

Kempower

Company report

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✓ Inderes corporate customer

This report is a summary translation of the report “Hurja tuloskehitys nostanut osakekurssia riittävästi” published on 7/25/2023 at 7:46 pm

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Strong earnings development raised share price enough

The Q2 report brought limited new information to the preliminary information given on July 18. Despite our strong earnings growth estimates, we no longer see significant upside in the share valuation. We lower our recommendation to Reduce (previous Accumulate), with an unchanged target price of EUR 43.

Q2's strong growth and especially strong profitability were already known

Kempower published preliminary information on the strong Q2 development on July 18, which means that the report itself produced no big surprises. Strong revenue growth (Q2: 235%) was especially affected by the stronger growth than we expected in the Nordic countries (+139%), while we expected growth to slow down as the comparison figures rose. However, as expected most of the growth was generated elsewhere in Europe and across several countries. The sales margin (51.1%) was better than expected and increased by as much as 6 percentage points from the year before, which contributed to the strong EBIT (19.2% of revenue). The sales margin has improved, by improving scale and operational efficiency, but the product mix can also result in quarterly margin fluctuations. Operating cash flow was strong at EUR 20.5 million in Q2, which was partly supported by low net working capital commitment despite strong growth. New orders totaled EUR 86 million for Q2, up 57% on the comparison period.

Earnings growth outlook is strong and new financial targets can be exceeded

Based on the strong Q2, Kempower expects that 2023 revenue is EUR 280-310 million (before July 18: 240-270 MEUR) and operative EBIT margin over 10% (before July 18: 5-10%). The expansion in the US will increase fixed costs toward the end of 2023, limiting short-term profitability development. Our 2023e revenue estimate of EUR 295 million is in the middle of the range and our operative EBIT margin estimate is 13.3%. 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. We expect the company to exceed its financial targets announced only in the spring, as we expect revenue for 2026-28 to be EUR 714-864 million (target 750 MEUR) and EBIT margin to be 19.0-19.7% (target 10-15%). The estimates mainly fluctuate with demand, as we believe that the already announced factory projects are sufficient to meet the growth target. The US plant will start running at the end of 2023 and sales development in the US will be an important factor in the direction of forecasts. Kempower has already received some orders in the US, but 2023 revenue are expected to remain low.

We shift to Reduce even though long-term growth can still generate a positive surprise

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. With our 2026 estimates, the valuation falls to rather moderate levels (EV/EBIT 2026e: 16x) but is already slightly above the 15x level that we define as neutral. The recent share price increase weakens the risk/return ratio and, following the estimate hikes, the surprise potential is more limited, especially in terms of profitability. The structural growth drivers associated with the electrification of transport are strong and Kempower's competitiveness is excellent, so growth can still generate a positive surprise. However, much growth is already loaded into our estimates, so we wait for more evidence, especially from the US, before we are ready to raise our growth assumptions.

Recommendation

Reduce

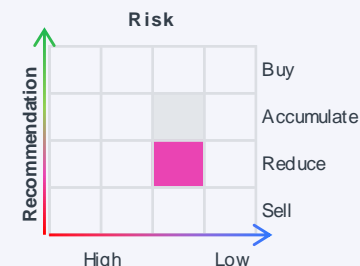
(previous Accumulate)

EUR 43.00

(previous EUR 43.00)

Share price:

42.84



Key figures

	2022	2023e	2024e	2025e
Revenue	103.6	295.3	457.7	594.9
growth-%	278%	185%	55%	30%
EBIT adj.	6.7	39.2	65.0	100.5
EBIT-% adj.	6.5 %	13.3 %	14.2 %	16.9 %
Net Income	3.4	31.2	50.0	77.8
EPS (adj.)	0.07	0.56	0.90	1.40

P/E (adj.)	>100	76.1	47.6	30.6
P/B	10.8	18.0	13.1	9.2
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	>100	59.5	35.5	22.3
EV/EBITDA	>100	51.7	29.5	19.4
EV/S	10.0	7.9	5.0	3.8

