Meriaura Group

Extensive report

22.05.2024 08:00 EEST

Pauli Lohi
+35845 134 7790
pauli.lohi@inderes.fi

Inderes corporate customer

This report is a summary translation of the report “Kasvutoimet painavat lähivuosien kassavirtoja” published on 5/22/2024 at 8:18 am EEST

Growth measures depress cash flows in coming years

Meriaura Group operates in marine logistics and renewable energy and both business areas are linked to the reduction of carbon dioxide emissions and the transition in target markets through, e.g., EU emissions trading. The Renewable Energy businesses benefit from the Group's financial resources, but despite the strengthened growth, there is still significant uncertainty surrounding the earnings turnaround. In Marine Logistics, significant investments in low-emission cargo capacity will depress cash flows in the coming years, but enable long-term growth. We do not see any upside in the valuation without better visibility of the earnings turnaround in Renewable Energy, so we reiterate our Reduce recommendation and EUR 0.04 target price.

Marine Logistics aims to achieve low-emission growth with major investments

Marine Logistics is carried out in the Baltic Sea and the North Sea with some 15 vessels. Revenue (2023: 63 MEUR) is split between dry bulk (2/3) and special cargo (1/3). The former is mainly based on longer customer contracts, which contributes to the stability of the business. The company owns 5 of the vessels itself and the remaining some 10 vessels are time-chartered, enabling a flexible business model. The acquisition of two new bio-oil vessels ties capital in the coming years (total investment in 2024-26 34 MEUR), but on the other hand, enables growth in low-emission shipping with the support of self-developed biofuel. EBIT has stabilized (2024e: 5.3 MEUR) and the demand outlook is reasonably favorable, although the market has normalized from the cyclical peak in 2022. Demand for special cargo has also been favorable and, e.g., implementation of offshore wind projects could further support the development.

Growth in Renewable Energy has strengthened

The Renewable Energy unit includes both international deliveries of large-scale solar thermal systems and deliveries of solar power solutions mainly to Finland. In 2023, the unit's revenue was only 3.4 MEUR and EBIT -3.8 MEUR, but the order intake for 2023-24 and the acquisition of the Rasol solar power business at the end of 2023 are already raising revenue to 12.9 MEUR (2024e). Gaining ever larger solar thermal orders has been influenced by, e.g., market activation and increased financial resources resulting from the Meriaura cooperation. Also in solar power, growth could benefit from improved economic credibility, the growth of the solar power market in the utility-sized class, and Meriaura Energy's experience in large-scale energy projects. The business has relatively low margins, so we believe achieving a profitability turn would require significant volume growth from the company for several years

Uncertainty of earnings turnaround and negative cash flows in coming years weaken expected return

In our recommendation and valuation, we rely especially on the sum of the parts method, which best attributes the complexity of the group structure. The method offers a fair value of EUR 0.046, which requires Renewable Energy to reach a nearly neutral EBIT in 2026. In order for the stock to have upside, the visibility of the earnings turnaround should improve and growth in the energy business continue as very strong. Of the Group's earnings-based valuation multiples, EV/EBIT is very high (2024e: 21x) and EV/EBITDA is also highish (2024e: 7x) considering the capital intensive nature and high investment needs of the Marine Logistics business. The P/B ratio of 1.0x (2024e) is even slightly lower than the peer group of marine logistics companies (1.1x), but the losses of the Renewable Energy unit will continue to depress equity development in the coming years. We estimate that free cash flow will be negative in the next few years due to investments, working capital commitment and losses in Renewable Energy.

Recommendation

Reduce
(previous Reduce)

EUR 0.04
(previous EUR 0.04)

Share price:
0.047

Key figures

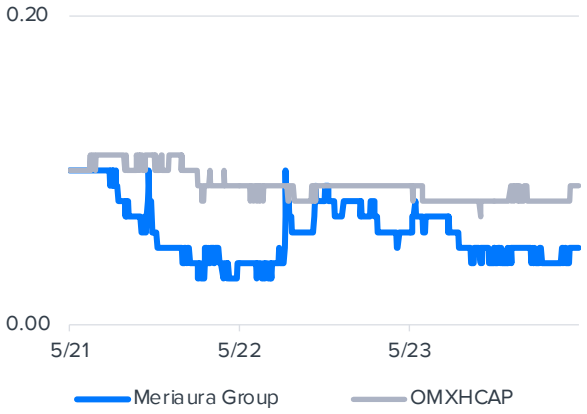
	2023	2024e	2025e	2026e
Revenue	66.2	77.8	84.6	93.6
growth-%	666%	18%	9%	11%
EBIT adj.	1.0	2.8	4.2	5.8
EBIT-% adj.	1.6 %	3.7 %	4.9 %	6.2 %
Net Income	-0.3	1.4	2.5	3.9
EPS (adj.)	0.000	0.002	0.003	0.004
P/E (adj.)	neg.	30.7	16.7	10.6
P/B	1.1	1.0	1.0	0.9
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	53.5	20.8	15.3	11.3
EV/EBITDA	8.8	7.0	6.4	4.9
EV/S	0.8	0.8	0.7	0.7

Source: Inderes

Guidance

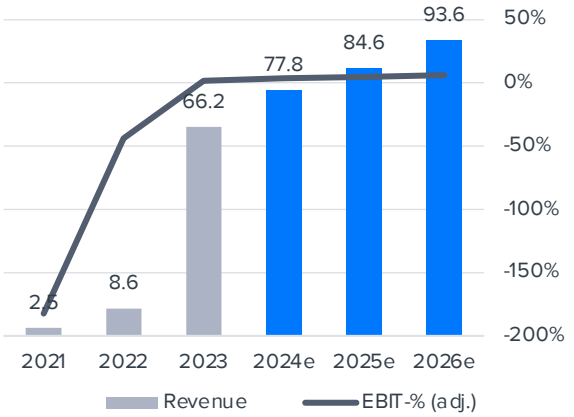
(No guidance)

Share price



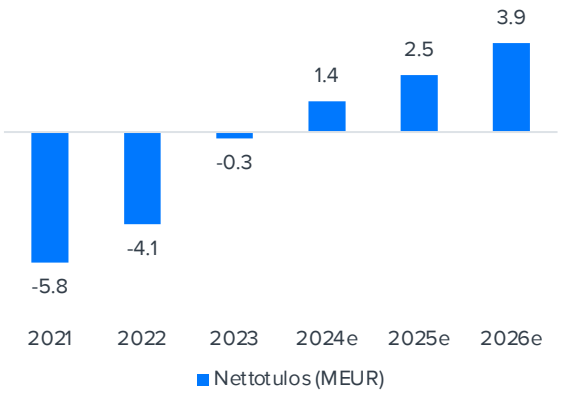
Source: Millistream Market Data AB

Revenue and EBIT-%



Source: Inderes

Net profit



Source: Inderes

Value drivers

- Growing demand for environmentally friendly solutions that reduce greenhouse gas emissions
- Release of overcapacity in the global dry bulk market and increasing demand for project transport
- Regulation, such as emissions trading, will make reducing CO2 emissions a competitive factor both in heat and electricity production and maritime freight
- A stronger financial base and credibility support the energy business

Risk factors

- The Renewable Energy unit needs significant additional growth to turn profitable
- The market for Marine Logistics is cyclical
- Uncertainty about which technologies will ultimately be most optimal in low-emission maritime freight
- Growth ties up capital, which can require strengthening of the balance sheet with various ownership arrangements

Valuation	2024e	2025e	2026e
Share price	0.05	0.05	0.05
Number of shares, millions	886.8	886.8	886.8
Market cap	42	42	42
EV	59	63	66
P/E (adj.)	30.7	16.7	10.6
P/E	30.7	16.7	10.6
P/B	1.0	1.0	0.9
P/S	0.5	0.5	0.4
EV/Sales	0.8	0.7	0.7
EV/EBITDA	7.0	6.4	4.9
EV/EBIT (adj.)	20.8	15.3	11.3
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Contents

Meriaura Group in brief

Meriaura Group's business operations consist of two business units: Marine Logistics and Renewable Energy.

Group CEO
Kirsi Suopelto

Marine Logistics business unit

MERIAURA

Meriaura's vessels operate mainly in the Baltic Sea and the North Sea on contract and freight services. The company specializes in the maritime transport of industrial products and raw materials, as well as the demanding transport of special cargo.

VG ECOFUEL

VG-EcoFuel produces recycled biofuel (VG Marine EcoFuel™) at its refinery in Uusikaupunki, Finland. The company collects recycled and waste-based cooking oil as an industrial by-product, which it processes for reuse. The production is sold for Meriaura's own use or as fuel to other players in the industry.

62.8 MEUR
Revenue 2023

5.1 MEUR
Operating result 2023

~40 MEUR
Balance sheet value of vessels 2023

114
Personnel at the end of 2023

734
Freight trips 2023

Preserver of value

Renewable Energy business unit

MERIAURA ENERGY

Meriaura Energy supplies solar thermal collectors and related systems for industry and district heating under the Savosolar brand. Solar thermal collectors based on the company's proprietary technology are manufactured in Mikkeli, Finland.

RASOL

Rasol supplies and installs solar power systems mainly in Finland. The company has expanded its customer base from consumers to corporate and industrial customers. The company's aim is to strengthen its capabilities in the implementation of larger projects such as solar power parks.

3.4 MEUR[1]
Revenue 2023

-3.8 MEUR[1]
Operating result 2023

40
Personnel at the end of 2023

6.8 MEUR
Order backlog 2023

+110 MW
Installed solar thermal capacity

Potential growth business

1) Presented figures do not include much of Rasol's impact, as the transaction was completed in November 2023.

Company description

Meriaura and Savosolar merged in 2022

Meriaura Group's business is divided into two business units, Marine Logistics and Renewable Energy. Marine Logistics comprises maritime cargo operator Meriaura and its subsidiary VG-EcoFuel, which processes renewable fuels mainly for Meriaura. The Renewable Energy business unit in turn consists of Meriaura Energy (former Savosolar), which invests in solar thermal, and Rasol, which focuses on solar power that became part of the Group in November 2023 following an acquisition.

The Group's current structure was created when Meriaura and Savosolar merged. The merger took place on November 30, 2022. The name of the group changed to Meriaura Group Plc on June 1, 2023, and the parent company's domicile moved to Turku.

The merger aims to accelerate the growth of businesses relying on the green transition

The aim of the merger is that together the companies can accelerate the expansion of their business in green transition projects such as renewable energy and low-carbon marine logistics. The increased size of the Group, and especially the financial resources provided by Meriaura's profitable business, improve the growth conditions and financial credibility of Meriaura Energy and Rasol, which are at the beginning of their development phase. A stronger balance sheet and financial continuity support the development and sales of larger systems. In addition, new technologies can be included in system deliveries through acquisitions or other cooperation. Meriaura Energy, which commercializes solar thermal technology, and Rasol, a provider of solar power solutions, work in close cooperation and aim to utilize each other's strengths to achieve growth synergies. From Meriaura's point of view, being a listed company supports opportunities to consolidate the marine logistics industry by using own shares as a tool in future acquisitions.

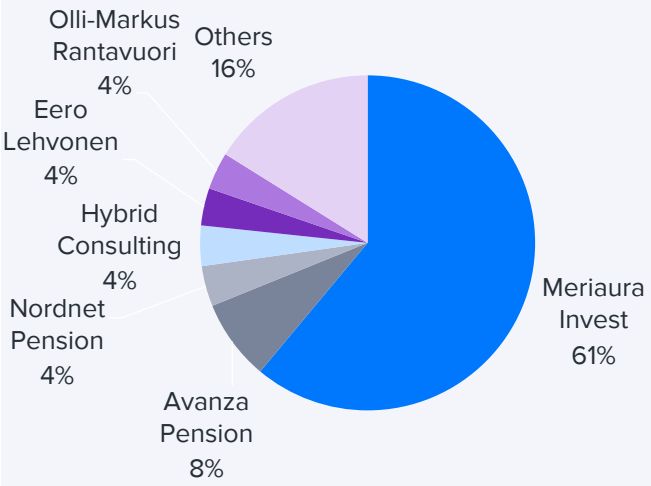
Management structure and shareholders

Kirsi Suopelto has been the CEO of Meriaura Group since May 2023. Suopelto has significant experience in the financial sector and has previously acted as an advisor of the main owner Meriaura Invest. In addition to the Group CEO, both business areas, Marine Logistics and Renewable Energy, have their own CEOs.

The merger carried out as a share swap resulted in Meriaura Invest becoming the largest shareholder of the Group. Meriaura Invest is a holding company the majority of which is owned by Mariaura's founder Jussi Mäkilä. Meriaura Invest owns 61% of Meriaura Group. Other significant owners include Avanza Pension (8%), Nordnet Pensionsförsäkring (4%), Hybrid Consulting (4%) partly owned by Suopelto, and the founders of Rasol, Eero Lehvonen (4%) and Olli-Markus Rantavuori (4%).

Meriaura Group's stock is dual listed on the Helsinki and Stockholm First North Growth markets. The dual listing was born in 2015 and was related to Savosolar's efforts at the time to raise capital from a larger investor base. Swedish investors have played a significant role as owners and financiers of the company in previous years, but the role of these owners has decreased significantly since the company merged with Meriaura in 2022.

Shareholders



Business units

Marine Logistics
95% of revenue
2023

Renewable Energy
5% of revenue
2023

Ownership data 4/30/2024

Marine Logistics (1/5)

Business in brief

The Marine Logistics business unit consists of Meriaura Oy, a company specializing in maritime transport, and its subsidiary VG-EcoFuel Oy, a manufacturer of renewable fuels. The Marine Logistics business is profitable but rather capital-intensive. The Marine Logistics unit's 2023 revenue was 62.8 MEUR and the operating result was 5.1 MEUR.

Meriaura is a major carrier of dry bulk and general cargo in the Baltic Sea and the North Sea region. The history of the company started as a hobby in 1986, but the activities were soon taken in a more commercial direction under the leadership of founder Jussi Mälkiä. Meriaura focuses on freight that supports renewable energies and environmentally friendly solutions. The company aims to achieve carbon neutrality through energy efficiency, bio-based fuels and transport optimization, which will benefit its customers through lower emissions. The company operates some 15 small cargo vessels averaging 4,000 tons (DWT), although the number of leased vessels may vary. A majority of the operated vessels are bulk carriers and 2-3 open deck carriers used in the project business.

Dry bulk accounts for the majority of revenue

About 2/3 of Meriaura's revenue comes from bulk dry cargo. In the bulk business, it's essential to maximize vessel utilization rates, unload and load cargo efficiently and optimize costs. A typical bulk carrier makes more than 50 transports a year, bringing the annual transport volume of Meriaura's dry cargo vessels to 2-3 million tons. Meriaura operates its bulk business mainly with time-chartered fleet, which allows more flexibility in capacity in line with changes in customer demand and supports the optimization of fleet utilization rates. The company also owns three dry bulk carriers, one of which is optimized to use biofuel (the vessel type is called VG EcoCoaster in company communications).

The vast majority of bulk transport services involve longer-term contracts. The most typical contract duration is 12 months, but there are also long contracts of 24-36 months and short contracts of 4 months. Long-term customer contracts bring stability to revenue and profitability. The contracts include separate fuel clauses to hedge Meriaura's profitability as fuel prices fluctuate. In addition, other price adjustment conditions have been agreed in the longest contracts to consider changes in cost levels in the maritime freight market. In addition to contract transports, the company uses the spot market to optimize traffic and maximize the utilization rate of vessels.

Transport of special cargo expands the revenue base

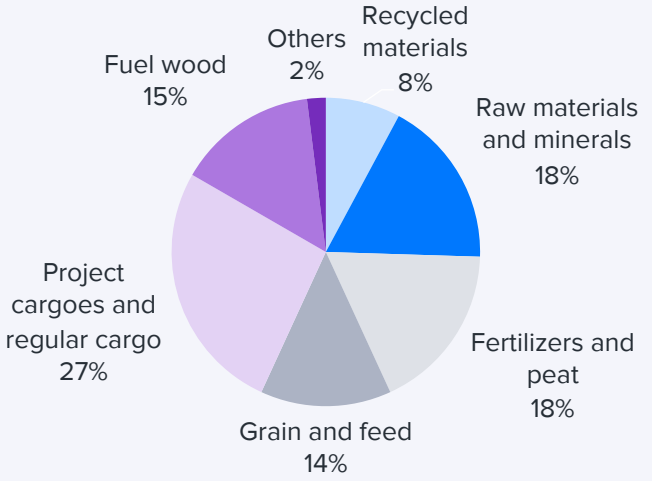
Project and special cargo transports make up a relatively smaller share of revenue (about 1/3), but are nevertheless an important part of Meriaura's business. Project business is carried out on two self-owned open deck carriers and in spring 2024 the company also leased one open deck carrier. The nature of the project and special cargo business differs from dry cargo, as individual project cargoes generate considerably more work for the company and the revenue from the cargoes is relatively high compared to the tonnage of the vessels.

Project cargoes involve a lot of up-front preparation, which is done by the company's own planning department. Preliminary preparations, such as planning port handling and moorings, are often carried out months in advance. Transport of project cargo is mainly done on a spot basis, but in practice, some customers repeat projects year after year, which brings continuity to the business.

