

# Spinnova

## Company report

8/26/2024



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✓ Inderes corporate customer

This report is a summary translation of the report “Odotamme nytkähdystä eteenpäin loppuvuodesta” published on 8/23/2024 at 8.22 am EEST

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# We expect a step forward at the end of the year

We reiterate our Accumulate recommendation and EUR 2.00 target price for Spinnova. Spinnova's H1 report was quite surprise-free compared to our expectations, both in terms of technological developments and H1 numbers. As a result, we have not materially changed our forecasts for the commercialization progress of Spinnova's technology portfolio. In our view, given the current market value and the trajectory of our forecasts, there is still a positive expectation for the stock, although the range of scenarios is wide, and the story will take time to materialize. The extensive report on Spinnova, published in May, is still relevant and can be read [here](#).

**In H1, the progress of the technology development work and the progress of the main chapters quite in line with our expectations**

Spinnova's revenue and operating loss decreased and cash burn slowed down in H1 year-on-year. On the whole, the performance was pretty much in line with our estimates, although revenue and loss were below our forecasts and cash flow exceeded them. Spinnova had a strong cash position of MEUR 54 at the end of H1. Spinnova reiterated its guidance for the current year, according to which the company's revenue in 2024 is expected to be lower than in 2023. Spinnova expects the operating result to improve this year compared to 2023, but to be negative. The reiteration of the guidance was to be expected. With respect to the letter of intent signed by Spinnova and Suzano in the spring, the company reaffirmed the original timeline for the project to move into the pre-engineering phase, which will generate revenue for Spinnova, in H2. The areas of technology development required to move forward are still being worked on, but it was somewhat positive that the quality of Suzano's MFC and fiber production is now on track. Regarding Respin, the company repeated the comments made in July when it announced its letter of intent with ECCO, and there were no big surprises in the comments on the textile waste recycling development either.

**We left our forecast for technology project timelines unchanged**

As the company's trajectory was largely in line with our H1 expectations, we have not changed our expectations for the timelines of Spinnova's technology projects. As a result, the forecast changes we have made since the H1 report are marginal. In the positive scenario of our forecasts, commercialization will proceed roughly in line with the company's volume targets. The low revenue we estimate will keep Spinnova in the red until 2028, and the business will not begin to scale until the 2030s, when more and larger early-stage technology projects will be delivered. According to our calculations, the company's financing needs for the coming years are covered by the current cash position and the share series is not threatened by dilution in the near future. Nevertheless, the tightest cash situation will take place in 2028-2029. The main risks to our forecasts are a failure to reduce technology investment and operating costs, a shift in investment by technology customers for external reasons, dependence on individual customers (especially Suzano), and a slowdown in the sustainability trend.

**We believe pricing is still cautiously attractive to long-term risk investors**

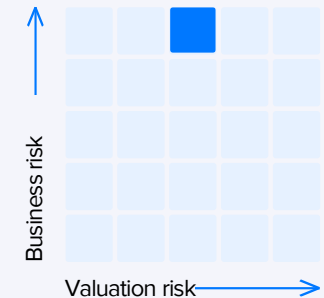
We have approximated the return potential of the stock through EV/S multiples for the next few years, DCF and long-term expected return scenarios. Given the overall picture of the methodologies, we see the return potential of the stock as cautiously attractive at current price levels (e.g. DCF around EUR 2/share), even taking into account the risks. However, investing in a company requires patience and a high risk tolerance, as there is still a lot of time and hurdles to overcome before reaching the scalable growth phase enabled by the business model and market size.

## Recommendation

**Accumulate**  
(was Accumulate)

**2.00 EUR**  
(was 2.00 EUR)

**Share price:**  
1.60



## Key figures

	2023	2024e	2025e	2026e
<b>Revenue</b>	10.6	2.0	8.4	21.0
<b>growth-%</b>	-56%	-82%	329%	150%
<b>EBIT adj.</b>	-20.9	-17.3	-12.3	-4.6
<b>EBIT-% adj.</b>	-197%	-882%	-147%	-22%
<b>Net Income</b>	-19.6	-16.2	-12.2	-4.6
<b>EPS (adj.)</b>	-0.38	-0.31	-0.23	-0.09

<b>P/E (adj.)</b>	neg.	neg.	neg.	neg.
<b>P/B</b>	1.4	1.2	1.4	1.5
<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>	6.4	24.9	7.5	3.3

Source: Inderes

## Guidance

(Unchanged)

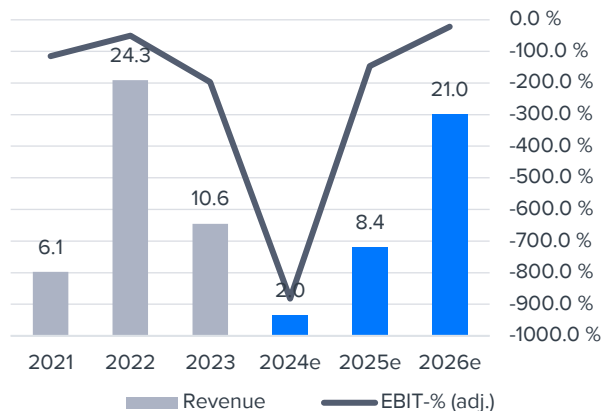
In 2024, revenue is expected to be lower than in 2023. EBIT is expected to improve from 2023, but to be negative.