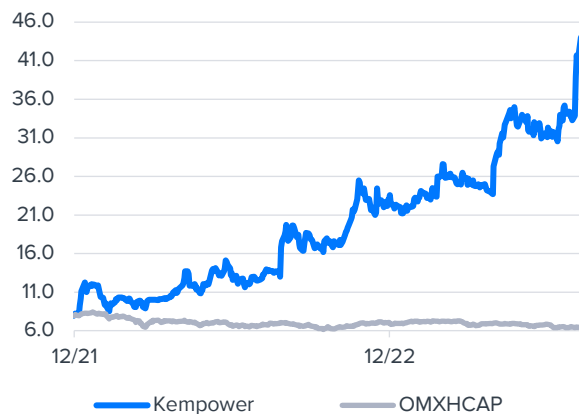
Source: Inderes

Guidance

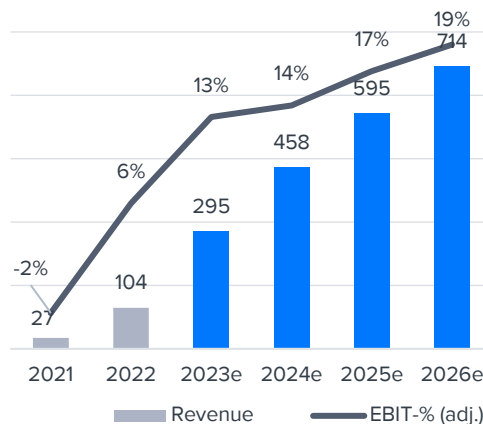
(Unchanged)

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

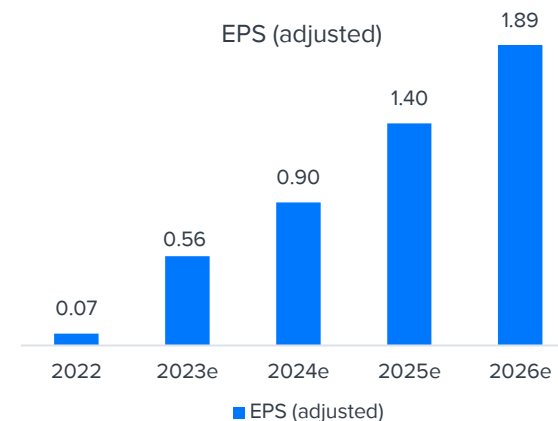
Share price



Revenue and EBIT-%



EPS and dividend



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	42.8	42.8	42.8
Number of shares, millions	55.5	55.5	55.5
Market cap	2379	2379	2379
EV	2333	2304	2240
P/E (adj.)	76.1	47.6	30.6
P/E	76.3	47.6	30.6
P/FCF	neg.	80.2	36.6
P/B	18.0	13.1	9.2
P/S	8.1	5.2	4.0
EV/Sales	7.9	5.0	3.8
EV/EBITDA	51.7	29.5	19.4
EV/EBIT (adj.)	59.5	35.5	22.3
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

The result day brought no bigger surprises

Strong growth and profitability were already known

The Q2 report was largely in line with our expectations, considering the strong preliminary information given by Kempower on July 18. We reviewed the main figures given in the preliminary result (revenue, EBIT and order backlog) in our [report](#) published last week. We will not repeat what we said in the previous report, but highlight new points about the Q2 report, which were not known through preliminary data.

Revenue growth is still strong in the Nordic countries

Of Q2 revenue, 41% was generated in the Nordic countries and 53% in the rest of Europe. Revenue growth was still very strong in the Nordic countries (Q2: +140% y-o-y), while we expected relative growth of the region to slow down. In absolute terms, however, biggest growth came from elsewhere in

Europe, as we expected. In the earnings call, the company said that growth within Europe was regionally broad and largely followed the growth in electric cars. For example, Great Britain, France and Sweden generate strong growth as the number of electric cars in these markets is growing rapidly. Revenue in North America was still very low (Q2: 0.9 MEUR) and revenue is unlikely to be significant at group level during the rest of the year although some orders have been received during 2023.

