

# MODULIGHT OYJ

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## INDERES CORPORATE CUSTOMER COMPANY REPORT



# Indications of improving outlook

Modulight's reported figures were neutral compared to our forecasts, with a revenue beat but EBIT falling short of our forecasts by 0.2 MEUR. Otherwise, the report showed positive signs of increased order book and an increase in the number of hospitals using the products. Although no guidance was given for 2025, the outlook for the future provided more support for our growth expectations. We leave our growth forecasts broadly unchanged, but our confidence in growth is on a firmer footing than before. This raises our view of acceptable valuation multiples and reduces the risk associated with the realization of forecasts. Thus, we raise our recommendation to Accumulate (was Reduce) and our target price to EUR 1.3 (was 0.9). A good expected return requires a continuation of the positive trend. The risk level remains high.

## Order book and number of hospitals increased towards the end of the year

Modulight reported its order book grew by 3 MEUR year-on-year. Orders had been accumulating steadily throughout the year, and the pace accelerated toward the end of the year. According to the report, the good progress continued in early 2025. In a year, the number of hospitals using Modulight products has increased from about ten to about fifty. The growth was mainly in Q4 and the company expects the good development to continue during 2025. Although no guidance was given for the current year, we felt that the report provided more concrete information on developments in the current year.

## No big surprises in the figures

Modulight's Q4'24 revenue stood at 1.43 MEUR (Q4'23: 1.02 MEUR), beating our estimate of 1.20 MEUR. Full-year revenue of 4.10 MEUR was flat year-on-year (2023: 4.03 MEUR). Q4'24 EBIT landed at -2.20 MEUR, slightly below our forecast (-2.01 MEUR). The miss was primarily due to increased depreciation as a result

of the introduction of new equipment. Operating costs were in line with our expectations. Cash flow from operating activities and investments in Q4 was -0.66 MEUR, improved by one-off financial items (1.54 MEUR) and a decrease in working capital (0.30 MEUR). Net cash assets decreased to 12.86 MEUR from 18.59 MEUR in the previous year. The balance sheet remains strong, but the company needs a significant revenue uptick to turn cash flow into a sustainable positive position.

## Forecasts remain largely unchanged

Q4 was clearly Modulight's best quarter of the year in terms of revenue. The outlook was also more concrete than before, which increases confidence in our forecasts. Our growth forecasts remain broadly unchanged, but we are lowering the WACC in our model to reflect improved visibility. We expect growth to accelerate in the coming years, but there is still a lot of uncertainty about the outlook. We cut our EBIT forecasts for the next few years. This is due to higher depreciation, which has no cash flow effect.

## Opportunity for those willing to risk

The stock is very difficult to value due to the uncertainty of earnings and cash flow turnaround. The valuation relies heavily on future projections, which carry a high degree of forecasting risk. EV/S multiples of 6x-5x for 2025-2026, which we find cautiously attractive. The DCF model suggests a moderate upside for the stock. We are assuming a positive view on the stock due to the positive signals from the business and the resulting increase in confidence. We emphasize that, in our view, a sufficient expected return on the stock requires a continuation of good performance, which is difficult to assess at this stage.

## Recommendation

**Accumulate**

(was Reduce)

## Target price:

**EUR 1.30**

(was EUR 0.90)

## Share price:

EUR 1.15

## Business risk



## Valuation risk



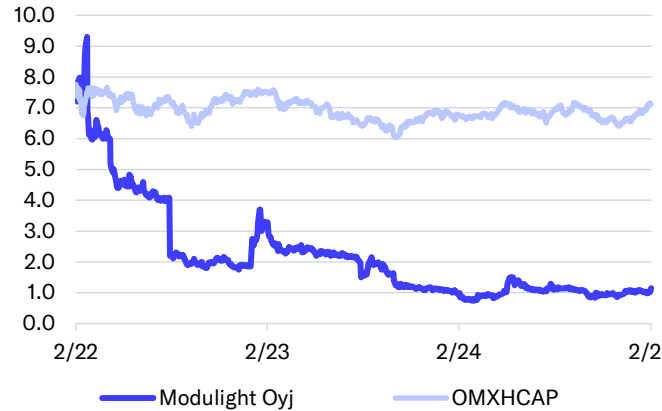
	2024	2025e	2026e	2027e
<b>Revenue</b>	4.1	7.7	10.6	14.4
<b>growth-%</b>	2%	88%	38%	35%
<b>EBIT adj.</b>	-8.3	-6.9	-5.9	-4.1
<b>Net income</b>	-6.5	-6.1	-5.1	-4.2
<b>EPS (adj.)</b>	-0.15	-0.14	-0.12	-0.10
<b>P/E (adj.)</b>	neg.	neg.	neg.	neg.
<b>P/B</b>	1.0	1.1	1.3	1.4
<b>Dividend yield-%</b>	0.0 %	0.0 %	0.0 %	0.0 %
<b>EV/EBIT (adj.)</b>	neg.	neg.	neg.	neg.
<b>EV/EBITDA</b>	neg.	neg.	neg.	neg.
<b>EV/S</b>	8.3	5.6	4.6	3.7

