

Metacon

Company report

20.11.2024 08:35 CET



Lucas Mattsson
+46 731589485
lucas.mattsson@inderes.com

✓ Inderes corporate customer

inde
res.

Approaching a new era of larger deliveries

Metacon's Q3 results were mixed, with revenue aligning with our expectations while costs were significantly higher, reflecting the company's preparations for larger-scale deliveries. With short-term funding soon in check, Metacon can focus on fulfilling the large-scale order from Motor Oil, with clear signs of progress expected to be visible next year. However, given the uncertainty of whether the company will continue to receive larger orders regularly and at what profitability level, the forecast risks remain high. Due to the still high required return, we reiterate our Reduce recommendation but lower our target price slightly with estimates to SEK 0.21 per share (prev. 0.23).

Q3 revenue was in line with our estimates, but profitability remains heavily in the red

Metacon's Q3 revenue declined 72% and amounted to 5.7 MSEK, in line with our estimates. The cost structure during the quarter was higher than our estimates, which we attribute to the company gearing up for larger deliveries. This, coupled with still low absolute revenues, resulted in a negative Q3 EBITDA of -46.3 MSEK. Although Metacon strengthened its working capital, operating cash flow was obviously quite weak due to the high operating loss and the cash position amounted to a modest 9.1 MSEK. However, the company has recently announced a rights issue of up to 138 MSEK and a bridge loan of 50 MSEK to maintain liquidity until the rights issue is finalized. As we have previously communicated, we view this capital raise positively, as it mitigates the short-term financing risks we had flagged.

We revised our estimates to reflect the higher cost structure as well as revenue recognition of projects

Metacon has indicated that revenues from a typical 30 MW electrolyzer project will be generated steadily throughout the project timeline, leading us to adjust our estimates for the large-scale Motor Oil order to reflect a more even revenue distribution starting in Q4'24. This revision increases our 2024 revenue estimates but slightly lowers our estimates for 2025 and 2026, although the net effect is modest. Additionally, we have noted that cash flow in large projects, like Motor Oil, is typically negative for the first 1-9 months due to restricted cash held as collateral for bank guarantees, tying up working capital and limiting the ability to scale multiple projects simultaneously. This factor has also contributed to somewhat lower revenue estimates for 2025 and 2026. As a result of higher-than-expected costs in the quarter, combined with the revised revenue estimates for 2025-2026, we lowered our EBIT estimates.

Developing in the right direction but high growth is already priced in

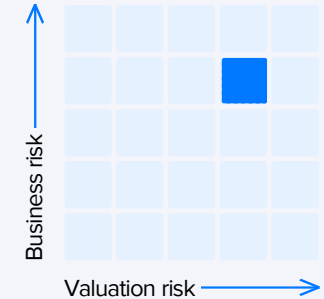
Metacon has taken clear steps towards building a larger business and reaching a wider commercial scale. Additionally, with short-term funding soon in check, Metacon can refocus on executing its growth strategy. However, given the company's early commercialization phase and the uncertainty regarding whether the company will continue to receive larger orders regularly, the potential outcomes are wide. Utilizing valuation methods that predominantly rely on the company's long-term potential, we reach a per share value in the range of SEK 0.06-0.45 (prev. 0.07-0.55) and our target price is roughly in the middle at SEK 0.21 per share. Overall, we believe the stock is fairly priced for substantial growth and that a larger upside for the stock would require that the company reaches a sharper growth rate in 2025-2026 than we expect.

Recommendation

Reduce
(prev. Reduce)

0.21 SEK
(prev. 0.23 SEK)

Share price:
0.20



Key indicators

	2023	2024e	2025e	2026e
Revenue	60.1	56.6	274.4	713.5
growth-%	-6%	-6%	385%	160%
EBIT adj.	-62.7	-106.6	-44.7	-44.3
EBIT-% adj.	-104.3 %	-188.4 %	-16.3 %	-6.2 %
Net Income	-77.8	-119.9	-81.6	-62.1
EPS (adj.)	-0.20	-0.08	-0.04	-0.04

P/E (adj.)	neg.	neg.	neg.	neg.
P/B	3.0	2.3	5.9	neg.
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	neg.	neg.	neg.	neg.
EV/EBITDA	neg.	neg.	neg.	neg.
EV/S	4.7	5.7	1.4	0.8

