

Meriaura Group

Company report

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✓ Inderes corporate customer

This report is a summary translation of the report “Korkeampi kannattavuus nostaisi kasvun arvoa” published on 10/31/2024 at 8:50 pm EET

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res.**

Higher profitability would increase the value of growth

In Q3, revenue grew in line with our expectations, but profitability lagged behind the comparison period. We expect growth to continue and the result to improve as well, but there is still a long way to go to achieve a turnaround in Renewable Energy. We reiterate our Reduce recommendation and our target price of EUR 0.03 (unchanged).

Earnings development softer than expected in Q3

Meriaura Group's third quarter revenue was 18.8 MEUR (we forecasted 19.5 MEUR), an increase of 20% year-on-year. Revenue developed in line with our expectations in both business areas, but remained slightly (4%) below the forecast. In Marine Logistics, revenue was stable (+1% y/y) and in Renewable Energy, revenue increased significantly due to the delivery of solar thermal projects and the acquisition of Rasol Ltd completed at the end of 2023. Despite the growth, profitability deteriorated against our expectations. EBITDA decreased in the seasonally weak quarter to 1.4 MEUR (Q3'23: 1.7 MEUR, estimate: 2.1 MEUR) and EBIT to 0.0 MEUR (Q3'23: 0.3 MEUR). The decline in the earnings level was partly due to the effects of the weak market conditions in Marine Logistics. In Renewable Energy, the significant increase in revenue did not significantly improve the earnings level, which suggests that the margin on projects delivered has been rather low. Comparable net profit was -0.4 MEUR and reported net profit -3.8 MEUR, affected by an impairment of 3.3 MEUR related to the sale of a minority stake in Marine Logistics to Meriaura Invest for a price below its balance sheet value at the beginning of July.

Near-term growth partly dependent on winning new solar thermal projects

Meriaura Group does not provide numerical guidance, but the company describes the outlook for Marine Logistics as reasonable and the outlook for Renewable Energy as at least reasonable. We lowered our 2025-26 EBIT forecasts by 15-18% following weaker-than-expected Q3 results in both units, but we still expect earnings to improve, supported in particular by revenue growth in Renewable Energy. For Q4 and 2025, we forecast moderate growth of 2% in Marine Logistics. New environmentally friendly Ecotrader vessels will enter service in 2026, which could boost growth, although we expect the investments to partly replace old cargo capacity that is being phased out. In Renewable Energy, we expect strong revenue growth (2025e: 33%), supported by the order book for solar thermal projects and good market demand. The projected growth for 2025 requires a further strengthening of the order book for solar thermal projects by around 4 MEUR by early 2025 at the latest.

Weaker profitability forecasts reflected in fair value determination

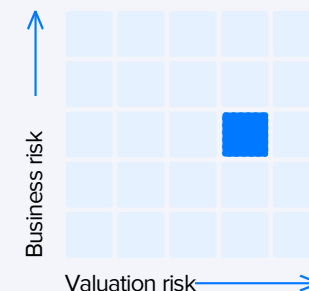
The equity story is increasingly linked to the potential earnings turnaround in Renewable Energy. The business has started to grow this year, but sustaining strong growth for several years will be challenging and, on the other hand, project margins have been low, at least so far, so we believe there is considerable uncertainty about the turnaround. The balance sheet may require further strengthening in the coming years, such as share issues or further sales of shares in Marine Logistics to the group's major shareholder. Our sum-of-the-parts valuation method now shows a value of EUR 0.030 per share, with Marine Logistics dominating for the time being. The large vessel investments in the coming years will contribute to cash flow pressure in the coming years, although they offer growth and differentiation potential in the long term. Progress in the Renewable Energy turnaround and faster-than-expected growth would be potential drivers that could turn the stock's risk/reward ratio in a better direction.

Recommendation

Reduce
(was Reduce)

EUR 0.03
(was EUR 0.03)

Share price:
0.034



Key figures

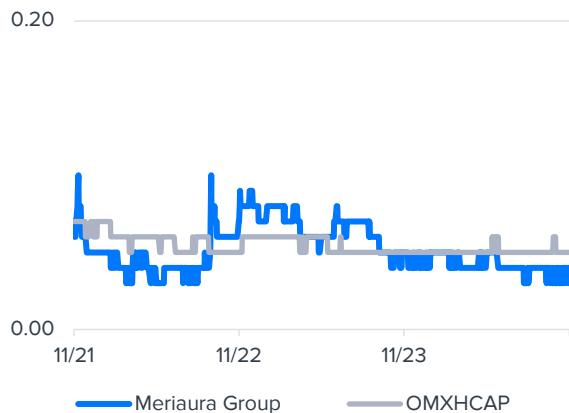
	2023	2024e	2025e	2026e
Revenue	66.2	79.0	84.8	93.2
growth-%	666%	19%	7%	10%
EBIT adj.	1.0	1.8	3.4	4.8
EBIT-% adj.	1.6 %	2.3 %	4.0 %	5.2 %
Net Income	-0.3	-3.4	0.9	2.1
EPS (adj.)	0.000	0.000	0.001	0.002
P/E (adj.)	neg.	neg.	32.1	14.5
P/B	1.1	0.8	0.8	0.8
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	53.5	27.6	16.4	12.2
EV/EBITDA	8.8	6.4	5.8	4.6
EV/S	0.8	0.6	0.6	0.6