Source: Inderes

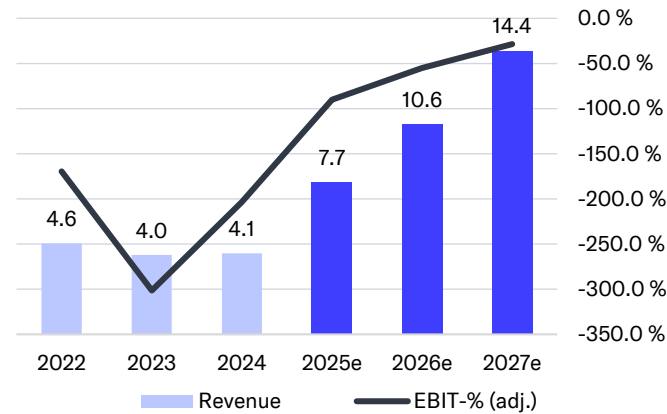
## Guidance

Modulight does not provide any guidance.

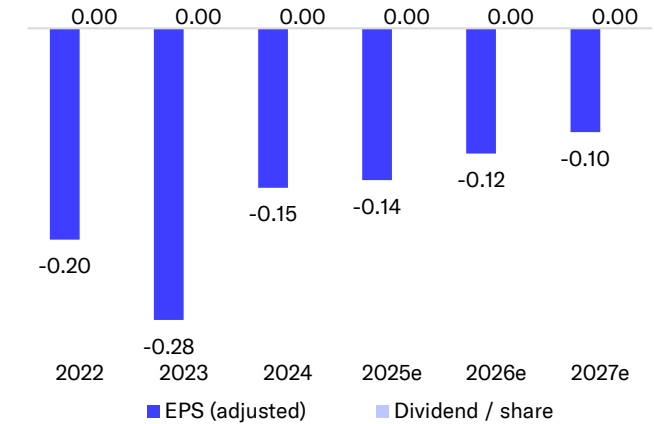
## Share price



## Revenue and EBIT-%



## EPS and dividend



## Value drivers

- A defensive market with growth well into the future
- Technological expertise, ability to tailor products and build cloud services gives
- Modulight a competitive advantage
- A model based on license fees and pay-per-treatment pricing can be highly scalable if successful

## Risk factors

- The project-based model has been unreliable, at least for 2022-2024, and we believe its long-term performance requires further evidence
- Revenue and profitability are poorly predictable
- Low visibility of projects and their progress
- Immature and concentrated customer base brings more risk
- The rapid contraction of the cash position reduces the company's financial leeway, although the situation is still good

Valuation	2025e	2026e	2027e
<b>Share price</b>	1.15	1.15	1.15
<b>Number of shares, millions</b>	42.6	42.6	42.6
<b>Market cap</b>	49	49	49
<b>EV</b>	43	48	53
<b>P/E (adj.)</b>	neg.	neg.	neg.
<b>P/E</b>	neg.	neg.	neg.
<b>P/B</b>	1.1	1.3	1.4
<b>P/S</b>	6.4	4.6	3.4
<b>EV/Sales</b>	5.6	4.6	3.7
<b>EV/EBITDA</b>	neg.	neg.	neg.
<b>EV/EBIT (adj.)</b>	neg.	neg.	neg.
<b>Payout ratio (%)</b>	0.0 %	0.0 %	0.0 %
<b>Dividend yield-%</b>	0.0 %	0.0 %	0.0 %

Source: Inderes

# Forecasts remain largely unchanged

## Estimates vs. outcome

- Modulight's amounted to 1.43 MEUR, which exceeded our forecast of 1.20 MEUR.
- The company reported that orders increased in every quarter of the year.
- EBITDA landed at -1.02 MEUR and EBIT was -2.2 MEUR. The result was 0.2 MEUR below our forecast due to surprisingly high depreciation.
- Despite the improved order book, the company did not provide guidance for 2025.
- Cash flow from operating and investing activities was -0.66 MEUR.
- Cash flow was improved by financial income (1.54 MEUR) and a decrease in working capital (0.30 MEUR). In the long term, we expect the impact of financial income to be neutral and working capital to grow moderately.
- Net cash at the end of the year was EUR 12.9 MEUR, which was slightly better than our expectations.
- The cash position remains strong and the company has time to achieve sustainable positive operating cash flow. Of course, this will require a much higher level of revenue than today.

Estimates MEUR / EUR	Q4'23	Q4'24	Q4'24e	Q4'24e	Consensus		Difference (%)	2024e
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	1.02	1.43	1.20				19%	4.1
EBIT	-5.06	-2.20	-2.01				-9%	-8.3
EPS (reported)	-0.12	-0.02	-0.04				55%	
Revenue growth-%	-19.6 %	40.2 %	17.3 %				22,9 pp	1.7 %
EBIT-% (adj.)	-496.5 %	-154.0 %	-168.1 %				14,1 pp	-203.5 %

Source: Inderes

# Minor estimate revisions

## Estimate revisions

- We are maintaining our revenue forecasts, which included buoyant growth, after the Q4 report.
- Modulight reported an increased order book and a positive outlook for the year ahead. This increases confidence that growth will materialize, even if visibility remains low.
- In the update, we have reviewed our long-term forecasts and made moderate upward revisions.
- Our EBIT forecast is falling. This is due to changes in depreciation, which were surprisingly high. The company also reported that depreciation would remain at the level of Q4, which led to a large increase in depreciation in our forecast model.
- This reduces reported earnings but has no impact on cash flow, so the practical effect of the change is negligible.