## Share price



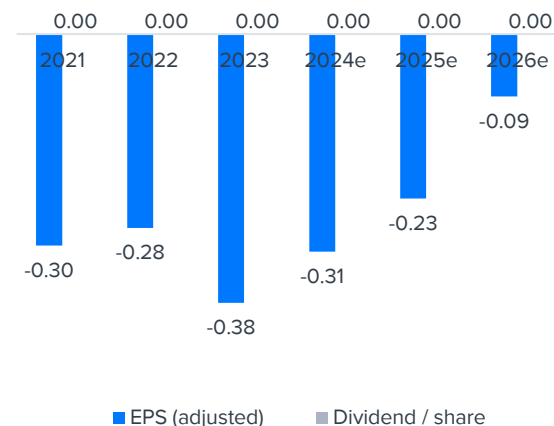
Source: Millstream Market Data AB

## Revenue and EBIT-%



Source: Inderes

## EPS and dividend



Source: Inderes



## Value drivers

- Differentiation enabled by unique technology
- Excellent environmental performance of the fiber
- Potential first-mover advantage of new fiber technologies
- Large target market
- An inherently scalable and capital-light business model makes profitable growth highly valuable
- Increased confidence in commercialization success



## Risk factors

- Failure to reduce technology investment and operating costs
- Postponement of investments due to external factors
- Dependence on individual customers, in particular Suzano
- Slowdown in sustainability trend in consumer markets

Valuation	2024e	2025e	2026e
Share price	1.60	1.60	1.60
Number of shares, millions	52.3	52.3	52.3
Market cap	84	84	84
EV	49	63	70
P/E (adj.)	neg.	neg.	neg.
P/E	neg.	neg.	neg.
P/B	1.2	1.4	1.5
P/S	42.6	9.9	4.0
EV/Sales	24.9	7.5	3.3
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

# Directions of main lines and rates of change were fairly consistent with predictions

## Revenue remained low as expected due to lack of technology projects

Spinnova's revenue in H1 decreased by 96% to 0.4 MEUR, slightly below our estimates. The sharp drop in revenue was a foregone conclusion prior to the report, as the company delivered the tail end of Woodspin's factory project in H1'23 and there were no technology projects underway now in H1. Spinnova's H1 revenue was derived from the sale of technology services to Woodspin and Respin, but the commercial potential of these streams is still low, at least for the time being.

## Loss was slightly higher than we expected...

Spinnova's operating loss in H1 decreased by about 10% to 10 MEUR. The loss decreased year-on-year despite lower revenue, as the technology project generated little (if any) margin in the comparison period, while savings measures and a reduction in the stock option program costs also reduced the loss. However, the loss was

slightly higher than we had expected, as several income statement items (i.e. revenue, other income, personnel expenses, profit in associates and amortization) came in slightly weaker than expected. There were no single major anomalies in any of the lines.

The reductions agreed in the change negotiations had only a limited impact on headcount at the end of H1, and the company stated that the run-rate savings will mainly be seen only from 2025 onwards. This was somewhat slower than we had anticipated, as we had expected the average notice period for employees to be shorter given the young lifecycle of the company. Other expenses, however, already reflected in H1 the savings measures of 1.6 MEUR, and the item fell even more than expected.

The net loss of associates (no direct cash flow effect) was -2.2 MEUR. This was the highest level in history for a half-year and we estimate that it was largely generated from Woodspin. This was slightly disappointing, although part of the underperformance was probably due to

depreciation, which has only now reached full speed. Although Woodspin is currently not being optimized in terms of performance (but rather in terms of technology development), we believe that a slight improvement in the company's EBITDA in particular would be necessary to keep the investments that Spinnova needs to make in the company in check.

## ...but H1 cash burn was below our estimate

In terms of cash flow, the report was better than we expected, as the cash flow from operating activities was only -4.5 MEUR due to the faster than expected collection of Woodspin's receivables. Investments totaled 3.5 MEUR, mainly related to Woodspin's capitalization. By January 2025, Woodspin will be recapitalized with a somewhat similar amount. Spinnova still had just under 54 MEUR in cash at the end of H1, which was slightly above our estimate. The cash is sufficient to cover the capital needs of the company's current strategy in all scenarios, at least until the end of the decade.

Estimates MEUR / EUR	H1'23	H1'24	H1'24e	H1'24e	Consensus		Difference (%)	2024e
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	8.8	0.4	0.6				-40%	2.0
EBIT	-11.0	-9.9	-8.9					-17.3
PTP	-10.4	-9.0	-8.4					-15.9
EPS (adj.)	-0.21	-0.18	-0.16					-0.31
Revenue growth-%	16%	-96%	-93%				-2.7 pp	-82%
EBIT-% (adj.)	-125%	-2736%	-1651%				-1085.5 pp	-882%

Source: Inderes

# We did not adjust our estimates

## Guidance reiterated...

Spinnova reiterated its guidance for the current year, according to which the company's revenue in 2024 is expected to be lower than in 2023. Spinnova expects the operating result to improve this year compared to 2023, but to be negative. The reiteration of the guidance was fully expected.

## ...as was the timeline for the Suzano project

With respect to the letter of intent signed by Suzano in the spring, the company reaffirmed its original timeline for the project to move into the pre-engineering phase, which will generate revenue for Spinnova, in H2. The areas of technology development required to move the project forward are still being worked on, but it was somewhat positive that the quality of Suzano's MFC and fiber production is now on track. We estimate that there are still (quality) issues related to the continued production of the yarn, but resolution during H2 seems very realistic to us.

## Significant announcements also already made in H2

Spinnova has already announced two important commercialization news in H2. The company and ECCO have signed a letter of intent for the further development of Respin (comment [here](#)). In addition, Valmet has become Spinnova's equipment manufacturer partner for technology deliveries with limited exclusivity of 4 years (comment [here](#)). The company did not disclose any material new information on these projects in its H1 report, as was to be expected. We believe that partnerships with strong players are essential for Spinnova to commercialize the technology in a reasonable timeframe, so we think both agreements are good for Spinnova.

