

# Kempower

## Company report

07/19/2023 18:45



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✓ Inderes corporate customer

This report is a summary translation of the report "Kannattavuus skaalautuu nopeasti" published on 7/19/2023 at 6:46 pm

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# Profitability scales rapidly

Stronger than expected growth and especially the rapid scaling of profitability in Q2 provide clear additional support for Kempower's earnings growth outlook. We still see potential for a surprise in terms of growth with new production facilities and the expansion in North America, although the uncertainty surrounding forecasts is significant. The actual result date, July 25th, can still bring additional information that may affect our estimates. We reiterate our Accumulate recommendation and raise our target price to EUR 43 (previous 32) driven by higher estimates.

## Q2 stronger than expected in terms of growth and especially profitability

Kempower published preliminary information on its Q2 financial figures on July 18th. Q2's revenue was EUR 72.5 million (up 235% y-o-y), which exceeded our and consensus estimates by 15-17%. New orders exceeded our estimate by 16%, which is a positive signal for future growth. Profitability was particularly strong as the operative EBIT was EUR 13.9 million (19.2% of revenue), and thus more than double compared to our and consensus estimates. The actual Q2 report on July 25th will provide more details concerning the figures, but we expect that stronger growth has come mainly from Europe. We also consider it likely that high profitability is based on improved gross margins from the comparison period.

## We raised both our growth and profitability estimates

Thanks to the strong Q2, Kempower once again raised its guidance for the full year 2023. Now the revenue for 2023 is estimated to be EUR 280-310 million (previously 240-270 MEUR) and the operative EBIT margin is estimated to be over 10% (previously 5-10%). The expansion in the US will increase fixed costs toward the end of 2023, limiting short-term profitability development. Our revenue estimate of EUR 295 million is in the middle of the range and our operative EBIT margin estimate is 13.4%. Strong progress in Europe, both in sales and announced production facility investments, support the growth outlook and makes achieving the company's growth target even more likely than in the past (annual revenue target 750 MEUR in 2026-28). We also raised our EBIT margin assumption from 18% to 20% in the terminal period, as Q2 provided further confirmation of the scalability of the company's business model and the competitiveness of products. Our EBIT estimates increased by 56% for 2023 and 36% for 2025.

## Strengthened earnings growth outlook justifies recent share price hike

Kempower is one of the technologically strongest and most profitable companies in a strongly growing industry, in addition to which it is also clearly winning market shares from its competitors. The strengthening of the growth outlook and the faster scaling of profitability keep the share attractive despite the recent share price increase. With our 2026 estimates, the valuation is relatively favorable (EV/EBIT 2026e: 15x) and target market growth is likely to continue for a long time after that, as the share of electric vehicles in the car fleet is estimated to only be around 10% in the western countries at that time. The company's new reasonably ambitious financial targets were presented in the CMD on April 20th but recent strong development has shown that the company could even exceed these targets, especially as its profitability seems to be more scalable than our and the company's expectations indicate. So far, we feel the structural growth drivers related to the electrification of transport are strong enough to ensure that the likely macro-economic challenges and interest rate hikes are not significantly reflected in Kempower's development in the near future.

## Recommendation

**Accumulate**  
(previous Accumulate)

**EUR 43.00**  
(previous EUR 32.00)

**Share price:**  
41.68



## Key figures

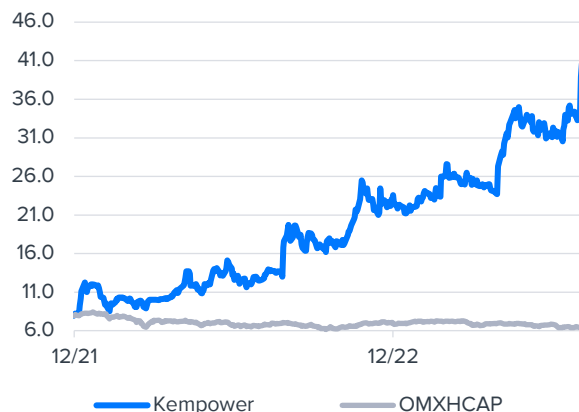
	2022	2023e	2024e	2025e
Revenue	103.6	295.3	457.7	594.9
growth-%	278%	185%	55%	30%
EBIT adj.	6.7	39.5	65.0	100.5
EBIT-% adj.	6.5 %	13.4 %	14.2 %	16.9 %
Net Income	3.4	31.4	50.0	77.8
EPS (adj.)	0.07	0.57	0.90	1.40
P/E (adj.)	>100	73.4	46.3	29.8
P/B	10.8	17.5	12.7	8.9
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	>100	57.3	34.4	21.6
EV/EBITDA	>100	50.5	28.6	18.9
EV/S	10.0	7.7	4.9	3.7