Estimate revisions	2024e	2024e	Change	2025e	2025e	Change	2026e	2026e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	3.9	4.1	6%	7.7	7.7	0%	10.6	10.6	0%
EBITDA	-5.0	-5.6	-11%	-3.1	-2.5	20%	-0.7	-1.4	-90%
EBIT	-8.1	-8.3	-2%	-6.3	-6.9	-10%	-3.8	-5.9	-53%
EPS (excl. NRIs)	-0.18	-0.15	16%	-0.12	-0.14	-20%	-0.08	-0.12	-52%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

# The ratio of potential and risk is more attractive than before

## EV/S ratios are tolerable, but require strong growth

Because of the loss-making business, we cannot use earnings-based multiples in valuation but rely on revenue-based EV/S ratios and DCF calculation that models the present value of future cash flows. The valuation is inherently imprecise as it is based on forecasts with little visibility, although we believe the situation has improved. It is difficult to assess the earnings turnaround, which poses challenges for fair value measurement.

On our updated estimates, EV/S multiples for 2025-2026 are 6x and 5x. Typically, the stock has been valued at around 8x current year multiples. The multiples have become more attractive, especially when taking into account the increased order book and the outlook for the current year. The multiples are still high in our view compared to the most suitable peer company Lumibird SA (EV/S: 1.3x and 1.3x) and the peer group of laser manufacturers (1.8x-2.6x). The median for large and highly profitable medical device companies is 7.3x-5.4x.

Given the growing order book and increased visibility, we believe the EV/S multiples are acceptable. The stock's valuation assumes continued good performance, which would justify the relatively high absolute multiples. We emphasize that the positive signs of business improvement are still rather weak and that caution is still warranted. However, if developments remain positive, we also see the conditions for multiple expansion.

## DCF model points to moderate upside

The baseline case in our DCF calculation gives the stock a value of EUR 1.3. We have lowered the WACC in the model

to 11.5% to reflect the lower risk profile. The model thus suggests a moderate upside for the stock, above the required return. In the positive scenario, the DCF is EUR 2.4 and in the negative scenario EUR 0.3. The main factor explaining the differences between the scenarios is revenue growth, which is followed by profitability. In particular, the higher terminal profitability (EBIT of 30%) in the positive scenario has a clear upward effect on the value. In the negative scenario, terminal profitability remains at 20%. We note that the scenarios do not represent our view of the best and worst possible path for the business but are intended to provide investors with a perspective on the sensitivity of the valuation assumptions used, which in the case of Modulight is high. More information on the scenarios can be found in the Initiation of coverage report.

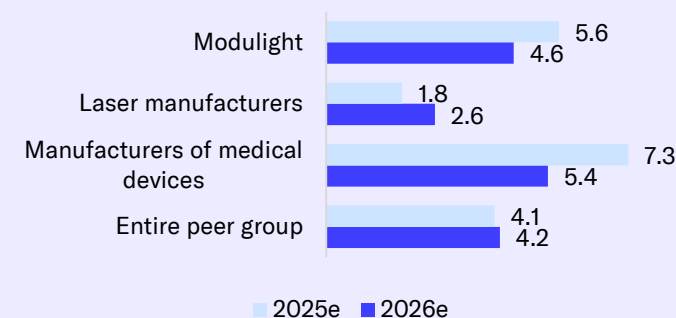
## We are raising our recommendation and target price due to the improved outlook

Based on the declined EV/S-based valuation and the DCF model, we raise the stock's recommendation to Accumulate and target price to EUR 1.3. Our view on the fair value of Modulight's share is EUR 0.8-1.8. Given the company's profile, significant estimate risk and low visibility, we believe a relatively wide fair value range is justified. The EV/S multiple and the DCF model with its scenarios are central to this view. The DCF suggests a significant upside or downside for the share in high and low growth scenarios. In case the low estimate materializes, the risk of permanently losing capital is considerable.

Valuation	2025e	2026e	2027e
Share price	1.15	1.15	1.15
Number of shares, millions	42.6	42.6	42.6
Market cap	49	49	49
EV	43	48	53
P/E (adj.)	neg.	neg.	neg.
P/E	neg.	neg.	neg.
P/B	1.1	1.3	1.4
P/S	6.4	4.6	3.4
EV/Sales	5.6	4.6	3.7
EV/EBITDA	neg.	neg.	neg.
EV/EBIT (adj.)	neg.	neg.	neg.
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