Marine logistics is divided into two segments

	Dry bulk (bulk)	Project and special loads
Share of revenue[1]	Bulk 70 %	Project 27 %
Cargo capacity	Time-chartered and self-owned vessels	Mainly self-owned vessels
Business logic	Maximize utilization rates and efficiency	Lots of manual work, high prices
Market	Large, competitive and cyclical	Small and specialized

Breakdown of freight volumes 2023



1) Inderes' estimate of Meriaura's revenue distribution in 2023

Marine Logistics (2/5)

Five vessels on own balance sheet

Meriaura's fleet consists of five self-owned cargo vessels with a total capacity of 24,000 DWT. The two open deck carrier owned by the company, Meri and Aura, are suitable for highly demanding special cargo transport and offshore operations, making them essential for project business and enabling growth through, for example, offshore wind energy projects. In addition, the open deck carrier Meri is the first cargo ship in the world designed to use bio-oil as a power source, according to Meriaura. According to the company, the VG EcoCoaster named vessels (one of two is owned by Meriaura) are energy-efficient dry bulk carriers capable of using alternative fuels such as VG MarineEcoFuel™ biofuel produced by Meriaura'a subsidiary, making the vessels strategically important for Meriaura. In addition, there are two other dry bulk carriers on the balance sheet.

Some ten time-chartered vessels in use

In addition to its own vessels, Meriaura operates nine time-chartered dry cargo vessels (total capacity approximately 40,000 DWT) and one project vessel. The lease prices are fixed for the duration of the contract and will be updated with the new contract period according to the market situation and outlook. Vessels are leased from a few long-term partners under contracts of various lengths. Some of the time-chartered vessels are leased from a company in which Meriaura Invest, the largest shareholder in the Meriaura Group, is also a co-owner.

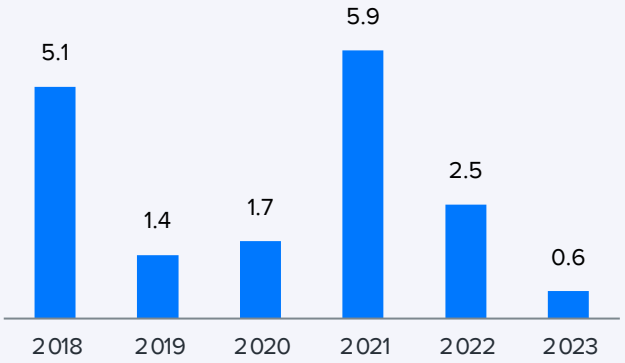
Maintenance measures vary from year to year

The typical lifespan of a cargo vessel is 20-30 years. Meriaura's own fleet has an average age of 15 years on a DWT-weighted basis, so it's roughly halfway through its service life. Maintenance and basic improvements can make lengthen a vessel's lifespan. Meriaura is responsible for the maintenance and basic improvements of it's own vessels, while for time-chartered vessels the responsibility lies with the owner. Self-owned ships typically undergo major refits every five years, when the ship is taken to a shipyard and the refit can take about a month. Minor installations and maintenance work can usually be carried out while the ship is in operation, without a visit to the shipyard. On average, the ship is in cargo service for around 355 days a year, but this varies according to the docking plan, among other things. Additionally, for self-owned ships, any unexpected technical challenges pose a risk to the business.

Investments will increase in the coming years

Meriaura's equipment investments have on average been below the depreciation level in recent years, which is approximately 5 MEUR/year In practice, maintenance investments are usually well below depreciation, but the purchase of new vessels pushes investments above depreciation. Investments will increase in 2024-26, as Meriaura has agreed to purchase two 6,750-ton dry cargo bio-fuel vessels (Ecotrader), which will be completed in 2026. The total investment is 34 MEUR and will be 80% debt financed. The new vessels will enable growth in low-emission cargo transport. Of the currently owned vessels, the bulk carrier Aava is 27 years old and close to the end of its life cycle, so the new vessels will probably replace some of the existing equipment. In addition to bio-oil, Meriaura is also researching other alternative fuels in light of possible future vessel investments.

Meriaura's investments (MEUR)[1]



Cargo fleet

Own fleet (total DWT)	Average age (yr.)[2]
2 x Open deck carrier (10,000)	15
1 x VG EcoCoaster (5,000)	9
2 x Dry bulk carrier (7,000)	20
Total (22,000)	15
Leased vessels	
9 x Dry bulk carrier (40,000)	22

1) 2022-23 figures are based on Inderes' estimates
2) DWT-weighted average
Source: Meriaura and Inderes

Marine Logistics (3/5)

A broad customer base smooths out demand fluctuations

Overall market growth in dry bulk is moderate in Meriaura's core areas. The tonnage volume of foreign maritime transport in Finnish ports remained stable at 95 million tons in 2016-22. Meriaura serves several different sectors, whose activity levels follow different trajectories. In dry bulk, Meriaura's cargoes consist, e.g., of raw materials and minerals, recycled materials, grain and feed raw materials, fuel wood and fertilizers. In particular, freight volumes in the food chain and recycled materials are developing independently of the general economic trend, which partly compensates for the cyclical nature of the business.

Project cargoes typically consist of large pieces that are challenging to transport. Project cargoes include transport of ship blocks for the shipyard industry, load handling machinery such as cranes and wind turbine components. Demand for project cargoes is more dependent on heavy investment than dry bulk. The company is a major player in both onshore and offshore wind power. The acceleration of offshore wind power construction in the North Sea and the Baltic Sea could support demand for Meriaura's project transports.

Global dry bulk market is cyclical

The global dry bulk market has been sluggish throughout the 2010s. Between 2003 and 2008, the market experienced a historic boom, with far more capacity ordered than the growth in world trade would have required. Between 2010 and 2013, a record number of vessels were delivered and the dry bulk market was left with heavy overcapacity, leading to a collapse in dry bulk prices. Global overcapacity is slowly melting away from the market, as the average age of ships is 20-30 years. However, the market has been recovering and, particularly in 2021-22, freight rates rose sharply thanks to low levels of ship investment in previous years, logistical problems following the COVID pandemic and increased economic activity. During 2023, global freight prices fell closer to long-term levels. However, Meriaura's demand outlook has remained reasonably good. The Baltic Sea market is partly developing in isolation from the global market due to, e.g., climate-induced fleet requirements.

Meriaura's freight prices do not go hand in hand with global indices

The widely monitored Baltic Dry Index provides an overall picture of developments in the global freight market. The index doesn't paint a complete picture of the development of the relevant markets for Meriaura, as the weight of Capesize vessels, which are clearly larger than Meriaura's fleet, is high in the index. Meriaura also typically enters into long-term contracts with its customers, which cushions the impact of changes in spot freight prices on the company's profitability. Meriaura also operates mainly in the Baltic Sea, where the specific fleet requirements make it a different market compared to the global market. The Baltic Sea requires ice-strengthened vessels for a significant part of the year and its ports are considerably shallower than the world's major ports, which limits the use of larger cargo vessels.

Segment-specific growth

Bulk	Development[1]
Recycled materials	↗
Raw materials and minerals	→
Fertilizers	→
Grain and feed	↘
Project cargoes	
Wind power	↗
Port logistics	→
Other heavy construction	→

Baltic Dry index[2]

Source: 1) Inderes' estimate, 2) Bloomberg

Marine Logistics (4/5)

Maritime transport to be covered by emissions trading from 2024

Shipping was included in the EU's emissions trading scheme from 2024, although the regulation will be implemented gradually. In 2024, only 20% of emissions from larger cargo and passenger ships (over 5,000 GT) will initially be covered by emissions trading, but this will increase to 100% by 2027. The inclusion of smaller vessels (400-5,000 GT), including the Meriaura fleet in the emissions trading scheme will be assessed later.

The inclusion of maritime transport in ETS will increase the price of freight and increase the operational costs and investment needs of maritime transporters. At a price of around EUR 85 per ton, emissions trading would increase intra-European freight prices in the long term by what we estimate to be around 40% relative to the cost of fuel for freight[1]. Thus, emissions trading could mathematically raise the price of maritime freight by about 15%, assuming that fuel costs account for about 35% of the total freight price. An increase in the price of emission allowances would amplify the effect. In practice, however, freight operators are taking measures to reduce CO2 emissions, which should partly limit the increase in freight rates. Reducing CO2 emissions will therefore become an important competitive factor in the industry. New environmentally friendly technologies will be introduced and old, uneconomical ships will be phased out.

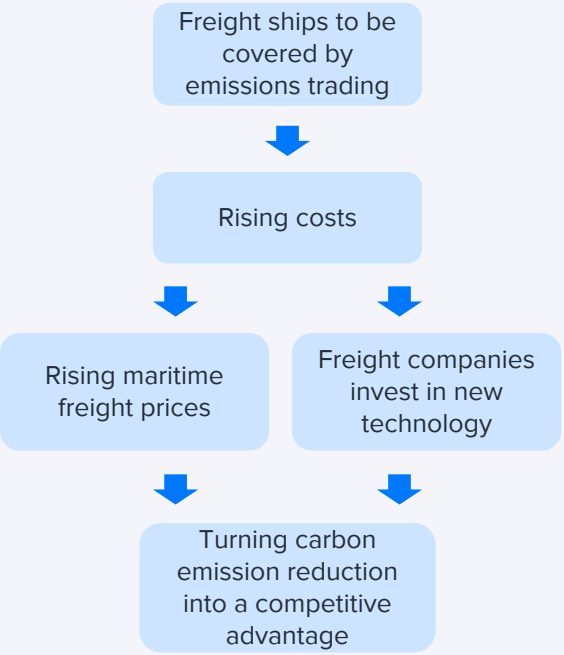
Reduction of emissions is one of Meriaura's focus areas

Environmental sustainability and CO2 reduction are a key part of the strategy of the Marine Logistics business unit. The aim is to reduce emissions by using renewable fuels, optimizing journeys, loads and speeds (a dedicated FleetRange application supports efficient operations). Meriaura aims to reduce emissions by 4%/volume/sea mile per year. Proactive emissions reduction may prove to be a significant competitive advantage with the start of emissions trading in maritime transport and thus support the company's profitability in the medium or long term. Emissions reduction is also partly dependent on the loading rates of ships, due to which the 2023 emission intensity grew to 16.8 g/ton km (2022: 16.5g, 2021: 18.0g).

Own biofuel supply and production unit

Meriaura is marketing the EcoVoy™ concept that utilizes self-made biofuel to its customers. It significantly reduces carbon dioxide emissions from cargo compared to fossil fuels. The certification of the concept under the ISAE3000 standard was completed by KPM during 2023, which has strengthened the prerequisites for scaling operations. VG-EcoFuel, a subsidiary of Marine Logistics, produces VG Marine EcoFuel™ biofuel. Biofuel is typically used mixed with fossil fuels for availability reasons. EcoFuel produces fuel mainly for the business unit's own use, but it can also be sold to external operators. The biofuel is made from plant-based fats collected from Finnish restaurants that are classified as waste, which the company purifies at its production plant in Uusikaupunki. We believe the limited availability of raw materials can slow down business growth and increase costs, but the company is also exploring the use of alternative raw materials.

Impact of emissions trading on the freight market



Meriaura's means to reduce carbon emissions

- Own biofuel production
- Own ships specially developed to use biofuels
- Purchase of new environmentally friendly ships
- Efficient operation of ships and optimization of cargo flows

1) Calculations on the effects of emissions trading: Prepare for higher shipping costs but the EU's ETS should be a manageable change, Will Fray, September 27, 2022

Marine Logistics (5/5)

There is strong global demand for fuels made from waste and renewable materials because a wide range of industries are seeking to reduce CO2 emissions. Passing on the higher price of fuel to customers' freight prices should become easier in the future due to customer needs and regulatory changes.

Meriaura reported that it increased the biofuel use of an individual vessel, VG Eeva to 28% in 2023 (2017-19: 15%) and is aiming for a further increase to 50% during 2024. At company level, the share of biofuel use is still low.

Market demand and available capacity are the main revenue drivers

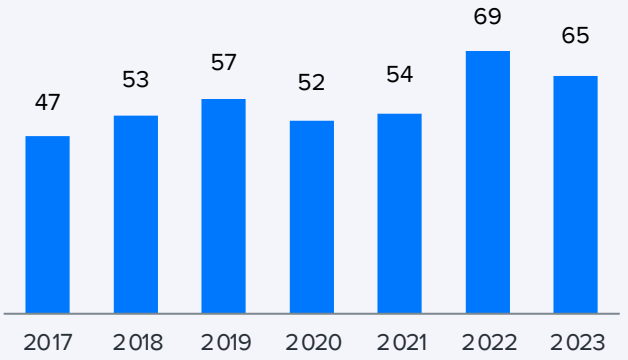
The revenue of the Marine Logistics business area was fairly stable in 2017-2021, until the year 2022 brought significant growth to the company. Historically, the moderate variation in revenue has been influenced by, e.g., the development of market prices for maritime freight, the development of fuel prices, the tonnage available, and maintenance of self-owned vessels. Demand for maritime freight fell significantly in the early stages of the COVID pandemic, and Meriaura brought its ships to the shipyard for maintenance ahead of schedule. Demand recovered in late 2020 and freight rates rose significantly in 2021. Globally high demand for maritime freight in 2021-2022 has reduced competition in the Baltic Sea and supported freight rates, which has been visible in the short term especially in spot rates, but is also reflected in longer contracts. During 2022, Marine Logistics' revenue increased by around 30% compared to the comparison period, driven in particular by strong demand in the bulk segment, high fuel prices and a well-built customer portfolio. Revenue decreased by 9% during 2023, especially due to the drop in freight spot prices and fuel prices.

Performance has improved in recent years

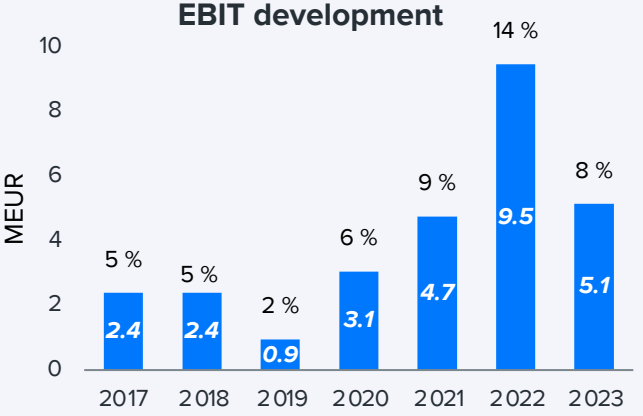
The Marine Logistics unit's profitability has improved significantly in 2021-22, although the company has come down from the peak levels of 2022 in 2023. In 2018-2020, the profitability level varied between 2% and 6% as a percentage of revenue. In 2022, the EBIT margin reached almost 14%, but stabilized to 8% in 2023 in a slightly weaker demand environment. In addition to the strong demand in 2022, the increased profitability is driven by internal efficiency measures. Meriaura has also worked to improve the utilization rates and logistics of its fleet, which has helped improve operational efficiency. Among other things, the company abandoned the planned larger time-chartered vessels (6,000-8,000 DWT) and decided to focus on the smaller vessel size, as the utilization rates and other efficiencies of the larger vessels weren't reaching the desired levels. We estimate that the company has been able to raise its earning level sustainably and that the 2023 EBIT margin is roughly in line with the sustainable long-term level.

Taxes paid by Marine Logistics are very low, but financing costs are an essential expense item. Tonnage tax is applied to the maritime freight business, which means that the amount of taxes paid by Meriaura is around tens of thousands of euros per year and does not depend much on the actual result. The annual cost of capital has historically been around 5%, which corresponds to an annual financing cost of around 1 MEUR with the current balance sheet. Investments in two new vessels in 2024-26 will probably increase financing costs (34 MEUR investment, 80% of which will be debt financed).

Revenue development[1,2]



EBIT development



1) Reflects the revenue of the unit mainly before the merger with Savosolar, which took place on November, 30 2022. The figures for 2022 aren't fully comparable with previous years due to an acquisition at the turn of 2021-2022.
2) The 2017-2021 figures represent the EBIT from the consolidated financial statements of Meriaura's former parent company Meriaura Invest (formerly VG-Shipping Oy). In addition to Meriaura Invest, Meriaura also had another subsidiary of lesser importance, so the figures are indicative.

Source: Financial statements and Inderes estimate

Renewable Energy: Solar thermal (1/7)

Meriaura Energy offers carbon-free heating solutions for large customers

Meriaura Energy's business includes the supply of solar thermal collectors and systems to industrial customers and district heating producers who are looking to save on their heating costs and reduce the carbon footprint of their operations. The company focuses mainly on large-scale installations of over 1,000 m2 and more than 700 kW, where the efficiency features of the company's technology are better demonstrated. The business is project-based, so especially at the current stage of development, individual project deliveries often have a large impact on the full-year revenue. Solutions have already been delivered to 17 countries, of which France, Germany and, in previous years, also Denmark have been the most important markets.

Collector technology developed since 2010

The company has developed solar collector technology since 2010. Its flat plate collectors combine the highest possible utilization of the surface area that receives the sun's rays with the suitability for cool conditions and sub-optimal weather through strong insulation. The design of the absorber profiles used in the company's solar collectors allows heat to dissipate quickly into the heat transfer fluid, reducing heat losses. The absorbers are coated using a patented process in which three ceramic nanolayers are created on the surface of the absorber in a vacuum chamber. The technology can also be used in solar cooling systems.