Source: Inderes

## Guidance (Improved)

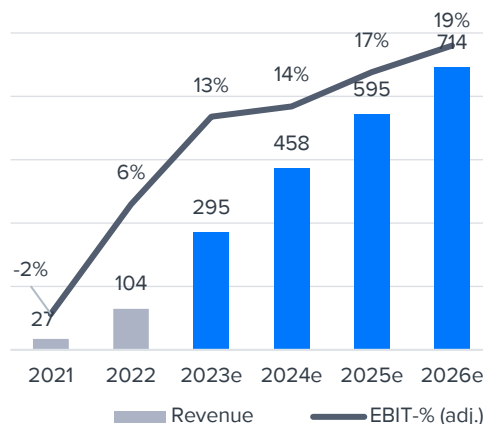
2023 revenue; EUR 280–310 million, assuming no major impact of foreign currency exchange rates. 2023 operative EBIT margin, %; over 10%.

## Share price



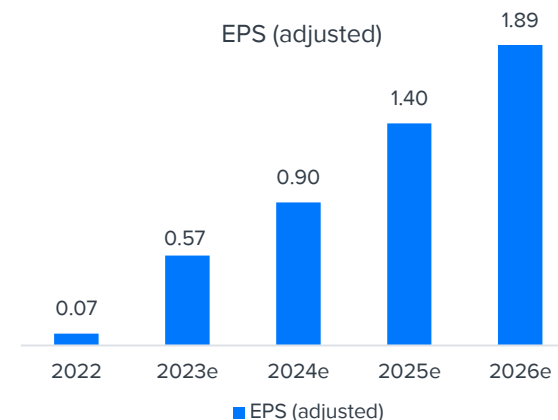
Source: Millistream Market Data AB

## Revenue and EBIT-%



Source: Inderes

## EPS and dividend



Source: Inderes



## Value drivers

- Electrification of transport creates a huge need for efficient and versatile charging capacity
- Products are highly competitive and competitors can take a long time to develop similar features
- Growing the distribution channel allows the company to become one of the big global manufacturers
- Higher gross margins than for competitors



## Risk factors

- Rapidly growing the organization burdens profitability in the short term
- Uncertainty about long-term profitability levels in the industry
- Changes in technological competitiveness could threaten growth and pricing
- Slowdown in demand growth and narrowing technological gaps are likely trends in the long term
- A high valuation based on long-term earnings growth carries significant risk

Valuation	2023e	2024e	2025e
Share price	41.7	41.7	41.7
Number of shares, millions	55.5	55.5	55.5
Market cap	2315	2315	2315
EV	2263	2238	2176
P/E (adj.)	73.4	46.3	29.8
P/E	73.6	46.3	29.8
P/FCF	neg.	87.6	37.1
P/B	17.5	12.7	8.9
P/S	7.8	5.1	3.9
EV/Sales	7.7	4.9	3.7
EV/EBITDA	50.5	28.6	18.9
EV/EBIT (adj.)	57.3	34.4	21.6
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

# Q2 was stronger than expected

## Especially profitability exceeded expectations

- Q2's revenue was EUR 72.5 million (up 235% y-o-y) and exceeded our and consensus estimates by 15-17%. Converted to an annual level, this would mean a revenue of EUR 290 million, which means that the delivery volumes of the Lahti plant have already reached a very high level. A year ago, we still assumed that the current Lahti plant would generate at least EUR 200 million in revenue, but the 2023 level has been even more positive than this estimate.
- New orders exceeded our estimate by 16%, which is a positive signal for future growth. The order backlog was EUR 138.5 million at the end of June.
- Profitability was particularly strong as the operative EBIT in Q2 was EUR 13.9 million (19.2% of revenue), and thus more than double compared to our and consensus estimates.
- The actual Q2 report on July 25th will provide more details concerning the figures, but we expect that stronger growth has come mainly from Europe. We also consider it likely that high profitability is based, in addition to higher revenue, on improved gross margins from the comparison period. Strong EBIT should mean that the gross margin is likely to have been around 50% and has clearly improved from the comparison period (Q2:22: 45.4%, Q1'23: 50.8%).