## EV/S ratios



# Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price		11.4	2.95	0.90	1.10	<b>1.15</b>	<b>1.15</b>	<b>1.15</b>	<b>1.15</b>
Number of shares, millions	30.7	42.6	42.6	42.6	42.6	<b>42.6</b>	<b>42.6</b>	<b>42.6</b>	<b>42.6</b>
Market cap		484	126	38	47	<b>49</b>	<b>49</b>	<b>49</b>	<b>49</b>
EV	3.9	430	90	20	34	<b>43</b>	<b>48</b>	<b>53</b>	<b>53</b>
P/E (adj.)	0.0	neg.	neg.	neg.	neg.	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>60.0</b>
P/E	0.0	neg.	neg.	neg.	neg.	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>60.0</b>
P/B	0.0	6.4	1.9	0.7	1.0	<b>1.1</b>	<b>1.3</b>	<b>1.4</b>	<b>1.4</b>
P/S	0.0	53.3	27.3	9.5	11.4	<b>6.4</b>	<b>4.6</b>	<b>3.4</b>	<b>2.6</b>
EV/Sales	0.4	47.4	19.6	4.9	8.3	<b>5.6</b>	<b>4.6</b>	<b>3.7</b>	<b>2.8</b>
EV/EBITDA	0.7	>100	neg.	neg.	neg.	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>12.1</b>
EV/EBIT (adj.)	0.8	neg.	neg.	neg.	neg.	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>47.2</b>
Payout ratio (%)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>	<b>50.0 %</b>
Dividend yield-%		0.0 %	0.0 %	0.0 %	0.0 %	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.8 %</b>

Source: Inderes

# Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B 2025e
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	
Carl Zeiss Meditech	4959	5489	15.0	23.4	12.2	17.2	2.6	2.7	18.2	29.3	2.0	1.6	2.3
Coherent Corp	12249	17664	19.1	26.6	15.2	18.7	3.6	4.0	27.9	50.1			1.8
Cutera Inc	8	357					1.8	2.6					0.2
IPG Photonics Corp	2571	1596	6.7		5.1	84.2	1.3	1.7	13.5				1.2
Lumentum	4855	6457	19.8	190.3	13.9	47.4	3.8	5.0	16.2	74.9			3.3
Lumibird SA	177	267	12.3	20.5	7.0	8.1	1.3	1.3	16.1	26.3			0.8
Medtronic	110396	128462	16.4	16.3	14.4	14.4	4.3	4.2	17.0	17.3	3.0	3.1	2.3
Nexstim	65	68		17.0		17.0	9.7	4.3		19.2			23.2
nLIGHT	465	363					1.8	1.9					
Optomed	86	79					5.0	5.4					3.8
Revenio Group	708	701	26.7	27.0	23.4	22.8	7.3	6.8	35.9	37.4	1.4	1.5	7.0
Stryker	139707	148415	31.9	27.6	29.0	25.0	7.7	6.9	36.8	31.8	0.8	0.9	7.8
Theralase	47	47					67.4	90.1					28.0
Xvivo Perfusion	1299	1264	311.4	123.7	144.1	78.8	22.9	17.1	398.7	97.8			7.4
<b>Modulight Oyj (Inderes)</b>	<b>49</b>	<b>43</b>	<b>-6.3</b>	<b>-8.3</b>	<b>-17.6</b>	<b>-34.6</b>	<b>5.6</b>	<b>4.6</b>	<b>-8.0</b>	<b>-9.7</b>	<b>0.0</b>	<b>0.0</b>	<b>1.1</b>
<b>Average</b>			<b>51.0</b>	<b>52.5</b>	<b>29.4</b>	<b>33.4</b>	<b>10.0</b>	<b>11.0</b>	<b>64.5</b>	<b>42.7</b>	<b>1.8</b>	<b>1.7</b>	<b>6.9</b>
<b>Median</b>			<b>19.1</b>	<b>26.6</b>	<b>14.4</b>	<b>20.7</b>	<b>4.1</b>	<b>4.2</b>	<b>18.2</b>	<b>31.8</b>	<b>1.7</b>	<b>1.5</b>	<b>3.3</b>
<b>Diff-% to median</b>			<b>-133%</b>	<b>-131%</b>	<b>-222%</b>	<b>-267%</b>	<b>38%</b>	<b>8%</b>	<b>-144%</b>	<b>-130%</b>	<b>-100%</b>	<b>-100%</b>	<b>-65%</b>