## We made no significant estimate revisions

As the company's trajectory was largely in line with our H1 expectations, we have not changed our expectations for the timelines of Spinnova's technology projects. As a result, the forecast changes we have

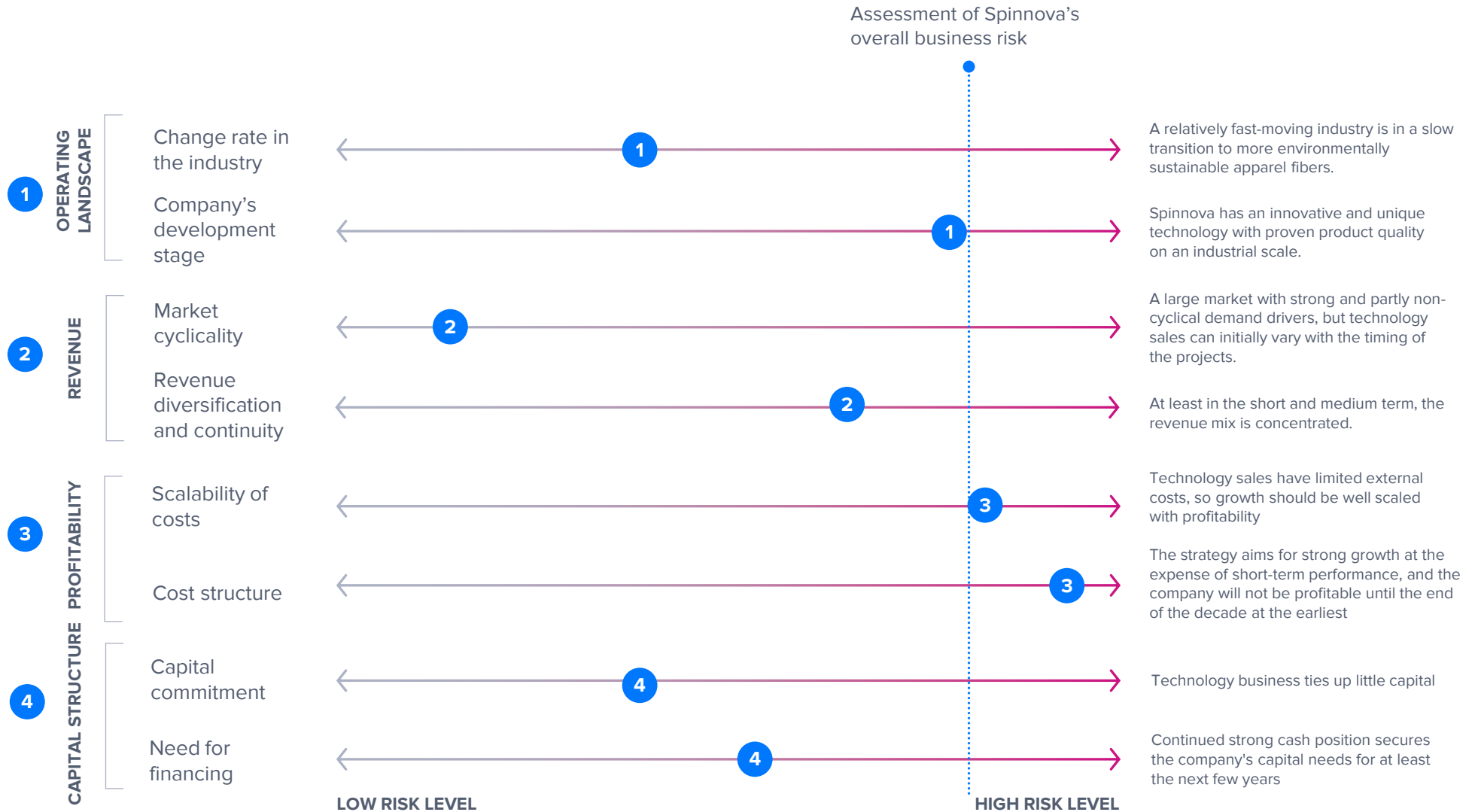
made since the H1 report are marginal, especially for the next few years. For a more detailed rationale of our forecasts, see the "Forecasts" section of the Initiation of coverage report published in May, which can be found [here](#).

The limited exclusivity agreement with Valmet included an exclusivity fee that was not directly included in our forecasts. However, at this stage, we estimate that the revenue potential of the fee is not significantly high, as margins on large equipment projects are typically low. As such, we estimate that the item falls within the margin of error in our revenue forecasts for the coming years and therefore see no need to change our forecasts for the time being. We will, of course, monitor the situation and adjust our forecasts if our revenue projections turn out to be too low.

Estimate revisions	2024e		Change	2025e		Change	2026e		Change
	Old	New		Old	New		Old	New	
MEUR / EUR									
Revenue	2.2	2.0	-11%	8.4	8.4	0%	21.0	21.0	0%
EBITDA	-13.1	-14.6		-9.3	-9.4		-1.2	-1.4	
EBIT (exc. NRIs)	-15.5	-17.3		-12.3	-12.3		-4.5	-4.6	
EBIT	-15.5	-17.3		-12.3	-12.3		-4.5	-4.6	
PTP	-14.5	-15.9		-12.2	-12.2		-4.6	-4.6	
EPS (excl. NRIs)	-0.28	-0.31		-0.23	-0.23		-0.09	-0.09	
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

# Risk profile of the business model



# Expected value has remained positive

## Valuation relies on uncertain future potential

In our opinion, it is essential in Spinnova's valuation to assess the value creation potential of its business, its likelihood of achieving the potential and the market's readiness to price this. In H1, the company's development has been in line with our expectations, so our view of the company's potential or the likelihood of achieving it has not changed significantly. We would also like to point out that Spinnova's valuation and market pricing is sensitive to the market situation, as investors' readiness to price companies through long-term potential can vary significantly, depending on, e.g., interest rate levels and the general willingness to take risks. In our view, despite the recent downward trend in market interest rates, the overall risk appetite has not changed significantly compared to our expectations at the beginning of our coverage.

## DCF value still above the share price

The DCF model offers an indication of the company's valuation based on its long-term potential. At the current stage of development, the model's assumptions contain extreme uncertainty and its positive cash flows are mostly concentrated in the 2030s. Thus, it does not form a clear support point for the short-term valuation and the short term is, in our view, mostly driven by the company's growth prospects (i.e. the progress of technology projects) and the ratio of growth investments.

The DCF value for equity for Spinnova is about 53 MEUR or about EUR 2 per share, which is above the stock market price. Thus, in our view, the DCF provides a cautiously attractive signal of the stock's risk/reward ratio. We have kept our required return in

our model unchanged for the time being (i.e. WACC-% 14%), reflecting the high risk level of the stock relative to the average level of Nasdaq Helsinki.