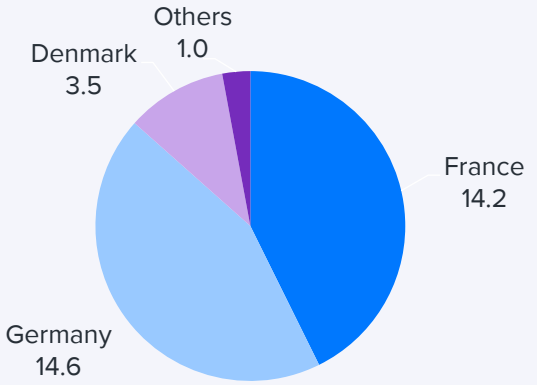
The collectors are manufactured at the company's factory in Mikkeli, Finland. The equipment used to coat the absorbers is the single most expensive part of the plant, and its capacity partly determines the production limits. The equipment comes from Savcor, which used it to coat cellphone shells in the early 2000s. Production can be increased up to a certain point mainly by increasing the number of shifts. According to the company, its production capacity would allow it to increase its revenue to 25-30 MEUR with the current business model.

Offering includes collectors and complete systems

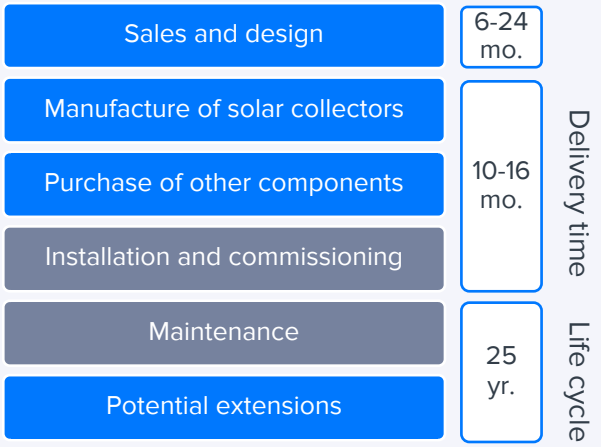
Meriaura Energy's delivery packages can include either solar collectors alone or a complete system. In addition to the actual collectors, a typical system supply includes design, ground works, installation and other equipment such as pumping station, thermal storage, piping and electricity. In system deliveries, solar collectors typically account for around 40% of the total value. The company has extensive experience in designing solar thermal systems. The installation work is carried out by local subcontractors, but Meriaura Energy's own staff manages and supervises the installation phase.

The company has made a conscious effort to improve its ability to deliver complete systems. Developing systems expertise will give the company better control over the entire supply chain and support the company's long-term growth ambitions. From a risk management perspective, it often makes more sense for customers to order a system from a single entity with overall responsibility than from multiple suppliers.

Deliveries by country 2018- (MEUR)



Business process



Source: Meriaura Group and Inderes' estimate

Renewable Energy: Solar thermal (2/7)

However, taking on greater overall responsibility can also increase the cost risks associated with projects from the company's perspective. Meriaura Energy has also sought to develop its ability to integrate solar thermal alongside other forms of heat generation and to offer its customers more comprehensive design services.

Dedicated sales function in core markets

Meriaura Energy's sales organization focuses on the most important markets for the company in Europe, in addition to which the company has distribution partners in other markets of interest. The company has its own sales representation in France and in German-speaking Europe. In addition, the company has sales agents in, e.g., Latin America. Solutions are supplied both directly to end-customers and to intermediaries like integrators or investment companies investing in energy systems.

Sales pipelines have historically been long and negotiations can take several years before a binding order is signed. The optimal project size for the company would be from 2-4 MEUR upwards, as smaller deliveries result in high relative sales and engineering costs. During 2018-22, the average size of the company's deliveries was 1.3 MEUR, meaning that the size of the majority of historical projects has not been optimal. Smaller customer deliveries have been made to develop the business and support growth. The company has successfully gained projects of more optimal size in 2023-24 thanks to stronger financial resources.

Installing solar heating alongside conventional heating systems

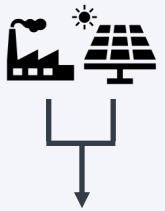
Solar thermal is almost never the only source of heat, as its efficiency varies significantly with the seasons and the weather. Therefore, other more traditional forms of production are used alongside it. Primary heat production is traditionally fueled by fossil fuels such as coal and gas (e.g. Central Europe) and biomass (e.g. Nordic countries). Solar thermal energy can typically provide around 20-28% of total heat demand without the need for large and expensive underground heat storage. In practice, heat stores are usually insulated water tanks. Small above-ground thermal storage facilities can store heat produced by solar collectors for about 2-3 days in winter and about 10 days in summer. With larger underground storage facilities, heat can be stored for several months.

Customers are interested in installing solar heating because it can reduce the costs and carbon emissions of traditional forms of heat generation. We estimate payback periods for solar thermal systems to be around 10 years on average for the industry. Customers' ability to finance such long-term investments is limited, which partly constrains demand. Another major challenge for solar thermal energy is the surface area required for collectors. Space is often in short supply, especially in densely populated areas where heat demand would be greatest. On the other hand, the surface area required for solar heating is much smaller than for photovoltaic heating or biopower, if the surface area required to grow biomass is taken into account.

Solar thermal as part of heat production

Primary production

- For example, bio-, coal-, gas- or electric heating
- Produces most of the heat, concentrated in the winter months

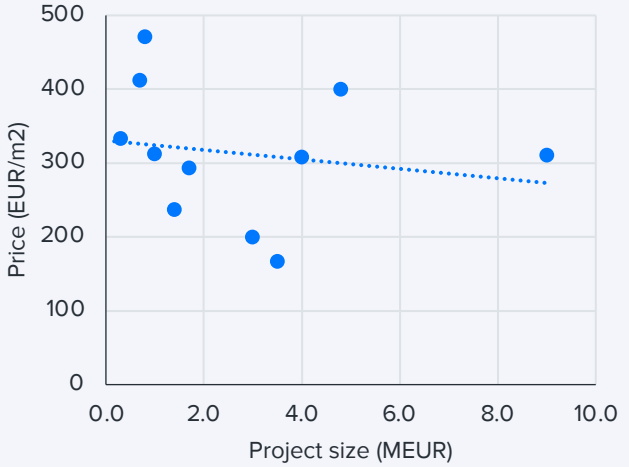


Solar heat

- Emission-free, low-cost heat in favorable weather conditions
- Covers < 28% of annual heat demand without heat storage

- **Industrial processes**
- **District heating**
- **Real estate**
- **Greenhouses**

Project orders 2018-24



Source: Meriaura and Inderes

Renewable Energy: Solar thermal (3/7)

End-market found, but growth continuity has been weak

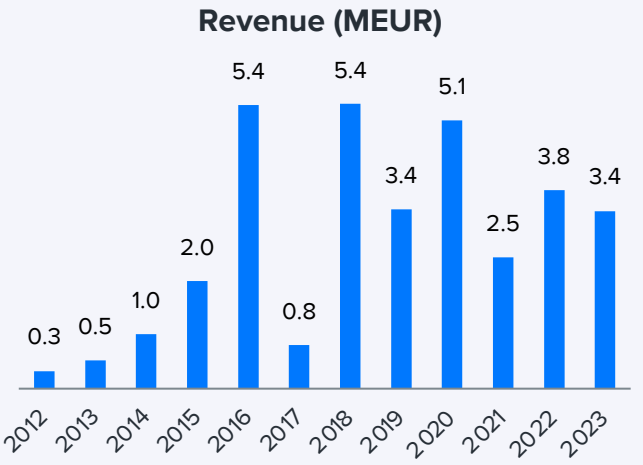
In its early days in the early 2010s, Meriaura Energy (then called Savosolar) focused on developing solar thermal collectors for the consumer segment and smaller systems. However, the company soon found that the efficiency features of the technology were more useful in larger systems. Deliveries to the first district heating site were made in 2013, after which district heating has become the most important destination for the collectors produced by the company. Revenue has been up from time to time, but the growth trend has not been positive and fluctuated with customer projects. In 2021-22, revenue decreased to 2.5-3.8 MEUR as, e.g., COVID, the geopolitical situation and rising interest rates slowed down customers' decision-making. A large order of some 9 MEUR from Germany strengthened the revenue outlook at the end of 2023 and two big projects with a total value of almost 7 MEUR have also been won during 2024. The company has reported that the total value of bids for solar thermal solutions has increased significantly and the willingness of customers to invest has improved. The strengthening of the company's financial credibility also supports sales growth.

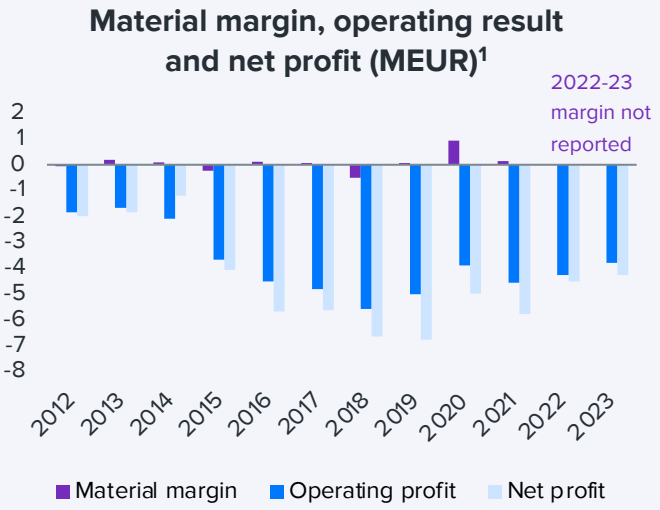
Denmark has long been a European pioneer in the deployment of large-scale solar thermal systems and was therefore the company's main market in 2015-2018. However, Danish demand has slowed since 2018 due to changes in subsidy policy. Since then, France has become the most active solar thermal market in Europe and the most important target country for Meriaura Energy. In addition to subsidy policies, France has commercial project developers, who are often more agile and efficient than municipal heat producers. Project developers invest in solar heat production and sell the heat to be used in, e.g., industrial processes. Demand for solar power systems has also increased significantly in Germany in recent years, supported by government support policy and higher costs for fossil energy sources.

Small scale and low material margin kept the result negative

The average material margin for the business was 4% of revenue in 2018-21. The material margin developed positively in 2018-2020, but at best in 2020 the material margin was only 18%, which was not enough to turn the operating result into profit (EBIT 2020: -3.9 MEUR, -76% of revenue). In 2021, the material margin fell to 5%, due to rapidly rising material prices and inventory write-downs, among other factors. Cost inflation prolonged the recovery of the margin level during 2022.

Due to the low level of revenue and low material margin, the operating result has historically been negative, averaging -4.3 MEUR/year in 2019-2021. The company has also spent just under 1 MEUR per year on product development in 2020-2021. However, there has been no need to make significant investments in production, as the company estimates that the capacity of its current plant would allow it to increase its revenue to 25-30 MEUR. Operational performance has improved slightly in 2022-23, e.g., supported by fixed cost savings (2023 EBIT: -3.8 MEUR). Financing costs have also decreased significantly, as the merger with Meriaura strengthened the financial position of the business.





1) The material margin of the Renewable Energy unit cannot be calculated for 2022-23, as the Group has not reported the material margin by segment since the merger. For previous years, the material margin has been calculated on the basis of the income statement by deducting the cost of materials and services from revenue.

Renewable Energy: Solar thermal (4/7)

Projects since 2016 (revenue MEUR)

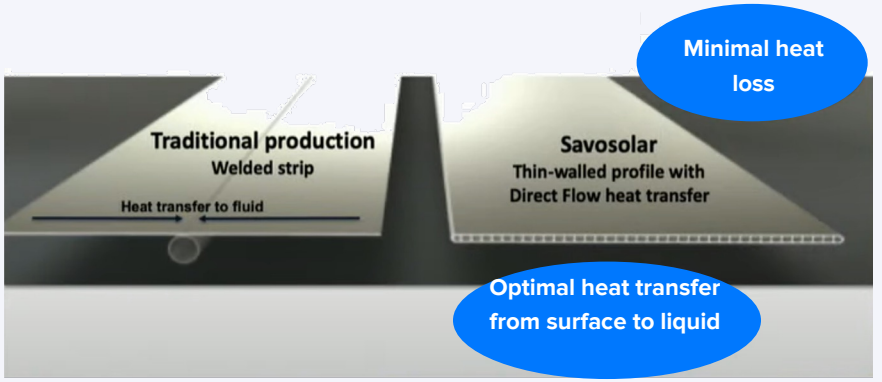
Target	Country	Delivered	Year	Revenue (estimate)
Lubeck	Ger-many	District heating	2025	4.8
Palau-del-Vidre	France	Industrial process heat	2025	1.7
Bad Rappenau	Ger-many	District heating	2024	9.0
Verdun	France	Industrial process heat	2022	3.0
Guangzhou	China	Solar heating and cooling	2022	0.5
Cadaujac	France	District heating	2021	0.3
Issoudun	France	Industrial process heat	2021	4.0
Narbonne	France	District heating	2021	1.0
Pons	France	District heating	2021	0.7
Creutzwald	France	District heating	2020	1.4
Fernwärme Ettenheim	Ger-many	District heating	2020	0.8
Suur-Savon Sähkö	Finland	District heating	2019	0.2
Grenaa Varmeværk	Denmark	District heating	2018-2019	3.5
Condat-sur-Vezère	France	Industrial process heat	2018	2.0
Etelä-Savon Energia	Finland	District heating	2018	0.2
Oulun Seudun Sähkö	Finland	District heating	2018	0.1
Voreppe	France	District heating	2018	0.1
Consti Talotekniikka	Finland	Domestic water and space heating	2017	0.1
Voutilakeskus	Finland	Domestic water and space heating	2017	0.1
Ystad Energi AB	Sweden	District heating	2017	0.3
FORS A/S	Denmark	District heating	2016	1.5
Jelling Varmeværk	Denmark	District heating	2016	2.0
Kherson	The Ukraine	Solar cooling	2016	
Kyyhkylä	Finland	Domestic water and space heating	2016	
Lolland Forsyning	Denmark	District heating	2016	
Berry farm in Valkeala	Finland	Domestic water and space heating	2016	
Løgumkloster Fjernvarme	Denmark	District heating	2015-2016	

Source: Meriaura Group and Inderes' estimate

Customer reference: Issoudun, France (2021)

- Industrial process heat for a malting plant

The absorber profile differs from traditional technology



Renewable Energy: Solar thermal (5/7)

The market consists of different segments

The market for solar thermal collectors and systems is divided into several segments, including:

- District heating and heating of commercial buildings
- Production of industrial process heat
- Heating of detached houses

The first two segments are key for Meriaura Energy. We estimate the annual global revenue of the company's key market segments was 83 MEUR in 2022 (for collectors alone). Of this, approximately 27 MEUR was delivered to Meriaura Energy's key market in Europe. The estimate is based on the installed collector area and an assumed revenue per collector area (EUR 280/m2), which roughly corresponds to Meriaura Energy's average realization in 2020-22.

District heating and heating of commercial buildings

District heat producers can use solar heat as part of their heat production. During 2022, 41 new large-scale solar district heating systems (total capacity 178 MW) were built worldwide, including 25 in China. By the end of 2022, there were 325 solar district heating systems over 500m2 in operation worldwide, with a total installed capacity of 1,795 MWth. The market for large solar thermal systems has traditionally been concentrated in Europe, but China has become the largest market during the 2010s.

Production of industrial process heat

Heat is needed in many industries such as food processing, primary production, mining, and process industries. The systems tested so far have mostly been quite small. In 2022, 114 new industrial solar thermal plants were documented, most of which were, however, systems of above 100 degrees, which are sub-optimal for Meriaura Energy. By the end of 2022, there will be 1,089 industrial solar thermal systems worldwide, but the installed capacity will be less than half of the combined capacity and area of district heating plants.

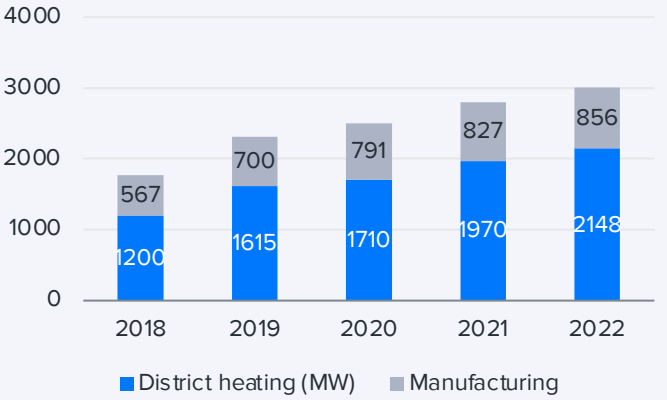
Heating of detached houses

Domestic space heating is a major sub-segment of the solar thermal market, which measured in numbers accounts for the vast majority of all installations globally. Solar heat is used for heating domestic hot water and indoor air in houses, but also for heating swimming pools. However, according to the IEA report, solar power and heat pump solutions have increasingly started to compete with small-scale solar thermal solutions in recent years, putting pressure on the demand for small thermal solutions.

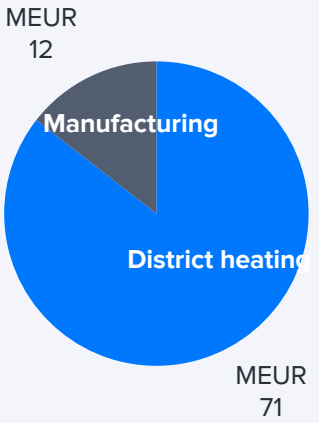
Drivers for market growth

Global installed solar thermal capacity has quadrupled in 15 years, although market growth has developed in varying degrees. The market for large-scale systems, which is critical for Meriaura Energy, has developed more favorably than the mass market and the installed base of solar thermal systems has grown rapidly, especially for industrial applications. The main drivers for market growth are targets to reduce CO2 emissions, savings on fuel costs of conventional forms of heat production, and securing heat supply for critical sectors of society.