Source: Inderes

Guidance

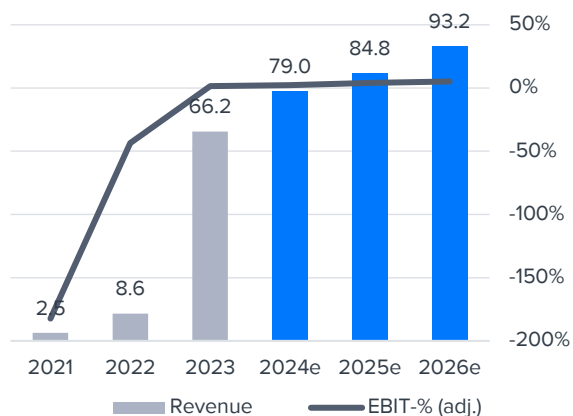
(No guidance)

Share price



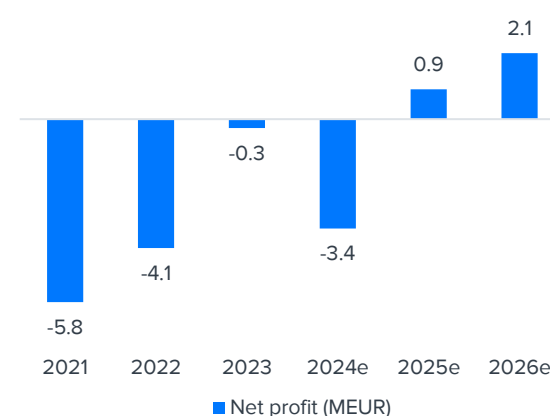
Source: Millstream Market Data AB

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 may require strengthening the balance sheet through various ownership arrangements

Valuation	2024e	2025e	2026e
Share price	0.03	0.03	0.03
Number of shares, MM	886.8	886.8	886.8
Market cap	30	30	30
EV	49	55	59
P/E (adj.)	neg.	32.1	14.5
P/E	neg.	32.1	14.5
P/B	0.8	0.8	0.8
P/S	0.4	0.4	0.3
EV/Sales	0.6	0.6	0.6
EV/EBITDA	6.4	5.8	4.6
EV/EBIT (adj.)	27.6	16.4	12.2
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Q3: Profitability weakened from comparison period

Revenue developed on track with our estimates

Meriaura Group's third quarter revenue was 18.8 MEUR (we forecasted 19.5 MEUR), an increase of 20% year-on-year. In Marine Logistics, revenue grew by 1%, slightly below the 3% growth we had predicted. In Marine Logistics, Q3 is typically a quieter quarter due to the holiday season, and the quarter included the docking of some rental vessels, which probably had a small downward impact on revenue. In Renewable Energy, revenue increased to 3.2 MEUR (we forecasted 3.5 MEUR, Q3'23: 0.2 MEUR). The growth came from deliveries of solar thermal projects and the acquisition of Rasol Ltd.

Profitability was slightly below expectations

Group EBITDA declined to 1.4 MEUR in Q3 (Q3'23: 1.7 MEUR) and missed our 2.1 MEUR estimate. Also EBIT, at 0.0 MEUR, declined from the comparison

period (0.3 MEUR) and missed our forecast (0.6 MEUR). In Marine Logistics, Q3 is typically the weakest quarter of the year in terms of profitability. Marine Logistics' EBITDA decreased to 1.9 MEUR (Q3'23: 2.3 MEUR), which we estimate is related to market demand in a weak economic cycle.

In Renewable Energy, EBITDA was -0.5 MEUR (Q3'23: -0.7 MEUR) and EBIT was -0.6 MEUR (-0.7 MEUR). The result of Renewable Energy improved slightly, but less than we expected, indicating that the growth of delivered solar thermal projects has been low-margin. The company describes continued challenges in the profitability of Renewable Energy, but on the other hand the market is described as very active and improving demand could support margin levels for new projects.

Sale of minority share weighed on net profit

Adjusted net result was -0.4 MEUR, impacted by, among other things, the share of Marine Logistics' Q3 result attributable to minority shareholders. The reported net result was a loss of as much as -3.8 MEUR, affected by an impairment of -3.3 MEUR related to the sale of a minority stake in Meriaura to Meriaura Invest, which is also the largest shareholder of Meriaura Group. The sale took place on July 2, 2024, and the impairment is due to the fact that the purchase price was lower than the balance sheet value of the holding. The proceeds from the sale are intended to finance the growth of Renewable Energy, which is increasingly tying up working capital and, at least for the time being, is operating at a loss.

