00	---		0.00
Revenue growth-%	-				-		62.1 %
EBIT-% (adj.)	-				-		-21.9 %

Source: Inderes & Bloomberg 4 analysts (consensus)

Long-term potential unchanged, although growth may be subdued this year

Growth outlook for this year remains unclear

Canatu did not yet provide guidance for 2025, but according to the company, 2025 revenue will focus on H2 due to potential new reactor orders. In addition, in the automotive industry, the start of mass production of ADAS camera heaters has been delayed due to certain customer processes. Canatu expects mass production ramp-up to begin in 2025. At the same time, Canatu expects its cooperation and future solar cell development work to progress, which would have a positive impact on automotive revenue this year. According to Canatu, the company's long-term potential in its three business priorities has remained unchanged.

As expected, the semiconductor industry will account for the largest share of this year's revenue, but based on the company's comments, the magnitude and timing of revenue appear to be largely dependent on customer decisions. For the first two reactors, customers still need to complete the approval tests before volume production of

pellicle membranes can start. After the approval tests, customers still go through a four-stage process to ensure that their production line is ready for mass production. Then, the process proceeds gradually from pilot/risk production to mass production. All of this takes time, in light of which the first reactors are unlikely to be in full mass production with customers this year. Canatu also expects that any further reactor orders from existing customers will likely depend on the successful completion of the final approval tests of the first two reactors and related equipment. Canatu expects approval tests to be completed in 2025. Canatu is also engaged in sales discussions with other potential reactor customers, and we believe the company could announce the delivery of one or two more new reactors later this year.

Short-term estimates clearly cut

Based on the outlook comments, we have clearly cut our short-term estimates, but still believe that the long-term potential remains unchanged. We point out that Canatu's

growth expectations are particularly focused on 2027 when the company aims to achieve a revenue of more than 100 MEUR and an adjusted EBIT margin of more than 30%. We believe the key to growth will be the ramp-up of the reactor business, which will lead to growth in recurring revenues from royalties and non-discretionary consumables in the years ahead. We still estimate that the company will reach its target during 2028.

We now forecast nearly stable sales for this year (22.8 MEUR), of which we expect inspection equipment sales to account for about half. Consequently, any new reactor orders in H2 will have a material impact on this year's revenue level, and if the deals were to occur in 2026, revenue this year could be clearly below last year's level. In H2, we also believe that the company has the opportunity to receive a small continuous income flow from the first two reactors, if customers start pilot/risk production. We expect Automotive revenue to increase by 36% to 3.1 MEUR, although visibility on this, as with all other revenue items, is very weak at this point.

Estimate revisions	2024	2024e	Change	2025e	2025e	Change	2026e	2026e	Change
MEUR / EUR	Inderes	Actualized	%	Old	New	%	Old	New	%
Revenue	22.7	22.0	-3%	30.3	22.8	-25%	41.3	35.4	-14%
EBITDA	-2.4	-3.6	-47%	0.0	-5.1		2.5	-1.3	
EBIT (excl. NRIs)	-3.4	-4.8	-41%	-2.4	-7.5		-0.4	-4.0	
EBIT	-3.4	-5.3	-55%	-3.0	-8.0		-1.0	-4.6	
PTP	-5.0	-1.7	66%	-2.3	-5.4		-0.4	-3.6	
EPS (excl. NRIs)	-0.09	-0.01		-0.04	-0.11		0.01	-0.07	
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

Summary of estimates

	2023	2024	2025e	2026e	2027e	2028e	2029e	2030e
Semiconductor	11.1	19.8	19.8	32.2	70.5	95.7	117	135
<i>growth-%</i>		77%	0%	63%	118%	36%	22%	15%
Reactors		10.0	8.3	18.5	55.2	78.8	98.2	114
<i>growth-%</i>		0%	-17%	123%	198%	43%	25%	16%
CNT products		9.8	11.5	13.7	15.3	16.9	18.8	20.7
<i>growth-%</i>		0%	18%	20%	11%	11%	11%	10%
Automotive	2.4	2.3	3.1	3.2	5.9	7.2	8.8	10.5
<i>growth-%</i>		-7%	36%	3%	87%	22%	21%	20%
Medical diagnostic							1.0	3.0
<i>growth-%</i>								200%
Revenue total	13.6	22.0	22.8	35.4	76.4	103	127	148
<i>growth-%</i>	62%	62%	4%	55%	116%	35%	23%	17%
Gross margin	9.6	13.8	15.2	23.7	52.7	72.1	88.7	104
<i>Gross margin-%</i>	71%	63%	67%	67%	69%	70%	70%	70%
OPEX	-12.2	-19.1	-21.8	-27.0	-34.2	-39.3	-43.1	-48.9
<i>% of sales</i>	90%	87%	96%	76%	45%	38%	34%	33%
Other income	2.9	1.1	1.5	2.0	2.0	2.0	2.0	1.5
EBITDA	0.3	-3.6	-5.1	-1.3	20.5	34.8	47.6	56.3
<i>EBITDA-%</i>	2%	-16%	-22%	-4%	27%	34%	38%	38%
D&A	-0.9	-1.7	-3.0	-3.3	-3.9	-4.4	-4.9	-5.3
EBIT	-0.6	-5.3	-8.0	-4.6	16.6	30.3	42.7	51.0
<i>EBIT-%</i>	-5%	-24%	-35%	-13%	22%	29%	34%	34%
EBIT (adj.)	-0.6	-4.8	-7.5	-4.0	17.2	30.9	43.3	51.6
<i>EBIT-% (adj.)</i>	-5%	-22%	-33%	-11%	23%	30%	34%	35%
Net financials	0.2	3.6	2.6	1.0	0.8	0.7	0.7	0.7
Pre-tax profit	-0.4	-1.7	-5.4	-3.6	17.4	31.0	43.4	51.7
Taxes	0.0	0.0	1.1	0.7	-3.5	-6.2	-8.7	-10.3
Net income	-0.4	-1.7	-4.4	-2.9	14.0	24.8	34.7	41.4
EPS (adj.)	0.0	0.0	-0.1	-0.1	0.4	0.7	1.0	1.2
EPS (reported)	0.0	0.0	-0.1	-0.1	0.4	0.7	1.0	1.2

Source: Inderes, Revenue distribution in Semiconductor industry Inderes' estimate

Valuation 1/3

Valuation summary and investment view

Canatu's value relies on cash flows generated far in the future, to which precise visibility is naturally still very weak. Therefore, at this stage, valuation should be approached through different scenarios and aim to assess the expectations priced into the share and thus the risk/reward ratio.