Source: Inderes

Guidance

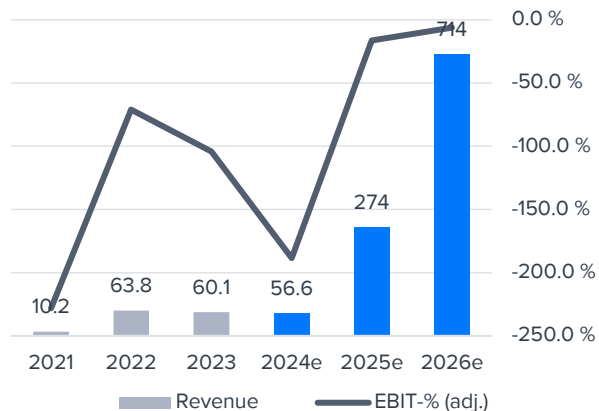
Metacon does not provide guidance

Share price



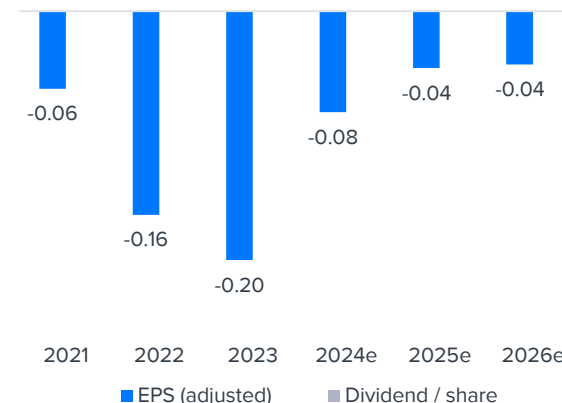
Source: Millistream Market Data AB

Revenue and EBIT-%



Source: Inderes

Earnings per share



Source: Inderes



Value drivers

- Metacon's target market is expected to grow significantly due to the demand for green hydrogen
- Proprietary reformer technology enabling green hydrogen production from biogas
- Electrolyzer distribution and manufacturing agreement with PERIC
- Potential licensing of reformer technology could bring in high-margin revenue
- A handful of larger projects could significantly increase revenues



Risk factors

- Unprofitable operations that are currently funded through equity issues
- Predicting revenue and profitability development is challenging because the company and the market are still in the early stages of development
- Lower order inflow and delays to current orders would put further strain on the company's equity story
- Termination of agreements with PERIC due to commercial or geopolitical reasons

Valuation	2024e	2025e	2026e
Share price	0.20	0.20	0.20
Number of shares, millions	1374.9	1489.8	1489.8
Market cap	271	294	294
EV	325	397	539
P/E (adj.)	neg.	neg.	neg.
P/E	neg.	neg.	neg.
P/B	2.3	5.9	neg.
P/S	4.8	1.1	0.4
EV/Sales	5.7	1.4	0.8
EV/EBITDA	neg.	neg.	neg.
EV/EBIT (adj.)	neg.	neg.	neg.
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Preparing for larger deliveries

Revenue in line with our expectations

Metacon's Q3 revenue amounted to 5.7 MSEK, in line with our expectations, and was mainly driven by electrolysis sales in Greece. As a result, revenue decreased by 72%, mainly due to challenging year-over-year comparisons, as last year's quarter included the completion of several large electrolysis and hydrogen refueling station projects. In addition, many of the projects in the backlog have been completed, or are close to completion, while new projects have not yet been started to any large extent.

In the bigger picture, however, Metacon's investment case and path to cash flow neutrality are largely dependent on increasing order intake and successful conversion from order book to revenue. During the quarter, order intake rose sharply, due to the ~226 MSEK order for a large-scale industrial electrolysis

plant. The project has further growth potential as Motor Oil can expand the plant by an additional 20 MW in a second phase, which we view as a potentially reasonable outcome if implementation is successful. We believe this order not only strengthens the investment case but also validates Metacon's technology, as well as highlights the effectiveness of the strategy of partnering with reputable companies such as Siemens and PERIC.

Increased costs as the company gears up for larger deliveries

The cost structure during the quarter was higher than our estimates, which we attribute to the company gearing up for larger deliveries. This means, e.g., significant investments in upgrading technical documentation, safety standards and control systems, as well as building the organizational capability for future projects. This resulted in a

negative Q3 EBITDA of -46.3 MSEK, substantially below our estimates, as we had anticipated the company to take on these costs at the beginning of next year.