Estimates MEUR / EUR	Q3'23	Q3'24	Q3'24e	Q3'24e	Consensus		2024e
	Comparison	Actualized	Inderes	Consensus	Low	High	Inderes
Revenue	15.7	18.8	19.5				79.8
EBITDA	1.7	1.4	2.1				8.7
EBIT	0.3	0.0	0.6				2.8
Adj. net profit	0.0	-0.4	0.0				0.7
Revenue growth-%	1854%	20%	25%				21%
EBIT-%	1.7 %	0.0 %	3.3 %				3.5 %

Source: Inderes

We expect earnings growth to continue, even though we trimmed our estimates

Our upward forecasts assume a growing order intake in Renewable Energy

- Meriaura Group describes the outlook for Marine Logistics as reasonable and the outlook for Renewable Energy as at least reasonable. We interpret this to mean that the Marine Logistics revenue will remain more or less stable in the near future and the Renewable Energy revenue will at least remain stable or increase.
- We lowered our revenue forecasts by 1-2% for 2024-26. In addition, we lowered profitability assumptions for both units due to the weak Q3, resulting in a 15-18% drop in EBIT forecasts for 2025-26.
- We still expect Renewable Energy to drive the group's growth and positive earnings development. We project unit growth of 33-36% in 2025-26. The current order book allows for a stable or moderately growing revenue in 2025, but our forecasts assume that new projects will continue to be won, supported by a favorable market situation. The growth forecast for 2025 still requires around 4 MEUR of new orders. Due to the high assumptions, the growth forecasts contain considerable uncertainty.
- For Marine Logistics, we forecast a fairly stable development until 2026-27, when new environmentally-friendly and larger Ecotrader vessels could bring a clearer upturn in revenue.

Estimate revisions MEUR / EUR	2024e		Change %	2025e		Change %	2026e		Change %
	Old	New		Old	New		Old	New	
Revenue	79.8	79.0	-1%	86.5	84.8	-2%	95.1	93.2	-2%
EBITDA	8.7	7.7	-12%	10.2	9.4	-8%	13.6	12.7	-6%
EBIT (excl. NRIs)	2.8	1.8	-37%	4.1	3.4	-18%	5.7	4.8	-15%
EBIT	2.8	1.8	-37%	4.1	3.4	-18%	5.7	4.8	-15%
PTP	1.4	-3.0	-308%	2.6	1.9	-28%	4.0	3.1	-22%
EPS (excl. NRIs)	0.00	0.00	-112%	0.00	0.00	-40%	0.00	0.00	-28%

Source: Inderes

Valuation (1/2): Summary

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 is pointing 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 transition 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. We believe that the group's relatively complex structure relative to the size of the company may reduce the attractiveness of the stock for investors.

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 baseline case of our sum-of-the-parts method, the Renewable Energy unit would be valued at 6 MEUR and the 79% stake in Marine Logistics at 37 MEUR (EV/EBIT 2024e 10.0x), giving a fair market value of 26 MEUR, or EUR 0.030 per share, taking into account net debt, other expenses and minority interests.

Elevated valuation multiples

The current share price looks expensive when looking at earnings-based valuation multiples. If the earnings improvement we forecast materializes, the EV/EBIT multiples for 2025-26e would fall to 16x and 12x, respectively. The negative result of Renewable Energy raises earnings-based multiples, and there is still no clear certainty of a turnaround in profitability. EV/EBITDA ratios are more moderate (2024-24: ~6x), 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 trades at a P/B ratio of 0.8x (2024e), which is below the average of its marine freight peers (0.9x). However, the loss-making nature of Renewable Energy will weigh on equity in the coming years, which we believe justifies a balance sheet discount.

More signs of Renewable Energy turnaround needed

We reiterate our Reduce recommendation and the target price of EUR 0.03. The investment story could become more attractive if there is more evidence of a turnaround in the Renewable Energy business, with order growth accelerating and profitability improving. The collaboration between Rasol and Meriaura Energy could open up new growth opportunities, such as the delivery of larger photovoltaic projects. However, visibility on the turnaround remains low for the time being and the value of the Marine Logistics unit alone is not sufficient to justify the current share price.

Valuation	2024e	2025e	2026e
Share price	0.03	0.03	0.03
Number of shares, MM	886.8	886.8	886.8
Market cap	30	30	30
EV	49	55	59
P/E (adj.)	neg.	32.1	14.5
P/E	neg.	32.1	14.5
P/B	0.8	0.8	0.8
P/S	0.4	0.4	0.3
EV/Sales	0.6	0.6	0.6
EV/EBITDA	6.4	5.8	4.6
EV/EBIT (adj.)	27.6	16.4	12.2
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

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
- Reducing emissions in Marine Logistics can give a company a competitive edge

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 (2/2): Sum of the parts

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 closer to neutral in 2026 (-0.6 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, sales 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 35 MEUR.