Considering the long-term potential scenarios discussed in the following pages, a very wide value range can be sketched for Canatu's stock at this point, depending on the growth and profitability assumptions. The average value of all methods is EUR 13.4, while the pessimistic and optimistic scenarios give a value range of around EUR 6-21. In each scenario, we assume that the company will eventually reach its revenue target of over 100 MEUR, but in the neutral scenario, it will be slightly later than the target schedule and in the pessimistic scenario in the 2030s.

We believe Canatu is one of the most promising growth stories on Nasdaq Helsinki, and this is also reflected in the high valuation of the share. Although uncertainty about the company's short-term growth has increased, the reactor business seems to be progressing in the right direction, which creates a foundation for accelerated growth in the coming years. In a very favorable scenario, Canatu also has the potential to become one of the next long-term success stories of Nasdaq Helsinki if the optionality of the company's technology is realized properly. This would enable the company to maintain strong growth even in the 2030s by expanding into new product areas and industries. Also, in a favorable scenario, significant customers in the semiconductor industry could support growth even more clearly than we expect, in which case the floor could be wiped even with our current optimistic scenario. We feel

that this optionality in the company supports the high valuation of the share if the growth story progresses on track. The AgeCarbon age project [announced by](#) the company helps strengthen these very long-term opportunities.

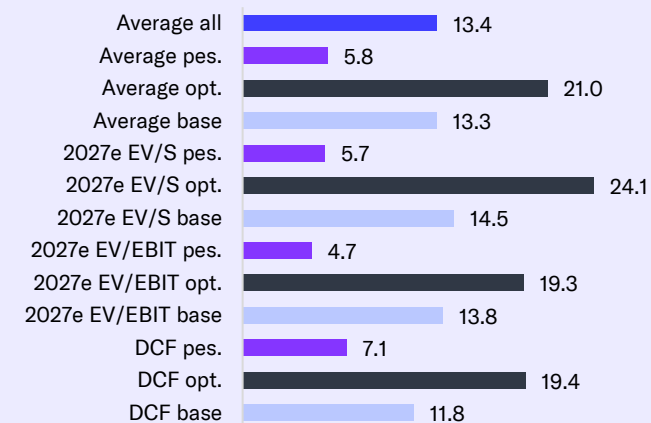
In the next few years, we expect the progress in the reactor business to be the key value driver for the share. New reactor deals and the start of mass production of the first customers create the foundation for continuous and scalable royalty income and the sales of non-discretionary consumables to play a significant role in revenue formation. However, we estimate this will take some time and expect the strongest growth to take place in 2027. Thus, investors still need patience, which, combined with high multiples in the short term, can cause share price fluctuations as expectations change from time to time along with market sentiment. We remain cautiously optimistic about the stock and reiterate our Accumulate recommendation and EUR 13.0 target price.

High growth expectations loaded into the valuation

Canatu's EV/S ratio for this year (13.5x-15.5x) is one of the highest in absolute terms on Nasdaq Helsinki, which indicates the strong growth expectations loaded into the share. As growth materializes, the valuation will naturally begin to decline rapidly, and in 2027-2028, the ratios of 3x-5x are already moderate with the current growth and profitability profile. The story is the same for earnings multiples. For 2027, EV/EBIT is 18x-20x and 9x-11x for 2028, depending on the effect warrants and the earnout have on the number of shares (and net cash). In particular, the multiples for 2028 are already very attractive if the growth outlook still was good at that time.

Valuation level	Current	>12e	>14e
Number of shares, million	34.7	41.2	44.8
Market cap	396	470	511
EV	308	348	354
EV/S 2025e	13.5	15.2	15.5
EV/S 2027e	4.0	4.5	4.6
EV/S 2028e	2.7	3.1	3.2
EV/EBIT 2027e	17.6	19.9	20.3
EV/EBIT 2028e	9.1	10.4	10.6
DCF value per share	13.2	12.0	11.8

Summary of valuation methods (EUR/share)



Valuation 2/3

The DCF model is sensitive to changes in different parameters

We approach Canatu's DCF model through three different scenarios, as in the company's current development phase the growth and profitability assumptions still involve significant uncertainty. The weight of cash flows after 2030 in the DCF calculation is around 93%, reflecting the fact that Canatu's cash flows are weighted far into the future. This is perfectly normal with the company's growth profile, although the value being focused on the distant future naturally also increases the risks.

According to our DCF model, the value of Canatu's share in the neutral scenario based on our forecasts is approximately EUR 13.2 with the current number of shares (34.7 million). The DCF value should also be looked at through the number of shares (and additional capital) that is likely to be diluted by warrants and the earnout. Using