Cumulative solar thermal capacity in key segments (globally, MW)



Estimated global targetmarket size 2022 (MEUR)



Source: IEA Solar Heat Worldwide 2020-23 and Inderes' estimate

Renewable Energy: Solar thermal (6/7)

The EU aims to more than double the share of renewable heat production between 2021-2030. Building heating is to be included in the EU emission trading from 2027, probably gradually. We estimate that this will improve the price competitiveness of solar thermal and support demand.

Regional differences in the operating environment

Local conditions such as established technology, legislation and support policies influence the competitiveness of solar thermal in different regions. We estimate that the vast majority of solar thermal systems built in Europe involve government support in the form of, e.g., direct investment subsidies or tax benefits. In addition to solar heat, other forms of heat production are also subsidized by tax money. In the Nordic countries, for example, the construction of biopower is subsidized, and in Germany, for example, even natural gas-fired generation has been supported in recent years. As a relatively little known form of energy production, solar thermal energy can sometimes be overlooked in green transition support programs envisaged by politicians.

Available technologies

The most widely used technologies in the global solar thermal market are vacuum tube collectors (59% of new installations in 2021) and flat plate collectors (34%) manufactured by Meriaura Energy. While vacuum tube collectors are particularly popular in China, the opposite is true in Europe, where flat plate collectors accounted for up to 72% of new installations in 2021. On a global scale, the share of flat plate collectors has also been on the rise in the 2010s. The advantages of flat plate collectors are typically around 20-40% lower cost compared to vacuum tubes and a larger net heat collecting surface area. The advantage of vacuum tube collector technology is that it can heat water to over 100°C (212°F). In addition, vacuum tube collectors are able to produce more heat in cold and cloudy conditions due to their stronger insulation, although their inherent ability to melt snow falling on the collector may be weaker. The fact that Meriaura Energy's flat plate technology is primarily suited for heat systems of under 100 degrees Celsius somewhat limits the applications for which it can be used. High-temperature district heating systems are particularly popular in German-speaking Europe. However, the shift in energy production from centralized fossil plants towards more decentralized, near-end-user heat production may over time lead to the use of lower temperatures in district heating systems, which would favor Meriaura's flat plate technology.

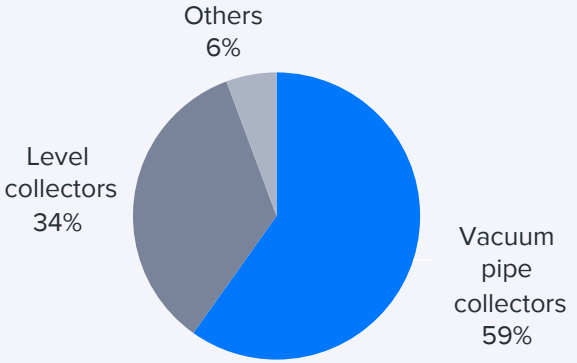
Competitive landscape

Meriaura Energy's field of competitors includes integrators, collector manufacturers and combinations of the two. The competitive field of the large-scale systems market is limited due to the low profitability of the industry. European manufacturers of collectors include GreenOneTec, Solarus, Consolar, Ritter Solar, Viessman and TVP Solar. One of the major players in Europe, Danish Arcon-Sunmark ceased operations in April 2020, as a result of which the company's production equipment and IPR rights were sold to Austrian GreenOneTec (G1T). G1T focuses mainly on small collectors and had an annual production volume of 451,000 m2 in 2021, almost twenty times that of Meriaura Energy. Chinese operators have not been major players in Europe, at least so far, but have concentrated on serving their domestic markets.

Drivers and barriers to market growth

+ The need to reduce carbon dioxide and other emissions is also stimulated by regulation.
+ Savings on heating costs, highlighted by rising energy prices
+ Governments provide support for building renewable energy
+ Solar heat requires less surface area than heat generated with solar power
– Not suitable as the only form of heat generation
– Finding funding for solar thermal projects can prove a challenge
– Solar heat requires more building land compared to fossil or bio-based heat generation

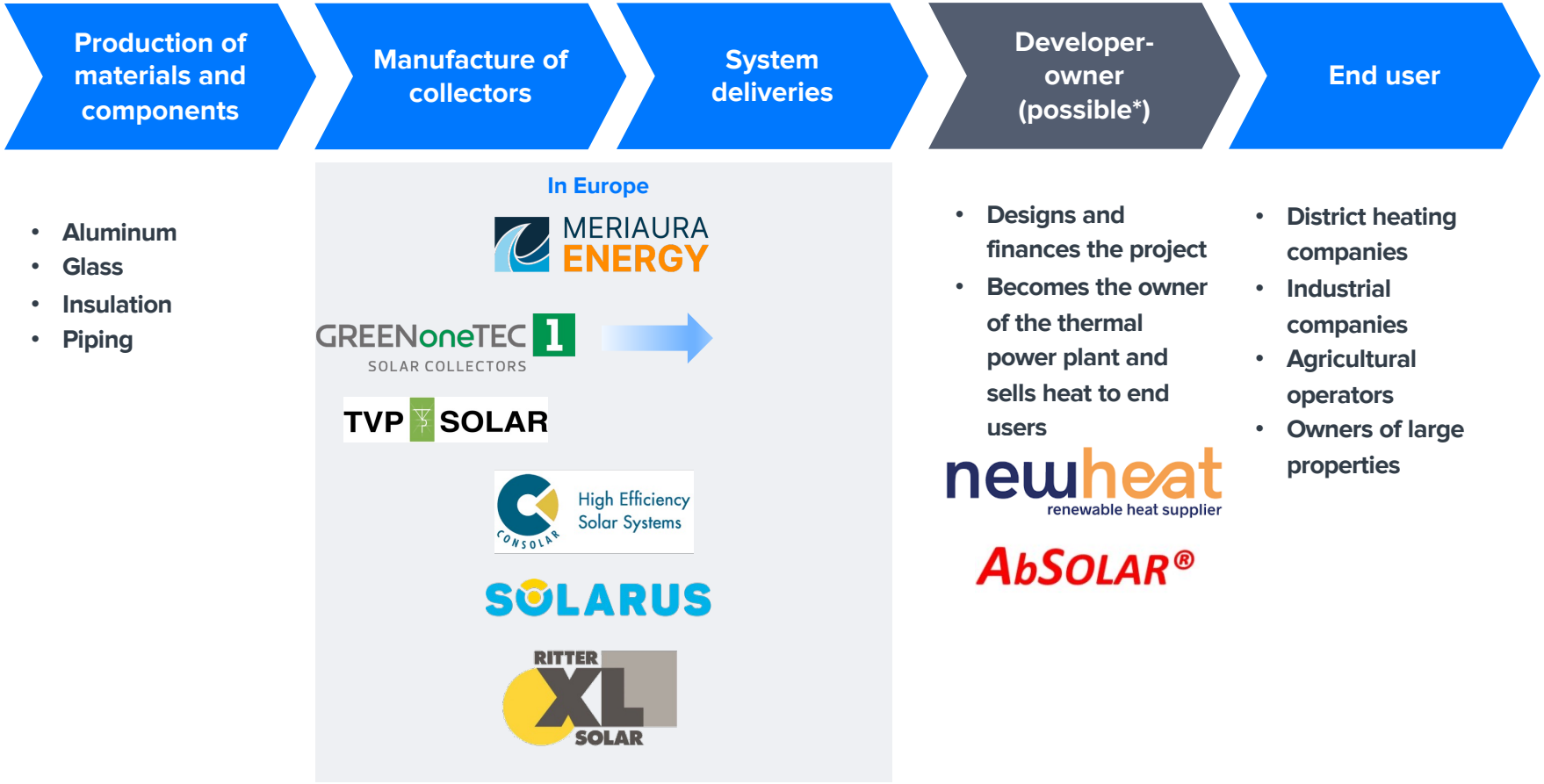
Solar collectors by technology (2021 new installations)[1]



1) IEA Solar Heat Worldwide 2023

Renewable Energy: Solar thermal (7/7)

Industry value chain in Europe



*The developer-owner is a possible intermediary, but solutions are also sold directly to end-customers such as district heating companies or industrial operators.

Renewable Energy: Solar power (1/2)

The solar power business became part of Renewable Energy with the 2023 acquisition

Rasol, which supplies and installs solar power solutions, became part of Meriaura Group's Renewable Energy unit at the end of November 2023 following the acquisition. Rasol was founded in 2019 and its revenue was 5.0 MEUR in 2022. At the end of 2022, Rasol employed 15 people. The EBIT margin has also developed positively along with the growth. In 2022, EBIT was 0.7 MEUR or 13% of revenue.

The acquisition was made with favorable valuation multiples relative to 2022 figures

The unencumbered purchase price of the acquisition was 3.2 MEUR and the total purchase price was 3.9 MEUR, which was paid in Meriaura Group's own shares. The sellers were two of Rasol's entrepreneurs who have continued working in the company after the acquisition. We feel the actual purchase price could be considered advantageous based on the valuation multiples for 2022 (purchase price EV/EBIT 4,8x). However, the figures for 2023 have not yet been published and the decline in the small customer market may be negatively reflected in Rasol's business.

In the early years, the business focused on small customers

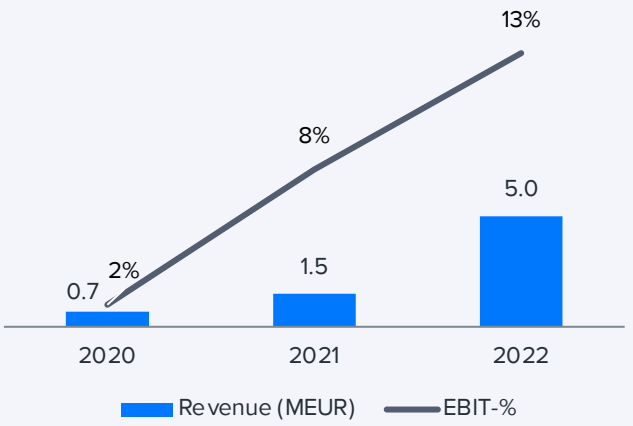
During the company's short history, Rasol's business has focused mainly on delivering solar power solutions in the small customer segment, including housing companies and detached houses. The company has its own sales team in the small customer segment, in addition to which orders can also be received through a partnership network consisting of companies in the sector. In its business, Rasol emphasizes the high quality of installations and strict compliance with authority regulations and recommendations. Global solar panel production is concentrated in Asia, where the components of Rasol's solutions are mainly sourced through importers. In addition to solar panels, the company's offering also includes, e.g., installations of batteries and electric vehicle charging solutions.

Revenue grew rapidly in 2020-22, which was partly due to the high demand growth for solar power solutions in the small customer field. Especially in 2022, demand among small customers grew exceptionally high due to the war in Ukraine and the rise in electricity prices. The figures for 2023 have not yet been published. Rasol has sought to compensate for the slowdown in the small customer segment by switching to larger-scale project deliveries, e.g., to office building roofs and other corporate customers.

The merger enables seeking larger deliveries

The growth of the solar power market is strongly concentrated on larger-class (>1 MW) power plants, so this segment is also at the heart of Rasol's growth plans. Prior to the acquisition, Rasol's largest single delivery was in the range of 300 kW (0.3 MW). The merger with Meriaura Group strengthens Rasol's capabilities in the design and technical implementation of megawatt-class solar power projects. Meriaura Energy (former Savosolar) has considerable experience in designing, selling and implementing solar thermal parks worth several million euros with a capacity of tens of megawatts. The companies now operate as one team in the sales and development of projects. The merger also brings more credibility to the operations through Meriaura Group being a listed company with financial resources. Solar power and solar heat can possibly also be utilized in joint projects.

Rasol Oy: Revenue and EBIT-%



Key elements of Rasol's strategy

- The aim is to expand to larger-scale projects with steep market growth
- Operationally connected with Meriaura Energy
- Meriaura Energy's long experience in utility-sized class projects supports expansion into large projects
- Aiming for high technical expertise, quality and compliance with standards

Source: Savosolar and Inderes' estimate

Renewable Energy: Solar power (2/2)

Strong growth expected for solar power

At the end of 2023, approximately 1,000 megawatts of solar power production capacity had been installed in Finland. In 2019-21, the capacity grew by about 100 MW per year, but growth accelerated sharply in 2022-23. In 2022, about 250 MW of new capacity was installed and in 2023 already about 400 MW. Fingrid expects Finland's solar power capacity to grow to some 7,000 megawatts by the end of 2029. This would correspond to an average annual net increase of approximately 900 MW of solar power capacity and thus a significant increase in installation activity.

The market is moving toward larger units

The capacity installed on the roofs of detached houses and housing companies has long constituted a majority of all capacity. However, during 2022-23 investors' interest in large-scale solar power plants increased significantly. So far, there are 16 megawatt-class solar parks operating in Finland, with a combined capacity of 50 MW. In contrast, there are 345 MW of new projects in the construction phase (8 units), the largest of which is a solar park of 206 MW built by Helen in Uusikaupunki. There are a total of 117 projects in the licensing and preliminary assessment phase, the largest of which are 500-600 MW (the total capacity of the projects is 11,000 MW). However, implementation of the projects in the licensing and preliminary assessment phase is uncertain and some of the projects will probably not be implemented.

The competitive environment is changing

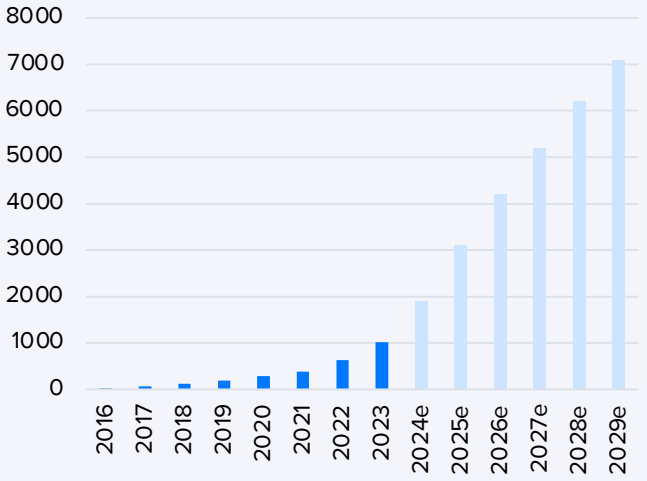
Especially during the boom in the consumer segment in 2022, the number of suppliers of smaller solar power solutions grew to a high level. However, many small players have been forced to close their business in 2023-24 due to the decline in the small customer segment. Survival of the fittest has required, e.g., the ability to move to serve larger customers, which is influenced by the quality of deliveries, technical capabilities and the credibility of operations among other things. We estimate that the merger with Meriaura Group will support Rasol's competitiveness in the market, but more proof is needed on delivery of larger solar projects to credibly estimate that the company can grow in line with upward market forecasts.

In the utility-sized class category, the market concentrates on a few players

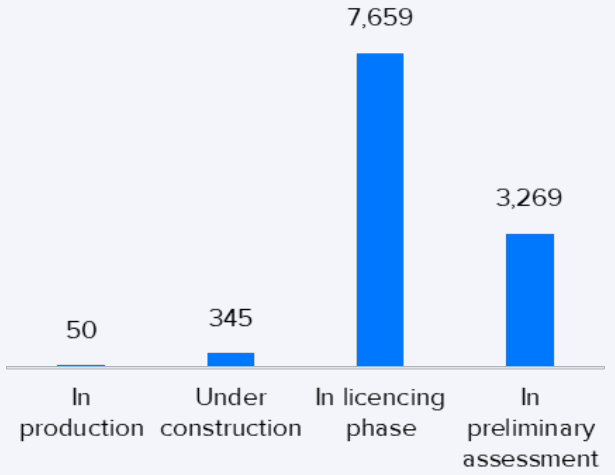
In utility-sized class projects (>1 MW), the market is strongly concentrated on Solarigo Systems, which has developed most of the current 16 solar power plants in production. Other developers of projects that have progressed to the production or construction phase include Oomi, Kiwatti, Skarta Energy, IBV Suomi, Puhuri and CPC Finland. Some project developers, such as Oomi and Solarigo, also develop projects to their own balance sheet.

There are far more companies installing smaller solar power solutions, for example on the roofs of buildings. In addition to Rasol, such players include, e.g., Solnet, Naps Solar, Solarvoima and SAEK.