We have valued the **solar power business** at 4 MEUR, which corresponds to the notional purchase price of the Rasol acquisition (3.9 MEUR) or an EV/EBIT multiple of 10x based on actual 2023 earnings. Rasol's revenue increased, but the result deteriorated in 2023 compared to 2022. In the long term, the business could grow quite capital-efficiently if the company is able to expand into larger projects as part of a 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. In the calculation, we set a fair valuation multiple of 10x relative to the earnings level depressed by a weak economic cycle in 2024, although in a normal business cycle we see 9x as a fair valuation level for the capital-intensive and cyclical business. With 2024 forecasts, peers are priced at 7-10x EV/EBIT ratios. For 2024, we forecast an EBIT of 4.7 MEUR (7.0% of revenue), whereby a 10x EV/EBIT multiple would give a total operating value of 47 MEUR, which is about 0.9 times the market value of the company's ships on 06/14/2022 (50.8 MEUR). We have deducted the minority interest in Marine Logistics and Meriaura Oy's net debt (20.6%) in the calculation.

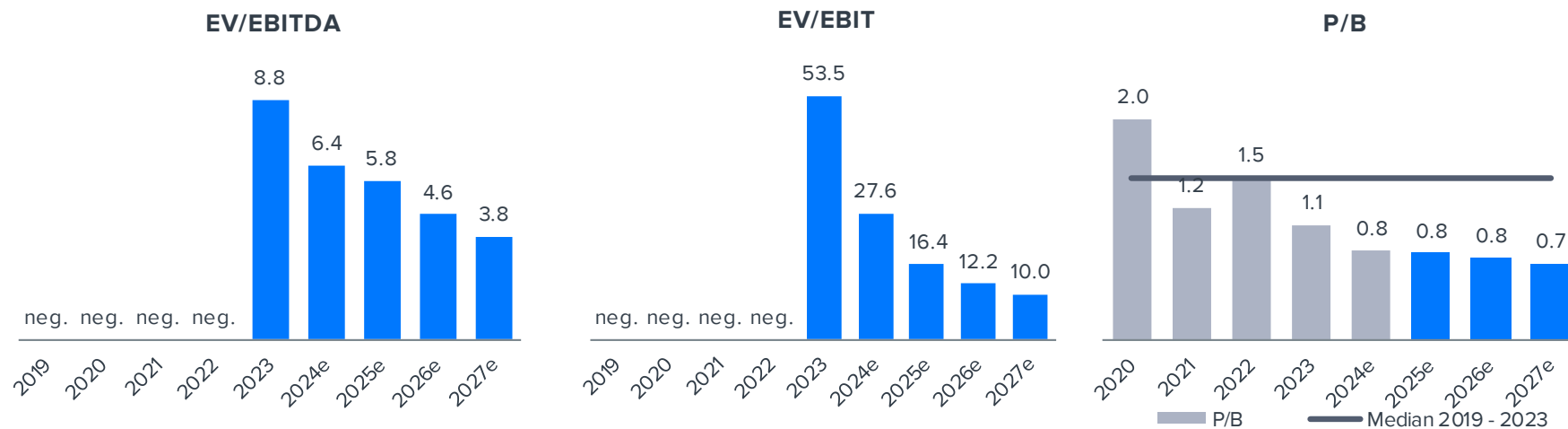
Sum of the parts MEUR	Scenario		
	Negative	Baseline	Positive
Solar thermal (formerly Savosolar)			
Revenue 2026e	5	20.0	50
EBIT 2026e	-4.0	-0.3	2.5
EV/EBIT (x)			14x
Enterprise value (EV)	-10	2	35
+			
Solar power (Rasol)			
Revenue 2023		6.1	
EBIT 2023		0.4	
EV/EBIT (x)		10x	
Enterprise value (EV)	4	4	4
+			
Marine Logistics			
EBIT 2024e		4.7	
EV/EBIT (x)		10.0x	
Enterprise value (EV)	47	47	47
EV/Market value of ships 06/14/2022	0.92x	0.92x	0.92x
Group ownership in Marine Logistics (79%)	37	37	37
+			
Other group expenses			
EBIT 2024e		-0.5	
EV/EBIT (x)		9x	
Enterprise value (EV)	-5	-5	-5
=			
Total enterprise value (EV)	26	38	71
Net debt 2024e	-14	-14	-14
Minority share of debt	3	3	3
Fair market value	15	26	59
Fair share price EUR	0.017	0.030	0.067
Current share price EUR	0.034	0.034	0.034
Current market cap	30	30	30
Change	-51%	-12%	97%