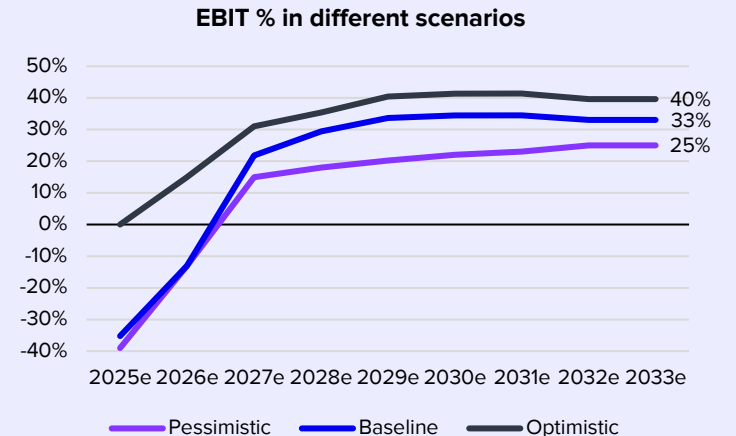
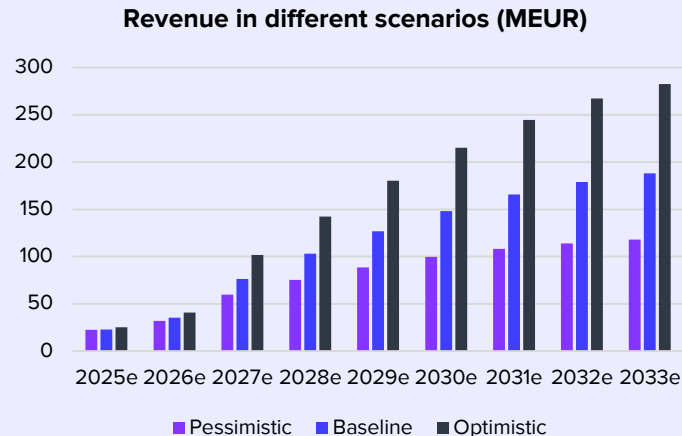
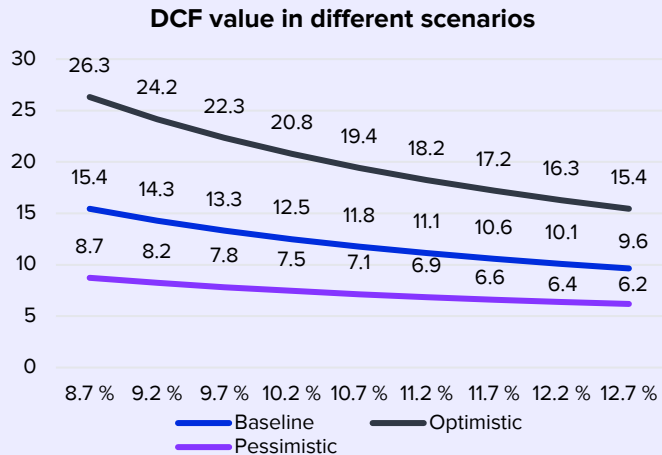
the number of shares considering these (44.8 million), the DCF value in the neutral scenario is EUR 11.8.

In the optimistic scenario, we have raised the growth and profitability assumptions so that Canatu will generate good 80% more EBIT in the forecast period. Terminal profitability is also clearly higher than in the neutral scenario. In this scenario, the company would in practice achieve its target and continue its strong scalable growth also thereafter. With these assumptions, the value of the share would be EUR 19.4.

In the pessimistic scenario, we have lowered the growth and profitability assumptions so that Canatu will generate some 60% less EBIT during the forecast period and the terminal profitability will be lower than in the neutral scenario. In this case, the company would not reach its 100 MEUR revenue target until the 2030s. With these assumptions, the value of the share would be EUR 7.1.

We feel the large dispersion between the scenarios reflects the significant risk and potential associated with a promising, relatively early-stage investment story like Canatu's, which relies on strong growth.

We have used a 10.7% WACC in our DCF model, which is also the ROE requirement applied in the model. In light of high growth expectations, the required return could also be somewhat higher. On the other hand, Canatu's significant customer relationships and ability to mass production prove that the company's business model works, which eliminates risks associated with this. In the graph below, we illustrate the effect of the used required return on the DCF value. If the company progresses toward its targets in the next few years, we see the potential for the required return to fall to a single-digit level.



Source: Inderes, NB! the number of shares used in the scenarios is 44.8 million, which considers the warrants and the earnout.

Valuation 3/3

Scenarios by 2028

We examine Canatu's share valuation in three different scenarios based on 2028 using different assumptions about the company's growth rate and business scalability. We examine the valuation both through earnings multiples (EV/EBIT) and revenue (EV/S).

In the neutral scenario based on our current forecasts, we assume that based on Canatu's strong scalable growth, the company will be priced at high multiples in 2028. We have assumed that the company would then be priced at 25x EBIT and 8x EV/S, which are valuations (and even higher) currently seen for high-quality companies in the semiconductor sector. Thus, at the end of 2028, the value of the share would be EUR 20-21, which, discounted to the present with a 10.7% required return, would amount to EUR 13.8-14.5. Thus, the baseline scenario leads to a value somewhat above the current share price.

In an optimistic scenario, we assume the company will achieve its financial targets in 2027, with strong growth continuing thereafter. Even stronger growth than in the neutral scenario would also be reflected in the acceptable valuation (EV/EBIT 30x and EV/S 12x), which would already to some extent reflect the valuation of the sector's star companies. With these assumptions, the share's value at the end of 2028 would be EUR 28-35, or EUR 19-24 discounted to the present. The expected return is therefore excellent if the company achieves its targets and the growth outlook is strong thereafter.

In the pessimistic scenario, we assume that Canatu's revenue and profitability will fall clearly short of the targets, and the longer-term growth outlook will also be slower. Even in this scenario, growth is still strong and profitability is at a reasonable level. We assume that the slower development will also be reflected in acceptable valuation multiples (EV/EBIT 20x and EV/S 4x), which would still be

quite high in the context of Nasdaq Helsinki. With these assumptions, the share's value at the end of 2028 would be EUR 6.9-8.3, or EUR 4.7-5.7 discounted to the present. The return expectation would thus be clearly negative, even though the figures develop quite well in absolute terms in this scenario as well. This indicates that the current valuation has set the bar high and that there is no room for greater disappointment from an investor's point of view.