## Near-term EV multiples are high

Spinnova's EV/S multiples based on the 2024 and 2025 forecasts are 25x and 8x, respectively. This year's multiple is very high and we consider next year's multiple to be high as well, despite the company's large target market and inherently scalable business model. Thus, the stock cannot be considered cheap relative to near-term revenue expectations, and even to justify present value, the company needs to grow in the longer term. However, the S-based multiples for next year are more or less in line with the peer group of similar companies.

## Valuation image remains unchanged

In our view, the fair value of Spinnova's share is in the range of EUR 1-3 based on current assumptions, especially the DCF model and short-term absolute and relative EV/S multiples. In just over 3 years as a public company, Spinnova has built a path to commercialization, although the company has not yet reached the stage of sustainable growth. The next few years will be critical for Spinnova's investment story, as the company will need to prove the techno-economic viability of its concept on an industrial scale, thus laying the foundation for more rapid scaling of the business (including in particular lower investment and production costs) from the turn of the decade.

## Development of share value in different scenarios

	 Negative <sup>1</sup>	 Forecast <sup>2</sup>	 Positive <sup>3</sup>
<b>Successful technology sales</b>	Failing in the 2020s	In line with forecasts	Broad market penetration and continued growth
<b>Likelihood</b>	Possible	Possible	Possible
<b>EBIT 2036e and the path there</b>	Negative, or company not independent	Estimates	100 MEUR, path better than forecast
<b>Present share value</b>	IPR sales value (< share price > 0)	~EUR 2 (DCF)	EUR 3.3-6.9 (multiples 2036e)

- 1) In this scenario, Spinnova's own commercialization fails in the 2020s, the company's cash flow dwindles, and the company needs to find a way to realize the remaining value as quickly as possible by selling the IPR.
- 2) In a scenario broadly consistent with our projections, commercialization will occur only in the textile value chain and with a limited feedstock base over the next 15 years, after which growth prospects will slow and the profitability profile will stabilize.
- 3) Commercialization will be at least in line with our projections, and growth prospects for the 2040s remain strong, either in the textile industry (including other feedstocks) and/or in other end-use applications.

Source: Inderes' estimate

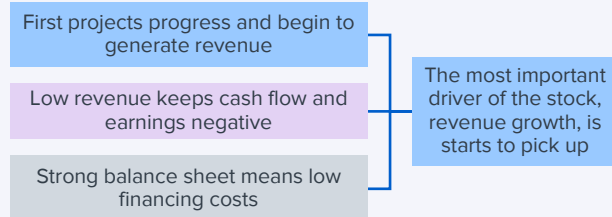
# We still consider the expected return attractive

We see a reasonable chance of success here, although the risks are still significant. Similarly, the return potential for investors in the company would be huge in the long run (see our positive scenario aligned with the company's targets) if Spinnova manages to enter a phase of scalable and capital-light growth roughly in line with its targets. In addition, we believe that Spinnova's technology development is quite advanced, which improves the risk/reward for the investor. Thus, even in a negative scenario (i.e., the company fails to commercialize on its own in the coming years), we believe that a certain value can be justified for the company's IPR. Thus, in our view, the total destruction of investor capital is no longer on the table in the absence of further negative surprises. Looking at the overall valuation picture, we reiterate our Accumulate recommendation and a target price of EUR 2.00 for Spinnova, as we see the expected return from the significant short- and long-term potential exceeding our required return, which already reflects a moderately high level of risk.

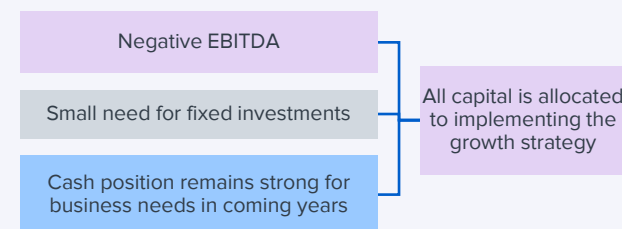
## TSR drivers H1'24 LTM-2028e

■ Positive ■ Neutral ■ Negative

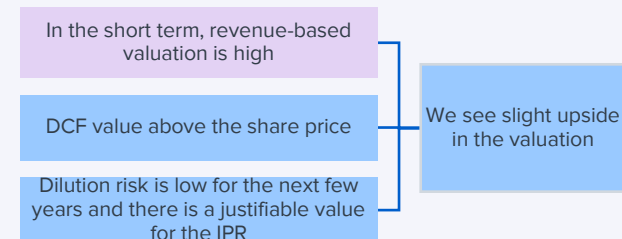
### Profit drivers



### Dividend yield drivers



### Valuation multiple drivers



The stock's expected return moderately exceeds our high required return



# Investment profile

- 1. Innovative production technology that is in the early stages of scaling up**
- 2. Proprietary and protected IP suitable for a broad raw material base**
- 3. Large potential target market**
- 4. Scalable and capital-light business model**
- 5. Growth focus and strategic goals years away, but negative cash flow until the end of the decade**

## Potential



- Regulation and consumer demand drive apparel industry toward more sustainable materials
- Spinnova's product features are good enough and the brand has a great reputation
- Partnership with Suzano in particular, but also with other actors, will help scale up
- Target market is global and large
- Innovative and protected proprietary IP gives your company a technological edge

## Risks



- Cost-competitiveness of the technology has yet to be proven, and scaling to significant volumes will require improvements in cost efficiency (CAPEX and OPEX).
- Successful delivery of Suzano's first industrial factory is a "must" for all parties involved
- Dependence on partners and a top-down customer structure
- Scaling up is slow at best
- Reputation risks

# SWOT analysis



## Strengths

- A distinctive end product as well as scalable and advanced technology
- Environmental performance of the end product and excellent reputation among brand companies
- Strong partners, in particular Suzano, an investment-ready company with a strategic interest in the textile value chain
- Sufficient liquidity to execute a technology sales-based strategy through at least the end of the decade