Estimates	Q2'22	Q2'23	Q2'23e	Q2'23e	Consensus	Difference (%)
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low High	Act. vs. Inderes
Revenue	21.6	72.5	63.3	61.8		15%
Order intake	55.0	86.3	86.3	76.0		0%
Gross margin-%	45.4 %		50.9 %	46.2 %		
EBIT (adj.)	1.8	13.9	6.7	5.6		108%
EBIT	1.8		6.7			
EPS (reported)	0.01		0.09	0.08		
Revenue growth-%	222.4 %	235.6 %	193.0 %	186.1 %		42.6 pp
EBIT-% (adj.)	8.3 %	19.2 %	10.5 %	9.1 %		8.6 pp

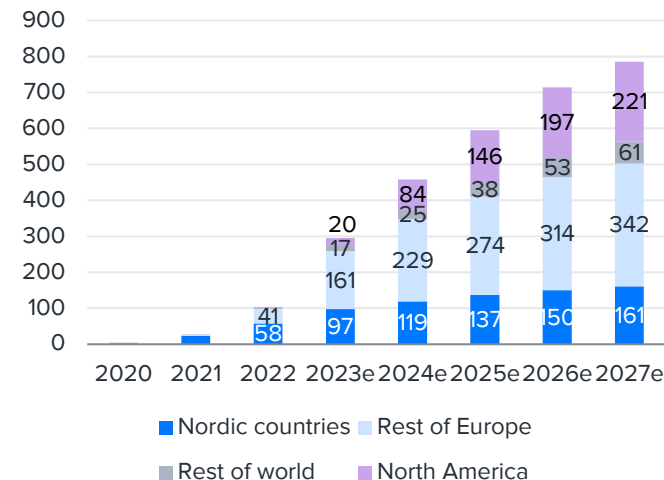
Source: Inderes & Vara (consensus)

# Earnings growth outlook strengthened clearly

## Profitability is likely to scale even faster than the company's targets

- Kempower raised its guidance on July 18th. Now the revenue for 2023 is estimated to be EUR 280-310 million (previously 240-270 MEUR) and the operative EBIT margin is estimated to be over 10% (previously 5-10%).
- We raise our revenue estimates by 10-16% for 2023-25 due to the strong order intake. Most of the current growth will be generated in Europe, but in the coming years, North America also becomes more important in our forecasts.
- We welcome the fact that Kempower announced on June 29th, 2023, that it would double its European production capacity with the help of the new plant to be opened in Lahti during 2024. Therefore, production capacity should not limit the company's growth in the next few years and the decision also signals the company has confidence in demand growth. In addition, the company said it is considering more capacity in Europe during 2024-25, which, if realized, could even allow for stronger growth than the financial targets in the medium term.
- Our EBIT estimates increased by 56% for 2023 and 36% for 2025. The faster-than-expected scaling of profitability in Q2, as well as the raised guidance, supports the idea that Kempower's result could rise rapidly in the coming years thanks to profitable growth. We feel the company has actually been too cautious in its communication regarding near term profitability and stressed that in a period of high growth profitability is not optimal. Our new estimates for the coming years are already more optimistic than the company's profitability targets (target 10-15% EBIT in 2026-28 and over 15% in the long term).

## Geographical revenue development



Estimate revisions	2023e	2023e	Change	2024e	2024e	Change	2025e	2025e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	269	295	10%	393	458	16%	511	595	16%
EBITDA	30.7	44.9	46%	58.2	78.2	34%	86.9	115	33%
EBIT (exc. NRIs)	25.3	39.5	56%	46.8	65.0	39%	74.1	101	36%
EBIT	25.2	39.4	56%	46.8	65.0	39%	74.1	101	36%
PTP	24.6	38.8	57%	46.0	64.2	40%	73.3	99.7	36%
EPS (excl. NRIs)	0.36	0.57	57%	0.65	0.90	40%	1.03	1.40	36%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

# A diamond in a growing industry deserves a high price tag

### Earnings-based valuation becomes reasonable in 2026

Looking at earnings-based valuation multiples, Kempower's valuation cannot be justified with 2023-24 figures so sights must be set further. With our raised 2025-26 estimates EV/EBIT will fall to 22x and 15x. Strong growth estimates involve uncertainty but visibility has constantly improved with Kempower's strong growth and order development, as well as the progress of expansion plans. If good market demand continues, and without major changes in the technology environment, Kempower's valuation in 2026 is already quite favorable considering that industry growth is expected to continue as strong for a long time, even in the 2030s.

### It is challenging to find good peers for Kempower

Of Kempower's peers that manufacture DC fast charging equipment, Tritium and Tesla are listed on the stock exchange. Peers' valuation multiples have fallen since August 2022 when we started monitoring Kempower, which has been particularly affected by the earnings disappointments and challenges in implementing profitable growth in both peer companies. Kempower's EV/S ratio is 4.9x with our 2024 estimates, i.e. below Tesla's level (7.2x) and much higher than the poorly performing Tritium (0.7x). In addition to DC manufacturers, there are listed companies specializing in AC charging equipment such as Zaptec and CTEK Group, whose growth profiles are not on Kempower's level, and thus the EV/S ratios are around 1.5x for 2024. In our opinion, peer valuation cannot be used to take a strong stand on Kempower's valuation, but we note that high valuation multiples are still paid for companies that are capable of high value generation in a growing end market. We believe Kempower has the highest margins

among the companies in the DC charging equipment market and, thanks to its technological advantage, it wins market shares from other industry players, which justifies a higher valuation while making peer-based valuation difficult.