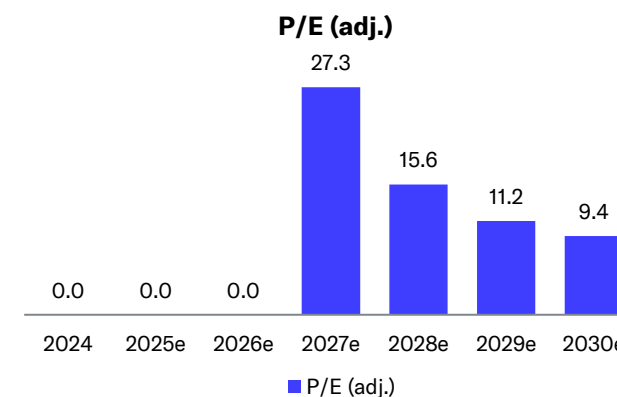
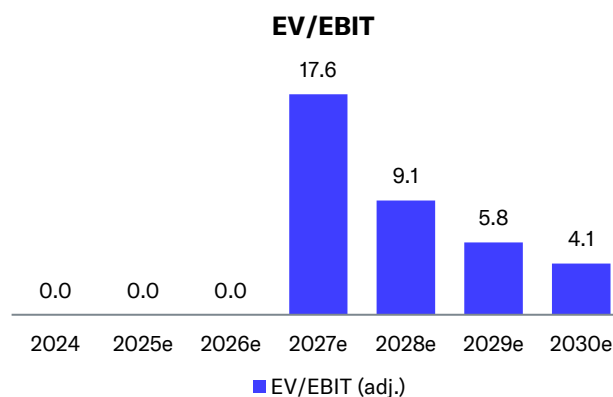
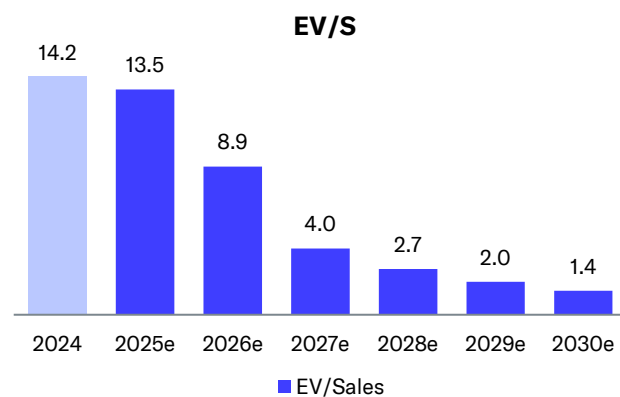
Scenarios by 2028	Pessimistic	Current estimates	Optimistic
Revenue	61.0	103.0	134.0
Growth (CAGR 25-28)	29%	47%	57%
EBIT-% (adj.)	15%	30%	31%
EBIT (adj.)	9.2	30.9	41.5
x valuation multiple (EV/EBIT)	20x	25x	30x
EV 2028e (MEUR)	183	772	1,246
Net cash 2028e*	128	183	201
Value of share capital (MEUR)	311	955	1,447
Per share (EUR)	6.9	20.2	28.3
Potential	-39%	77%	148%
Per share currently (EUR)	4.7	13.8	19.3

Scenarios by 2028	Pessimistic	Current estimates	Optimistic
Revenue	61.0	103.0	134.0
Growth (CAGR 25-28)	29%	47%	57%
x valuation multiple (EV/S)	4x	8x	12x
EV 2028e (MEUR)	244	824	1,608
Net cash 2028e*	128	183	201
Value of share capital (MEUR)	372	1,007	1,809
Per share (EUR)	8.3	21.2	35.3
Potential	-27%	86%	210%
Per share currently (EUR)	5.7	14.5	24.1

Valuation table

Valuation	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e
Share price	11.8	11.4	11.4	11.4	11.4	11.4	11.4	11.4
Number of shares, millions	34.4	34.7	34.7	34.7	34.7	34.7	34.7	34.7
Market cap	406	396	396	396	396	396	396	396
EV	314	308	314	303	282	250	211	167
P/E (adj.)	neg.	neg.	neg.	27.3	15.6	11.2	9.4	8.4
P/E	neg.	neg.	neg.	28.4	16.0	11.4	9.6	8.6
P/FCF	neg.	neg.	neg.	38.3	19.2	12.7	10.3	9.1
P/B	3.6	3.5	3.6	3.2	2.7	2.2	1.8	1.5
P/S	18.4	17.3	11.2	5.2	3.8	3.1	2.7	2.4
EV/Sales	14.2	13.5	8.9	4.0	2.7	2.0	1.4	1.0
EV/EBITDA	neg.	neg.	neg.	14.8	8.1	5.3	3.8	2.7
EV/EBIT (adj.)	neg.	neg.	neg.	17.6	9.1	5.8	4.1	2.9
Payout ratio (%)	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 %