Source: Refinitiv / Inderes



# Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25e	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
<b>Revenue</b>	<b>4.0</b>	<b>1.1</b>	<b>1.0</b>	<b>0.6</b>	<b>1.4</b>	<b>4.1</b>	<b>1.4</b>	<b>1.7</b>	<b>2.1</b>	<b>2.5</b>	<b>7.7</b>	<b>10.6</b>	<b>14.4</b>	<b>18.7</b>
Group	4.0	1.1	1.0	0.6	1.4	4.1	1.4	1.7	2.1	2.5	7.7	10.6	14.4	18.7
<b>EBITDA</b>	<b>-8.5</b>	<b>-2.1</b>	<b>-1.2</b>	<b>-1.3</b>	<b>-1.0</b>	<b>-5.6</b>	<b>-1.0</b>	<b>-0.8</b>	<b>-0.3</b>	<b>-0.4</b>	<b>-2.5</b>	<b>-1.4</b>	<b>-0.9</b>	<b>4.4</b>
Depreciation	-3.6	0.1	-0.8	-0.8	-1.2	-2.7	-1.1	-1.1	-1.1	-1.1	-4.5	-4.5	-3.2	-3.2
<b>EBIT</b>	<b>-12.1</b>	<b>-2.0</b>	<b>-2.0</b>	<b>-2.1</b>	<b>-2.2</b>	<b>-8.3</b>	<b>-2.1</b>	<b>-1.9</b>	<b>-1.4</b>	<b>-1.5</b>	<b>-6.9</b>	<b>-5.9</b>	<b>-4.1</b>	<b>1.1</b>
Net financial items	0.3	0.1	0.1	0.1	1.5	1.9	0.2	0.2	0.2	0.2	0.8	0.8	-0.1	-0.1
<b>PTP</b>	<b>-11.8</b>	<b>-1.9</b>	<b>-1.9</b>	<b>-2.0</b>	<b>-0.7</b>	<b>-6.5</b>	<b>-1.9</b>	<b>-1.7</b>	<b>-1.2</b>	<b>-1.3</b>	<b>-6.1</b>	<b>-5.1</b>	<b>-4.2</b>	<b>1.0</b>
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	0.0	-0.2
<b>Net earnings</b>	<b>-11.8</b>	<b>-1.9</b>	<b>-1.9</b>	<b>-2.0</b>	<b>-0.7</b>	<b>-6.5</b>	<b>-1.9</b>	<b>-1.7</b>	<b>-1.2</b>	<b>-1.3</b>	<b>-6.1</b>	<b>-5.1</b>	<b>-4.2</b>	<b>0.8</b>
<b>EPS (adj.)</b>	<b>-0.28</b>	<b>-0.04</b>	<b>-0.05</b>	<b>-0.05</b>	<b>-0.02</b>	<b>-0.15</b>	<b>-0.04</b>	<b>-0.04</b>	<b>-0.03</b>	<b>-0.03</b>	<b>-0.14</b>	<b>-0.12</b>	<b>-0.10</b>	<b>0.02</b>
<b>EPS (rep.)</b>	<b>-0.28</b>	<b>-0.04</b>	<b>-0.05</b>	<b>-0.05</b>	<b>-0.02</b>	<b>-0.15</b>	<b>-0.04</b>	<b>-0.04</b>	<b>-0.03</b>	<b>-0.03</b>	<b>-0.14</b>	<b>-0.12</b>	<b>-0.10</b>	<b>0.02</b>

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25e	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e	0.00
<b>Revenue growth-%</b>	-12.5 %	-29.0 %	-12.8 %	57.6 %	40.3 %	1.7 %	35.4 %	78.5 %	223.0 %	73.4 %	88.2 %	38.0 %	35.0 %	30.0 %	
<b>Adjusted EBIT growth-%</b>	55.7 %	3.9 %	-2.3 %	-31.4 %	-56.5 %	-31.3 %	4.9 %	-5.9 %	-33.6 %	-30.3 %	-16.8 %	-15.4 %	-30.1 %	-127.3 %	
<b>EBITDA-%</b>	-212.0 %	-196.0 %	-126.5 %	-199.7 %	-71.4 %	-136.7 %	-67.9 %	-47.4 %	-13.5 %	-16.2 %	-32.1 %	-13.2 %	-6.3 %	23.4 %	
<b>Adjusted EBIT-%</b>	-301.4 %	-186.6 %	-212.1 %	-329.4 %	-153.9 %	-203.5 %	-144.6 %	-111.9 %	-67.7 %	-61.9 %	-90.0 %	-55.2 %	-28.6 %	6.0 %	
<b>Net earnings-%</b>	-293.1 %	-177.2 %	-202.0 %	-307.5 %	-46.0 %	-157.5 %	-130.6 %	-100.3 %	-58.1 %	-53.8 %	-79.6 %	-47.6 %	-29.2 %	4.4 %	

Source: Inderes

# Balance sheet

Assets	2023	2024	2025e	2026e	2027e
<b>Non-current assets</b>	<b>33.8</b>	<b>35.2</b>	<b>35.0</b>	<b>34.7</b>	<b>35.6</b>
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	8.9	10.9	11.6	12.3	14.6
Tangible assets	24.9	24.3	23.3	22.4	21.0
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
<b>Current assets</b>	<b>30.2</b>	<b>21.1</b>	<b>16.3</b>	<b>11.9</b>	<b>7.1</b>
Inventories	2.6	2.3	2.7	2.9	2.2
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	2.5	1.4	1.1	1.4	1.7
Cash and equivalents	25.1	17.4	12.5	7.6	3.3
<b>Balance sheet total</b>	<b>64.0</b>	<b>56.3</b>	<b>51.3</b>	<b>46.5</b>	<b>42.7</b>

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
<b>Equity</b>	<b>55.7</b>	<b>49.2</b>	<b>43.1</b>	<b>38.1</b>	<b>33.9</b>
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	-19.7	-26.2	-32.3	-37.4	-41.6
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	75.3	75.3	75.3	75.3	75.3
Minorities	0.0	0.0	0.0	0.0	0.0
<b>Non-current liabilities</b>	<b>4.5</b>	<b>2.8</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>
Deferred tax liabilities	0.0	0.0	0.0	0.0	0.0
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	4.5	2.8	5.0	5.0	5.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	0.0	0.0	0.0	0.0
<b>Current liabilities</b>	<b>3.7</b>	<b>4.2</b>	<b>3.2</b>	<b>3.5</b>	<b>3.9</b>
Interest bearing debt	2.0	1.8	2.0	2.0	2.0
Payables	1.7	2.5	1.2	1.5	1.9
Other current liabilities	0.0	0.0	0.0	0.0	0.0
<b>Balance sheet total</b>	<b>63.9</b>	<b>56.3</b>	<b>51.3</b>	<b>46.5</b>	<b>42.7</b>