Sales margins have improved considerably

Strong profitability was influenced not only by growth, but also by the strength of sales margins. The sales margin was 51.1% (Q2'22: 45.2%). This was influenced, e.g., by economies of scale and higher production efficiency, but the company also says that the product mix has had an impact on margins. The increase in personnel costs was slower than we

expected and, by contrast, the increase in other expenses was faster.

Cash flow is developing strongly

In Q2, Kempower's operational cash flow was strong at EUR 20.5 million. Less net working capital was committed than we expected (+3 MEUR y-o-y in Q2), although revenue grows strongly, which is favorable for the cash flow profile.

Total investments have, in turn, been higher than we expected in 2023 (H1: some 17 MEUR), but they are not reflected in cash assets, as these are mainly related to new lease agreements that are capitalized in the balance sheet. Kempower does not seem to include lease agreements in the reported investment line in its indicators (H1: reported investments 4 MEUR), but total investments are reflected in balance sheet growth.

NB! The table shows Inderes' estimates and the consensus for the period before the positive earnings revision issued on July 18, 2023.

Estimates	Q2'22	Q2'23	Q2'23e	Q2'23e	Consensus	Difference (%)
MEUR / EUR	Comparison	Actualized	Inderes	Cnmsensus	Low High	Act. vs. Inderes
Revenue	21.6	72.5	63.3	61.8		15%
Order intake	55.0	86.3	74.3	76.0		16%
Gross margin-%	45.2 %	51.1 %	47.3 %	46.2 %		3.8 pp
EBIT (adj.)	1.8	13.9	6.7	5.6		108%
EBIT (adj.)	1.8	13.9	6.7			108%
REPS (reported)	0.01	0.20	0.09	0.08		111%
Revenue growth-%	225.0 %	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)

Watch our interview (in English) with
CEO Tomi Ristimäki using the link below



Strong growth outlook unchanged

No major changes in estimates

- Kempower raised its guidance on July 18 and repeated this guidance in connection with the Q2 report on July 25. 2023 revenue is estimated to be EUR 280-310 million (before July 18: 240-270 MEUR) and operative EBIT margin over 10% (before July 18: 5-10%).
- The consensus gathered by Vara Research expects 2023 revenue to be EUR 278.5 million and EBIT to be EUR 31.9 million. However, we consider it likely that the consensus includes outdated estimates so it is unclear how well the consensus reflects market expectations. Our estimates are clearly higher than the above-mentioned consensus, especially in terms of the result.
- Kempower's earnings growth outlook is very strong, which is affected, e.g., by the increase in the number of electric cars and the company expanding into new market areas.
- Expansion to the US is proceeding as planned and production at the local plant will start during 2023. The company does not expect significant revenue from the US during 2023 but says that it has received new orders from North America in Q2.

Estimate revisions	2023e	2023e	Change	2024e	2024e	Change	2025e	2025e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	295	295	0%	458	458	0%	595	595	0%
EBITDA	44.9	45.2	1%	78.2	78.2	0%	115	115	0%
EBIT (exc. NRIs)	39.5	39.2	-1%	65.0	65.0	0%	101	101	0%
EBIT	39.4	39.1	-1%	65.0	65.0	0%	101	101	0%
PTP	38.8	38.5	-1%	64.2	64.2	0%	99.7	99.7	0%
EPS (excl. NRIs)	0.57	0.56	-1%	0.90	0.90	0%	1.40	1.40	0%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

Current estimates do not provide an upside for the share

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 16x. 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 neutral 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. Kempower's EV/S ratio is 5.0x with our 2024 estimates, i.e. below Tesla's level (6.6x) and clearly higher than the poorly performing Tritium (0.7x) whose technology is also more mediocre. 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 44.1 per share. We have used an 8.8% cost of equity (CoE) and an 8.2% weighted average cost of capital (WACC). We keep the long-term EBIT margin assumption unchanged at 20% and the growth assumption at 3% per year. 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 significant uncertainty. The DCF valuation is highly sensitive to changes in the CoE and WACC and long-term EBIT margin changes.