### DCF valuation rose with the estimates

A DCF analysis indicates a share value of EUR 43.9 per share. We have used an 8.8% cost of equity (CoE) and an 8.2% weighted average cost of capital (WACC). We raised the long-term EBIT margin assumption to 20% (previous 18%) and kept the growth assumption (3%) unchanged. We consider the risk level of Kempower's business to be relatively moderate for a company with strong growth, e.g., thanks to a strong balance sheet and order intake that improves predictability even though the estimates involve uncertainty. The DCF valuation is highly sensitive to changes in the CoE and WACC and long-term EBIT margin changes.

### Accumulate recommendation maintained

The 2026e EV/EBIT of 15x that looks some three years down the line seems to us to be a reasonable valuation level for Kempower, considering potential near term share price drivers like the expansion to the US, whose weight in our estimates is still quite moderate. In addition, the company's expansion activities within Europe suggest that the company could even be prepared to exceed its medium-term growth target. For the time being, we consider the 2026 EV/EBIT ratio 15x to be a neutral valuation level for the company. So far, however, we do not see a strong upside in Kempower's share, but set the target price to EUR 43 (previous 32). If strong trend continues and uncertainties related to performance are dispelled, the fair value of the share measured with 2026 EV/EBIT is likely to increase gradually.

Valuation	2023e	2024e	2025e
Share price	41.7	41.7	41.7
Number of shares, millions	55.5	55.5	55.5
Market cap	2315	2315	2315
EV	2263	2238	2176
P/E (adj.)	73.4	46.3	29.8
P/E	73.6	46.3	29.8
P/FCF	neg.	87.6	37.1
P/B	17.5	12.7	8.9
P/S	7.8	5.1	3.9
EV/Sales	7.7	4.9	3.7
EV/EBITDA	50.5	28.6	18.9
EV/EBIT (adj.)	57.3	34.4	21.6
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

### Factors supporting Kempower's valuation:

- Industry-leading products enable high margins and even increasing market shares
- The target market is growing strongly

### Factors negatively affecting Kempower's valuation:

- In the long term, technological competition intensifies
- In the short term, growth investments depress earnings