Source: Inderes



Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		Lv:n kasvu-%		EBIT-%		Rule of 40
Company	MEUR	MEUR	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2026e
TSMC	688302	649324	13.2	11.0	9.2	7.7	6.3	5.3	28%	19%	48%	48%	67%
Intel	91499	123068	52.5	20.9	9.8	7.2	2.5	2.3	2%	7%	5%	11%	18%
Micron	91322	96985	11.5	7.1	5.9	4.5	3.0	2.4	41%	26%	26%	33%	59%
Samsung	250015	198092	9.3	6.8	4.0	3.3	1.0	0.9	7%	7%	11%	13%	20%
SK Hynix	91411	98507	4.7	4.0	3.2	2.8	1.8	1.6	28%	14%	40%	40%	54%
Broadcom	734727	787644	21.4	18.2	20.4	17.4	13.6	11.7	21%	16%	64%	64%	80%
Qualcomm	156065	156316	11.3	10.9	10.2	10.0	3.9	3.7	12%	5%	35%	34%	39%
AMD	154547	151395	19.3	14.3	19.6	15.0	5.2	4.3	23%	20%	27%	30%	50%
Texas Instruments	148245	153804	28.0	22.0	21.0	16.8	9.7	8.6	10%	13%	35%	39%	52%
Nvidia	2472469	2440364	40.4	28.4	40.2	27.5	26.7	18.7	112%	43%	66%	66%	109%
GlobalFoundries	18846	17895	19.0	12.5	8.0	6.8	2.8	2.5	4%	12%	15%	20%	32%
ASML	246381	238633	22.0	18.5	20.1	16.9	7.4	6.5	17%	13%	33%	35%	48%
Applied Materials	108891	107087	13.5	12.5	12.8	11.9	4.0	3.8	6%	6%	30%	30%	36%
Lam Research	86119	85488	16.7	16.5	15.7	15.4	5.2	5.1	20%	3%	31%	31%	34%
KLA Corporation	82706	84648	18.4	17.9	17.1	16.4	7.7	7.4	22%	4%	42%	41%	45%
ASM	21290	20387	20.3	16.4	16.9	13.9	5.8	4.9	21%	19%	28%	30%	49%
VAT Group	10251	10336	29.5	23.9	26.1	21.4	8.7	7.4	20%	18%	29%	31%	49%
Besi	7996	7868	29.2	18.6	26.3	17.3	10.6	7.8	20%	35%	36%	42%	77%
Aixtron	1199	1140	10.1	8.3	8.7	7.2	2.0	1.9	-11%	10%	20%	22%	32%
Teradyne	12369	11815	20.1	13.7	16.1	12.0	4.2	3.5	8%	21%	21%	26%	47%
Soitec	1831	1811	13.6	12.3	6.3	6.0	2.0	2.0	-8%	3%	15%	16%	19%
Camtek	2676	2507	17.7	15.5	16.9	14.5	5.5	5.0	16%	10%	31%	32%	42%
Veeco Instruments	1091	1028	12.0	10.6	10.8	9.7	1.6	1.5	-4%	9%	14%	14%	23%
Coherent	9411	14731	15.8	13.3	12.1	10.3	2.8	2.5	22%	10%	18%	19%	29%
Axcelis Technologies	1477	989	14.8	8.0	12.4	7.9	1.4	1.2	-23%	12%	9%	15%	27%
Entegris	12407	15800	20.9	18.0	16.4	14.3	5.0	4.5	7%	10%	24%	25%	35%
Onto Innovation	5557	4770	15.5	12.3	14.6	12.2	4.7	4.1	13%	13%	30%	34%	47%
Mitsui Chemicals	4310	8096	20.9	8.7	6.7	5.8	0.7	0.7	5%	3%	6%	6%	9%
Lintec	1259	966	23.7	16.8	3.9	3.7	0.5	0.5	13%	2%			
Tokyo Electron	62419	59187	26.3	17.8	12.7	12.0	4.0	3.8	32%	6%	26%		
Lasertec	7786	7659	70.4	41.3	10.7	11.0	5.1	5.0	20%	3%			
Advantest	33012	32378			21.3	16.9	7.2	6.2	53%	15%			
Canatu (Inderes)	396	308	neg.	neg.	neg.	neg.	13.5	8.9	4%	55%	-33%	-11%	44%
Average			21.3	15.4	14.3	11.7	5.4	4.6	17%	13%	28%	30%	
Median			19.0	14.3	12.8	11.9	4.4	4.0	17%	11%	28%	31%	
Diff-% to median							204%	124%					

Source: Refinitiv / Inderes

Income statement

Income statement	2023	H1'24	H2'24	2024	H1'25e	H2'25e	2025e	2026e	2027e	2028e
Revenue	13.6	11.1	10.9	22.0	7.8	15.0	22.8	35.4	76.4	103
Puolijohdeteollisuus	11.1	9.9	9.9	19.8	6.7	13.1	19.8	32.2	70.5	95.7
Autoteollisuus	2.4	1.2	1.1	2.3	1.1	2.0	3.1	3.2	5.9	7.2
Diagnostiikka	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	-0.4			-3.6	-4.1	-0.9	-5.1	-1.3	20.5	34.8
Depreciation	-1.4			-1.7	-1.3	-1.7	-3.0	-3.3	-3.9	-4.4
EBIT (excl. NRI)	-1.8			-4.8	-5.1	-2.3	-7.5	-4.0	17.2	30.9
EBIT	-1.8			-5.3	-5.4	-2.6	-8.0	-4.6	16.6	30.3
Share of profits in assoc. compan.	0.0			0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net financial items	0.2			3.6	1.4	1.2	2.6	1.0	0.8	0.7
PTP	-1.6			-1.7	-4.0	-1.4	-5.4	-3.6	17.4	31.0
Taxes	0.0			0.0	0.8	0.3	1.1	0.7	-3.5	-6.2
Minority interest	0.0			0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	-1.6			-1.7	-3.2	-1.1	-4.4	-2.9	14.0	24.8
EPS (adj.)	-0.05			-0.01	-0.08	-0.02	-0.11	-0.07	0.42	0.73
EPS (rep.)	-0.05			-0.05	-0.09	-0.03	-0.13	-0.08	0.40	0.71

Key figures	2023	H1'24	H2'24	2024	H1'25e	H2'25e	2025e	2026e	2027e	2028e
Revenue growth-%	62.1 %			62.1 %	-29.7 %	37.6 %	3.7 %	55.1 %	115.7 %	34.8 %
Adjusted EBIT growth-%										79%
EBITDA-%	-3.2 %	0.0 %	0.0 %	-16.1 %	-53.0 %	-6.3 %	-22.3 %	-3.6 %	26.9 %	33.8 %
Adjusted EBIT-%	-13.5 %	0.0 %	0.0 %	-21.9 %	-65.8 %	-15.6 %	-32.8 %	-11.4 %	22.5 %	30.0 %
Net earnings-%	-12.0 %	0.0 %	0.0 %	-7.7 %	-41.2 %	-7.6 %	-19.1 %	-8.2 %	18.3 %	24.1 %

Source: Inderes

Balance sheet

Assets	2024	2025e	2026e	2027e
Non-current assets	19.0	22.0	25.2	28.3
Goodwill	0.0	0.0	0.0	0.0
Intangible assets	5.9	5.8	5.4	4.9
Tangible assets	12.8	15.9	19.5	23.1
Associated companies	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0
Other non-current assets	0.3	0.3	0.3	0.3
Deferred tax assets	0.0	0.0	0.0	0.0
Current assets	106	97.2	92.6	110
Inventories	1.1	0.5	0.7	1.5
Other current assets	0.0	0.0	0.0	0.0
Receivables	7.4	6.9	8.9	15.3
Cash and equivalents	97.9	89.9	83.1	92.8
Balance sheet total	125	119	118	138

Source: Inderes

Liabilities & equity	2024	2025e	2026e	2027e
Equity	114	113	110	124
Share capital	0.1	0.1	0.1	0.1
Retained earnings	-4.3	-8.7	-11.6	2.4
Hybrid bonds	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0
Other equity	118	122	122	122
Minorities	0.0	0.0	0.0	0.0
Non-current liabilities	4.4	0.8	0.0	0.0
Deferred tax liabilities	0.0	0.0	0.0	0.0
Provisions	0.0	0.0	0.0	0.0
Interest bearing debt	4.4	0.8	0.0	0.0
Convertibles	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	0.0	0.0	0.0
Current liabilities	7.5	5.3	7.6	13.8
Interest bearing debt	1.6	1.2	1.2	0.0
Payables	5.9	4.1	6.4	13.8
Other current liabilities	0.0	0.0	0.0	0.0
Balance sheet total	125	119	118	138