Solar power capacity in Finland, MW[1]

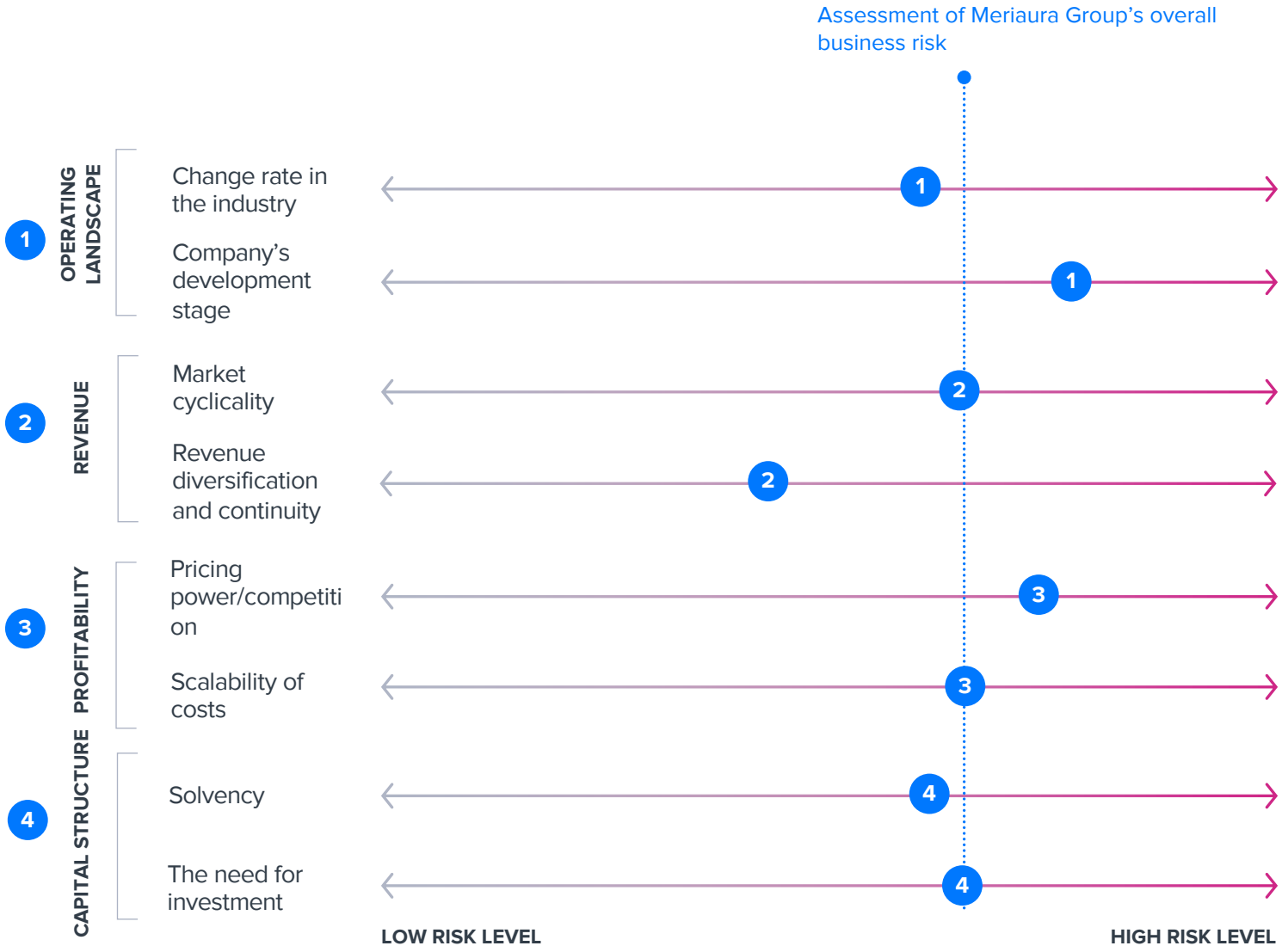


Solar power projects in Finland (over 1 MW)[2]



1) Fingrid's forecast 6/16/2023 2) Aurinkovoimalat.fi service maintained by the Energy Authority and Motiva

Risk profile of the business model



Changes in regulation support strategies based on reducing emissions. The development phase of the solar energy market is still quite early, but growing.

There is uncertainty about the earnings turnaround in the Renewable Energy unit. The development phase of Marine Logistics is stable.

Marine logistics is a cyclical industry. Cyclicality is different in Renewable Energy and it is visible through interest rates and energy prices.

Marine Logistics has a large customer base and mostly long term contracts. Selling solar energy systems is a project-based business.

For Renewable Energy, the pricing power is currently low, but the situation can improve. In Marine Logistics, pricing power depends on cyclicality and the future ability to reduce emissions.

Relatively high fixed costs for Renewable Energy. In Marine Logistics, in the event of a weak market, leased shipping capacity can be reduced.

The result has turned positive with the merger and the balance sheet is in relatively good shape.

In the Renewable Energy segment, growth can be pursued on a relatively capital-light basis. In Marine Logistics, the investment plans are substantial and will lead to an increase in debt in the coming years.

Source: Inderes

Investment profile

1. **Two very different types of business units with different profitability profiles**
2. **Trends and regulation favor low-carbon solutions that are at the heart of the company**
3. **The profitability turnaround of Renewable Energy is uncertain, which may depress cash flows**
4. **In Marine Logistics, profitability has risen to a fairly good level, but the industry is cyclical and capital-intensive**
5. **The balance sheet is still healthy but large investment plans may require a strengthening of the balance sheet**

Potential

- Growing demand for environmentally friendly solutions that reduce greenhouse gas emissions
- Unwinding the overcapacity in the global maritime cargo market
- Regulation, such as emissions trading, will make reducing CO2 emissions a competitive factor in both energy production and maritime freight
- A stronger financial base and credibility support the energy business

Risks

- The profitability turnaround of the Renewable Energy unit is unlikely to materialize in the next few years, which will eat into cash flow
- The market for Marine Logistics is cyclical
- Investment plans may require a strengthening of the balance sheet
- Uncertainty about which technologies will ultimately be most optimal in low-emission maritime freight

Source: Inderes

Strategy (1/2)

Renewable Energy businesses benefit from the Group's strengthened resources

Savosolar merged with Meriaura at the end of November 2022 through a share swap, and the name of the group later changed to Meriaura Group. The strategic reasons for the merger were said to be accelerating businesses supporting the green transition, including growth in large-scale solar thermal, low-carbon marine logistics and other projects. The renewable energy offering was strengthened with the acquisition of Rasol Oy, a company specializing in solar panel installation, in November 2023. We estimate that the merger will particularly benefit the businesses belonging to the Renewable Energy unit that are at the beginning of their development phase and need a strong balance sheet and financial credibility to support their growth. Meriaura Group has not disclosed financial targets since the merger.

The solar thermal business needs more volumes and better margins

The Renewable Energy unit, which has traditionally consisted of supplying solar thermal collectors and systems (Meriaura Energy, former Savosolar), has been clearly loss-making for years. We believe turning the direction of the solar thermal business is one of the most important priorities of the Group's strategy. Megatrends, such as CO2 emission reduction and regulation, support the segment's long-term demand outlook. In our view, turning the solar thermal business' performance will require a wide range of measures, from increasing volumes to improving material margins and possibly also improving efficiency through fixed costs. The revenue growth outlook has improved recently, but there is no long-term track record of a sustainable upward trend. A stronger balance sheet and financial credibility as part of Meriaura Group will support the prerequisites for growth and may enable the sale of larger entities or system development partly in the own balance sheet.

The production location in Mikkeli isn't quite optimal in terms of logistics costs, as the majority of subcontractors and customers are located in Central Europe. If volumes were sustainably raised to several tens of millions of euros measured by revenue, construction of additional capacity closer to the subcontracting chain and the end market could become topical. However, in the current situation, the realization of this scenario can be considered rather remote and uncertain, as it would require revenue to be several times higher and strong visibility to sustainable growth.

In solar power, growth depends on whether the company can tap the power plant market

Expansion into installing solar power systems (Rasol acquisition) offers new growth opportunities for the Renewable Energy business unit. The market outlook for solar power is very favorable, as the installation volumes of new solar panels in Finland are expected to multiply as the power plant market grows. Achieving market growth requires Rasol to strengthen its capabilities in large projects. Joining Meriaura Group and merging operations with Meriaura Energy have strengthened the ability to plan and implement large projects. In addition to project expertise, the merger brings Rasol the status of a listed company and greater financial resources. There is no proof of the new strategy working yet, but at least in theory, we feel Rasol's and Meriaura Energy's cooperation is a growth accelerator.

Meriaura continues to reduce emissions in marine logistics

We believe that the cornerstones of Meriaura's strategy are the reduction of carbon emissions from ocean freight, the long-term development of customer relationships and the continuous improvement of logistical efficiency. The profitability of the company's operations has developed positively in recent years both through a favorable market and sustainable operational improvement.

The measures taken to reduce emissions will allow the company to benefit from tightening regulation and increasing customer-driven emission reduction targets. Maritime freight emissions trading, which will come into force in 2024, doesn't yet apply to Meriaura vessels, but the EU is considering extending emissions trading to smaller vessels by 2026. In addition, we believe that some of the price increases on larger vessels will also be reflected on smaller vessels. We expect the front-loading of carbon emission reduction to be beneficial in the future, when emissions reduction becomes a clear competitive factor in the industry.

Strategy (2/2)

Own biofuel production and VG EcoCoaster and Ecotrader vessels capable of using it can give the company a competitive advantage as customer needs and regulations change. In addition, the toolkit for reducing emissions can be expanded by investing in other low-emission technologies in the future.

In addition to reducing emissions, Meriaura will continue to develop customer relationships and improve logistics. The company aims to improve logistics efficiency by optimizing cargo sizes, routes and speeds, among other things. More efficient logistics also supports the objective of reducing emissions. Investments are also made in capacity to enable growth. Capacity is acquired both to the balance sheet and time-chartering is utilized, which is a capital-light way of doing business. Promoting this strategy requires increasing investments in vessel capacity relative to the low level of recent years.

Acquisitions are still included in the toolbox

The merger brochure of Savosolar and Meriaura mentioned that business can also be increased through acquisitions. Acquisitions could, for example, acquire new vessel capacity or entire business operations to grow Marine Logistics. Maritime freight is rather fragmented. Increased regulation in the market will increase the pressure for market consolidation. Also on the Renewable Energy side, acquisitions can occur to acquire new capabilities or customer references. For example, energy storage solutions could be activities that support the solar energy business.

Inderes' assessment of the Meriaura Group's strategy

Common themes in the strategy

Reducing emissions **Regulation** **Innovations**

Renewable Energy

- Increasing sales of solar energy systems as part of the global shift towards low-emission energy production
- **In the solar power business**, light cost structure and strong visibility of market growth, but own capabilities in large projects (>1 MW) have not yet been proven
- Highish fixed costs **in solar heat**. The earnings turnaround is still far and would require significant growth and improved margin level
- The strengthened balance sheet and financial credibility from the merger will support the prerequisites for growth and enable delivery of larger entities or developing projects partly in the own balance sheet

Marine Logistics

- Reducing emissions supports pricing and improves competitiveness as regulation tightens
- Reducing emissions through, e.g., renewable fuels and logistical efficiency
- Own technical capabilities in biofuels stands out from the competitors
- Special cargo capacity enables growth, e.g., in offshore wind projects in the Baltic Sea and North Sea
- Market consolidation through M&A using own share

Balance sheet and financial position

Most of the assets in the balance sheet consist of vessels

Meriaura Group's balance sheet total at the end of 2023 was 67.8 MEUR. The fixed assets in the balance sheet, 41.8 MEUR, consist mainly of Meriaura's vessels. In Renewable Energy, fixed assets are scarce and capital is mainly committed to working capital like inventories and receivables. Working capital commitment in Renewable Energy is influenced by the volume of project deliveries and the progress phase of the projects. Growth in solar thermal projects has increased the need for working capital financing.

Indebtedness has been moderate so far

The Company's net debt at the end of 2023 was 13.3 MEUR (2022: 16.7 MEUR). Net debt to EBITDA was 2.1x, which we consider reasonable. The equity ratio (59%) can also be considered good. The company's debt servicing capacity is currently good thanks to the profitable and cash-flow-generating business of Marine Logistics. The hedging mechanisms used by the company limit the impact of changes in interest rates on the cost of debt.

Investment needs are likely to increase

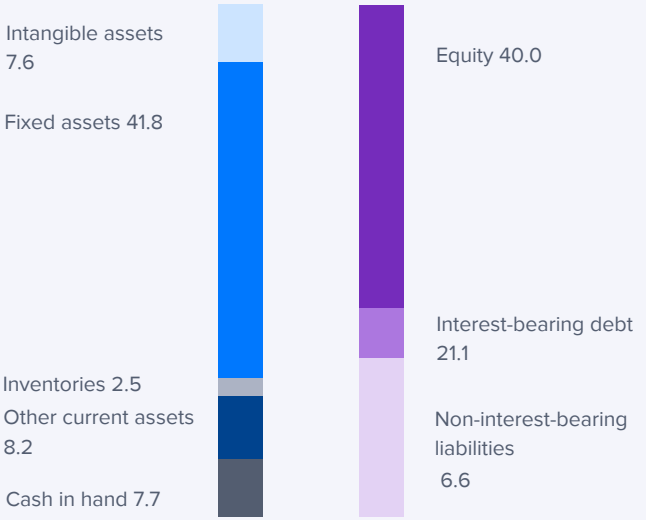
The Group's depreciation level was 5.3 MEUR in 2023, of which 5.0 MEUR was related to Marine Logistics. In Marine Logistics, new vessel investments have not been made in the past few years, but investments have been low at around 1-2 MEUR. Investments will increase, as Meriaura has ordered two new dry cargo carriers for a total price of 34 MEUR. The investment is financed by debt financing and the investment is paid based on the completion rate of the vessels. Typically, up to 80% of new vessel builds can be financed with debt, while for second-hand vessels, the share of debt financing is typically around 50%.

On the Renewable Energy side, annual investments have been historically low, and we do not see a need for significant increases in investments in the next few years. The production facilities of the solar thermal business in Mikkeli are leased and the production equipment does not tie up much capital. The single most important piece of production equipment, the solar collector coating machine, is quite old and therefore has a low book value. Replacing a machine or increasing capacity could require a large investment, but considering this would only become relevant if the growth trend continued as strong for several years.

Balance sheet likely to be strengthened with an inside transaction

Even though the balance sheet is currently in good condition, vessel investments in the next few years put pressure on the balance sheet and Meriaura Group's resources may not be sufficient for both large vessel investments and growth financing of the loss-making energy business. The Group's largest shareholder, Meriaura Invest, has lent money to the Group's subsidiary Meriaura Energy (formerly Savosolar) at an interest rate of 6% in 2023-24, thus enabling growth in solar thermal projects. Meriaura Group plans to offset the claims (4/25/2024: 4.4 MEUR) by selling a minority holding in Meriaura Oy to Meriaura Invest. In this case, the Group would become a better capitalized company, but the ownership of the most profitable business Marine Logistics would decrease. According to the terms of the vessel financing agreements, Meriaura Invest's holding in Meriaura Oy cannot fall below a certain level, which limits strengthening the balance sheet through share issues for now.

Balance sheet at the end of 2023



Balance sheet total 67.8 MEUR

Source: Meriaura Group

Estimates (1/4)

Forecasts for Renewable Energy

In Renewable Energy, we separately model the revenue and earnings of solar thermal (Meriaura Energy Oy, formerly Savosolar) and solar power (Rasol Oy). We estimate the total revenue of the segment to be 12.9-24.0 MEUR in 2024-26 and operating result -2.5 MEUR in 2024e and 0.2 MEUR in 2026e.

In the solar thermal business, our revenue forecast for 2024 is 8.9 MEUR, which we expect will be generated based on the existing order backlog. Additionally, we estimate that the company has an order backlog of some 3 MEUR for 2025. The strong revenue growth we predict for 2025-26 (revenue 13.2-19.6 MEUR) will require winning of new projects. We estimate that the market will gain momentum from emissions reduction regulation and incentives, such as the planned inclusion of building heating in the EU's ETS from 2027. The consolidated balance sheet as a result of the merger will help finance working capital for larger projects and create new types of project financing models. The growth that we project is steep in percentage terms, but individual large projects can have a significant impact on the segment's growth prospects and there is considerable uncertainty in the estimates. The company's current production capacity enables an annual revenue of up to 25-30 MEUR in solar thermal.

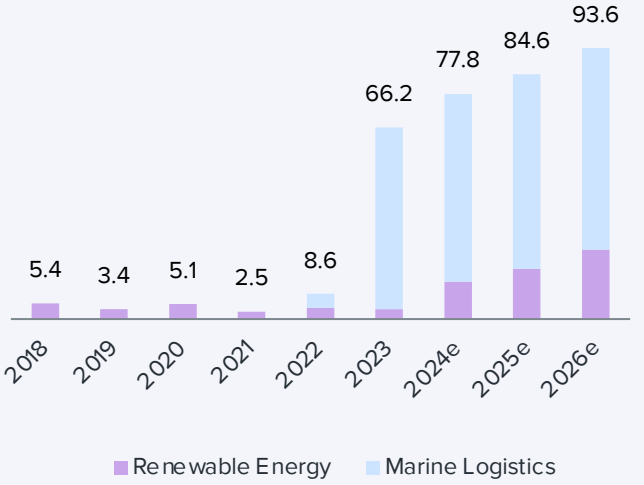
However, it is not easy to turn the solar thermal result positive, and we estimate that even with 2026 revenue requiring significant growth (19.6 MEUR), the operating result would only be around zero. This scenario assumes an improvement in the material margin to 25% and fixed costs of 5.2 MEUR/year. The projected material margin of 25% would be a significant improvement from the fluctuating levels of recent years (material margin 2019-21: 2-18%) and estimated fixed costs are only slightly higher than current levels (estimated 4 MEUR/year).

There is potential for strong growth in **the solar power business**, as the investment outlook for utility-sized class solar power parks in Finland clearly points upward. However, Rasol is a small company and has no track record of building utility-sized class solar parks, so we are still cautious about Rasol's growth forecast for the time being. The figures for 2023 are not yet available, so we do not know whether Rasol's revenue decreased during 2023 with the downward trend of solar installations for small customers. We estimate Rasol's revenue to be 4-4.4 MEUR in 2024-26, assuming that the decline in the small customer segment has reduced the company's revenue. Rasol's business is a capital-light project business and the company has a light cost structure. In our forecasts, we assume that the EBIT margin will be around 10%. In utility-sized class projects, margins may be lower, so reaching the EBIT margin of 2022 (13%) supported by the strong small customer market may be challenging in the long term.