# Detailed estimates

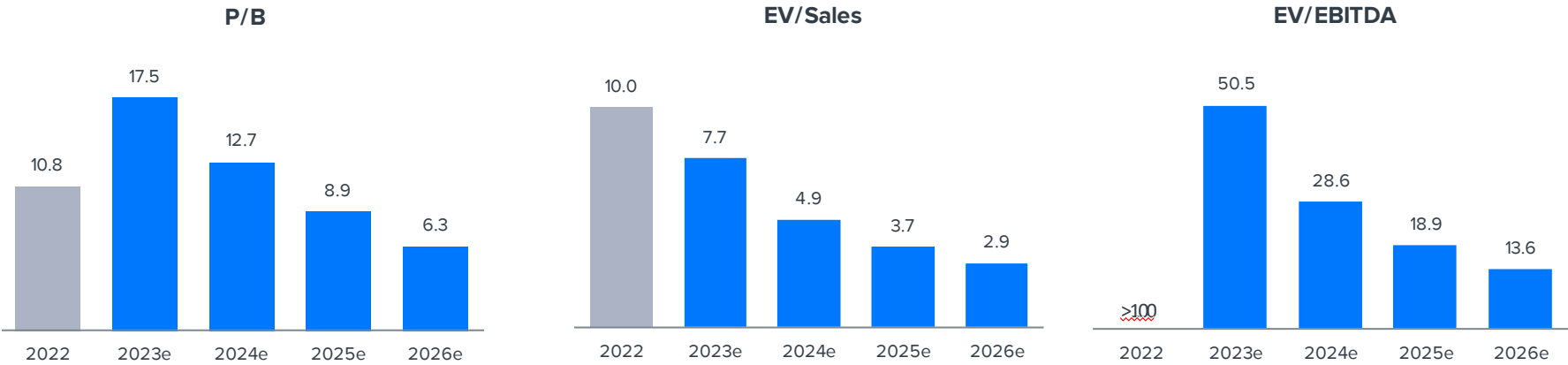
MEUR	2018	2019	2020	2021	2022	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	Terminal
<b>Order intake</b>			<b>7</b>	<b>37</b>	<b>209</b>	<b>345</b>	<b>483</b>							
- growth %				427%	459%	65%	40%							
<b>Order backlog</b>			<b>4</b>	<b>14</b>	<b>119</b>	<b>168</b>	<b>193</b>							
				261%	768%	42%	15%							
<b>Revenue</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>27</b>	<b>104</b>	<b>295</b>	<b>458</b>	<b>595</b>	<b>714</b>	<b>785</b>	<b>864</b>	<b>950</b>	<b>1045</b>	
- growth %		68%	909%	730%	278%	185%	55%	30%	20%	10%	10%	10%	10%	3%
Revenue by area														
Nordic countries	0	0	2	23	58	97	119	137	150	161				
- growth %					150%	69%	22%	15%	10%	7%				
Rest of Europe	0	0	1	4	41	161	229	274	314	342				
- growth %					893%	295%	42%	20%	15%	9%				
North America						20	84	146	197	221				
Rest of world							322%	73%	34%	13%				
Muu maailma						17	25	38	53	61				
- growth %							50%	50%	40%	15%				
Materials and services	0.0	-0.1	-1.5	-13.6	-52.4	-138.5	-216.0	-282.6	-342.0	-378.6	-419.0	-463.8		
Personnel costs	-0.3	-1.1	-2.2	-7.5	-21.9	-57.6	-87.4	-106.5	-118.5	-128.0	-138.2	-149.2		
Other costs	-0.4	-1.3	-1.8	-5.9	-19.9	-54.3	-76.0	-90.4	-100.0	-107.6	-115.8	-124.5		
<b>EBITDA</b>	<b>-0.6</b>	<b>-2.2</b>	<b>-2.1</b>	<b>0.5</b>	<b>9.5</b>	<b>44.9</b>	<b>78.2</b>	<b>115.4</b>	<b>153.4</b>	<b>171.1</b>	<b>190.8</b>	<b>212.8</b>	<b>237.2</b>	
- % of revenue				18 %	9.2 %	15.2 %	17.1 %	19.4 %	21.5 %	21.8 %	22.1 %	22.4 %	22.7 %	
Depreciation	0.0	0.0	-0.1	-1.1	-3.4	-5.4	-13.3	-14.9	-17.8	-19.6	-20.7	-22.8	-24.0	
<b>EBIT</b>	<b>-0.6</b>	<b>-2.2</b>	<b>-2.2</b>	<b>-0.7</b>	<b>6.1</b>	<b>39.4</b>	<b>65.0</b>	<b>100.5</b>	<b>135.6</b>	<b>151.5</b>	<b>170.1</b>	<b>190.0</b>	<b>213.2</b>	
- % of revenue				-2.6 %	5.9 %	13.3 %	14.2 %	16.9 %	19.0 %	19.3 %	19.7 %	###	20.4 %	20.0 %
Financing costs				-0.2	-1.3	-0.6	-0.8	-0.8	-0.8	-0.8	-0.8	-0.8	-0.8	
Taxes				1.1	-1.2	-7.4	-6.9	-12.3	-18.0	-20.9	-23.7	-27.0	-24.4	
-Tax rate %				122%	25%	19%	22%	22%	22%	22%	22%	22%	22%	22%
Net result				0.3	3.6	31.4	57.3	87.4	116.8	129.9	145.6	162.2	188.0	
<b>EPS (EUR)</b>				<b>0.01</b>	<b>0.07</b>	<b>0.57</b>	<b>0.90</b>	<b>1.40</b>	<b>1.89</b>	<b>2.12</b>	<b>2.38</b>	<b>2.66</b>	<b>2.98</b>	
Investments			0.5	1.6	6.2	14.5	23.5	23.5	24.6	25.2	25.8	26.4	27.0	
Net working capital			2.9	3.6	20.8	50.4	64.3	71.7	81.1	85.3	89.5	93.7	92.6	
Net cash assets			0.5	89.3	58.3	51.7	77.5	90.0	93.7	87.4	78.8	67.7	53.6	
Number of personnel (at end)	5	17	38	136	375									