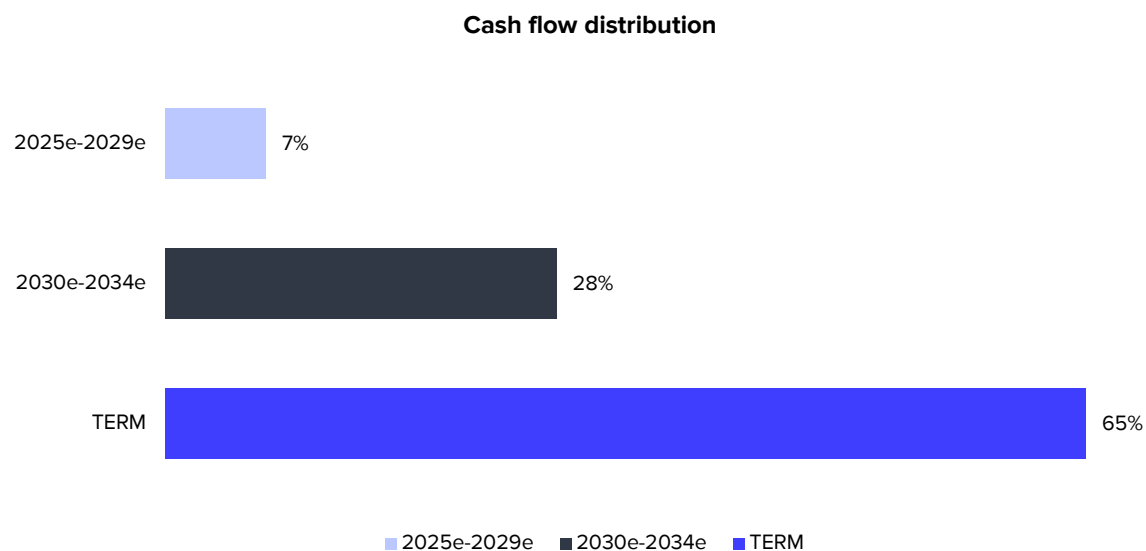
DCF-calculation

DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	62.1 %	3.7 %	55.1 %	115.7 %	34.8 %	23.1 %	16.9 %	11.9 %	8.0 %	5.0 %	3.0 %	3.0 %
EBIT-%	-24.1 %	-35.2 %	-13.0 %	21.8 %	29.4 %	33.7 %	34.4 %	34.5 %	33.0 %	33.0 %	32.0 %	32.0 %
EBIT (operating profit)	-5.3	-8.0	-4.6	16.6	30.3	42.7	51.0	57.2	59.1	62.0	62.0	
+ Depreciation	1.7	3.0	3.3	3.9	4.4	4.9	5.3	5.7	5.9	5.6	5.8	
- Paid taxes	0.0	1.1	0.7	-3.5	-6.2	-8.7	-10.3	-11.6	-12.0	-12.5	-12.4	
- Tax, financial expenses	0.0	0.5	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	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.0	
- Change in working capital	-3.8	-0.6	0.0	0.1	-1.1	-1.0	-0.9	-0.7	-0.5	-0.4	-0.2	
Operating cash flow	-7.4	-4.0	-0.3	17.3	27.6	38.1	45.3	50.7	52.7	54.9	55.2	
+ 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	-4.7	-6.0	-6.5	-7.0	-7.0	-7.0	-7.0	-7.0	-7.0	-7.0	-7.0	
Free operating cash flow	-12.1	-10.0	-6.8	10.3	20.6	31.1	38.3	43.7	45.7	47.9	48.2	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-12.1	-10.0	-6.8	10.3	20.6	31.1	38.3	43.7	45.7	47.9	48.2	644
Discounted FCFF		-9.3	-5.7	7.8	14.1	19.2	21.3	22.0	20.8	19.7	17.9	239
Sum of FCFF present value		367	376	382	374	360	341	319	297	277	257	239
Enterprise value DCF		367										
- Interest bearing debt		-6.0										
+ Cash and cash equivalents		97.9										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		459										
Equity value DCF per share		13.2										

WACC

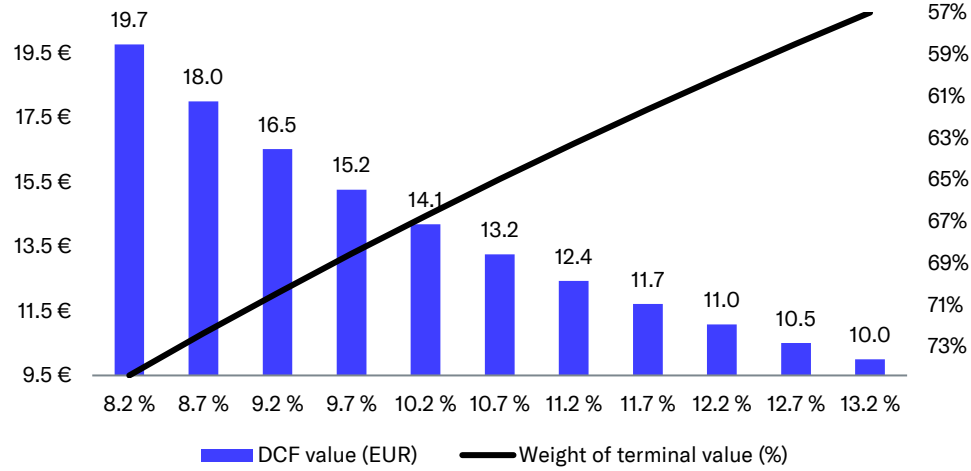
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	0.0 %
Cost of debt	8.0 %
Equity Beta	1.20
Market risk premium	4.75%
Liquidity premium	2.50%
Risk free interest rate	2.5 %
Cost of equity	10.7 %
Weighted average cost of capital (WACC)	10.7 %