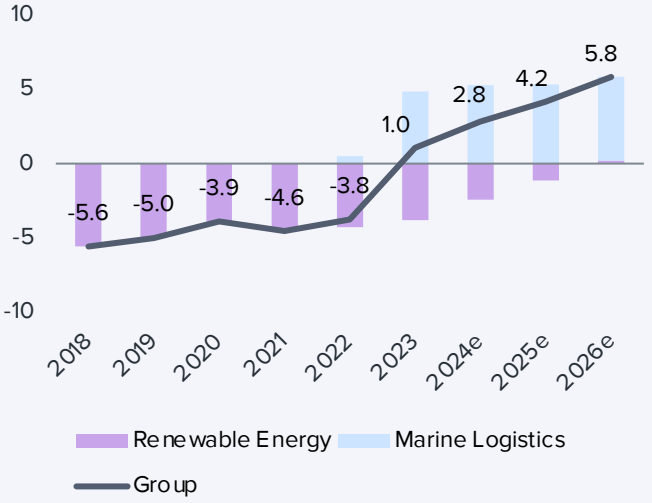
Forecasts for Marine Logistics

In Marine Logistics, we model revenue growth of some 4% for the next few years, which would mean 2024-26 revenue would be 64.9-69.6 MEUR. Revenue development is influenced, e.g., by demand (volume and price), fuel prices and the vessel capacity in use. Approximately 70% of Meriaura's revenue is generated from dry bulk (bulk) with solid demand development and approximately 30% from the special cargo business that relies on project demand.

Revenue development (MEUR)



EBIT development (MEUR)



Source: Inderes' estimate

Estimates (2/4)

We estimate the growth outlook for the special cargo business to be better because large energy and infrastructure projects, such as offshore wind power plants, support the segment's growth outlook. In the dry bulk business, demand decreased in 2023 relative to the exceptionally strong 2022. Visibility to the demand and price levels of dry bulk has stabilized and turned moderately favorable during 2024. The market is cyclical, but so far no significant decline is visible from the current level. We see the two new dry cargo bio-fuel vessels that will be commissioned in 2026 as drivers of growth for the company to some extent. However, estimating the scale of growth is challenging, as it is difficult to say to what extent new vessels will replace the outgoing fleet or time-chartered vessels. According to our estimate, market growth is rather moderate, so our current forecasts assume that investments will be more capacity-substituting than increasing.

The impact of the new cargo fleet on the result is still a bit of a question mark

We predict that Marine Logistics' EBIT will be stable in 2024-25 at a level of 10.6-10.7 MEUR (2023: 10.1 MEUR) and increase to 12.7 MEUR in 2026 due to the growth of the fleet. At the same time, however, the depreciation level will increase in 2026, so EBIT growth will be more moderate (2024-26e: 5.3-5.6 MEUR).

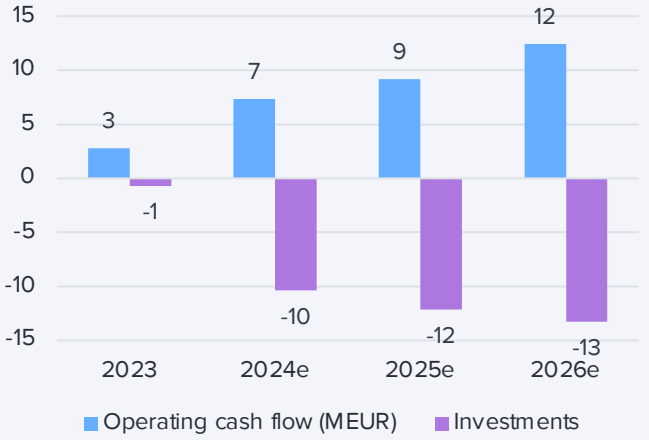
In the big picture, we see that the profitability level of Marine Logistics has strengthened relative to 2017-20, thanks to, e.g., more optimal fleet and operational efficiency. However, the high profitability level in 2022 (EBIT 13.6%) corresponded to the cycle peak and, we believe it remains an exception. Introduction of new vessels may initially lead to efficiency losses in 2026, until the utilization rates of vessels that are of a new size class for Meriaura can be optimized.

Increasing the use of biofuels and reducing emissions can also support the competitiveness of the business as emission restrictions tighten. We believe including maritime freight in the EU's ETS will gradually support freight prices, although at the same time increase investment needs. Although emissions trading will initially not apply to vessels of less than 5,000 gross tonnage (Meriaura's vessels are smaller than this), we believe that the price effect will also be partly reflected in smaller vessels.

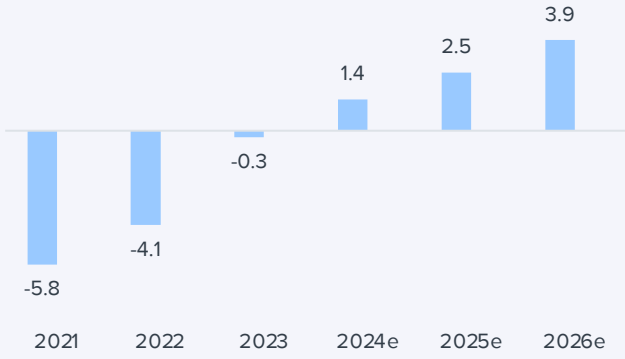
Summary of the Group's growth and operating result estimates

At Group level, we forecast that 2024 revenue is 77.8 MEUR (2023: 66.2 MEUR) and the operating result is 2.8 MEUR (2023: 1.0). Most of the projected growth and result improvement is generated from the Renewable Energy unit in our forecasts, where the Rasol acquisition and good order backlog for solar thermal projects support growth. The result of Renewable Energy will improve but remain negative in 2024, thus putting a strain on the Group's profitability. In Marine Logistics, forecasted growth and profitability development are stabler but still positive. In the big picture, we also expect similar development in the medium term (2025-27). The operating result for Renewable Energy turns positive in 2026 (EBIT: 0.2 MEUR) in our forecasts, which naturally requires strong volume growth in the solar thermal business and improved sales margins. For 2026, we forecast a Group-level EBIT of 93.6 MEUR and EBITDA of 5.8 MEUR.

Cash flow from operating activities and investments



Net profit (MEUR)



Source: Inderes' estimate

Estimates (3/4)

Net profit is turning positive

We forecast that the Group's net financial expenses will rise in the coming years, as the investments in two new vessels during 2024-26 raise the debt level. We forecast net financial expenses of 1.3-1.5 MEUR in 2024-26, which corresponds to approximately 7% of net debt. The forecasts do not consider a possible sale of Meriaura's minority holding to the Group's largest shareholder, Meriaura Invest, which, if realized, would reduce the debt level and financing costs but would also reduce the profit attributable to the group's shareholders from Meriaura.

We expect the taxes paid by the Group to be minimal in the future, as Marine Logistics has a very low tonnage tax and the Renewable Energy unit is expected to remain negative in the coming years. After financial costs and taxes, the company's net profit would be 2.0 MEUR in 2024e and 2.5-3.9 MEUR in 2025-26e.

Investments grow significantly

The low investment levels of recent years will change as Meriaura ordered two 6,750-ton dry bulk carriers for a total value of 34 MEUR. We forecast investments in 2024-26 to total 36 MEUR, and the need for investments may increase, e.g., through vessel improvement investments or potentially even new vessel orders. However, if more new vessels were to be bought, we suspect it would require a strengthening of the balance sheet. In our forecasts, net debt increases to 17.5-24,2 MEUR in 2024-26. Considering investments the net debt/EBITDA ratio remains around 2.1-2.2x, which could be considered a sufficiently stable level. However, our EBITDA forecasts are dependent on the earnings in the Renewable Energy business improving so a need to strengthen the balance sheet may arise. This is illustrated by Meriaura Group's plan to sell a minority stake in Meriaura Oy to the company's largest shareholder, Meriaura Invest, which would offset an insider loan of 4.4 MEUR used to finance Meriaura Energy's business growth. Later, share issues could also be used in structural arrangements if Meriaura Invest's sufficient holding in Meriaura Oy can be secured to meet the terms of the vessel financing agreements.

We expect investments in Renewable Energy to be low, as the current capacity of the Mikkeli plant allows for significant volume growth without major investments. However, the growth of the Renewable Energy business and new larger projects would tie up working capital, which would increase the Group's financing needs. Meriaura Group's current financial resources may prove insufficient to finance both vessel investments and energy business growth simultaneously.

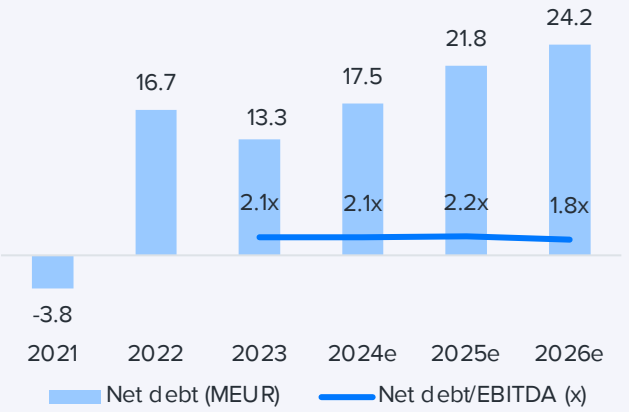
We do not expect dividends

The company hasn't adopted a dividend policy or decision to pay a dividend in the near future. In principle, we expect the company to focus on financing the growth and development of the Group's business in the coming years. We forecast that no dividends will be paid, at least in the medium term.

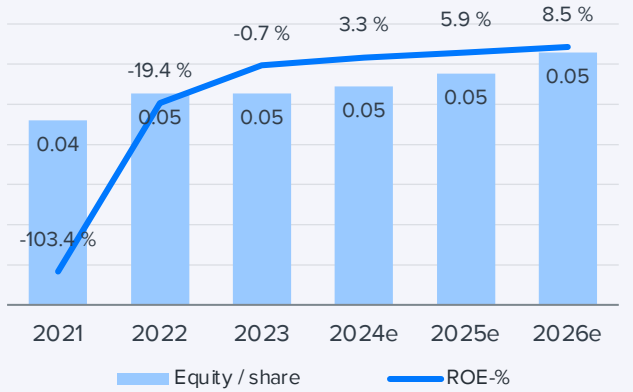
Return on capital at a low level so far

We forecast that the Group's ROCE will improve in 2024-26e to 4-7% (ROE: 3-8%). ROE is depressed by, e.g., the loss-making of Renewable Energy and the capital intensity of Marine Logistics. In 2023, ROI was 2% and ROE was -1%.

Net debt development



Equity per share and ROE %



Source: Inderes' estimate

Estimates (4/4)

Unit-specific forecasts

Renewable Energy	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Revenue	**5.4**	**3.4**	**5.1**	**2.5**	**3.8**	**3.4**	**12.9**	**17.4**	**24.0**
-growth	553 %	-37 %	50 %	-51 %	51 %	-10 %	280 %	35 %	38 %
Material margin	**-0.5**	**0.1**	**0.9**	**0.1**	**0.2**	**0.5**	**2.2**	**3.6**	**5.3**
-% of revenue	-9 %	2 %	18 %	5 %	5 %	15 %	17 %	21 %	22 %
Fixed costs	**-4.4**	**-4.4**	**-4.4**	**-4.3**	**-4.2**	**-4.1**	**-4.3**	**-4.4**	**-4.6**
-% of revenue	-0.8	-1.3	-0.9	-1.7	-1.1	-1.2	-0.3	-0.3	-0.2
EBITDA	**-4.9**	**-4.4**	**-3.4**	**-4.2**	**-4.0**	**-3.5**	**-2.1**	**-0.8**	**0.7**
-% of revenue	-90 %	-128 %	-67 %	-167 %	-105 %	-105 %	-16 %	-4 %	3 %
Depreciation and amortization	-0.7	-0.6	-0.5	-0.4	-0.3	-0.3	-0.3	-0.4	-0.5
EBIT	**-5.6**	**-5.0**	**-3.9**	**-4.6**	**-4.3**	**-3.8**	**-2.5**	**-1.2**	**0.2**
-% of revenue	**-103 %**	**-146 %**	**-76 %**	**-182 %**	**-113 %**	**-112 %**	**-19 %**	**-7 %**	**1 %**

Marine Logistics	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Revenue	**52.4**	**56.7**	**51.0**	**52.9**	**69.4**	**62.8**	**64.9**	**67.2**	**69.6**
-growth		8 %	-10 %	4 %	31 %	-9 %	3 %	4 %	4 %
EBITDA			**1.3**	**4.2**	**13.9**	**10.1**	**10.6**	**10.7**	**12.7**
-% of revenue			2.5 %	8.0 %	20.0 %	16.2 %	16.4 %	15.9 %	18.3 %
Depreciation and amortization			-0.1	0.0	-5.0	-5.0	-5.3	-5.4	-7.1
EBIT	**0.8**	**-1.1**	**1.2**	**4.2**	**9.5**	**5.1**	**5.3**	**5.3**	**5.6**
-% of revenue	**1.6 %**	**-2.0 %**	**2.4 %**	**8.0 %**	**13.6 %**	**8.2 %**	**8.2 %**	**7.9 %**	**8.1 %**
ROI*	4 %	2 %	6 %	8 %	16 %	10 %	9 %	8 %	8 %

Group total	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Revenue	**5.4**	**3.4**	**5.1**	**2.5**	**8.6**	**66.2**	**77.8**	**84.6**	**93.6**
-growth		-37 %	50 %	-51 %	246 %	666 %	18 %	9 %	11 %
EBITDA	**-4.9**	**-4.4**	**-3.4**	**-4.2**	**-3.6**	**6.3**	**8.5**	**10.0**	**13.4**
-% of revenue	-89.7 %	-128.1 %	-66.6 %	-167.2 %	-41.4 %	9.6 %	10.9 %	11.8 %	14.3 %
Depreciation and amortization	-0.7	-0.6	-0.5	-0.4	-0.2	-5.3	-5.6	-5.8	-7.6
EBIT	**-5.6**	**-5.0**	**-3.9**	**-4.6**	**-3.8**	**1.0**	**2.8**	**4.2**	**5.8**
-% of revenue	-102.9 %	-146.4 %	-76.2 %	-182.4 %	-43.6 %	1.6 %	3.7 %	4.9 %	6.2 %

Marine Logistics became part of the Group as of 11/30/2022

The ROI for 2018-2021 is based on the consolidated financial statements of Meriaura's previous parent company Meriaura invest (formerly VG-Shipping Oy) and the figures can only be considered indicative, as the group included another - albeit smaller - subsidiary.

Source: Financial statements and Inderes' estimate

Valuation (1/3)

Valuation summary

The fact that Meriaura Group consists of two very different business units makes it a challenging investment to evaluate. We view the Renewable Energy unit as a potential relatively capital-light growth business but its cash flows are unlikely to turn positive in the near term although the revenue points upward. The long-term performance of Renewable Energy is highly uncertain, which makes it challenging to value. The Marine Logistics business unit, on the other hand, we consider as a capital-intensive store of value, whose performance fluctuates due to the cyclical nature of the maritime freight market. The valuation of Marine Logistics can therefore be more easily approached through a normalized performance level. In both business areas, efforts are being made to adapt to the green translation before regulation forces to do so. This may create benefits or competitive advantages in the future as regulation tightens, which we have also tried to take into account to some extent in our estimates.

SOTP close to the current share price

We believe that the sum-of-the-parts valuation method is the most appropriate for determining the value of Meriaura Group. In the neutral scenario of our sum-of-the-parts method, the Renewable Energy unit would be valued at 6 MEUR and Marine Logistics at 48 MEUR (EV/EBIT 9.0x or 0.95x, market value of vessels as of 6/14/2022), which means that considering the 13 MEUR net debt of 2023 the Group's fair market value would be 41 MEUR or EUR 0.046 per share.

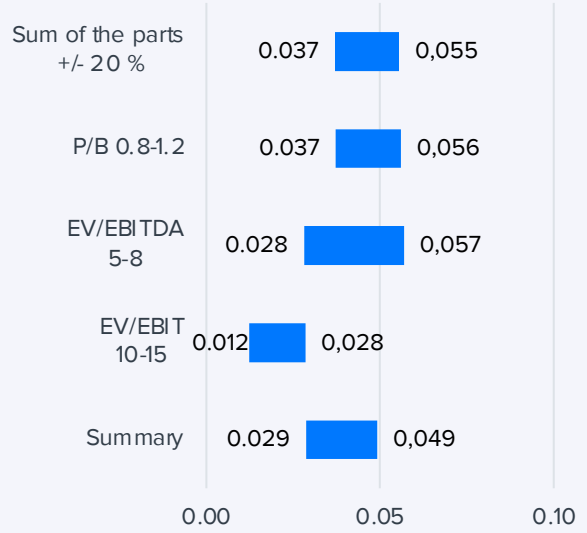
Elevated valuation multiples

The current share price level also looks expensive when looking at group-level earnings-based valuation multiples. If the earnings improvement we predicted is realized, the EV/EBIT ratios for 2024-25e would decrease to 21x and 15x (53x with the actual 2023 result). The negative result of Renewable Energy raises earnings-based multiples, and there is no clear visibility of the profitability turn yet. EV/EBITDA ratios are more moderate (2024-24: ~ 6- 7x), but the capital-intensive nature of Marine Logistics means that a large part of EBITDA will be spent over time on investments required for fleet maintenance and replacement. On a balance sheet basis, the stock is priced at a P/B ratio of 1.0x (2024e), which is roughly in line with the average of maritime freight companies (1.1x). However, the loss-making of Renewable Energy depresses equity development in the coming years.