Source: Inderes

# Valuation table

Valuation	2022	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e
Share price	19.6	41.7	41.7	41.7	41.7	41.7	41.7	41.7	41.7
Number of shares, millions	55.5	55.5	55.5	55.5	55.5	55.5	55.5	55.5	55.5
Market cap	1091	2315	2315	2315	2315	2315	2315	2315	2315
EV	1033	2263	2238	2176	2087	1997	1889	1765	1625
P/E (adj.)	>100	73.4	46.3	29.8	22.0	19.7	17.5	15.7	14.0
P/E	>100	73.6	46.3	29.8	22.0	19.7	17.5	15.7	14.0
P/FCF	neg.	neg.	87.6	37.1	25.8	21.4	18.8	16.5	14.1
P/B	10.8	17.5	12.7	8.9	6.3	4.8	3.8	3.0	2.5
P/S	10.5	7.8	5.1	3.9	3.2	2.9	2.7	2.4	2.2
EV/Sales	10.0	7.7	4.9	3.7	2.9	2.5	2.2	1.9	1.6
EV/EBITDA	>100	50.5	28.6	18.9	13.6	11.7	9.9	8.3	6.9
EV/EBIT (adj.)	>100	57.3	34.4	21.6	15.4	13.2	11.1	9.3	7.6
Payout ratio (%)	0.0 %	0.0 %	0.0 %	0.0 %					
Dividend yield-%	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	2023e	2024e	2023e	2024e	2023e	2024e	2023e	2024e	2023e	2024e	2023e
Tritium	152	238					1.6	0.7					
Tesla	827426	810557	76.6	53.1	53.1	41.0	9.1	7.2	83.9	61.3			17.5
Wallbox	696	764				145.9	3.0	1.6					17.7
CTEK Group	126	157	66.6	20.9	18.8	11.2	1.9	1.7	71.1	20.0	1.0	0.9	1.5
Zaptec	244	224	13.9	8.1	12.1	7.4	1.6	1.2	18.3	11.5			3.5
Alfen	1239	1234	19.5	14.0	15.6	11.3	2.3	1.8	25.7	18.3			6.2
Kempower (Inderes)	2315	2263	57.3	34.4	50.5	28.6	7.7	4.9	73.4	46.3	0.0	0.0	17.5
Average			44.1	24.0	24.9	43.3	3.3	2.4	49.7	27.8	1.0	0.9	9.3
Median			43.0	17.4	17.2	11.3	2.1	1.7	48.4	19.2	1.0	0.9	6.2
Diff-% to median			33%	98%	193%	153%	262%	190%	52%	141%	-100%	-100%	181%

Source: Refinitiv / Inderes

# Income statement

Income statement	2020	2021	Q1'22	Q2'22	Q3'22	Q4'22	2022	Q1'23	Q2'23e	Q3'23e	Q4'23e	2023e	2024e	2025e	2026e
Revenue	3.3	27.4	11.5	21.6	32.7	37.8	104	55.8	72.5	77.5	89.5	295	458	595	714
EBITDA	-2.1	0.5	-0.2	2.7	3.2	3.9	9.5	7.9	15.0	11.5	10.5	44.9	78.2	115	153
Depreciation	-0.1	-1.1	-0.8	-0.9	-0.8	-1.0	-3.4	-1.1	-1.1	-1.5	-1.8	-5.4	-13.3	-14.9	-17.8
EBIT (excl. NRI)	-2.2	-0.6	-1.0	1.8	2.4	3.5	6.7	6.9	13.9	10.0	8.7	39.5	65.0	101	136
EBIT	-2.2	-0.6	-1.0	1.8	2.4	2.9	6.1	6.8	13.9	10.0	8.7	39.4	65.0	101	136
Net financial items	0.0	-0.2	-0.2	-1.0	-0.6	0.5	-1.3	-0.1	-0.1	-0.1	-0.3	-0.6	-0.8	-0.8	-0.8
PTP	-2.2	-0.8	-1.2	0.8	1.8	3.4	4.8	6.7	13.8	9.9	8.4	38.8	64.2	99.7	135
Taxes	0.0	1.1	0.1	-0.2	-0.4	-0.9	-1.4	-1.1	-2.8	-2.0	-1.6	-7.4	-14.1	-21.9	-29.7
Net earnings	-2.2	0.3	-1.1	0.6	1.4	2.5	3.4	5.6	11.0	7.9	6.8	31.4	50.0	77.8	105
EPS (adj.)		0.01	-0.02	0.01	0.03	0.06	0.07	0.10	0.20	0.14	0.12	0.57	0.90	1.40	1.89
EPS (rep.)		0.01	-0.02	0.01	0.03	0.05	0.06	0.10	0.20	0.14	0.12	0.57	0.90	1.40	1.89