We shift to Reduce in our recommendation

Although we expect Kempower to exceed its long-term growth and profitability targets, we do not believe that there is sufficient upside in the share to justify a positive recommendation. We now expect EUR 714-864 million revenue for 2026-28 (target 750 MEUR) and EBIT of 19.0-19.7% (target 10-15%), which means that we are more optimistic than the company's targets, especially in terms of profitability. Near-term share price drivers can continue to raise earnings growth expectations if US growth exceeds expectations or if new plant investments are made in Europe in the coming years. For the time being, we consider the 2026 EV/EBIT ratio 15x (now 15.8x) to be a neutral valuation level for the company, so we feel the valuation does not offer an upside at the moment. The acceptable valuation level may rise if strong performance continues, but so far, we consider the current valuation level to be a bit too tight.

Valuation	2023e	2024e	2025e
Share price	42.8	42.8	42.8
Number of shares, millions	55.5	55.5	55.5
Market cap	2379	2379	2379
EV	2333	2304	2240
P/E (adj.)	76.1	47.6	30.6
P/E	76.3	47.6	30.6
P/FCF	neg.	80.2	36.6
P/B	18.0	13.1	9.2
P/S	8.1	5.2	4.0
EV/Sales	7.9	5.0	3.8
EV/EBITDA	51.7	29.5	19.4
EV/EBIT (adj.)	59.5	35.5	22.3
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

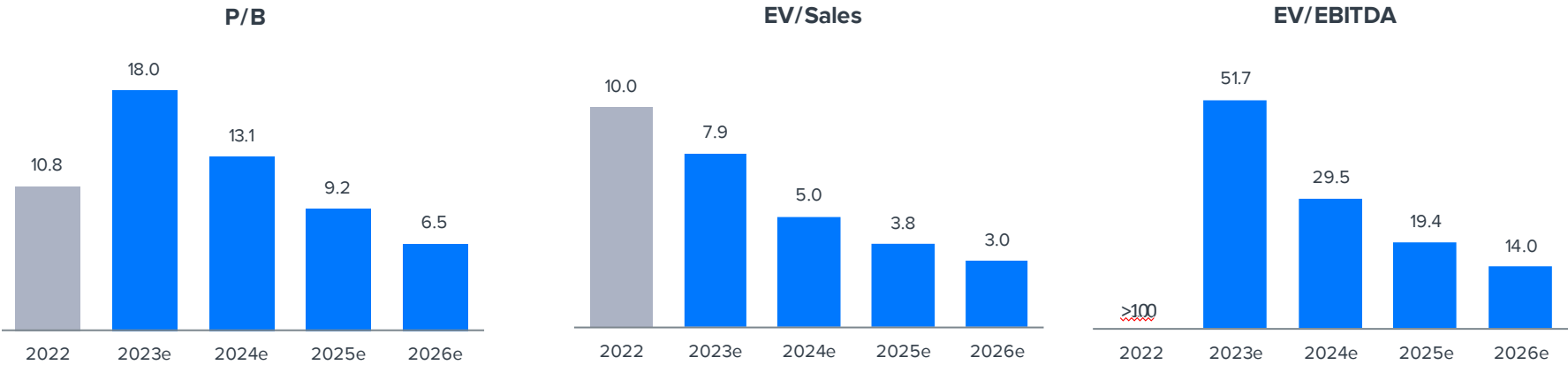
MEUR	2018	2019	2020	2021	2022	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	Terminal period
Order intake			7	37	209	345	483							
- growth %				427%	459%	65%	40%							
Order book			4	14	119	168	193							
				261%	768%	42%	15%							
Revenue	0	0	3	27	104	295	458	595	714	785	864	950	1,045	
- growth %		68%	909%	730%	278%	185%	55%	30%	20%	10%	10%	10%	10%	3%
Revenue by geography														
Nordic countries	0	0	2	23	58	105	123	145	159	171				
- growth %					150%	81%	17%	18%	10%	8%				
Rest of Europe	0	0	1	4	41	157	224	268	311	338				
- growth %					893%	285%	43%	19%	16%	9%				
North America						15	83	141	185	209				
- growth %							452%	70%	32%	13%				
Rest of the world						19	28	42	59	68				
- growth %							50%	50%	40%	15%				
Material and service costs	0.0	-0.1	-1.5	-13.6	-52.4	-138.2	-216.0	-282.6	-342.0	-378.6	-419.0	-463.8		
Personnel costs	-0.3	-1.1	-2.2	-7.5	-21.9	-56.1	-87.4	-106.5	-118.5	-128.0	-138.2	-149.2		
Other costs	-0.4	-1.3	-1.8	-5.9	-19.9	-55.8	-76.0	-90.4	-100.0	-107.6	-115.8	-124.5		
EBITDA	-0.6	-2.2	-2.1	0.5	9.5	45.2	78.2	115.4	153.4	171.1	190.8	212.8	237.2	
- % of revenue				1.8%	9.2%	15.3%	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	-6.1	-13.3	-14.9	-17.8	-19.6	-20.7	-22.8	-24.0	
EBIT	-0.6	-2.2	-2.2	-0.7	6.1	39.1	65.0	100.5	135.6	151.5	170.1	190.0	213.2	
- % of revenue				-2.6%	5.9%	13.2%	14.2%	16.9%	19.0%	19.3%	19.7%	20.0%	20.4%	20.0%
Financial expenses				-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	-7.3	-14.1	-21.9	-29.7	-33.2	-37.2	-41.6	-46.7	
- Tax rate %				122%	25%	19%	22%	22%	22%	22%	22%	22%	22%	22%
Net profit				0.3	3.6	31.2	50.0	77.8	105.1	117.6	132.1	147.6	165.6	
EPS (EUR)				0.01	0.07	0.56	0.90	1.40	1.89	2.12	2.38	2.66	2.98	
Investments			0.5	1.6	6.2	26.5	23.5	23.5	24.6	25.2	25.8	26.4	27.0	
Net working capital			2.9	3.6	20.8	44.5	55.2	59.8	66.8	69.6	72.2	74.7	71.7	
Net cash assets			0.5	89.3	58.3	46.0	75.0	90.0	93.7	87.4	78.8	67.7	53.6	
Number of employees (at the end)	5	17	38	136	375									