## Opportunities

- Suzano's first project provides techno-economic proof of concept and generates revenue for the company
- Accelerating emissions reductions in the textile industry and a growing sense of urgency among brands as emissions target deadlines approach
- Tightening regulation, especially in the EU
- The applicability of the technology to a broad feedstock base and different applications sets the stage for very long-term business expansion



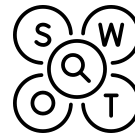
## Weaknesses

- Technology investment and production costs still far too high for mass market
- Scaling up will be time-consuming at best
- Customer structure will be very concentrated for a long time
- The value chain in the textile industry is fragile, as pricing power has traditionally been concentrated in the hands of brands



## Threats

- Failure of Suzano's first project, for one reason or another, would be at least a major setback to the commercialization of the business
- Persistently high inflation and interest rates as well as their slowing and shifting effects on investment
- Failure to protect IPR
- Reducing or postponing brand climate and emissions targets



# Valuation table

Valuation	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e
Share price			13.4	6.50	2.40	<b>1.60</b>	<b>1.60</b>	<b>1.60</b>	<b>1.60</b>
Number of shares, millions			51.3	51.3	51.3	<b>52.3</b>	<b>52.3</b>	<b>52.3</b>	<b>52.3</b>
Market cap			689	334	123	<b>84</b>	<b>84</b>	<b>84</b>	<b>84</b>
EV			589	257	69	<b>49</b>	<b>63</b>	<b>70</b>	<b>79</b>
P/E (adj.)			neg.	neg.	neg.	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>
P/E			neg.	neg.	neg.	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>
P/B			6.1	3.3	1.4	<b>1.2</b>	<b>1.4</b>	<b>1.5</b>	<b>1.8</b>
P/S			>100	13.7	11.6	<b>42.6</b>	<b>9.9</b>	<b>4.0</b>	<b>4.6</b>
EV/Sales			97.2	10.6	6.4	<b>24.9</b>	<b>7.5</b>	<b>3.3</b>	<b>4.4</b>
EV/EBITDA			neg.	neg.	neg.	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>
EV/EBIT (adj.)			neg.	neg.	neg.	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>
Payout ratio (%)			0.0 %	0.0 %	0.0 %	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>
Dividend yield-%			0.0 %	0.0 %	0.0 %	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>

Source: Inderes

# Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/S		P/B
			2024e	2025e	2024e
Betolar	23	14	7.2	2.4	3.3
Aiforia	130	122	30.4	17.4	3.8
Biorettec	58	55	11.0	5.5	14.4
Optomed	95	87	5.4	3.6	4.2
Nightingale	138	69	11.5	7.7	2.9
<b>Spinnova (Inderes)</b>	<b>84</b>	<b>49</b>	<b>24.9</b>	<b>7.5</b>	<b>1.2</b>
<b>Average</b>			<b>13.1</b>	<b>7.3</b>	<b>5.7</b>
<b>Median</b>			<b>11.0</b>	<b>5.5</b>	<b>3.8</b>
<b>Diff-% to median</b>			<b>127%</b>	<b>37%</b>	<b>-69%</b>

Source: Refinitiv / Inderes

# Income statement

Income statement	H1'22	H2'22	2022	H1'23	H2'23	2023	H1'24	H2'24e	2024e	2025e	2026e	2027e
<b>Revenue</b>	<b>7.6</b>	<b>16.6</b>	<b>24.3</b>	<b>8.8</b>	<b>1.8</b>	<b>10.6</b>	<b>0.4</b>	<b>1.6</b>	<b>2.0</b>	<b>8.4</b>	<b>21.0</b>	<b>18.0</b>
Group	7.6	16.6	24.3	8.8	1.8	10.6	0.4	1.6	2.0	8.4	21.0	18.0
<b>EBITDA</b>	<b>-5.3</b>	<b>-6.0</b>	<b>-11.4</b>	<b>-9.7</b>	<b>-8.7</b>	<b>-18.4</b>	<b>-8.6</b>	<b>-6.1</b>	<b>-14.6</b>	<b>-9.4</b>	<b>-1.4</b>	<b>-3.5</b>
Depreciation	-0.5	-0.5	-1.0	-1.3	-1.2	-2.5	-1.3	-1.4	-2.7	-2.9	-3.2	-3.5
<b>EBIT (excl. NRI)</b>	<b>-5.8</b>	<b>-6.5</b>	<b>-12.3</b>	<b>-11.0</b>	<b>-9.9</b>	<b>-20.9</b>	<b>-9.9</b>	<b>-7.4</b>	<b>-17.3</b>	<b>-12.3</b>	<b>-4.6</b>	<b>-7.0</b>
<b>EBIT</b>	<b>-5.8</b>	<b>-6.5</b>	<b>-12.3</b>	<b>-11.0</b>	<b>-9.9</b>	<b>-20.9</b>	<b>-9.9</b>	<b>-7.4</b>	<b>-17.3</b>	<b>-12.3</b>	<b>-4.6</b>	<b>-7.0</b>
Konserni	-5.8	-6.5	-12.3	-11.0	-9.9	-20.9	-9.9	-7.4	-17.3	-12.3	-4.6	-7.0
Net financial items	-1.7	-0.1	-1.8	0.5	1.1	1.6	0.9	0.5	1.4	0.1	0.0	-0.1
<b>PTP</b>	<b>-7.5</b>	<b>-6.6</b>	<b>-14.1</b>	<b>-10.4</b>	<b>-8.8</b>	<b>-19.3</b>	<b>-9.0</b>	<b>-6.9</b>	<b>-15.9</b>	<b>-12.2</b>	<b>-4.6</b>	<b>-7.1</b>
Taxes	0.0	0.0	0.0	-0.1	-0.2	-0.3	-0.2	-0.1	-0.3	0.0	0.0	0.0
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net earnings</b>	<b>-7.5</b>	<b>-6.6</b>	<b>-14.1</b>	<b>-10.6</b>	<b>-9.0</b>	<b>-19.6</b>	<b>-9.2</b>	<b>-7.0</b>	<b>-16.2</b>	<b>-12.2</b>	<b>-4.6</b>	<b>-7.1</b>
<b>EPS (adj.)</b>	<b>-0.15</b>	<b>-0.13</b>	<b>-0.28</b>	<b>-0.21</b>	<b>-0.18</b>	<b>-0.38</b>	<b>-0.18</b>	<b>-0.13</b>	<b>-0.31</b>	<b>-0.23</b>	<b>-0.09</b>	<b>-0.14</b>
<b>EPS (rep.)</b>	<b>-0.15</b>	<b>-0.13</b>	<b>-0.28</b>	<b>-0.21</b>	<b>-0.18</b>	<b>-0.38</b>	<b>-0.18</b>	<b>-0.13</b>	<b>-0.31</b>	<b>-0.23</b>	<b>-0.09</b>	<b>-0.14</b>
<b>Key figures</b>	<b>H1'22</b>	<b>H2'22</b>	<b>2022</b>	<b>H1'23</b>	<b>H2'23</b>	<b>2023</b>	<b>H1'24</b>	<b>H2'24e</b>	<b>2024e</b>	<b>2025e</b>	<b>2026e</b>	<b>2027e</b>
<b>Revenue growth-%</b>	1964%	192%	300%	16%	-89%	-56%	-96%	-12%	-82%	329%	150%	-14%
<b>EBITDA-%</b>	-70%	-36%	-47%	-110%	-477%	-173%	-2372%	-378%	-746%	-112%	-7%	-20%
<b>Adjusted EBIT-%</b>	-76%	-39%	-51%	-125%	-546%	-197%	-2736%	-463%	-882%	-147%	-22%	-39%
<b>Net earnings-%</b>	-99%	-40%	-58%	-120%	-496%	-184%	-2528%	-438%	-823%	-145%	-22%	-40%