Cash flow and financial position

Although Metacon strengthened its working capital, operating cash flow was obviously quite weak due to the high operating loss and amounted to -28.6 MSEK (Q3'23: -37.1 MSEK). As a result, Metacon's cash position, as of the end of Q3, was weak and amounted to 9.1 MSEK. However, the company has recently announced a rights issue of up to 138 MSEK and a bridge loan of 50 MSEK to maintain liquidity until the rights issue is finalized. As we have previously communicated, we view this capital raise positively, as it mitigates the short-term financing risks we had flagged.

Estimates MSEK / SEK	Q3'23	Q3'24	Q3'24e	Q3'24e	Consensus		Difference (%)	2024e
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. Inderes	Inderes
Revenue	20.1	5.7	6.0				-5%	56.6
EBITDA	-16.9	-46.3	-7.7				-501%	-105.7
EBIT (adj.)	-17.0	-46.4	-8.1				-476%	-106.6
EBIT	-19.6	-49.1	-10.7				-360%	-117.1
PTP	-19.9	-49.3	-11.6				-324%	-119.9
EPS (reported)	-0.06	-0.07	-0.02				-314%	-0.09
Revenue growth-%	-1.8 %	-71.6 %	-70.0 %				-1.6 pp	-5.8 %
EBIT-% (adj.)	-84.8 %	-814.8 %	-133.7 %				-681.1 pp	-188.4 %

Source: Inderes

We revised our estimates to reflect the revenue recognition of projects

Estimate changes 2024-26e:

- In our previous estimates, we anticipated that revenues from the large-scale Motor Oil order would be recognized primarily from mid-2025 onwards. However, Metacon has recently indicated that revenue from the projects will be generated steadily throughout the project timeline, resulting in a more linear progression than previously expected. As a result, we have adjusted our revenue estimates to reflect a more even distribution, beginning in Q4'24. This revision has increased our revenue estimates for 2024 but lowered them somewhat for 2025 and 2026.
- Furthermore, we have noted that in large projects such as Motor Oil, cash flow is typically negative during the first 1-9 months due to restricted cash held as collateral for bank guarantees. This ties up significant working capital and may limit Metacon's ability to scale up multiple projects simultaneously. This factor has also contributed to somewhat lower revenue estimates for 2025 and 2026.
- Higher-than-expected costs in the current quarter, combined with the revised revenue estimates for 2025-2026, negatively affected our EBIT estimates.

Estimate revisions	2024e			2025e			2026e		
	Old	New	Change %	Old	New	Change %	Old	New	Change %
MSEK / SEK									
Revenue	28.1	56.6	101%	335	274	-18%	771	714	-7%
EBITDA	-64.0	-105.7	-65%	-21.8	-40.7	-87%	-11.6	-25.0	-116%
EBIT (exc. NRIs)	-65.2	-106.6	-64%	-33.0	-44.7	-36%	-28.7	-44.3	-54%
EBIT	-75.6	-117.1	-55%	-43.8	-59.7	-36%	-32.3	-43.8	-35%
PTP	-78.8	-119.9	-52%	-53.8	-81.6	-52%	-52.2	-62.1	-19%
EPS (excl. NRIs)	-0.05	-0.08	-59%	-0.03	-0.04	-49%	-0.03	-0.04	-40%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

Risk/reward remains thin in the short-term

High potential but also risks associated with commercialization

We believe that Metacon's investment story relies on expectations related to the commercialization potential of the company's product portfolio and significant future business volumes. Metacon has already assembled a complementary product portfolio and successfully secured some large orders. At this stage, simply delivering on its current order book could significantly boost Metacon's revenues. However, there is limited visibility into the progress of existing orders, particularly those in Poland and Romania, as well as the future order flow. While securing a few large orders increases the likelihood of a commercial breakthrough, it does not guarantee a consistent order pipeline. Consequently, there is a wide range of potential outcomes for Metacon, both positive and negative.

Relative valuation does not suggest an upside

2024 will be a transition year due to the company's shift towards targeting larger industrial customers, which we consider reasonable. In 2025, Metacon is valued at EV/S 1.4x, which is lower than the peer group median of around 2.2x. This spread is quite large in our opinion, but the forecast risk is also very high and depends on many assumptions. In addition, there is a significant discrepancy within the peer group in terms of company size and their stages of commercialization. Given that Metacon is smaller and earlier in its commercial phase compared to its peers, a discount is justified. Assuming this, Metacon's share does not appear to be significantly mispriced relative to its peers.