We see no upside in the stock

In the valuation summary consisting of different earnings and balance sheet-based valuation methods, we have estimated the fair value of the stock to be EUR 0.029-0.049. The middle of the range is slightly below the fair value (EUR 0.046) indicated by our main valuation method, the sum of the parts calculation. This is because Group-level earnings-based valuation multiples seem high due to the negative result of Renewable Energy. We reiterate our target price of EUR 0.04 and Reduce recommendation. Justifying a higher share price would require clearly better visibility of the performance of the Renewable Energy business.

Fair value determined with different methods



Factors supporting the valuation:

- Emissions reduction and regulation create demand for company's solutions
- Extensive solar energy portfolio and experience in designing large-scale energy solutions
- Marine Logistics invests in new technology that could result in a competitive advantage in the future

Factors negatively affecting the valuation:

- Renewable Energy unit's turnaround not yet in sight for the next few years
- Renewable Energy business is project-based and therefore vulnerable to changes in demand
- The profitability of Marine Logistics fluctuates with the business cycle

Valuation (2/3)

Sum of the parts and scenarios

There is significant uncertainty about the long-term performance of the Renewable Energy unit. Therefore, we find it useful to look at the fair value of the group through different scenarios. The value of the solar thermal business within Renewable Energy varies between the scenarios, but for photovoltaics (Rasol) and marine logistics, we have developed only one scenario in the SOTP calculation.

Sum of the parts - Renewable Energy

The baseline scenario for the valuation of **the solar thermal business** unit assumes a clearly positive business trend with an increase in revenue and an improvement in the material margin, which would result in EBIT already close to neutral in 2026 (-0.3 MEUR). Even in the baseline scenario, the business is a burden on the Group's cash flows, but on the other hand, a positive development would raise hopes for a long-term turnaround in the profitability of the business. We value the business at 2 MEUR in the baseline scenario, consisting of negative cash flows of -8 MEUR in 2024-2026 and a residual value of 10 MEUR in 2026. The residual value assumes that the earnings outlook in 2026 would be clearly upward and the business could be turned profitable within a few years, although in the first years, cash flow would still suffer from small losses and commitment of capital.

We have also developed two additional scenarios for Renewable Energy, one negative and one positive. In a negative scenario, the result never turns positive, resulting in a closure of operations in 2026 and a total negative impact of 10 MEUR on cash flows in 2024-2026. In a positive scenario, revenue more than tenfolds to 50 MEUR material margin improves to 25% and fixed costs increase to 10 MEUR (2023: -4 MEUR), resulting in an EBIT of 2.5 MEUR (5% of revenue). In this case, an EV/EBIT valuation factor of 14x, suitable for a growth business, would turn the value of the business clearly positive at EUR 35 MEUR.

We have set the value of **the solar power business** at 4 MEUR, which is in line with the notional purchase price of the Rasol acquisition (3.9 MEUR). Business figures for 2023 are not available, which makes the valuation difficult, but compared to 2022 figures, the valuation is quite favorable (EV/EBIT 8x). We consider it possible that the result has weakened in 2023, but in the long term, business growth could be fairly capital-light if the company succeeds in expanding its operations in larger-scale projects as part of the Group.

Sum of the parts - Marine Logistics

We seek to determine the value of Marine Logistics by looking at the estimated normalized earnings level and the normalized earnings-based valuation multiples. The marine logistics industry is capital-intensive and cyclical, which is why we believe the business should be valued at a relatively moderate EV/EBIT of 9x relative to normalized earnings. With 2024 forecasts, peers are priced at 8-10x EV/EBIT ratios.

We estimate the projected performance level for 2024 to be equal to the normalized level and use this as the base year for the valuation. For 2024, we forecast an EBIT of 5.3 MEUR (8.2 % of revenue), whereby a 9x EV/EBIT multiple would give an operating value of 48 MEUR, which is about 0.95 times the market value of the company's ships on 07/14/2022 (50.8 MEUR). The market value of the ships may have fallen since then, partly due to the economic downturn and wear and tear.

Sum of the parts MEUR	Scenario		
	Negative	Baseline	Positive
Solar thermal (formerly Savosolar)			
Revenue 2026e	5	20.0	50
EBIT 2026e	-4.0	-0.3	2.5
EBIT-% 2026e	-80 %	1 %	5 %
EV/EBIT (x)			14x
Enterprise value (EV)	**-10**	**2**	**35**
✚			
Solar power (Rasol)			
Revenue 2022		4.0	
EBIT 2022		0.5	
EV/EBIT (x)		8x	
Enterprise value (EV)	**4**	**4**	**4**
✚			
Marine Logistics			
Revenue 2024e		65	
EBIT 2024e		5.3	
EBIT-% 2024e		8.2 %	
EV/EBIT (x)		9.0x	
Enterprise value (EV)	**48**	**48**	**48**
EV/Market value of ships 06/14/2022	0.95x	0.95x	0.95x
=			
Total enterprise value (EV)	**43**	**54**	**87**
Net debt 2023	-13	-13	-13
Fair market value	**29**	**41**	**74**
Fair share price EUR	**0.033**	**0.046**	**0.083**
Current share price EUR	0.047	0.047	0.047
Current market cap	41	41	41
Change	-29 %	-1 %	79 %

Source: Inderes' estimate

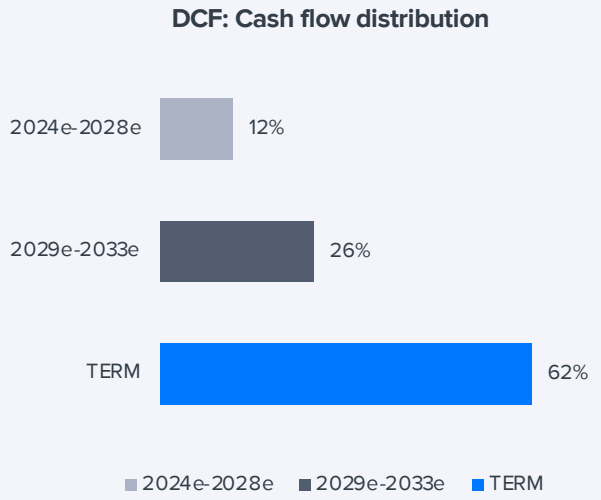
Valuation (3/3)

DCF

We feel the cash flow-based valuation method is not well suited for the valuation of Meriaura Group, as we believe that the earnings turnaround of the Renewable Energy unit will not materialize in the foreseeable future and earnings forecasts involve high uncertain. Thus, the company's cash flows are difficult to predict. We have assumed in the forecasts of the DCF model that the result of the Renewable Energy unit would improve to 07-1.0 MEUR in 2027-30 and that the EBIT of Marine Logistics would grow by 4% annually, e.g., supported by significant vessel investments. We have set a long-term EBIT margin at 5.5%, which clearly exceeds the current profitability level, but decreases relative to the 6.6% forecast for 2027-30.

The DCF model indicates that Meriaura Group's market value is 45 MEUR and per share value is EUR 0.051. We have set the company’s average cost of capital at 9.1%, which in our view exceeds the average level of the stock exchange and reflects the highish risk level associated with the upward forecasts of the Renewable Energy business and the cyclical nature of the earnings development of Marine Logistics.

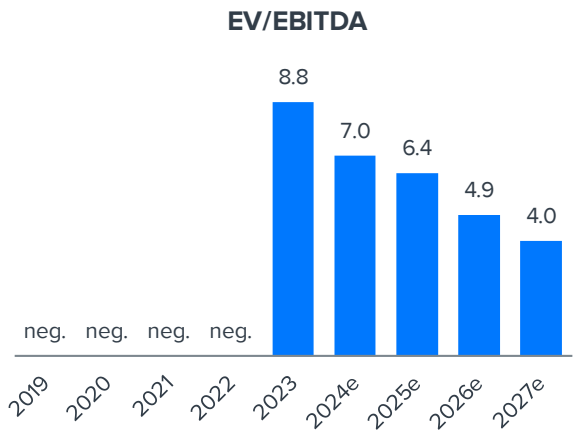
In our DCF model, the revenue growth in 2027-31 is assumed to be 5% and 2.5% in the terminal. We expect investments to exceed depreciation over the estimate period, as we forecast capacity and revenue growth for Marine Logistics. We expect depreciation and investment levels to approach each other in the long term.

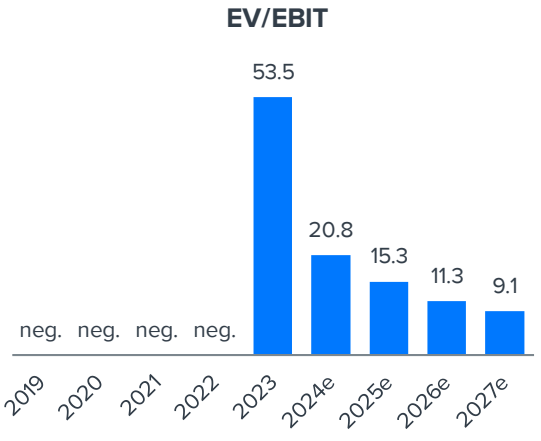


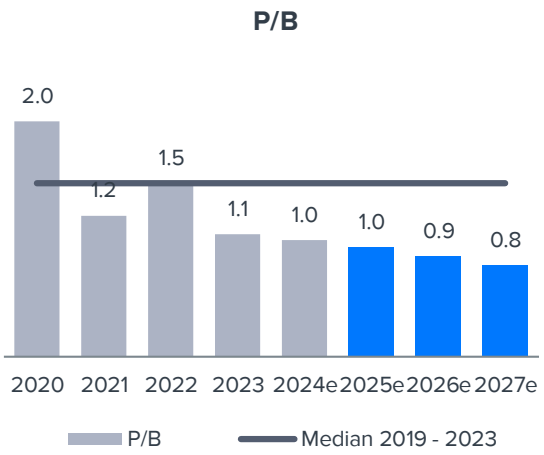
Valuation table

Valuation	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e
Share price	0.90	0.15	0.05	0.07	0.05	**0.05**	**0.05**	**0.05**	**0.05**
Number of shares, millions	17.2	62.9	165.2	783.1	886.8	**886.8**	**886.8**	**886.8**	**886.8**
Market cap	16	9.5	8.0	53	42	**42**	**42**	**42**	**42**
EV	15	7.6	4.1	70	56	**59**	**63**	**66**	**60**
P/E (adj.)	neg.	neg.	neg.	neg.	neg.	**30.7**	**16.7**	**10.6**	**8.7**
P/E	neg.	neg.	neg.	neg.	neg.	**30.7**	**16.7**	**10.6**	**8.7**
P/B	4.3	2.0	1.2	1.5	1.1	**1.0**	**1.0**	**0.9**	**0.8**
P/S	4.5	1.9	3.2	6.2	0.6	**0.5**	**0.5**	**0.4**	**0.4**
EV/Sales	4.3	1.5	1.7	8.1	0.8	**0.8**	**0.7**	**0.7**	**0.6**
EV/EBITDA	neg.	neg.	neg.	neg.	8.8	**7.0**	**6.4**	**4.9**	**4.0**
EV/EBIT (adj.)	neg.	neg.	neg.	neg.	53.5	**20.8**	**15.3**	**11.3**	**9.1**
Payout ratio (%)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**

Source: Inderes







Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	**MEUR**	**MEUR**	**2024e**	**2025e**	**2024e**	**2025e**	**2024e**	**2025e**	**2024e**	**2025e**	**2024e**	**2025e**	**2024e**
Safe Bulkers	545	958	7.8	9.2	5.5	6.1	3.5	3.7	6.4	7.5	4.3	3.8	
Eurodry	57	151	10.1	10.7	5.1	5.3	2.3	2.2	9.1	7.7			0.5
Start Bulk Carriers	2744	3624	9.0	8.2	6.6	6.0	3.9	3.6	6.6	5.8	9.8	10.5	1.3
Kawasaki Kisen Kaisha	9699	9989			13.2	12.3	1.8	1.8	11.2	9.9	4.7	3.6	1.1
Golden Ocean Group	2899	4120		11.4	8.2	8.3	5.2	5.0	9.6	8.7	10.2	9.6	1.6
Meriaura Group (Inderes)	**42**	**59**	**20.8**	**15.3**	**7.0**	**6.4**	**0.8**	**0.7**	**30.7**	**16.7**	**0.0**	**0.0**	**1.0**
Average			**9.0**	**9.9**	**7.7**	**7.6**	**3.3**	**3.2**	**8.6**	**7.9**	**7.3**	**6.9**	**1.1**
Median			**9.0**	**9.9**	**6.6**	**6.1**	**3.5**	**3.6**	**9.1**	**7.7**	**7.2**	**6.7**	**1.2**
Diff-% to median			***131%***	***54%***	***6%***	***5%***	***-78%***	***-79%***	***239%***	***118%***	***-100%***	***-100%***	***-15%***

Source: Refinitiv / Inderes

Income statement

Income statement	2021	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24	Q2'24e	Q3'24e	Q4'24e	2024e	2025e	2026e	2027e
Revenue	**2.5**	**8.6**	**16.2**	**15.3**	**15.7**	**19.0**	**66.2**	**17.9**	**19.8**	**19.2**	**20.9**	**77.8**	**84.6**	**93.6**	**100**
Renewable Energy	0.0	3.8	0.2	0.3	0.2	2.7	3.4	1.9	3.3	3.5	4.1	12.9	17.4	24.0	28.3
Marine Logistics	0.0	4.9	16.0	15.0	15.5	16.4	62.8	15.9	16.5	15.7	16.8	64.9	67.2	69.6	72.1
EBITDA	**-4.2**	**-3.6**	**1.5**	**1.1**	**1.7**	**2.1**	**6.3**	**1.2**	**2.2**	**2.2**	**2.9**	**8.5**	**10.0**	**13.4**	**15.0**
Depreciation	-0.4	-0.2	-1.3	-1.3	-1.4	-1.2	-5.3	-1.4	-1.4	-1.5	-1.4	-5.6	-5.8	-7.6	-8.4
EBIT (excl. NRI)	**-4.6**	**-3.8**	**0.2**	**-0.2**	**0.3**	**0.8**	**1.0**	**-0.2**	**0.9**	**0.7**	**1.5**	**2.8**	**4.2**	**5.8**	**6.6**
EBIT	**-4.6**	**-3.8**	**0.2**	**-0.2**	**0.3**	**0.8**	**1.0**	**-0.2**	**0.9**	**0.7**	**1.5**	**2.8**	**4.2**	**5.8**	**6.6**
Renewable Energy			-1.1	-1.3	-0.7	-0.7	-3.8	-0.9	-0.6	-0.4	-0.4	-2.5	-1.2	0.2	0.7
Marine Logistics			1.2	1.0	1.0	1.9	5.1	0.8	1.5	1.1	1.9	5.3	5.3	5.6	5.9
Net financial items	-1.2	-0.3	-0.2	-0.3	-0.2	-0.6	-1.4	-0.3	-0.3	-0.4	-0.4	-1.3	-1.5	-1.7	-1.6
PTP	**-5.8**	**-4.1**	**-0.1**	**-0.5**	**0.0**	**0.2**	**-0.3**	**-0.5**	**0.6**	**0.4**	**1.1**	**1.5**	**2.7**	**4.1**	**5.0**
Taxes	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2
Net earnings	**-5.8**	**-4.1**	**-0.1**	**-0.5**	**0.0**	**0.3**	**-0.3**	**-0.5**	**0.5**	**0.3**	**1.0**	**1.4**	**2.5**	**3.9**	**4.8**
EPS (rep.)	**-0.03**	**-0.01**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**-0.0005**	**0.0006**	**0.0003**	**0.0011**	**0.0015**	**0.0028**	**0.0044**	**0.0054**

Key figures	2021	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24	Q2'24e	Q3'24e	Q4'24e	2024e	2025e	2026e	2027e
Revenue growth-%	-51.2 %	245.8 %					666.5 %	10.3 %	29.7 %	22.7 %	9.7 %	17.6 %	8.8 %	10.6 %	7.3 %
Adjusted EBIT growth-%												173.1 %	46.0 %	40.4 %	12.6 %
EBITDA-%	-167.2 %	-41.4 %	9.3 %	7.2 %	10.6 %	10.8 %	9.6 %	6.7 %	11.3 %	11.2 %	13.9 %	10.9 %	11.8 %	14.3 %	14.9 %
Adjusted EBIT-%	-182.4 %	-43.6 %	1.0 %	-1.4 %	1.7 %	4.4 %	1.6 %	-1.0 %	4.3 %	3.7 %	7.1 %	3.7 %	4.9 %	6.2 %	6.6 %
Net earnings-%	-231.2 %	-47.1 %	-0.5 %	-3.3 %	0.1 %	1.5 %	-0.4 %	-2.6 %	2.8 %	1.5 %	4.6 %	1.7 %	3.0 %	4.2 %	4.8 %

Source: Inderes

Balance sheet

Assets	2022	2023	2024e	2025e	2026e
Non-current assets	**50.6**	**49.4**	**54.1**	**60.5**	**66.2**
Goodwill	0.0	3.5	3.5	3.5	3.5
Intangible assets	4.1	4.1	4.1	4.1	4.1
Tangible assets	46.5	41.8	46.5	52.8	58.5
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
Current assets	**13.8**	**18.4**	**21.4**	**23.1**	**25.4**
Inventories	3.4	2.5	2.8	2.9	3.2
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	6.6	8.2	9.5	10.3	11.3
Cash and equivalents	3.8	7.7	9.1	9.9	10.9
Balance sheet total	**64.4**	**67.8**	**75.5**	**83.5**	**91.6**