Source: Inderes' estimate

Valuation table

Valuation	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e
Share price	0.90	0.15	0.05	0.07	0.05	0.03	0.03	0.03	0.03
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	30	30	30	30
EV	15	7.6	4.1	70	56	49	55	59	54
P/E (adj.)	neg.	neg.	neg.	neg.	neg.	neg.	32.1	14.5	10.7
P/E	neg.	neg.	neg.	neg.	neg.	neg.	32.1	14.5	10.7
P/B	4.3	2.0	1.2	1.5	1.1	0.8	0.8	0.8	0.7
P/S	4.5	1.9	3.2	6.2	0.6	0.4	0.4	0.3	0.3
EV/Sales	4.3	1.5	1.7	8.1	0.8	0.6	0.6	0.6	0.5
EV/EBITDA	neg.	neg.	neg.	neg.	8.8	6.4	5.8	4.6	3.8
EV/EBIT (adj.)	neg.	neg.	neg.	neg.	53.5	27.6	16.4	12.2	10.0
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	414	895	7.7	9.0	5.7	5.8	3.2	3.4	5.9	6.0	4.8	5.3	
Eurodry	46	138	9.8	5.5	5.3	3.6	2.0	1.8	21.9	2.4			0.4
Start Bulk Carriers	2097	3027	7.1	6.0	5.1	4.4	2.7	2.5	5.0	4.2	15.2	20.0	0.9
Kawasaki Kisen Kaisha	8456	8971			11.7	8.9	1.6	1.5	10.1	6.0	5.2	4.1	1.0
Golden Ocean Group	1968	3174		8.0	6.8	6.0	4.1	3.8	7.6	6.0	12.3	13.7	1.1
Meriaura Group (Inderes)	30	49	27.6	16.4	6.4	5.8	0.6	0.6	-370.0	32.1	0.0	0.0	0.8
Average			8.2	7.1	6.9	5.8	2.7	2.6	10.1	4.9	9.4	10.8	0.8
Median			7.7	7.0	5.7	5.8	2.7	2.5	7.6	6.0	8.8	9.5	0.9
Diff-% to median			260%	133%	12%	0%	-77%	-74%	-4988%	438%	-100%	-100%	-12%

Source: Refinitiv / Inderes

Income statement

Income statement	2021	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24	Q2'24	Q3'24	Q4'24e	2024e	2025e	2026e	2027e
Revenue	2.5	8.6	16.2	15.3	15.7	19.0	66.2	17.9	22.1	18.8	20.2	79.0	84.8	93.2	99.8
Renewable Energy	0.0	3.8	0.2	0.3	0.2	2.7	3.4	1.9	3.9	3.2	3.5	12.5	16.7	22.7	26.7
Marine Logistic	0.0	4.9	16.0	15.0	15.5	16.4	62.8	15.9	18.2	15.7	16.7	66.5	68.1	70.5	73.0
EBITDA	-4.2	-3.6	1.5	1.1	1.7	2.1	6.3	1.2	2.3	1.4	2.7	7.7	9.4	12.7	14.2
Depreciation	-0.4	-0.2	-1.3	-1.3	-1.4	-1.2	-5.3	-1.4	-1.5	-1.5	-1.5	-5.9	-6.0	-7.9	-8.7
EBIT (excl. NRI)	-4.6	-3.8	0.2	-0.2	0.3	0.8	1.0	-0.2	0.8	0.0	1.2	1.8	3.4	4.8	5.4
EBIT	-4.6	-3.8	0.2	-0.2	0.3	0.8	1.0	-0.2	0.8	0.0	1.2	1.8	3.4	4.8	5.4
Renewable Energy			-1.1	-1.3	-0.7	-0.7	-3.8	-0.9	-0.4	-0.6	-0.5	-2.3	-1.2	0.0	0.4
Marine Logistic			1.2	1.0	1.0	1.9	5.1	0.8	1.5	0.6	1.8	4.7	5.1	5.5	5.7
Net financial items	-1.2	-0.3	-0.2	-0.3	-0.2	-0.6	-1.4	-0.3	-0.5	-3.7	-0.4	-4.8	-1.5	-1.7	-1.6
PTP	-5.8	-4.1	-0.1	-0.5	0.0	0.2	-0.3	-0.5	0.3	-3.7	0.9	-3.0	1.9	3.1	3.8
Taxes	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	-0.1	-0.1	-0.2	-0.2	-0.2
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.06	-0.3	-0.4	-0.8	-0.8	-0.8
Net earnings	-5.8	-4.1	-0.1	-0.5	0.0	0.3	-0.3	-0.5	0.3	-3.77	0.4	-3.4	0.9	2.1	2.8
EPS (rep.)	-0.03	-0.01	0.00	0.00	0.00	0.00	0.00	-0.0005	0.0004	-0.0042	0.0005	-0.0039	0.0011	0.0023	0.0032
Key figures	2021	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24	Q2'24	Q3'24	Q4'24e	2024e	2025e	2026e	2027e
Revenue growth-%	-51.2 %	245.8%					666.5 %	10.3 %	44.6 %	20.1 %	6.2 %	19.4 %	7.3 %	9.9 %	7.1 %
Adjusted EBIT growth-%												71.5 %	87.7 %	43.7 %	12.3 %
EBITDA-%	-167.2 %	-41.4 %	9.3 %	7.2 %	10.6 %	10.8 %	9.6 %	6.7 %	10.4 %	7.6 %	13.6 %	9.7 %	11.1 %	13.7 %	14.2 %
Adjusted EBIT-%	-182.4 %	-43.6 %	1.0 %	-1.4 %	1.7 %	4.4 %	1.6 %	-1.0 %	3.5 %	-0.1 %	6.0 %	2.3 %	4.0 %	5.2 %	5.4 %
Net earnings-%	-231.2 %	-47.1 %	-0.5 %	-3.3 %	0.1 %	1.5 %	-0.4 %	-2.6 %	1.6 %	-20.0 %	2.1 %	-4.4 %	1.1 %	2.2 %	2.8 %