The company is developing in the right direction, but we are relatively neutral about the valuation

Utilizing valuation methods that predominantly rely on the company's long-term potential, we reach a per share value in the range of SEK 0.06-0.45 (prev. 0.07-0.55). The lower bound of this range is based on an EV/S multiple of 1.0x applied to the average of the 2025 and 2026 negative scenarios, while the upper bound is based on an EV/S multiple of 2.0x applied to the average of the 2025 and 2026 positive scenarios (see next page). This range is also supported by our DCF.

Metacon is undoubtedly making strides in the right direction, aligning with our criteria of securing larger orders and establishing the supply chain and capabilities for its European Gigafactory. Additionally, with short-term funding soon in check, Metacon can refocus on executing its growth strategy, where clear signs of success are expected to start emerging in 2025. However, given the uncertainty of whether the company will continue to receive larger orders regularly and at what profitability level, the forecast risks remain high, making it difficult to lean toward the upper end of the fair value range. Considering these factors, we set our target price roughly in the middle of our valuation range at SEK 0.21 per share. This assumes that the financing needs are covered, deliveries to Motor Oil remain on track and Metacon manages to increase its order intake in the coming years. Due to the still high required return, we reiterate our Reduce recommendation. Rights issues also typically come with selling pressure, which brings some unfavorable short-term drivers, especially for less traded stocks.

Valuation	2024e	2025e	2026e
Share price	0.20	0.20	0.20
Number of shares, millions	1374.9	1489.8	1489.8
Market cap	271	294	294
EV	325	397	539
P/E (adj.)	neg.	neg.	neg.
P/E	neg.	neg.	neg.
P/B	2.3	5.9	neg.
P/S	4.8	1.1	0.4
EV/Sales	5.7	1.4	0.8
EV/EBITDA	neg.	neg.	neg.
EV/EBIT (adj.)	neg.	neg.	neg.
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Estimated future valuation ranges

2025e, MSEK	Negative	Base	Positive
Revenue	192	274	412
EV/S	1.0x	1.5x	2.0x
EV	192	412	823
Net debt ^{1, 2}	178	178	178
Market cap	14	234	646
Per share ^{1, 2}	0.01	0.12	0.34
Discounted to present	0.01	0.10	0.28

2026e, MSEK	Negative	Base	Positive
Revenue	499	714	1,070
EV/S	1.0x	1.5x	2.0x
EV	499	1,070	2,141
Net debt ²	95	95	95
Market cap	405	975	2,046
Per share ²	0.17	0.42	0.88
Discounted to present	0.12	0.30	0.62

Source: Inderes

1. We assume the rights issue is completed in full. The 2025 scenario also incorporates the exercise of the warrants issued in conjunction with the 2024 rights issue.
2. To account for potential equity issues, we have adjusted net debt and the number of shares to reflect hypothetical shares issue of 75 MSEK in 2025 and 75 MSEK in 2026. Issues are conducted at 0.18 SEK/share (10% discount to current share price).

Valuation table

Valuation	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e
Share price	1.16	5.15	3.04	1.13	0.83	0.20	0.20	0.20	0.20
Number of shares, millions	194.3	233.2	265.4	342.6	342.6	1374.9	1489.8	1489.8	1489.8
Market cap	225	1201	807	387	284	271	294	294	294
EV	227	1131	768	285	284	325	397	539	634
P/E (adj.)	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.
P/E	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.
P/B	6.6	13.3	3.5	2.3	3.0	2.3	5.9	neg.	neg.
P/S	>100	>100	79.2	6.1	4.7	4.8	1.1	0.4	0.2
EV/Sales	>100	>100	75.4	4.5	4.7	5.7	1.4	0.8	0.4
EV/EBITDA	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.	11.1
EV/EBIT (adj.)	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.	18.7
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 Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B 2024e
			2024e	2025e	2024e	2025e	2024e	2025e	2024e	2025e	2024e	2025e	
Thyssenkrupp Nucera	1,064	369			46.4		0.4	0.4		162.0			1.4
Plug Power	1,715	2,000					2.9	2.2					0.6
Bloom Energy Corp	4,931	5,914	153.9	53.0	54.4	30.1	4.4	3.7	616.5	58.3			10.6
ITM Power	275	13					0.6	0.4					1.1
Nel ASA	505	361					2.8	2.3					1.1
Green Hydrogen Systems	49	212					10.4	4.8					0.8
Hydrogen Pro	34	20					0.6	0.2					1.1
McPhy Energy													
PowerCell	167	163					5.6	4.6					8.3
Enapter	116	151					4.2	2.2					1.5
Ceres Power Holdings PLC	403	255					3.8	3.5					2.2
Metacon (Inderes)	24	28	-3.1	-8.9	-3.1	-9.8	5.7	1.4	-2.5	-4.4	0.0	0.0	2.3
Average			153.9	53.0	54.4	38.2	3.4	2.3	616.5	110.2			2.9
Median			153.9	53.0	54.4	38.2	2.9	2.2	616.5	110.2			1.3
Diff-% to median			-102%	-117%	-106%	-126%	100%	-35%	-100%	-104%			87%