# DCF-calculation

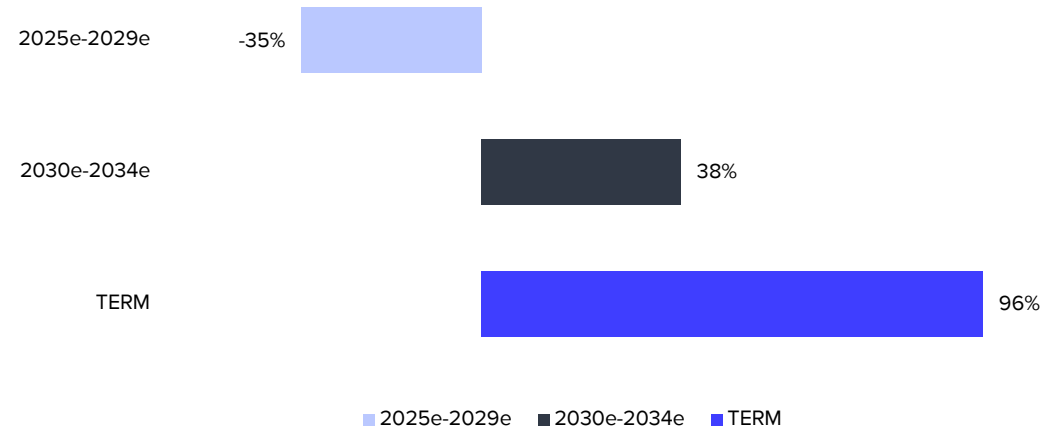
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	1.7 %	88.2 %	38.0 %	35.0 %	30.0 %	30.0 %	25.0 %	20.0 %	15.0 %	8.0 %	4.0 %	3.0 %	3.0 %
EBIT-%	-203.5 %	-90.0 %	-55.2 %	-28.6 %	6.0 %	16.0 %	20.0 %	21.0 %	23.0 %	25.0 %	25.0 %	25.0 %	25.0 %
<b>EBIT (operating profit)</b>	<b>-8.3</b>	<b>-6.9</b>	<b>-5.9</b>	<b>-4.1</b>	<b>1.1</b>	<b>3.9</b>	<b>6.1</b>	<b>7.6</b>	<b>9.6</b>	<b>11.3</b>	<b>11.8</b>	<b>12.1</b>	
+ Depreciation	2.7	4.5	4.5	3.2	3.2	3.5	3.6	3.8	3.9	3.9	4.0	4.0	
- Paid taxes	0.0	0.0	0.0	0.0	-0.2	-0.8	-1.2	-1.5	-1.9	-2.2	-2.3	-2.4	
- 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	-0.1	
+ 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	
- Change in working capital	2.1	-1.4	-0.1	0.8	-0.2	0.1	-0.7	0.0	-0.2	-0.3	-0.1	-0.1	
<b>Operating cash flow</b>	<b>-3.5</b>	<b>-3.9</b>	<b>-1.5</b>	<b>-0.2</b>	<b>3.9</b>	<b>6.6</b>	<b>7.8</b>	<b>9.9</b>	<b>11.3</b>	<b>12.7</b>	<b>13.2</b>	<b>13.6</b>	
+ Change in other long-term liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-4.1	-4.3	-4.2	-4.1	-4.0	-3.9	-3.8	-3.8	-3.7	-3.6	-3.5	-3.4	
<b>Free operating cash flow</b>	<b>-7.6</b>	<b>-8.1</b>	<b>-5.7</b>	<b>-4.2</b>	<b>-0.1</b>	<b>2.7</b>	<b>4.0</b>	<b>6.1</b>	<b>7.7</b>	<b>9.1</b>	<b>9.7</b>	<b>10.1</b>	
+/- Other	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	-7.6	-8.1	-5.7	-4.2	-0.1	2.7	4.0	6.1	7.7	9.1	9.7	10.1	123
<b>Discounted FCFF</b>		<b>-7.4</b>	<b>-4.7</b>	<b>-3.1</b>	<b>-0.1</b>	<b>1.6</b>	<b>2.1</b>	<b>2.9</b>	<b>3.3</b>	<b>3.5</b>	<b>3.3</b>	<b>3.1</b>	<b>37.9</b>
Sum of FCFF present value		42.5	49.9	54.6	57.7	57.7	56.1	54.0	51.1	47.9	44.4	41.0	37.9
<b>Enterprise value DCF</b>		<b>42.5</b>											
- Interest bearing debt		-4.5											
+ Cash and cash equivalents		17.4											
-Minorities		0.0											
-Dividend/capital return		0.0											
<b>Equity value DCF</b>		<b>55.3</b>											
<b>Equity value DCF per share</b>		<b>1.3</b>											

## WACC

Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	10.0 %
Cost of debt	8.0 %
Equity Beta	1.90
Market risk premium	4.75%
Liquidity premium	0.50%
Risk free interest rate	2.5 %
<b>Cost of equity</b>	<b>12.0 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>11.5 %</b>