Source: Inderes

Balance sheet

Assets	2022	2023	2024e	2025e	2026e
Non-current assets	50.6	49.4	50.4	56.6	61.8
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	42.8	48.9	54.2
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	21.8	23.1	25.3
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	9.7	10.3	11.2
Cash and equivalents	3.8	7.7	9.2	9.9	10.9
Balance sheet total	64.4	67.8	72.2	79.7	87.1

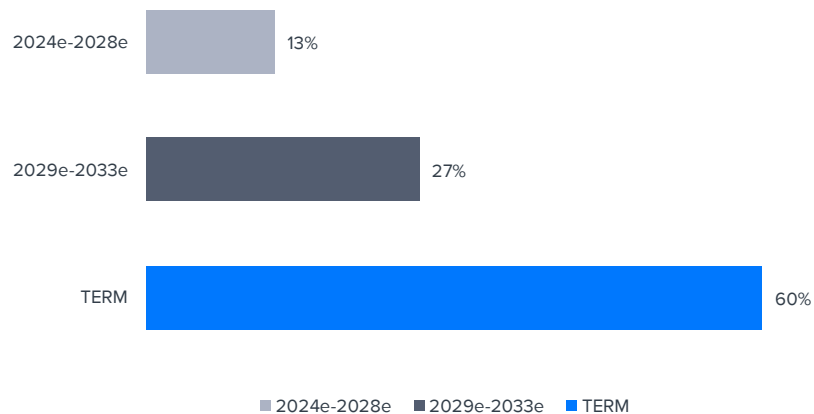
Source: Inderes

Liabilities & equity	2022	2023	2024e	2025e	2026e
Equity	35.4	40.0	40.9	41.9	44.0
Share capital	0.5	0.5	0.5	0.5	0.5
Retained earnings	-50.0	-50.3	-53.7	-52.8	-50.7
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	4.4	4.4	4.4
Non-current liabilities	17.5	18.1	19.0	22.5	26.1
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	18.8	22.3	25.9
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	12.2	15.2	17.0
Interest bearing debt	3.2	3.2	4.7	7.4	8.6
Payables	8.2	6.6	7.5	7.8	8.4
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	64.4	67.8	72.2	79.7	87.1

DCF calculation

DCF model	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	TERM
Revenue growth-%	666.5 %	19.4 %	7.3 %	9.9 %	7.1 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	2.5 %	2.5 %
EBIT-%	1.6 %	2.3 %	4.0 %	5.2 %	5.4 %	5.4 %	5.4 %	5.4 %	4.5 %	4.5 %	4.5 %	4.5 %
EBIT (operating profit)	1.0	1.8	3.4	4.8	5.4	5.7	6.0	6.3	5.5	5.7	5.9	
+ Depreciation	5.3	5.9	6.0	7.9	8.7	8.4	8.1	5.9	6.0	6.2	6.3	
- Paid taxes	0.1	-0.1	-0.2	-0.2	-0.2	-0.2	-0.3	-0.4	-0.4	-0.4	-0.4	
- Tax, financial expenses	-0.2	0.2	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	-2.4	-0.9	-0.4	-0.6	-0.4	-0.3	-0.3	-0.1	-0.1	-0.1	-0.2	
Operating cash flow	3.7	6.9	8.7	11.7	13.5	13.4	13.4	11.6	10.9	11.3	11.5	
+ 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	-6.9	-12.2	-13.1	-6.4	-6.6	-6.8	-7.1	-7.3	-7.5	-7.6	
Free operating cash flow	-0.3	0.0	-3.5	-1.4	7.1	6.8	6.5	4.5	3.6	3.8	3.9	
+/- 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	0.0	-3.5	-1.4	7.1	6.8	6.5	4.5	3.6	3.8	3.9	61.7
Discounted FCFF		0.0	-3.2	-1.2	5.4	4.8	4.2	2.6	1.9	1.9	1.8	27.9
Sum of FCFF present value		46.0	46.1	49.3	50.4	45.0	40.3	36.1	33.4	31.5	29.6	27.9
Enterprise value DCF		46.0										
- Interest bearing debt		-21.1										
+ Cash and cash equivalents		7.7										
- Minorities		-5.0										
- Dividend/capital return		0.0										
Equity value DCF		27.7										
Equity value DCF per share		0.031										