Source: Refinitiv / Inderes

Income statement

Income statement	2021	2022	2023	Q1'24	Q2'24	Q3'24	Q4'24e	2024e	2025e	2026e	2027e
Revenue	10.2	63.8	60.1	7.3	11.3	5.7	32.3	56.6	274	714	1427
EBITDA	-22.4	-35.2	-62.1	-14.5	-28.7	-46.3	-16.2	-105.7	-40.7	-25.0	57.1
Depreciation	-16.7	-12.2	-11.3	-2.7	-2.9	-2.8	-3.0	-11.4	-19.0	-18.8	-23.2
EBIT (excl. NRI)	-23.2	-45.3	-62.7	-14.6	-28.9	-46.4	-16.6	-106.6	-44.7	-44.3	33.9
EBIT	-39.1	-47.4	-73.4	-17.2	-31.6	-49.1	-19.2	-117.1	-59.7	-43.8	33.9
Share of profits in assoc. compan.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net financial items	4.7	-3.1	-4.4	-0.9	-0.4	-0.2	-1.3	-2.8	-22.0	-18.4	-34.6
PTP	-34.4	-50.4	-77.8	-18.1	-32.0	-49.3	-20.5	-119.9	-81.6	-62.1	-0.7
Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minority interest	3.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	-30.5	-50.4	-77.8	-18.1	-32.0	-49.3	-20.5	-119.9	-81.6	-62.1	-0.7
EPS (adj.)	-0.06	-0.16	-0.20	-0.02	-0.04	-0.07	-0.01	-0.08	-0.04	-0.04	0.00
EPS (rep.)	-0.13	-0.17	-0.23	-0.03	-0.05	-0.07	-0.01	-0.09	-0.05	-0.04	0.00
Key figures	2021	2022	2023	Q1'24	Q2'24	Q3'24	Q4'24e	2024e	2025e	2026e	2027e
Revenue growth-%	150.2 %	526.6 %	-5.8 %	-48.6 %	-55.0 %	-71.6 %	4512%	-5.8 %	385.0 %	160.0 %	100.0 %
Adjusted EBIT growth-%		94.8 %	38.4 %	14.0 %	91.2 %	172.6 %	-6.1 %	70.1 %	-58.1 %	-1.0 %	-176.5 %
EBITDA-%	-219.8 %	-55.1 %	-103.3 %	-198.6 %	-254.0 %	-812.3 %	-50.3 %	-186.8 %	-14.8 %	-3.5 %	4.0 %
Adjusted EBIT-%	-228.2 %	-70.9 %	-104.3 %	-200.5 %	-256.1 %	-814.8 %	-51.4 %	-188.4 %	-16.3 %	-6.2 %	2.4 %
Net earnings-%	-299.9 %	-79.0 %	-129.5 %	-247.9 %	-283.2 %	-864.9 %	-63.4 %	-211.9 %	-29.7 %	-8.7 %	-0.1 %

Source: Inderes

Balance sheet

Assets	2022	2023	2024e	2025e	2026e
Non-current assets	49.9	51.5	51.7	73.4	99.6
Goodwill	34.0	24.9	14.4	-0.6	-0.1
Intangible assets	1.1	2.4	3.8	5.5	6.1
Tangible assets	6.5	17.4	26.7	61.7	86.8
Associated companies	6.2	6.2	6.2	6.2	6.2
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	2.1	0.6	0.6	0.6	0.6
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
Current assets	140	84.5	338	187	293
Inventories	13.3	17.2	62.2	54.9	107
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	21.7	40.3	79.2	76.8	150
Cash and equivalents	105	27.0	197	54.9	35.7
Balance sheet total	190	136	390	260	392