Source: Inderes

Valuation table

Valuation	2022	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e
Share price	19.6	42.8	42.8	42.8	42.8	42.8	42.8	42.8	42.8
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	2379	2379	2379	2379	2379	2379	2379	2379
EV	1033	2333	2304	2240	2149	2057	1947	1822	1680
P/E (adj.)	>100	76.1	47.6	30.6	22.6	20.2	18.0	16.1	14.4
P/E	>100	76.3	47.6	30.6	22.6	20.2	18.0	16.1	14.4
P/FCF	neg.	neg.	80.2	36.6	25.9	21.7	19.0	16.7	14.3
P/B	10.8	18.0	13.1	9.2	6.5	4.9	3.9	3.1	2.6
P/S	10.5	8.1	5.2	4.0	3.3	3.0	2.8	2.5	2.3
EV/Sales	10.0	7.9	5.0	3.8	3.0	2.6	2.3	1.9	1.6
EV/EBITDA	>100	51.7	29.5	19.4	14.0	12.0	10.2	8.6	7.1
EV/EBIT (adj.)	>100	59.5	35.5	22.3	15.8	13.6	11.4	9.6	7.9
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	155	243					1.6	0.7					
Tesla	769671	752068	74.0	50.4	49.1	36.8	8.3	6.6	78.9	57.9			16.0
Wallbox	662	731				139.8	2.9	1.6					16.8
CTEK Group	124	155	66.2	20.8	18.7	11.2	1.9	1.7	70.6	19.9	1.0	0.9	1.5
Zaptec	229	208	12.8	7.4	11.1	6.8	1.4	1.1	17.0	10.6			3.2
Alfen	1303	1298	19.9	14.4	16.4	11.9	2.4	1.9	27.1	19.3			6.6
Kempower (Inderes)	2379	2333	59.5	35.5	51.7	29.5	7.9	5.0	76.1	47.6	0.0	0.0	18.0
Average			43.2	23.2	23.8	41.3	3.1	2.3	48.4	26.9	1.0	0.9	8.8
Median			43.1	17.6	17.6	11.9	2.2	1.6	48.8	19.6	1.0	0.9	6.6
Diff-% to median			38%	102%	194%	148%	265%	206%	56%	143%	-100%	-100%	175%