Source: Inderes

# Balance sheet

Assets	2022	2023	2024e	2025e	2026e
<b>Non-current assets</b>	<b>25.7</b>	<b>33.9</b>	<b>38.2</b>	<b>40.3</b>	<b>42.1</b>
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	10.9	11.7	15.6	17.5	19.0
Tangible assets	1.6	3.1	3.5	3.8	4.1
Associated companies	13.2	18.9	18.9	18.9	18.9
Other investments	0.0	0.1	0.1	0.1	0.1
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>89.3</b>	<b>64.7</b>	<b>43.1</b>	<b>31.1</b>	<b>27.2</b>
Inventories	0.0	0.0	0.0	0.1	0.4
Other current assets	1.1	1.0	1.0	1.0	1.0
Receivables	5.5	2.3	0.4	1.7	4.2
Cash and equivalents	82.7	61.5	41.7	28.3	21.6
<b>Balance sheet total</b>	<b>115</b>	<b>98.6</b>	<b>81.3</b>	<b>71.4</b>	<b>69.3</b>

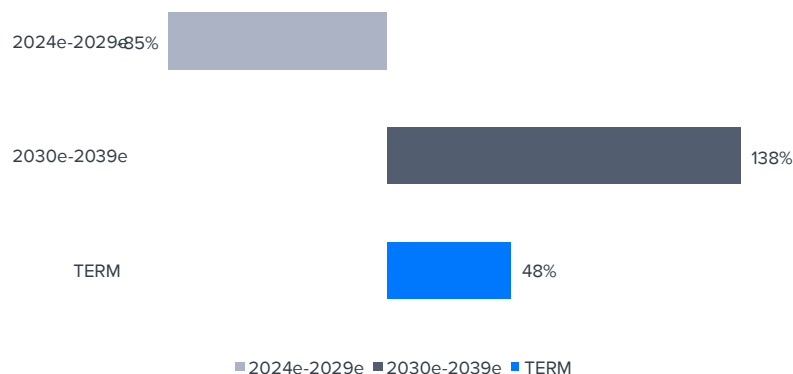
Source: Inderes

Liabilities & equity	2022	2023	2024e	2025e	2026e
<b>Equity</b>	<b>100</b>	<b>87.3</b>	<b>71.2</b>	<b>59.0</b>	<b>54.4</b>
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	-39.9	-47.8	-63.9	-76.1	-80.8
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	140	135	135	135	135
Minorities	0.0	0.0	0.0	0.0	0.0
<b>Non-current liabilities</b>	<b>5.4</b>	<b>5.7</b>	<b>5.7</b>	<b>5.7</b>	<b>5.7</b>
Deferred tax liabilities	0.0	0.7	0.7	0.7	0.7
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	5.4	5.0	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>9.6</b>	<b>5.6</b>	<b>4.4</b>	<b>6.7</b>	<b>9.2</b>
Interest bearing debt	1.0	2.0	2.0	3.0	3.0
Payables	6.5	1.6	0.4	1.7	4.2
Other current liabilities	2.1	2.0	2.0	2.0	2.0
<b>Balance sheet total</b>	<b>115</b>	<b>98.6</b>	<b>81.3</b>	<b>71.4</b>	<b>69.3</b>