Source: Inderes

Liabilities & equity	2022	2023	2024e	2025e	2026e
Equity	172	94.8	116	50.1	-12.0
Share capital	3.4	3.4	13.7	14.9	14.9
Retained earnings	0.0	0.0	-119.9	-201.5	-263.6
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	168	91.4	222	237	237
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	4.4	6.7	252	159	282
Deferred tax liabilities	0.2	0.3	0.3	0.3	0.3
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	2.5	5.1	251	158	280
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	1.8	1.3	1.3	1.3	1.3
Current liabilities	14.0	34.5	21.8	50.7	122
Interest bearing debt	0.6	21.6	0.0	0.0	0.0
Payables	6.2	10.9	6.8	35.7	107
Other current liabilities	7.1	2.0	15.0	15.0	15.0
Balance sheet total	190	136	390	260	392

DCF calculation

DCF model	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	TERM
Revenue growth-%	-5.8 %	-5.8 %	385.0 %	160.0 %	100.0 %	35.0 %	20.0 %	10.0 %	8.0 %	2.0 %	2.0 %	2.0 %
EBIT-%	-122.1 %	-206.9 %	-21.7 %	-6.1 %	2.4 %	8.2 %	11.6 %	12.9 %	13.1 %	12.7 %	12.2 %	12.2 %
EBIT (operating profit)	-73.4	-117.1	-59.7	-43.8	33.9	158.1	267.8	327.2	360.4	357.1	348.3	
+ Depreciation	11.3	11.4	19.0	18.8	23.2	24.9	32.8	41.5	51.5	63.1	80.4	
- Paid taxes	0.1	0.0	0.0	0.0	0.0	0.0	-44.6	-59.3	-70.2	-73.1	-73.0	
- Tax, financial expenses	0.0	0.0	0.0	0.0	0.0	0.0	-11.0	-8.6	-4.6	-1.2	0.0	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.5	0.5	0.7	1.3	
- Change in working capital	-22.9	-75.1	38.6	-53.8	-64.2	-74.9	-57.8	-34.7	-36.0	-36.4	-37.6	
Operating cash flow	-84.9	-180.8	-2.1	-78.8	-7.1	108.1	187.6	266.6	301.7	310.3	319.2	
+ Change in other long-term liabilities	-0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-12.9	-11.6	-40.7	-44.9	-53.1	-63.5	-76.0	-90.9	-108.8	-130.3	-156.0	
Free operating cash flow	-98.3	-192.4	-42.8	-123.7	-60.2	44.6	111.6	175.7	192.9	180.0	163.2	
+/- Other	0.0	108.8	15.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-98.3	-83.5	-27.7	-123.7	-60.2	44.6	111.6	175.7	192.9	180.0	163.2	1,048.9
Discounted FCFF		-82.0	-23.1	-87.4	-36.1	22.7	48.1	64.3	59.9	47.4	36.5	234.4
Sum of FCFF present value		284.7	366.7	389.8	477.1	513.2	490.5	442.4	378.1	318.2	270.8	234.4
Enterprise value DCF		284.7										
- Interest bearing debt		-26.7										
+ Cash and cash equivalents		27.0										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		285.0										
Equity value DCF per share		0.21										