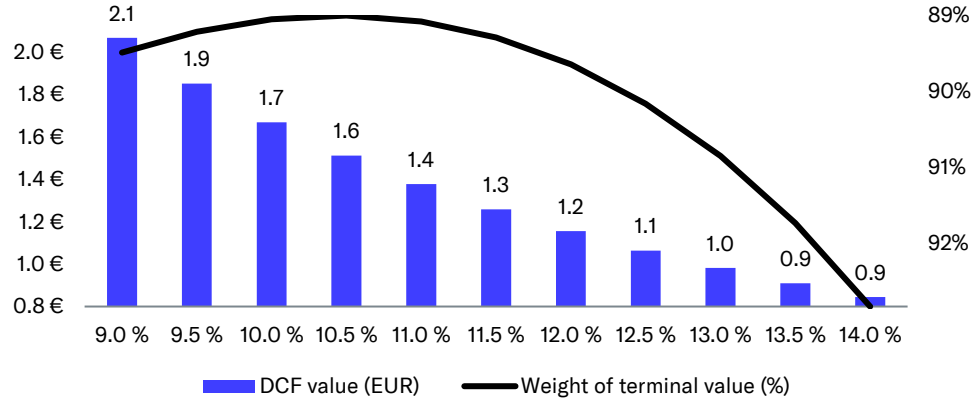
Source: Inderes

## Cash flow distribution

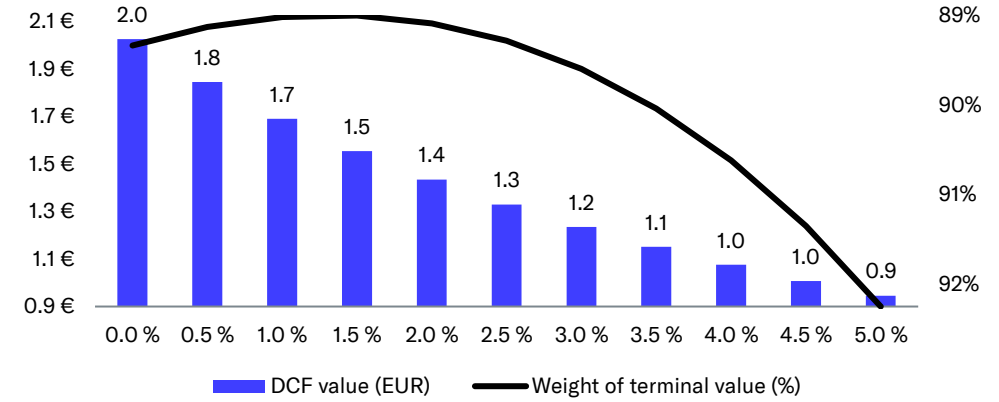


# DCF sensitivity calculations and key assumptions in graphs

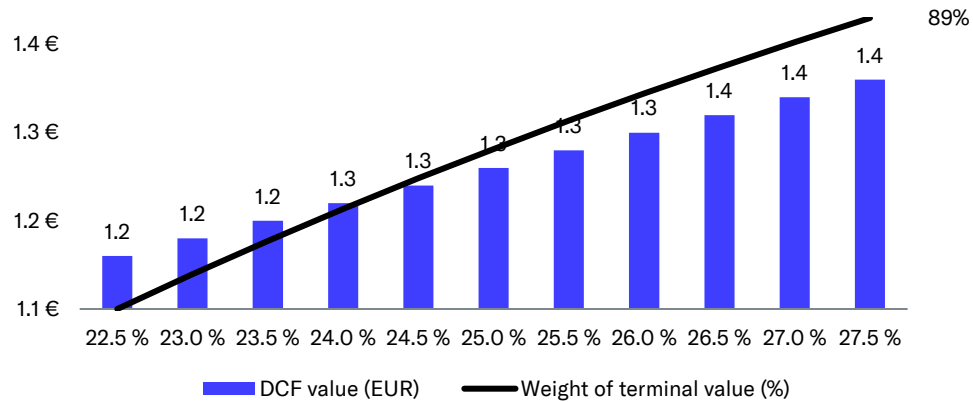
Sensitivity of DCF to changes in the WACC-%



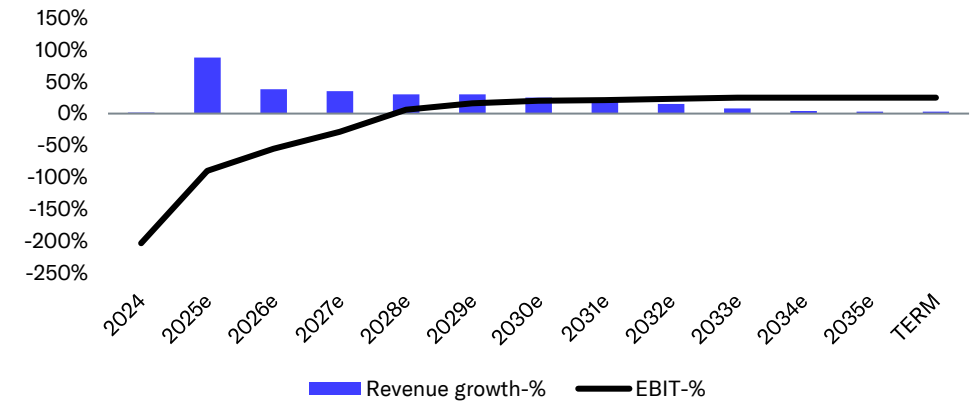
Sensitivity of DCF to changes in the risk-free rate