Source: Inderes

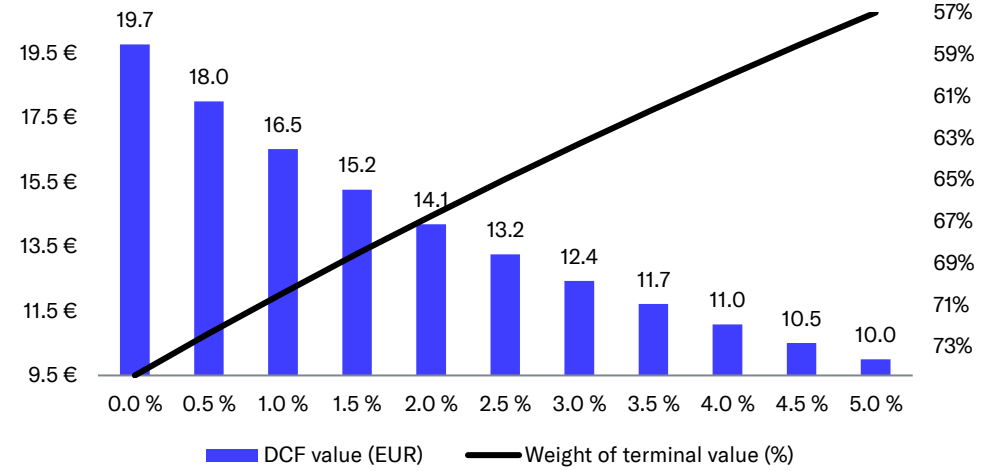


DCF sensitivity calculations and key assumptions in graphs

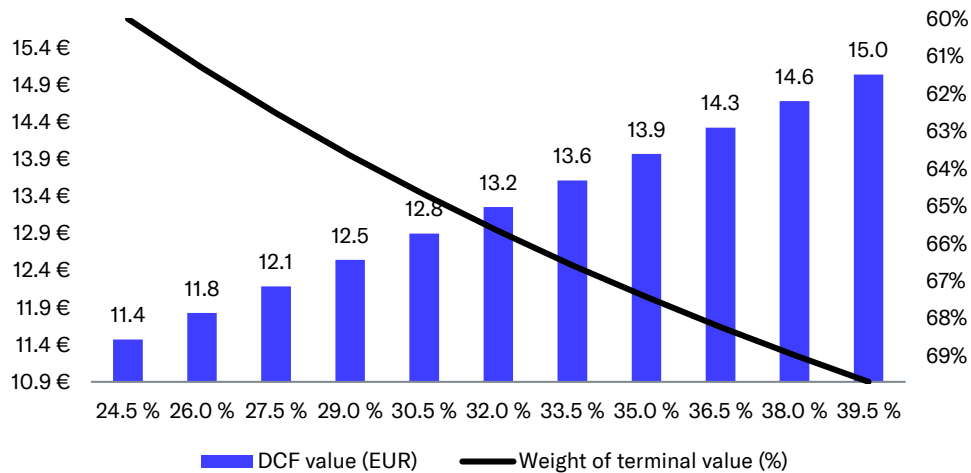
Sensitivity of DCF to changes in the WACC-%



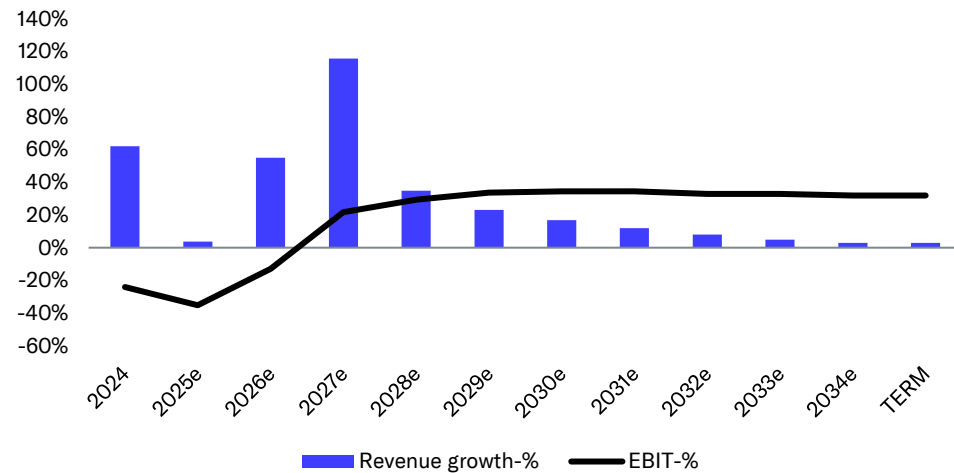
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



Lähde: Inderes. Huomaa, että terminaaliarvon paino (%) on esitetty käännteisellä asteikolla selkeyden vuoksi.