Cash flow distribution

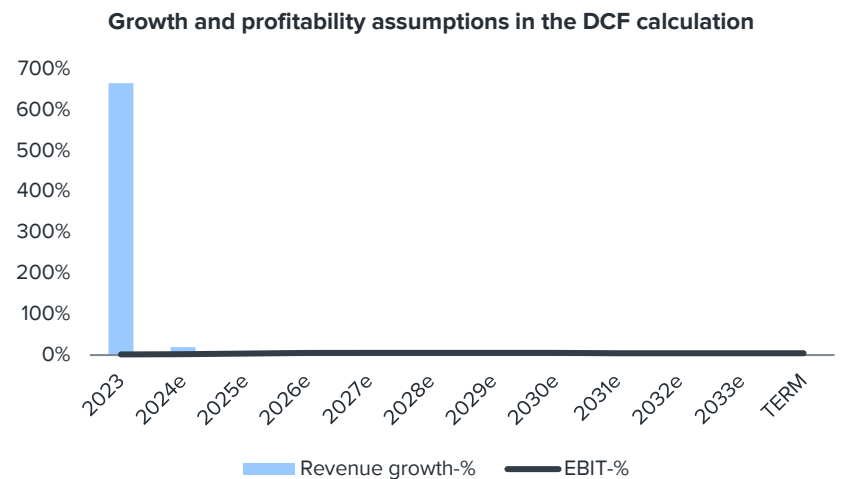
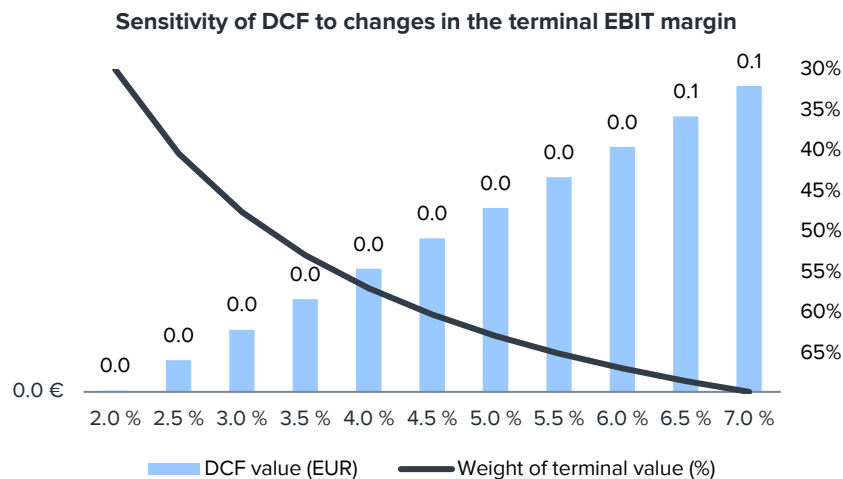
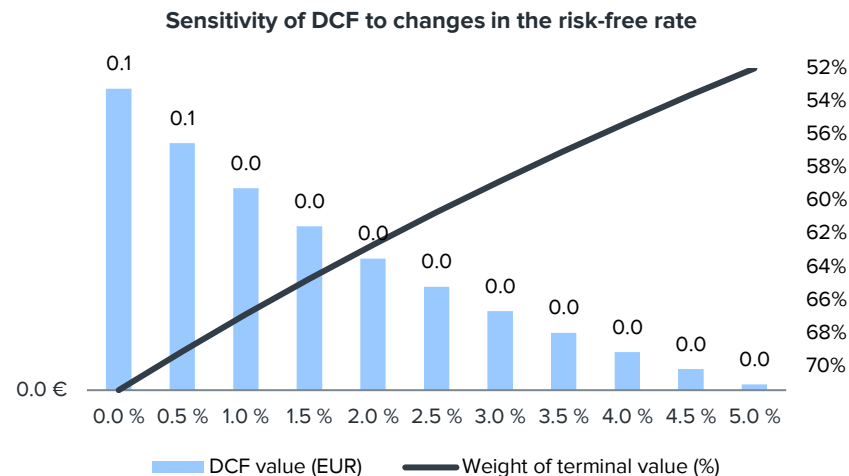
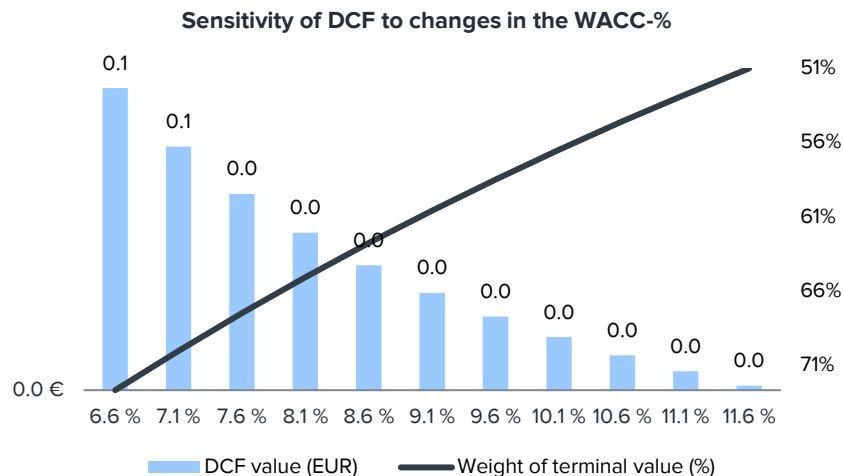