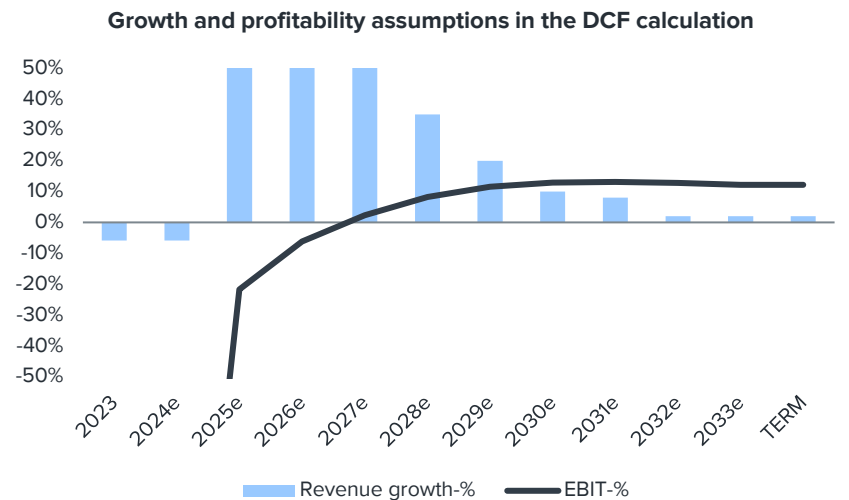
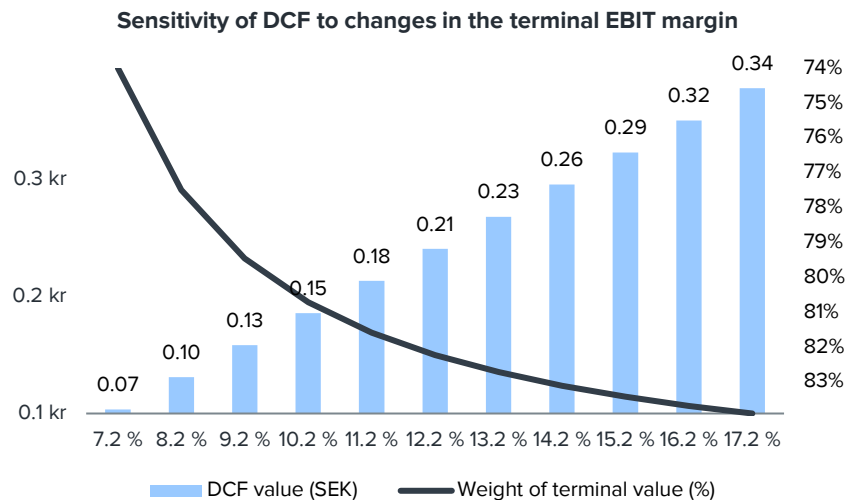
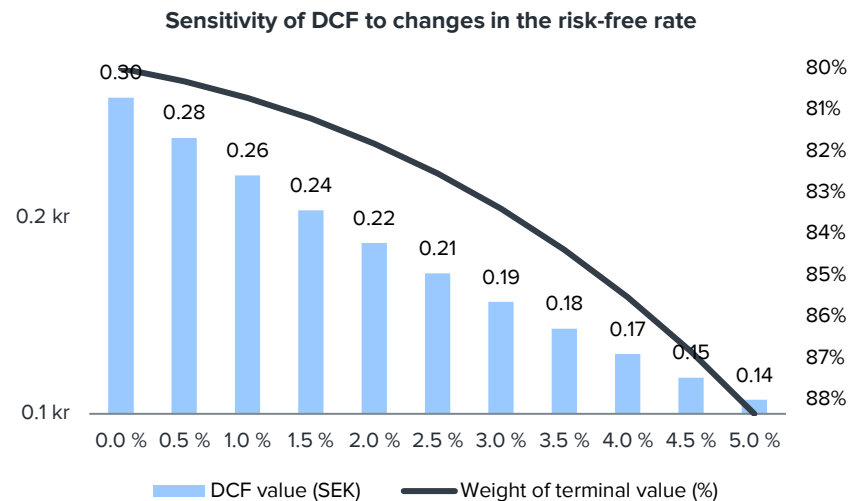
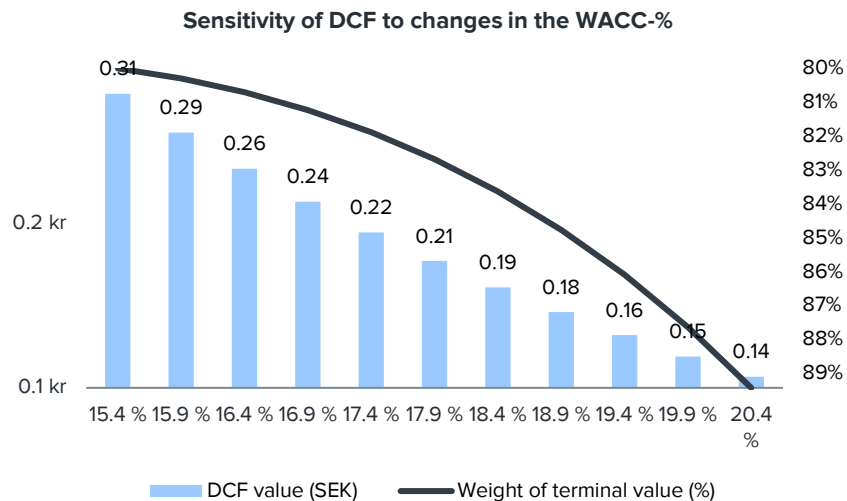
Cash flow distribution