Source: Refinitiv / Inderes

Income statement

Income statement	2020	2021	Q1'22	Q2'22	Q3'22	Q4'22	2022	Q1'23	Q2'23	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	79.5	87.6	295	458	595	714
EBITDA	-2.1	0.5	-0.2	2.7	3.2	3.9	9.5	7.9	15.4	12.7	9.2	45.2	78.2	115	153
Depreciation	-0.1	-1.1	-0.8	-0.9	-0.8	-1.0	-3.4	-1.1	-1.5	-1.7	-1.8	-6.1	-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	11.0	7.4	39.2	65.0	101	136
EBIT	-2.2	-0.6	-1.0	1.8	2.4	2.9	6.1	6.8	13.9	11.0	7.4	39.1	65.0	101	136
Net financial items	0.0	-0.2	-0.2	-1.0	-0.6	0.5	-1.3	0.2	0.3	0.3	-1.4	-0.6	-0.8	-0.8	-0.8
PTP	-2.2	-0.8	-1.2	0.8	1.8	3.4	4.8	7.0	14.2	11.3	6.0	38.5	64.2	99.7	135
Taxes	0.0	1.1	0.1	-0.2	-0.4	-0.9	-1.4	-1.3	-3.2	-2.3	-0.6	-7.3	-14.1	-21.9	-29.7
Net earnings	-2.2	0.3	-1.1	0.6	1.4	2.5	3.4	5.7	11.0	9.0	5.5	31.2	50.0	77.8	105
EPS (adj.)		0.01	-0.02	0.01	0.03	0.06	0.07	0.10	0.20	0.16	0.10	0.56	0.90	1.40	1.89
EPS (rep.)		0.01	-0.02	0.01	0.03	0.05	0.06	0.10	0.20	0.16	0.10	0.56	0.90	1.40	1.89

Key figures	2020	2021	Q1'22	Q2'22	Q3'22	Q4'22	2022	Q1'23	Q2'23	Q3'23e	Q4'23e	2023e	2024e	2025e	2026e
Revenue growth-%	909.2 %	730.3 %	400.0 %	222.4 %	227.0 %	350.0 %	278.1 %	384.9 %	235.5 %	143.0 %	131.7 %	185.0 %	55.0 %	30.0 %	20.0 %
Adjusted EBIT growth-%			100.0 %	260.0 %	13.4 %			-788.8 %	671.5 %	362.2 %	110.8 %	485.1 %	65.7 %	54.7 %	34.9 %
EBITDA-%			-2.0 %	12.3 %	9.7 %	10.3 %	9.2 %	14.1 %	21.2 %	15.9 %	10.5 %	15.3 %	17.1 %	19.4 %	21.5 %
Adjusted EBIT-%			-8.7 %	8.3 %	7.3 %	9.3 %	6.5 %	12.4 %	19.2 %	13.9 %	8.5 %	13.3 %	14.2 %	16.9 %	19.0 %
Net earnings-%			-9.6 %	2.8 %	4.3 %	6.7 %	3.3 %	10.2 %	15.2 %	11.4 %	6.2 %	10.6 %	10.9 %	13.1 %	14.7 %

Source: Inderes

Balance sheet

Assets	2021	2022	2023e	2024e	2025e
Non-current assets	5.2	24.3	44.2	54.5	63.1
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	40.0	48.8	55.9
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
Current assets	103	130	214	296	389
Inventories	6.4	27.1	70.0	99.3	120
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	6.6	28.7	74.5	106	129
Cash and equivalents	90.4	74.0	70.0	90.0	139
Balance sheet total	109	154	259	350	452

Source: Inderes

Liabilities & equity	2021	2022	2023e	2024e	2025e
Equity	97.5	101	132	182	260
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	1.8	6.4	37.5	87.6	165
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
Non-current liabilities	1.0	16.0	23.2	15.5	2.8
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	20.4	12.7	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
Current liabilities	10.0	37.5	104	153	190
Short term debt	0.6	2.4	3.6	2.2	0.0
Payables	9.4	35.1	100	150	190
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	108	154	259	350	452