Source: Inderes

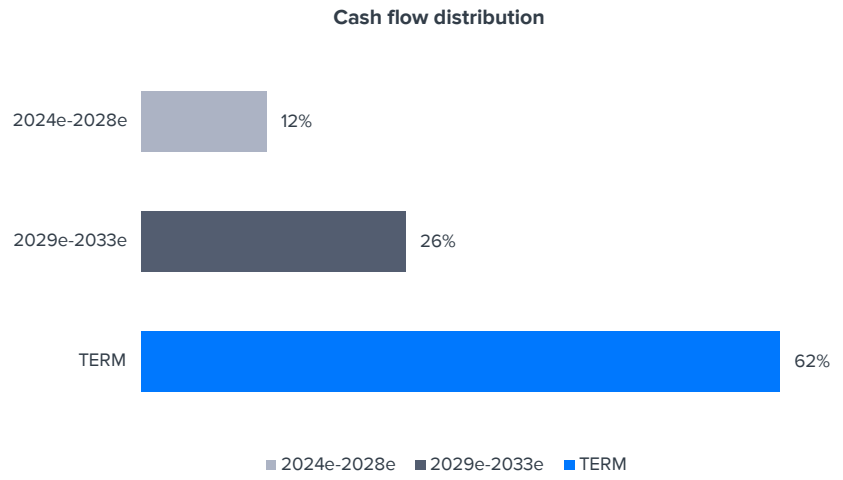
Liabilities & equity	2022	2023	2024e	2025e	2026e
Equity	**35.4**	**40.0**	**41.3**	**43.8**	**47.8**
Share capital	0.5	0.5	0.5	0.5	0.5
Retained earnings	-50.0	-50.3	-48.9	-46.4	-42.5
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	84.9	89.8	89.8	89.8	89.8
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	**17.5**	**18.1**	**21.5**	**24.0**	**26.6**
Deferred tax liabilities	0.0	0.0	0.0	0.0	0.0
Provisions	0.2	0.2	0.2	0.2	0.2
Interest bearing debt	17.3	17.9	21.3	23.7	26.4
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	0.0	0.0	0.0	0.0
Current liabilities	**11.4**	**9.7**	**12.7**	**15.7**	**17.2**
Interest bearing debt	3.2	3.2	5.3	7.9	8.8
Payables	8.2	6.6	7.4	7.8	8.4
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	**64.4**	**67.8**	**75.5**	**83.5**	**91.6**

DCF calculation

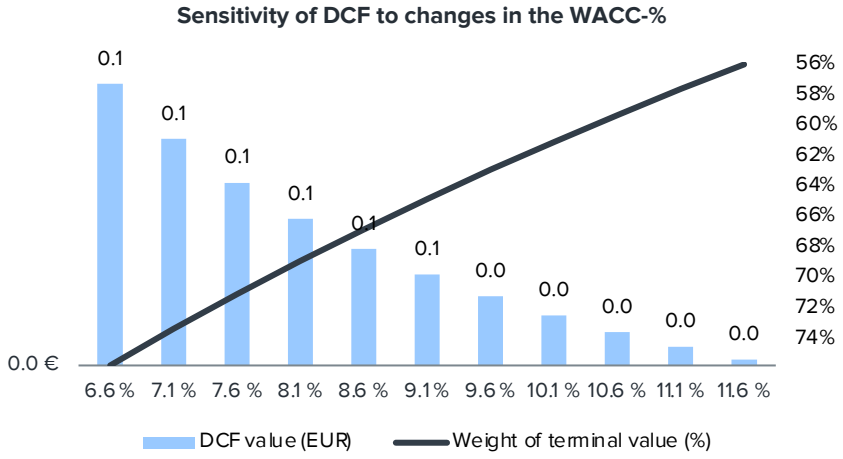
DCF model	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	TERM
Revenue growth-%	666.5 %	17.6 %	8.8 %	10.6 %	7.3 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	2.5 %	2.5 %
EBIT-%	1.6 %	3.7 %	4.9 %	6.2 %	6.6 %	6.6 %	6.6 %	6.6 %	5.5 %	5.5 %	5.5 %	5.5 %
EBIT (operating profit)	**1.0**	**2.8**	**4.2**	**5.8**	**6.6**	**6.9**	**7.3**	**7.6**	**6.7**	**7.0**	**7.2**	
+ Depreciation	5.3	5.6	5.8	7.6	8.4	8.1	7.9	6.5	6.6	6.7	6.8	
- Paid taxes	0.1	-0.2	-0.2	-0.2	-0.2	-0.3	-0.4	-0.5	-0.5	-0.5	-0.6	
- Tax, financial expenses	-0.2	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1	0.0	0.0	0.0	0.0	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	-2.4	-0.8	-0.4	-0.7	-0.4	-0.3	-0.3	-0.1	-0.1	-0.1	-0.2	
Operating cash flow	**3.7**	**7.3**	**9.2**	**12.4**	**14.3**	**14.4**	**14.4**	**13.5**	**12.7**	**13.1**	**13.3**	
+ 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	-4.1	-10.3	-12.2	-13.3	-6.6	-6.8	-7.0	-7.2	-7.5	-7.7	-7.7	
Free operating cash flow	**-0.3**	**-3.0**	**-3.0**	**-0.8**	**7.7**	**7.6**	**7.4**	**6.3**	**5.2**	**5.4**	**5.6**	
+/- Other	4.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	4.5	-3.0	-3.0	-0.8	7.7	7.6	7.4	6.3	5.2	5.4	5.6	87.6
Discounted FCFF		**-2.9**	**-2.6**	**-0.7**	**5.6**	**5.1**	**4.5**	**3.5**	**2.7**	**2.5**	**2.4**	**38.0**
Sum of FCFF present value		58.3	61.2	63.8	64.4	58.8	53.7	49.2	45.7	43.0	40.4	38.0
Enterprise value DCF		**58.3**										
- Interest bearing debt		-21.1										
+ Cash and cash equivalents		7.7										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		**45.0**										
Equity value DCF per share		**0.051**										

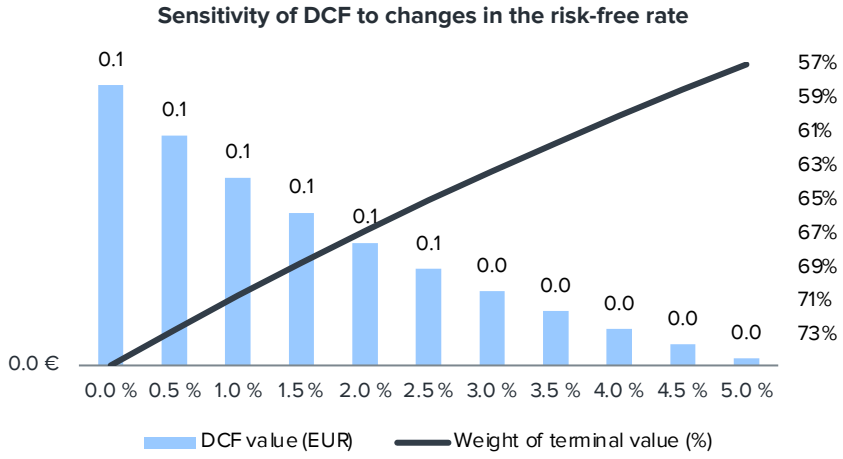
WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E)	10.0 %
Cost of debt	5.0 %
Equity Beta	1.50
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.5 %
Cost of equity	**9.6 %**
Weighted average cost of capital (WACC)	**9.1 %**

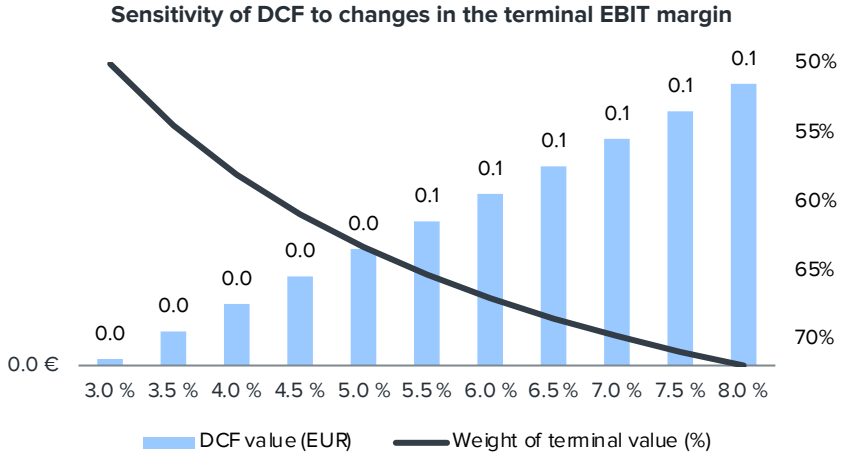
Source: Inderes



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
Revenue	2.5	8.6	66.2	**77.8**	**84.6**
EBITDA	-4.2	-3.6	6.3	**8.5**	**10.0**
EBIT	-4.6	-3.8	1.0	**2.8**	**4.2**
PTP	-5.8	-4.1	-0.3	**1.5**	**2.7**
Net Income	-5.8	-4.1	-0.3	**1.4**	**2.5**
Extraordinary items	0.0	0.0	0.0	**0.0**	**0.0**

Balance sheet	2021	2022	2023	2024e	2025e
Balance sheet total	8.2	64.4	67.8	**75.5**	**83.5**
Equity capital	6.5	35.4	40.0	**41.3**	**43.8**
Goodwill	0.0	0.0	3.5	**3.5**	**3.5**
Net debt	-3.8	16.7	13.3	**17.5**	**21.8**

Cash flow	2021	2022	2023	2024e	2025e
EBITDA	-4.2	-3.6	6.3	**8.5**	**10.0**
Change in working capital	-0.5	-0.3	-2.4	**-0.8**	**-0.4**
Operating cash flow	-4.7	-3.8	3.7	**7.3**	**9.2**
CAPEX	0.2	-49.5	-4.1	**-10.3**	**-12.2**
Free cash flow	-4.5	-16.9	4.5	**-3.0**	**-3.0**

Per share data	2021	2022	2023	2024e	2025e
EPS (reported)	-0.03	-0.01	0.00	**0.00**	**0.00**
EPS (adj.)	-0.03	-0.01	0.00	**0.00**	**0.00**
OCF / share	-0.03	0.00	0.00	**0.01**	**0.01**
FCF / share	-0.03	-0.02	0.01	**0.00**	**0.00**
Book value / share	0.04	0.05	0.05	**0.05**	**0.05**
Dividend / share	0.00	0.00	0.00	**0.00**	**0.00**

Growth and profitability	2021	2022	2023	2024e	2025e
Revenue growth-%	-51%	246%	666%	**18%**	**9%**
EBITDA growth-%	22%	-14%	-277%	**34%**	**17%**
EBIT (adj.) growth-%	17%	-17%	-128%	**173%**	**46%**
EPS (adj.) growth-%	-56%	-85%	-94%	**-588%**	**84%**
EBITDA-%	-167.2 %	-41.4 %	9.6 %	**10.9 %**	**11.8 %**
EBIT (adj.)-%	-182.4 %	-43.6 %	1.6 %	**3.7 %**	**4.9 %**
EBIT-%	-182.4 %	-43.6 %	1.6 %	**3.7 %**	**4.9 %**
ROE-%	-103.4 %	-19.4 %	-0.7 %	**3.3 %**	**5.9 %**
ROI-%	-76.2 %	-12.0 %	1.8 %	**4.4 %**	**5.8 %**
Equity ratio	79.5 %	55.0 %	58.9 %	**54.7 %**	**52.5 %**
Gearing	-58.8 %	47.2 %	33.3 %	**42.3 %**	**49.7 %**

Valuation multiples	2021	2022	2023	2024e	2025e
EV/S	1.7	8.1	0.8	**0.8**	**0.7**
EV/EBITDA	neg.	neg.	8.8	**6.9**	**6.3**
EV/EBIT (adj.)	neg.	neg.	53.5	**20.6**	**15.2**
P/E (adj.)	neg.	neg.	neg.	**30.5**	**16.5**
P/B	1.2	1.5	1.1	**1.0**	**0.9**
Dividend-%	0.0 %	0.0 %	0.0 %	**0.0 %**	**0.0 %**

Source: Inderes

Disclaimer and recommendation history

The information presented in Inderes reports is obtained from several different public sources that Inderes considers to be reliable. Inderes aims to use reliable and comprehensive information, but Inderes does not guarantee the accuracy of the presented information. Any opinions, estimates and forecasts represent the views of the authors. Inderes is not responsible for the content or accuracy of the presented information. Inderes and its employees are also not responsible for the financial outcomes of investment decisions made based on the reports or any direct or indirect damage caused by the use of the information. The information used in producing the reports may change quickly. Inderes makes no commitment to announcing any potential changes to the presented information and opinions.

The reports produced by Inderes are intended for informational use only. The reports should not be construed as offers or advice to buy, sell or subscribe investment products. Customers should also understand that past performance is not a guarantee of future results. When making investment decisions, customers must base their decisions on their own research and their estimates of the factors that influence the value of the investment and take into account their objectives and financial position and use advisors as necessary. Customers are responsible for their investment decisions and their financial outcomes.

Reports produced by Inderes may not be edited, copied or made available to others in their entirety, or in part, without Inderes' written consent. No part of this report, or the report as a whole, shall be transferred or shared in any form to the United States, Canada or Japan or the citizens of the aforementioned countries. The legislation of other countries may also lay down restrictions pertaining to the distribution of the information contained in this report. Any individuals who may be subject to such restrictions must take said restrictions into account.

Inderes issues target prices for the shares it follows. The recommendation methodology used by Inderes is based on the share's 12-month expected total shareholder return (including the share price and dividends) and takes into account Inderes' view of the risk associated with the expected returns. The recommendation policy consists of four tiers: Sell, Reduce, Accumulate and Buy. As a rule, Inderes' investment recommendations and target prices are reviewed at least 2–4 times per year in connection with the companies' interim reports, but the recommendations and target prices may also be changed at other times depending on the market conditions. The issued recommendations and target prices do not guarantee that the share price will develop in line with the estimate. Inderes primarily uses the following valuation methods in determining target prices and recommendations: Cash flow analysis (DCF), valuation multiples, peer group analysis and sum of parts analysis. The valuation methods and target price criteria used are always company-specific and they may vary significantly depending on the company and (or) industry.

Inderes' recommendation policy is based on the following distribution relative to the 12-month risk-adjusted expected total shareholder return.

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

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

The assessment of the 12-month risk-adjusted expected total shareholder return based on the above-mentioned definitions is company-specific and subjective. Consequently, similar 12-month expected total shareholder returns between different shares may result in different recommendations, and the recommendations and 12-month expected total shareholder returns between different shares should not be compared with each other. The counterpart of the expected total shareholder return is Inderes' view of the risk taken by the investor, which varies considerably between companies and scenarios. Thus, a high expected total shareholder return does not necessarily lead to positive performance when the risks are exceptionally high and, correspondingly, a low expected total shareholder return does not necessarily lead to a negative recommendation if Inderes considers the risks to be moderate.

The analysts who produce Inderes' research and Inderes employees cannot have 1) shareholdings that exceed the threshold of significant financial gain or 2) shareholdings exceeding 1% in any company subject to Inderes' research activities. Inderes Oyj can only own shares in the target companies it follows to the extent shown in the company's model portfolio investing real funds. All of Inderes Oyj's shareholdings are presented in itemised form in the model portfolio. Inderes Oyj does not have other shareholdings in the target companies analysed. The remuneration of the analysts who produce the analysis are not directly or indirectly linked to the issued recommendation or views. Inderes Oyj does not have investment bank operations.

Inderes or its partners whose customer relationships may have a financial impact on Inderes may, in their business operations, seek assignments with various issuers with respect to services provided by Inderes or its partners. Thus, Inderes may be in a direct or indirect contractual relationship with an issuer that is the subject of research activities. Inderes and its partners may provide investor relations services to issuers. The aim of such services is to improve communication between the company and the capital markets. These services include the organisation of investor events, advisory services related to investor relations and the production of investor research reports.

More information about research disclaimers can be found at www.inderes.fi/research-disclaimer.

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
3/9/2023	Sell	0.06 €	0.078 €
5/8/2023	Reduce	0.05 €	0.058 €
8/28/2023	Sell	0.04 €	0.062 €
11/6/2023	Reduce	0.04 €	0.049 €
11/30/2023	Reduce	0.04 €	0.048 €
3/1/2024	Reduce	0.04 €	0.048 €
4/29/2024	Reduce	0.04 €	0.048 €
5/3/2024	Reduce	0.04 €	0.047 €
5/22/2024	Reduce	0.04 €	0.047 €

Inderes democratizes investor information by connecting investors and listed companies.

We help over 400 listed companies better serve investors. Our investor community is home to over 70,000 active members.

We build solutions for listed companies that enable frictionless and effective investor relations. For listed companies, we offer Commissioned Research, IR Events, AGMs, and IR Software.

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

Inderes Oyj

Itämerentori 2

FI-00180 Helsinki, Finland

+358 10 219 4690

Award-winning research at **inderes.fi**

STARMINE ANALYST AWARDS FROM REFINITIV

THOMSON REUTERS ANALYST AWARDS

Juha Kinnunen
2012, 2016, 2017, 2018, 2019, 2020

Mikael Rautanen
2014, 2016, 2017, 2019

Sauli Vilén
2012, 2016, 2018, 2019, 2020

Antti Viljakainen
2014, 2015, 2016, 2018, 2019, 2020

Olli Koponen
2020

Joni Grönqvist
2019, 2020

Erkki Vesola
2018, 2020

Petri Gostowski
2020

Atte Riikola
2020

Connecting investors and listed companies.