Key figures	2020	2021	Q1'22	Q2'22	Q3'22	Q4'22	2022	Q1'23	Q2'23e	Q3'23e	Q4'23e	2023e	2024e	2025e	2026e
Revenue growth-%	909.2 %	730.3 %	400.0 %	222.4 %	227.0 %	350.0 %	278.1 %	385.2 %	235.6 %	137.0 %	136.7 %	185.0 %	55.0 %	30.0 %	20.0 %
Adjusted EBIT growth-%			100.0 %	260.0 %	13.4 %			-789.6 %	672.5 %	320.6 %	147.3 %	489.8 %	64.4 %	54.7 %	34.9 %
EBITDA-%			-2.0 %	12.3 %	9.7 %	10.3 %	9.2 %	14.2 %	20.7 %	14.8 %	11.7 %	15.2 %	17.1 %	19.4 %	21.5 %
Adjusted EBIT-%			-8.7 %	8.3 %	7.3 %	9.3 %	6.5 %	12.4 %	19.2 %	12.9 %	9.7 %	13.4 %	14.2 %	16.9 %	19.0 %
Net earnings-%			-9.6 %	2.8 %	4.3 %	6.7 %	3.3 %	10.1 %	15.2 %	10.2 %	7.6 %	10.6 %	10.9 %	13.1 %	14.7 %

Source: Inderes

# Balance sheet

Assets	2021	2022	2023e	2024e	2025e
<b>Non-current assets</b>	<b>5.2</b>	<b>24.3</b>	<b>32.8</b>	<b>43.1</b>	<b>51.7</b>
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	1.1	2.6	4.1	5.7	7.2
Tangible assets	2.9	21.1	28.7	37.4	44.5
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	1.3	0.6	0.0	0.0	0.0
<b>Current assets</b>	<b>103</b>	<b>130</b>	<b>217</b>	<b>300</b>	<b>395</b>
Inventories	6.4	27.1	71.4	102	123
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	6.6	28.7	76.0	109	132
Cash and equivalents	90.4	74.0	70.0	90.0	139
<b>Balance sheet total</b>	<b>109</b>	<b>154</b>	<b>250</b>	<b>343</b>	<b>446</b>

Source: Inderes

Liabilities & equity	2021	2022	2023e	2024e	2025e
<b>Equity</b>	<b>97.5</b>	<b>101</b>	<b>132</b>	<b>182</b>	<b>260</b>
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	1.8	6.4	37.8	87.8	166
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	95.7	94.2	94.2	94.2	94.2
Minorities	0.0	0.0	0.0	0.0	0.0
<b>Non-current liabilities</b>	<b>1.0</b>	<b>16.0</b>	<b>18.3</b>	<b>13.4</b>	<b>2.8</b>
Deferred tax liabilities	0.3	0.4	0.4	0.4	0.4
Provisions	0.2	2.4	2.4	2.4	2.4
Long term debt	0.5	13.3	15.5	10.6	0.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	0.0	0.0	0.0	0.0
<b>Current liabilities</b>	<b>10.0</b>	<b>37.5</b>	<b>99.8</b>	<b>148</b>	<b>184</b>
Short term debt	0.6	2.4	2.7	1.9	0.0
Payables	9.4	35.1	97.1	146	184
Other current liabilities	0.0	0.0	0.0	0.0	0.0
<b>Balance sheet total</b>	<b>108</b>	<b>154</b>	<b>250</b>	<b>343</b>	<b>446</b>

# DCF calculation

DCF model	2022	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	TERM
Revenue growth-%	278.1 %	185.0 %	55.0 %	30.0 %	20.0 %	10.0 %	10.0 %	10.0 %	10.0 %	10.0 %	3.0 %	3.0 %
EBIT-%	5.9 %	13.3 %	14.2 %	16.9 %	19.0 %	19.3 %	19.7 %	20.0 %	20.4 %	20.0 %	20.0 %	20.0 %
EBIT (operating profit)	6.1	39.4	65.0	101	136	152	170	190	213	230	237	
+ Depreciation	3.4	5.4	13.3	14.9	17.8	19.6	20.7	22.8	24.0	24.3	25.1	
- Paid taxes	-0.6	-6.8	-14.1	-21.9	-29.7	-33.2	-37.2	-41.6	-46.7	-50.4	-51.9	
- Tax, financial expenses	-0.4	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	
+ 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	-17.2	-29.6	-14.0	-7.4	-9.4	-4.2	-4.2	-4.2	1.1	2.2	-2.7	
Operating cash flow	-8.6	8.4	50.0	85.9	114	134	149	167	191	206	207	
+ 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	
- Gross CAPEX		-14.5	-23.5	-23.5	-24.6	-25.2	-25.8	-26.4	-27.0	-27.7	-25.5	
Free operating cash flow		-6.2	26.4	62.3	89.6	108	123	140	164	178	182	
+/- Other		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF		-6.2	26.4	62.3	89.6	108	123	140	164	178	182	3630
Discounted FCFF		-5.9	23.6	51.4	68.4	76.5	80.5	84.6	91.6	91.9	86.6	1730
Sum of FCFF present value		2379	2385	2362	2310	2242	2166	2085	2000	1909	1817	1730
Enterprise value DCF		2379										
- Interest bearing debt		-15.7										
+ Cash and cash equivalents		74.0										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		2438										
Equity value DCF per share		43.9										
Cash flow distribution												
2023e-2027e												
9%												
2028e-2032e												
18%												
TERM												
73%												
■ 2023e-2027e ■ 2028e-2032e ■ TERM												
WACC												
Tax-% (WACC)		22.0 %										
Target debt ratio (D/(D+E))		10.0 %										
Cost of debt		3.0 %										
Equity Beta		1.33										
Market risk premium		4.75%										
Liquidity premium		0.00%										
Risk free interest rate		2.5 %										
Cost of equity		8.8 %										
Weighted average cost of capital (WACC)		8.2 %										