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	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	4.6	4.0	4.1	<b>7.7</b>	<b>10.6</b>	EPS (reported)	-0.20	-0.28	-0.15	<b>-0.14</b>	<b>-0.12</b>
EBITDA	-5.9	-8.5	-5.6	<b>-2.5</b>	<b>-1.4</b>	EPS (adj.)	-0.20	-0.28	-0.15	<b>-0.14</b>	<b>-0.12</b>
EBIT	-7.8	-12.1	-8.3	<b>-6.9</b>	<b>-5.9</b>	OCF / share	-0.08	-0.18	-0.08	<b>-0.09</b>	<b>-0.04</b>
PTP	-8.6	-11.8	-6.5	<b>-6.1</b>	<b>-5.1</b>	FCF / share	-0.40	-0.41	-0.18	<b>-0.19</b>	<b>-0.13</b>
Net Income	-8.6	-11.8	-6.5	<b>-6.1</b>	<b>-5.1</b>	Book value / share	1.59	1.31	1.16	<b>1.01</b>	<b>0.89</b>
Extraordinary items	0.0	0.0	0.0	<b>0.0</b>	<b>0.0</b>	Dividend / share	0.00	0.00	0.00	<b>0.00</b>	<b>0.00</b>
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	78.3	64.0	56.3	<b>51.3</b>	<b>46.5</b>	Revenue growth-%	-49%	-12%	2%	<b>88%</b>	<b>38%</b>
Equity capital	67.6	55.7	49.2	<b>43.1</b>	<b>38.1</b>	EBITDA growth-%	-1428%	44%	-34%	<b>-56%</b>	<b>-43%</b>
Goodwill	0.0	0.0	0.0	<b>0.0</b>	<b>0.0</b>	EBIT (adj.) growth-%	935%	56%	-31%	<b>-17%</b>	<b>-15%</b>
Net debt	-35.6	-18.6	-12.9	<b>-5.5</b>	<b>-0.6</b>	EPS (adj.) growth-%	69%	38%	-45%	<b>-5%</b>	<b>-17%</b>
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	-129.0 %	-212.0 %	-136.7 %	<b>-32.1 %</b>	<b>-13.2 %</b>
EBITDA	-5.9	-8.5	-5.6	<b>-2.5</b>	<b>-1.4</b>	EBIT (adj.)-%	-169.5 %	-301.4 %	-203.5 %	<b>-90.0 %</b>	<b>-55.2 %</b>
Change in working capital	2.6	1.0	2.1	<b>-1.4</b>	<b>-0.1</b>	EBIT-%	-169.5 %	-301.4 %	-203.5 %	<b>-90.0 %</b>	<b>-55.2 %</b>
Operating cash flow	-3.3	-7.5	-3.5	<b>-3.9</b>	<b>-1.5</b>	ROE-%	-11.9 %	-19.1 %	-12.3 %	<b>-13.3 %</b>	<b>-12.5 %</b>
CAPEX	-13.7	-9.7	-4.1	<b>-4.3</b>	<b>-4.2</b>	ROI-%	-9.6 %	-17.6 %	-14.4 %	<b>-13.4 %</b>	<b>-12.3 %</b>
Free cash flow	-17.0	-17.3	-7.6	<b>-8.1</b>	<b>-5.7</b>	Equity ratio	86.3 %	87.1 %	87.5 %	<b>84.1 %</b>	<b>81.8 %</b>
Valuation multiples	2022	2023	2024	2025e	2026e	Gearing	-52.7 %	-33.4 %	-26.1 %	<b>-12.8 %</b>	<b>-1.6 %</b>
EV/S	19.6	4.9	8.3	<b>5.6</b>	<b>4.6</b>						
EV/EBITDA	neg.	neg.	neg.	<b>neg.</b>	<b>neg.</b>						
EV/EBIT (adj.)	neg.	neg.	neg.	<b>neg.</b>	<b>neg.</b>						
P/E (adj.)	neg.	neg.	neg.	<b>neg.</b>	<b>neg.</b>						
P/B	1.9	0.7	1.0	<b>1.1</b>	<b>1.3</b>						
Dividend-%	0.0 %	0.0 %	0.0 %	<b>0.0 %</b>	<b>0.0 %</b>						

Source: Inderes

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

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Date	Recommendation	Target	Share price
3/15/2023	Reduce	2.30 €	2.42 €
5/2/2023	Reduce	2.30 €	2.31 €
8/11/2023	Reduce	2.30 €	2.15 €
8/21/2023	Reduce	1.60 €	1.50 €
20.10.23	Reduce	1.50 €	1.39 €
1/2/2023	Reduce	1.20 €	1.17 €
2/26/2024	Reduce	0.90 €	0.85 €
4/29/2024	Reduce	0.90 €	0.83 €
8/19/2024	Reduce	0.90 €	1.14 €
10/22/2024	Reduce	0.90 €	0.99 €
2/24/2025	Accumulate	1.30 €	1.15 €



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