WACC

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	Per share data	2021	2022	2023	2024e	2025e
Revenue	2.5	8.6	66.2	79.0	84.8	EPS (reported)	-0.03	-0.01	0.00	0.00	0.00
EBITDA	-4.2	-3.6	6.3	7.7	9.4	EPS (adj.)	-0.03	-0.01	0.00	0.00	0.00
EBIT	-4.6	-3.8	1.0	1.8	3.4	OCF / share	-0.03	0.00	0.00	0.01	0.01
PTP	-5.8	-4.1	-0.3	-3.0	1.9	FCF / share	-0.03	-0.02	0.01	0.00	0.00
Net Income	-5.8	-4.1	-0.3	-3.4	0.9	Book value / share	0.04	0.05	0.05	0.04	0.04
Extraordinary items	0.0	0.0	0.0	0.0	0.0	Dividend / share	0.00	0.00	0.00	0.00	0.00
Balance sheet	2021	2022	2023	2024e	2025e	Growth and profitability	2021	2022	2023	2024e	2025e
Balance sheet total	8.2	64.4	67.8	72.2	79.7	Revenue growth-%	-51%	246%	666%	19%	7%
Equity capital	6.5	35.4	40.0	40.9	41.9	EBITDA growth-%	22%	-14%	-277%	21%	23%
Goodwill	0.0	0.0	3.5	3.5	3.5	EBIT (adj.) growth-%	17%	-17%	-128%	71%	88%
Net debt	-3.8	16.7	13.3	14.2	19.8	EPS (adj.) growth-%	-56%	-85%	-94%	-71%	-1253%
Cash flow	2021	2022	2023	2024e	2025e	EBITDA-%	-167.2 %	-41.4 %	9.6 %	9.7 %	11.1 %
EBITDA	-4.2	-3.6	6.3	7.7	9.4	EBIT (adj.)-%	-182.4 %	-43.6 %	1.6 %	2.3 %	4.0 %
Change in working capital	-0.5	-0.3	-2.4	-0.9	-0.4	EBIT-%	-182.4 %	-43.6 %	1.6 %	2.3 %	4.0 %
Operating cash flow	-4.7	-3.8	3.7	6.9	8.7	ROE-%	-103.4 %	-19.4 %	-0.7 %	-9.0 %	2.5 %
CAPEX	0.2	-49.5	-4.1	-6.9	-12.2	ROI-%	-76.2 %	-12.0 %	1.8 %	2.9 %	4.9 %
Free cash flow	-4.5	-16.9	4.5	0.0	-3.5	Equity ratio	79.5 %	55.0 %	58.9 %	56.7 %	52.6 %
Valuation multiples	2021	2022	2023	2024e	2025e	Gearing	-58.8 %	47.2 %	33.3 %	34.8 %	47.4 %
EV/S	1.7	8.1	0.8	0.6	0.6						
EV/EBITDA	neg.	neg.	8.8	6.4	5.8						
EV/EBIT (adj.)	neg.	neg.	53.5	27.6	16.4						
P/E (adj.)	neg.	neg.	neg.	neg.	32.1						
P/B	1.2	1.5	1.1	0.8	0.8						
Dividend-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %						

Source: Inderes

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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 €
7/2/2024	Reduce	0.04 €	0.044 €
8/22/2024	Reduce	0.03 €	0.037 €
10/31/2024	Reduce	0.03 €	0.034 €



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