WACC			
Tax-% (WACC)	20.6 %	2024e-2028e	-72%
Target debt ratio (D/(D+E))	10.0 %	2029e-2033e	90%
Cost of debt	10.0 %		
Equity Beta	2.90		
Market risk premium	4.75%	TERM	82%
Liquidity premium	2.70%		
Risk free interest rate	2.5 %		
Cost of equity	19.0 %		
Weighted average cost of capital (WACC)	17.9 %		

■ 2024e-2028e ■ 2029e-2033e ■ TERM

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	10.2	63.8	60.1	56.6	274.4	EPS (reported)	-0.13	-0.17	-0.23	-0.09	-0.05
EBITDA	-22.4	-35.2	-62.1	-105.7	-40.7	EPS (adj.)	-0.06	-0.16	-0.20	-0.08	-0.04
EBIT	-39.1	-47.4	-73.4	-117.1	-59.7	OCF / share	-0.12	-0.15	-0.25	-0.13	0.00
PTP	-34.4	-50.4	-77.8	-119.9	-81.6	FCF / share	-0.88	-0.17	-0.29	-0.06	-0.02
Net Income	-30.5	-50.4	-77.8	-119.9	-81.6	Book value / share	0.96	0.57	0.28	0.08	0.03
Extraordinary items	-15.9	-2.1	-10.7	-10.5	-15.0	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	241.5	190.1	136.0	390.1	260.1	Revenue growth-%	150%	527%	-6%	-6%	385%
Equity capital	230.8	171.7	94.8	115.9	50.1	EBITDA growth-%	96%	57%	77%	70%	-62%
Goodwill	169.0	34.0	24.9	14.4	-0.6	EBIT (adj.) growth-%	87%	95%	38%	70%	-58%
Net debt	-39.2	-102.1	-0.3	53.9	102.8	EPS (adj.) growth-%	17%	162%	22%	-59%	-44%
Cash flow	2021	2022	2023	2024e	2025e	EBITDA-%	-219.8 %	-55.1 %	-103.3 %	-186.8 %	-14.8 %
EBITDA	-22.4	-35.2	-62.1	-105.7	-40.7	EBIT (adj.)-%	-228.2 %	-70.9 %	-104.3 %	-188.4 %	-16.3 %
Change in working capital	-5.9	-10.0	-22.9	-75.1	38.6	EBIT-%	-383.9 %	-74.2 %	-122.1 %	-206.9 %	-21.7 %
Operating cash flow	-28.2	-45.0	-84.9	-180.8	-2.1	ROE-%	-19.0 %	-25.1 %	-58.4 %	-113.8 %	-98.3 %
CAPEX	-183.8	-9.2	-12.9	-11.6	-40.7	ROI-%	-23.7 %	-23.1 %	-49.6 %	-47.9 %	-20.8 %
Free cash flow	-212.0	-52.8	-98.3	-83.5	-27.7	Equity ratio	95.5 %	90.3 %	69.7 %	29.7 %	19.3 %
						Gearing	-17.0 %	-59.5 %	-0.3 %	46.5 %	205.0 %
Valuation multiples	2021	2022	2023	2024e	2025e						
EV/S	75.4	4.5	4.7	5.7	1.4						
EV/EBITDA	neg.	neg.	neg.	neg.	neg.						
EV/EBIT (adj.)	neg.	neg.	neg.	neg.	neg.						
P/E (adj.)	neg.	neg.	neg.	neg.	neg.						
P/B	3.5	2.3	3.0	2.3	5.9						
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
2024-03-15	Reduce	0.18 SEK	0.17 SEK
2024-04-02	Reduce	0.17 SEK	0.16 SEK
Analyst change, 2024-04-25			
2024-05-17	Reduce	0.21 SEK	0.24 SEK
2024-08-23	Reduce	0.48 SEK	0.53 SEK
2024-11-05	Reduce	0.23 SEK	0.22 SEK
2024-11-19	Reduce	0.21 SEK	0.20 SEK



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](https://www.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.**