# DCF calculation

DCF model	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e	2037e	2038e	2039e
Revenue growth-%	-56.2 %	-81.6 %	329.2 %	149.8 %	-14.3 %	-40.8 %	169.1 %	103.4 %	20.7 %	-4.6 %	78.9 %	78.9 %	-8.2 %	20.6 %	19.2 %	15.2 %	5.0 %
EBIT-%	-196.7 %	-882.3 %	-146.5 %	-21.9 %	-38.8 %	-91.9 %	7.1 %	26.6 %	27.4 %	22.8 %	43.5 %	43.5 %	39.6 %	44.0 %	47.1 %	48.9 %	15.0 %
<b>EBIT (operating profit)</b>	<b>-20.9</b>	<b>-17.3</b>	<b>-12.3</b>	<b>-4.6</b>	<b>-7.0</b>	<b>-9.8</b>	<b>2.0</b>	<b>15.5</b>	<b>19.4</b>	<b>15.3</b>	<b>52.4</b>	<b>43.8</b>	<b>58.7</b>	<b>74.9</b>	<b>89.6</b>	<b>28.9</b>	<b>29.4</b>
+ Depreciation	2.5	2.7	2.9	3.2	3.5	4.0	4.2	5.5	6.7	7.4	8.2	8.8	9.5	10.0	10.6	11.1	11.5
- Paid taxes	0.4	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-10.6	-8.9	-11.9	-15.2	-18.3	-6.1	-6.1
- Tax, financial expenses	0.0	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	-0.1
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.3	0.3	0.4	0.4	0.3
- Change in working capital	-1.7	0.7	-0.1	-0.3	-0.1	0.2	-0.5	-0.9	-0.4	0.1	-1.6	0.3	-0.7	-0.8	-0.7	-0.3	-0.1
<b>Operating cash flow</b>	<b>-19.8</b>	<b>-13.2</b>	<b>-8.5</b>	<b>-0.7</b>	<b>-2.7</b>	<b>-4.6</b>	<b>6.3</b>	<b>20.8</b>	<b>26.4</b>	<b>23.6</b>	<b>49.2</b>	<b>44.5</b>	<b>56.1</b>	<b>69.5</b>	<b>81.9</b>	<b>33.9</b>	<b>34.9</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	0.0	0.0	0.0	0.0	0.0
- Gross CAPEX	-5.0	-7.0	-5.0	-5.0	-5.0	-5.0	-7.0	-9.0	-10.0	-11.0	-11.0	-12.0	-12.0	-13.0	-13.0	-13.0	-11.7
<b>Free operating cash flow</b>	<b>-24.8</b>	<b>-20.2</b>	<b>-13.5</b>	<b>-5.7</b>	<b>-7.7</b>	<b>-9.6</b>	<b>-0.7</b>	<b>11.8</b>	<b>16.4</b>	<b>12.6</b>	<b>38.2</b>	<b>32.5</b>	<b>44.1</b>	<b>56.5</b>	<b>68.9</b>	<b>20.9</b>	<b>23.3</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	0.0	0.0	0.0	0.0	0.0
FCFF	-24.8	-20.2	-13.5	-5.7	-7.7	-9.6	-0.7	11.8	16.4	12.6	38.2	32.5	44.1	56.5	68.9	20.9	23.3
<b>Discounted FCFF</b>		<b>-19.3</b>	<b>-11.3</b>	<b>-4.2</b>	<b>-4.9</b>	<b>-5.4</b>	<b>-0.3</b>	<b>5.1</b>	<b>6.2</b>	<b>4.1</b>	<b>11.0</b>	<b>8.2</b>	<b>9.8</b>	<b>11.0</b>	<b>11.7</b>	<b>3.1</b>	<b>3.0</b>
Sum of FCFF present value		53.2	72.4	83.7	87.9	92.9	98.2	98.5	93.5	87.3	83.2	72.1	63.9	54.1	43.2	31.5	28.4
<b>Enterprise value DCF</b>		<b>53.2</b>															
- Interest bearing debt		-7.0															
+ Cash and cash equivalents		61.5															
-Minorities		0.0															
-Dividend/capital return		0.0															
<b>Equity value DCF</b>		<b>108</b>															
<b>Equity value DCF per share</b>		<b>2.1</b>															

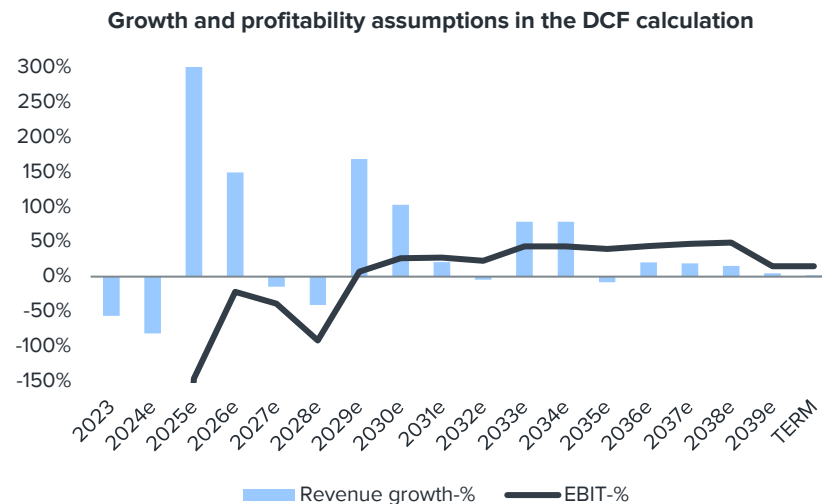
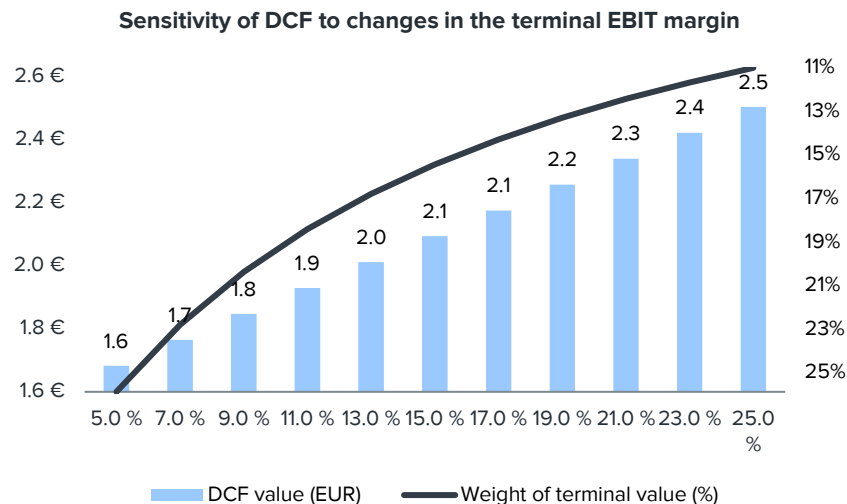
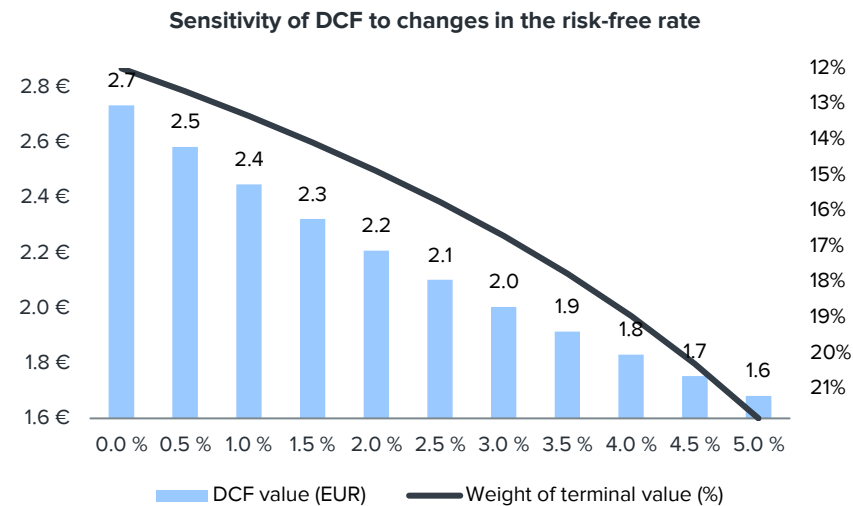
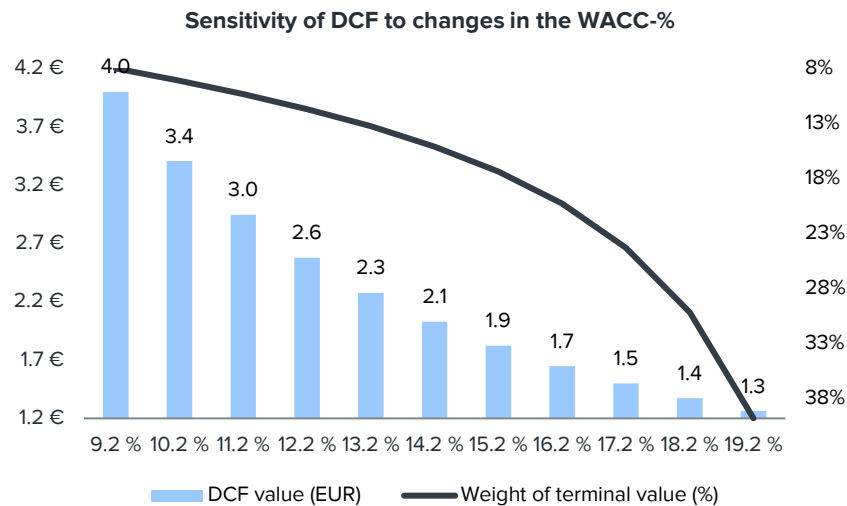
Cash flow distribution



WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	10.0 %
Cost of debt	5.0 %
Equity Beta	2.70
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.5 %
<b>Cost of equity</b>	<b>15.3 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>14.2 %</b>

Source: Inderes

# DCF sensitivity calculations and key assumptions in graphs



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	6.1	24.3	10.6	2.0	8.4	EPS (reported)	-0.30	-0.28	-0.38	-0.31	-0.23
EBITDA	-6.1	-11.4	-18.4	-14.6	-9.4	EPS (adj.)	-0.30	-0.28	-0.38	-0.31	-0.23
EBIT	-7.0	-12.3	-20.9	-17.3	-12.3	OCF / share	-0.17	-0.13	-0.39	-0.25	-0.16
PTP	-15.4	-14.1	-19.3	-15.9	-12.2	FCF / share	-0.22	-0.21	-0.48	-0.39	-0.26
Net Income	-15.4	-14.1	-19.6	-16.2	-12.2	Book value / share	2.22	1.95	1.70	1.36	1.13
Extraordinary items	0.0	0.0	0.0	0.0	0.0	Dividend / share	0.00	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	123.7	115.0	98.6	81.3	71.4	Revenue growth-%	2287%	300%	-56%	-82%	329%
Equity capital	113.9	100.0	87.3	71.2	59.0	EBITDA growth-%	29%	85%	62%	-21%	-35%
Goodwill	0.0	0.0	0.0	0.0	0.0	EBIT (adj.) growth-%	27%	77%	70%	-17%	-29%
Net debt	-100.1	-76.3	-54.4	-34.7	-20.3	EPS (adj.) growth-%		-8%	39%	-19%	-24%
Cash flow	2021	2022	2023	2024e	2025e	EBITDA-%	-101.4 %	-46.8 %	-173.1 %	-746.2 %	-112.1 %
EBITDA	-6.1	-11.4	-18.4	-14.6	-9.4	EBIT (adj.)-%	-114.7 %	-50.7 %	-196.7 %	-882.3 %	-146.5 %
Change in working capital	-2.4	4.6	-1.7	0.7	-0.1	EBIT-%	-114.7 %	-50.7 %	-196.7 %	-882.3 %	-146.5 %
Operating cash flow	-8.6	-6.8	-19.8	-13.2	-8.5	ROE-%	-25.1 %	-13.2 %	-20.9 %	-20.4 %	-18.8 %
CAPEX	-2.6	-4.0	-5.0	-7.0	-5.0	ROI-%	-10.5 %	-10.8 %	-20.8 %	-20.0 %	-16.3 %
Free cash flow	-11.2	-10.7	-24.8	-20.2	-13.5	Equity ratio	92.1 %	87.0 %	88.6 %	87.6 %	82.7 %
						Gearing	-87.9 %	-76.3 %	-62.3 %	-48.7 %	-34.4 %
Valuation multiples	2021	2022	2023	2024e	2025e						
EV/S	97.2	10.6	6.4	24.9	7.5						
EV/EBITDA	neg.	neg.	neg.	neg.	neg.						
EV/EBIT (adj.)	neg.	neg.	neg.	neg.	neg.						
P/E (adj.)	neg.	neg.	neg.	neg.	neg.						
P/B	6.1	3.3	1.4	1.2	1.4						
Dividend-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %						

Source: Inderes

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Date	Recommendation	Target	Share price
5/30/2024	Accumulate	2.00 €	1.61 €
8/22/2024	Accumulate	2.00 €	1.60 €



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