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 %	13.2 %	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	39.1	65.0	101	136	152	170	190	213	230	237	
+ Depreciation	3.4	6.1	13.3	14.9	17.8	19.6	20.7	22.8	24.0	24.3	24.9	
- Paid taxes	-0.6	-6.7	-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	-23.7	-10.7	-4.7	-7.0	-2.8	-2.6	-2.5	3.0	4.3	-2.0	
Operating cash flow	-8.6	14.6	53.2	88.6	117	135	151	169	193	208	208	
+ 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		-26.5	-23.5	-23.5	-24.6	-25.2	-25.8	-26.4	-27.0	-27.7	-25.8	
Free operating cash flow		-11.9	29.7	65.1	92.0	110	125	142	166	180	182	
+/- Other		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF		-11.9	29.7	65.1	92.0	110	125	142	166	180	182	3635
Discounted FCFF		-11.5	26.5	53.8	70.3	77.6	81.6	85.8	92.8	93.1	86.8	1735
Sum of FCFF present value		2391	2403	2376	2323	2252	2175	2093	2007	1915	1822	1735
Enterprise value DCF		2391										
- Interest bearing debt		-15.7										
+ Cash and cash equivalents		74.0										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		2450										
Equity value DCF per share		44.1										
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 %										

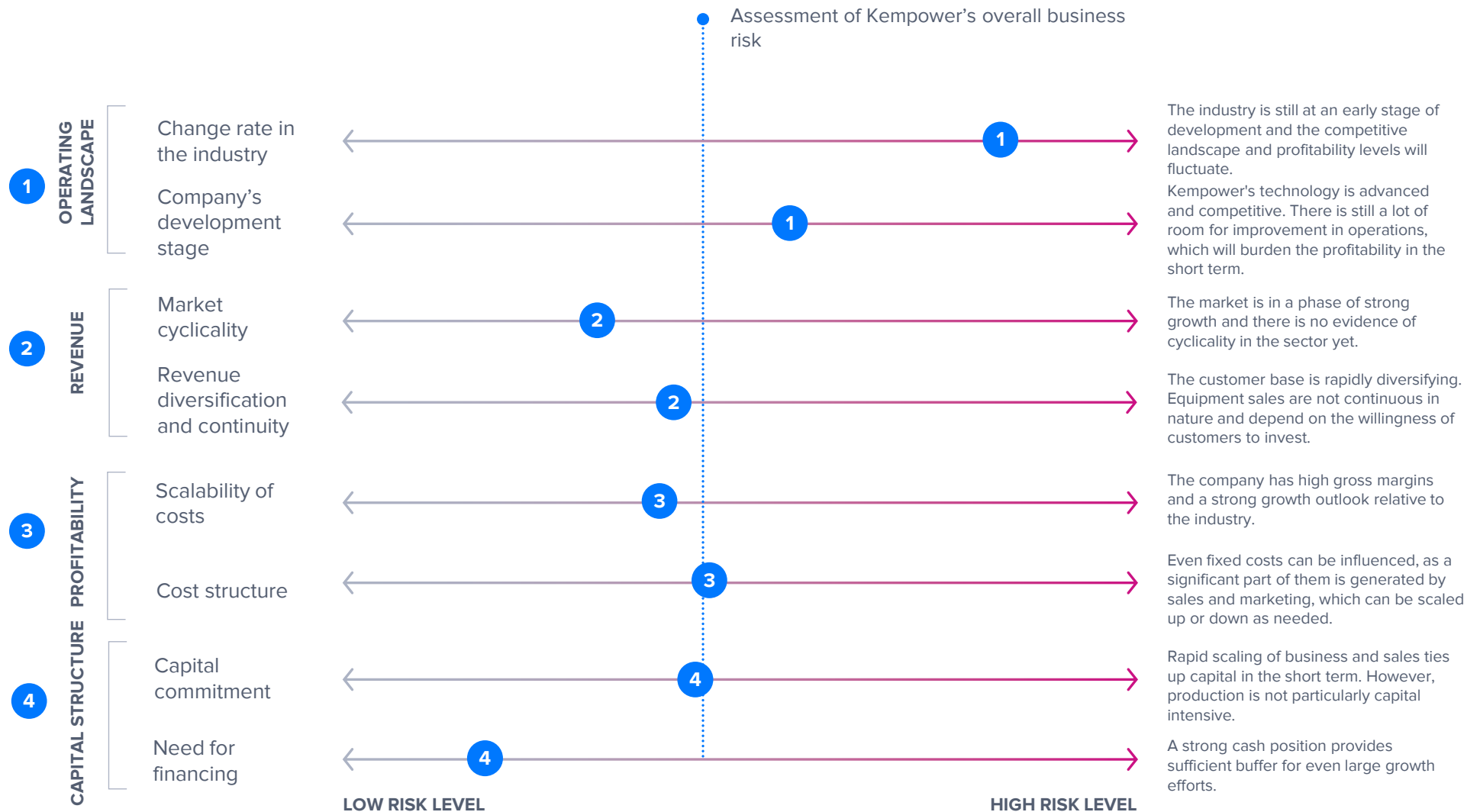
Source: Inderes

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	0.56	0.90
EBITDA	-2.1	0.5	9.5	45.2	78.2	EPS (adj.)		0.01	0.07	0.56	0.90
EBIT	-2.2	-0.6	6.1	39.1	65.0	OCF / share		0.00	-0.16	0.26	0.96
PTP	-2.2	-0.8	4.8	38.5	64.2	FCF / share		-0.14	-0.53	-0.21	0.53