Source: Inderes

# Summary

Income statement	2020	2021	2022	2023e	2024e	Per share data	2020	2021	2022	2023e	2024e
Revenue	3.3	27.4	103.6	295.3	457.7	EPS (reported)		0.01	0.06	0.57	0.90
EBITDA	-2.1	0.5	9.5	44.9	78.2	EPS (adj.)		0.01	0.07	0.57	0.90
EBIT	-2.2	-0.6	6.1	39.4	65.0	OCF / share		0.00	-0.16	0.15	0.90
PTP	-2.2	-0.8	4.8	38.8	64.2	FCF / share		-0.14	-0.53	-0.11	0.48
Net Income	-2.2	0.3	3.4	31.4	50.0	Book value / share		1.76	1.81	2.38	3.28
Extraordinary items	0.0	0.0	-0.6	-0.1	0.0	Dividend / share	0.00	0.00	0.00	0.00	0.00
Balance sheet	2020	2021	2022	2023e	2024e	Growth and profitability	2020	2021	2022	2023e	2024e
Balance sheet total	6.2	108.5	154.2	250.2	343.3	Revenue growth-%	909%	730%	278%	185%	55%
Equity capital	0.6	97.5	100.7	132.1	182.2	EBITDA growth-%	-4%	-124%	1800%	372%	74%
Goodwill	0.0	0.0	0.0	0.0	0.0	EBIT (adj.) growth-%	-1%	-73%	-1217%	490%	64%
Net debt	-0.5	-89.3	-58.3	-51.7	-77.5	EPS (adj.) growth-%			1287%	658%	59%
Cash flow	2020	2021	2022	2023e	2024e	EBITDA-%	-63.6 %	1.8 %	9.2 %	15.2 %	17.1 %
EBITDA	-2.1	0.5	9.5	44.9	78.2	EBIT (adj.)-%	-66.7 %	-2.2 %	6.5 %	13.4 %	14.2 %
Change in working capital	-2.9	-0.6	-17.2	-29.6	-14.0	EBIT-%	-66.7 %	-2.2 %	5.9 %	13.3 %	14.2 %
Operating cash flow	-5.0	-0.1	-8.6	8.4	50.0	ROE-%	-430.1%	0.6 %	3.5 %	27.0 %	31.8 %
CAPEX	-0.5	-4.4	-23.2	-14.5	-23.5	ROI-%	-430.1%	-1.2 %	5.7 %	29.6 %	37.6 %
Free cash flow	-1.9	-7.7	-29.7	-6.2	26.4	Equity ratio	9.7 %	89.9 %	65.3 %	52.8 %	53.1 %
						Gearing	-83.3 %	-91.5 %	-57.9 %	-39.1 %	-42.6 %
Valuation multiples	2020	2021	2022	2023e	2024e						
EV/S	neg.	20.2	10.0	7.7	4.9						
EV/EBITDA (adj.)	0.2	>100	>100	50.5	28.6						
EV/EBIT (adj.)	0.2	neg.	>100	57.3	34.4						
P/E (adj.)		>100	>100	73.4	46.3						
P/B	0.0	6.6	10.8	17.5	12.7						
Dividend-%		0.0 %	0.0 %	0.0 %	0.0 %						

Source: Inderes

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Date	Recommendation	Target	Share price
8/15/2022	Accumulate	20.00 €	18.35 €
10/30/2022	Accumulate	22.00 €	19.64 €
2/15/2023	Reduce	27.00 €	27.56 €
4/14/2023	Lisää	30.00 €	27.30 €
4/20/2023	Accumulate	32.00 €	28.80 €
7/19/2023	Accumulate	43.00 €	41.68 €



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