Summary

Income statement	2025e	2026e	2027e	2028e	Per share data	2025e	2026e	2027e	2028e
Revenue	22.8	35.4	76.4	103.0	EPS (reported)	-0.13	-0.08	0.40	0.71
EBITDA	-5.1	-1.3	20.5	34.8	EPS (adj.)	-0.11	-0.07	0.42	0.73
EBIT	-8.0	-4.6	16.6	30.3	OCF / share	-0.12	-0.01	0.50	0.80
PTP	-5.4	-3.6	17.4	31.0	FCF / share	-0.29	-0.20	0.30	0.59
Net Income	-4.4	-2.9	14.0	24.8	Book value / share	3.26	3.17	3.58	4.29
Extraordinary items	0.0	-0.3	0.0	-0.3	Dividend / share	0.00	0.00	0.00	0.00
Balance sheet	2025e	2026e	2027e	2028e	Growth and profitability	2025e	2026e	2027e	2028e
Balance sheet total	119.2	117.8	138.0	167.6	Revenue growth-%	4%	55%	116%	35%
Equity capital	113.1	110.2	124.2	149.0	EBITDA growth-%	43%	-75%	-1703%	69%
Goodwill	0.0	0.0	0.0	0.0	EBIT (adj.) growth-%	55%	-46%	-525%	79%
Net debt	-87.9	-81.9	-92.8	-114.0	EPS (adj.) growth-%	1088%	-39%	-725%	75%
Cash flow	2025e	2026e	2027e	2028e	EBITDA-%	-22.3 %	-3.6 %	26.9 %	33.8 %
EBITDA	-5.1	-1.3	20.5	34.8	EBIT (adj.)-%	-32.8 %	-11.4 %	22.5 %	30.0 %
Change in working capital	-0.6	0.0	0.1	-1.1	EBIT-%	-35.2 %	-13.0 %	21.8 %	29.4 %
Operating cash flow	-4.0	-0.3	17.3	27.6	ROE-%	-3.8 %	-2.6 %	11.9 %	18.2 %
CAPEX	-6.0	-6.5	-7.0	-7.0	ROI-%	-6.9 %	-3.2 %	14.8 %	22.7 %
Free cash flow	-10.0	-6.8	10.3	20.6	Equity ratio	94.9 %	93.6 %	90.0 %	88.9 %
					Gearing	-77.7 %	-74.2 %	-74.7 %	-76.5 %
Valuation multiples	2025e	2026e	2027e	2028e					
EV/S	13.5	8.9	4.0	2.7					
EV/EBITDA	neg.	neg.	14.8	8.1					
EV/EBIT (adj.)	neg.	neg.	17.6	9.1					
P/E (adj.)	neg.	neg.	27.3	15.6					
P/B	3.5	3.6	3.2	2.7					
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
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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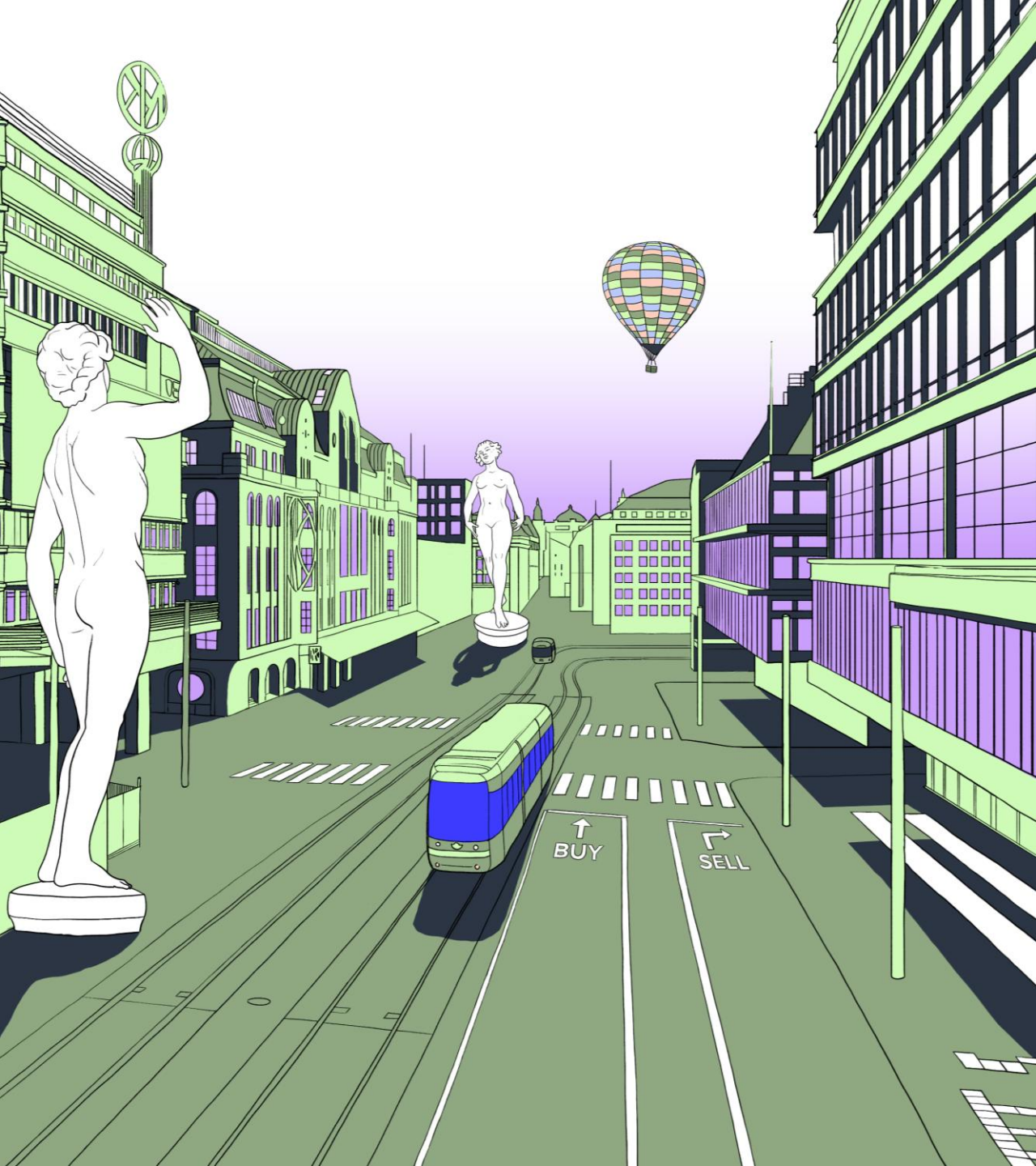
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Inderes has made an agreement with the issuer and target of this report, which entails compiling a research report.

Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
9/17/2024	Reduce	13.00 €	12.90 €
10/22/2024	Accumulate	13.00 €	11.40 €
3/31/2025	Accumulate	13.00 €	11.40 €



CONNECTING INVESTORS AND COMPANIES.

Inderes connects investors and listed companies.

We serve over 400 Nordic listed companies that want to better serve investors. The Inderes community is home to over 70,000 active investors.

We provide listed companies with solutions that enable seamless and effective investor relations. The Inderes service is built on four cornerstones for high-quality investor relations: Equity Research, Events, IR Software, and Annual General Meetings (AGM).

Inderes operates in Finland, Sweden, Norway, and Denmark and is listed on the Nasdaq First North Growth Market.

Inderes was created by investors, for investors.

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