Net Income	-2.2	0.3	3.4	31.2	50.0	Book value / share		1.76	1.81	2.37	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	258.7	350.1	Revenue growth-%	909%	730%	278%	185%	55%
Equity capital	0.6	97.5	100.7	131.9	181.9	EBITDA growth-%	-4%	-124%	1800%	375%	73%
Goodwill	0.0	0.0	0.0	0.0	0.0	EBIT (adj.) growth-%	-1%	-73%	-1217%	485%	66%
Net debt	-0.5	-89.3	-58.3	-46.0	-75.0	EPS (adj.) growth-%			1287%	652%	60%
Cash flow	2020	2021	2022	2023e	2024e	EBITDA-%	-63.6 %	1.8 %	9.2 %	15.3 %	17.1 %
EBITDA	-2.1	0.5	9.5	45.2	78.2	EBIT (adj.)-%	-66.7 %	-2.2 %	6.5 %	13.3 %	14.2 %
Change in working capital	-2.9	-0.6	-17.2	-23.7	-10.7	EBIT-%	-66.7 %	-2.2 %	5.9 %	13.2 %	14.2 %
Operating cash flow	-5.0	-0.1	-8.6	14.6	53.2	ROE-%	-430.1%	0.6 %	3.5 %	26.8 %	31.9 %
CAPEX	-0.5	-4.4	-23.2	-26.5	-23.5	ROI-%	-430.1%	-1.2 %	5.7 %	28.7 %	36.8 %
Free cash flow	-1.9	-7.7	-29.7	-11.9	29.7	Equity ratio	9.7 %	89.9 %	65.3 %	51.0 %	52.0 %
						Gearing	-83.3 %	-91.5 %	-57.9 %	-34.9 %	-41.2 %
Valuation multiples	2020	2021	2022	2023e	2024e						
EV/S	neg.	20.2	10.0	7.9	5.0						
EV/EBITDA (adj.)	0.2	>100	>100	51.7	29.5						
EV/EBIT (adj.)	0.2	neg.	>100	59.5	35.5						
P/E (adj.)		>100	>100	76.1	47.6						
P/B	0.0	6.6	10.8	18.0	13.1						
Dividend-%		0.0 %	0.0 %	0.0 %	0.0 %						

Source: Inderes

Risk profile of the business model



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Recommendation history (>12 mo)

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 €
7/25/2023	Reduce	43.00 €	42.84 €



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