

Meriaura Group

Company report

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✓ Inderes corporate customer

This report is a summary translation of the report "Pala Merilogistiikasta myytiin pääomistajalle" published on 9:00 pm EEST.

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Part of Marine Logistics sold to major shareholder

On Tuesday, the Meriaura Group completed the ownership restructuring it announced in the spring, whereby about one-fifth of the group's most profitable unit, Marine Logistics, will be sold to Meriaura Group's largest shareholder. We believe there are sound reasons for the transaction - primarily to strengthen the balance sheet and enable future balance sheet arrangements. However, we consider the transaction price to be low. With the transaction, Meriaura Group's share story will increasingly depend on the performance of its Renewable Energy business, which has limited visibility for the time being. We reiterate our Reduce recommendation and the target price of EUR 0.04.

Related party transaction strengthens balance sheet and enables Meriaura to expand its ownership base

Meriaura Group's largest shareholder Meriaura Invest (62% stake) has provided significant financing to Meriaura Group's subsidiary Meriaura Energy (formerly Savosolar) in 2023-24, enabling Meriaura Energy to implement the largest solar thermal project in its history in Bad Rappenau, Germany. In order to strengthen its balance sheet, Meriaura Group sold to Meriaura Invest a minority stake in Meriaura Oy, another subsidiary of the Group, which forms the Marine Logistics unit. The transaction settled a 4.4 MEUR loan receivable with interest from Meriaura Energy, a member of the group, to Meriaura Invest. The arrangement also expands the scope for future ownership arrangements to support the growth of Meriaura Group (e.g. share issue). Meriaura Invest must hold a sufficient stake in Meriaura Oy to meet the ownership permanence requirement of the ship financing agreements signed in the spring. Direct ownership of Meriaura Oy supports the ownership permanence and may allow Meriaura Invest to reduce its share in Meriaura Group.

The valuation of the transaction is low on both P/E and P/B multiples

Meriaura Group sells 20.6% of the shares in Meriaura Oy to Meriaura Invest for 4.6 MEUR. The purchase price values the total equity of Meriaura Oy at 22.1 MEUR, which corresponds to a P/E ratio of 5.3x at 2023 actual earnings. We believe that this P/E ratio can be considered low, as we estimate that the earnings level in 2023 corresponds to the sustainable profitability of the business, which Meriaura Oy should also achieve approximately in 2024-25. We also estimate the balance sheet valuation level corresponding to the purchase price to be low (P/B 2023: 0.6x) and well below the group's current market-based valuation level (P/B 1.0x 2024e). The transaction has no impact on reported revenue or EBIT as the minority interest is only recognized in net income. As a result of the transaction, our net income forecasts for 2025 and 2026 have been reduced by 32% and 22%, respectively, from their low absolute starting levels. Meriaura Group has the right to reverse the transaction during 2024.

Investment story increasingly dependent on the Renewable Energy turnaround

The reduction of the Meriaura Group's stake in Meriaura Oy, a company with strong earnings performance, means that the stock's story is even more closely linked to Renewable Energy. We do not see a profitability turnaround in Renewable Energy in the next few years. Growth may require further balance sheet strengthening measures in the coming years, which will contribute to increased uncertainty. Our sum-of-the-parts valuation method now indicates a share value of EUR 0.037 per share. The SOTP value decreased due to the low transaction price for the sale of the minority stake in Marine Logistics and the fact that we now already include the net debt at the end of 2024e, which is impacted by increasing vessel investments. Progress in the Renewable Energy profitability improvement and faster-than-expected growth would be potential drivers that could turn the risk/return ratio in a better direction.

Recommendation

Reduce

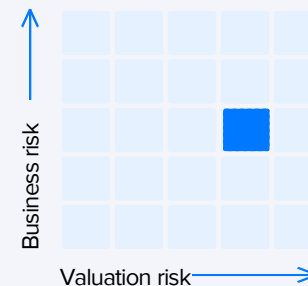
(previous Reduce)

EUR 0.04

(previous EUR 0.04)

Share price:

0.044



Key figures

	2023	2024e	2025e	2026e
Revenue	66.2	77.8	84.6	93.6
growth-%	666%	18%	9%	11%
EBIT adj.	1.0	2.8	4.2	5.8
EBIT-% adj.	1.6 %	3.7 %	4.9 %	6.2 %
Net Income	-0.3	0.9	1.7	3.1
EPS (adj.)	0.000	0.001	0.002	0.003

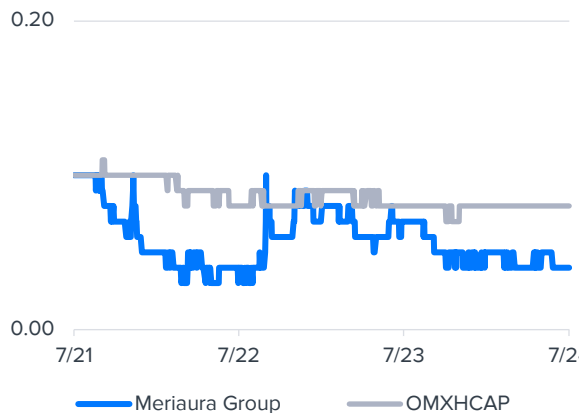
P/E (adj.)	neg.	45.7	23.0	12.7
P/B	1.1	1.0	0.9	0.9
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	53.5	21.1	15.7	11.7
EV/EBITDA	8.8	7.1	6.6	5.1
EV/S	0.8	0.8	0.8	0.7

Source: Inderes

Guidance

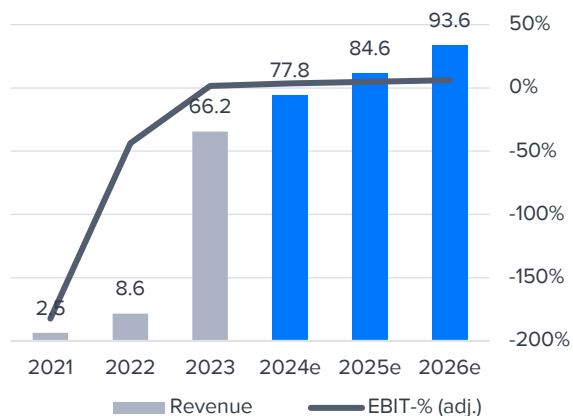
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Share price



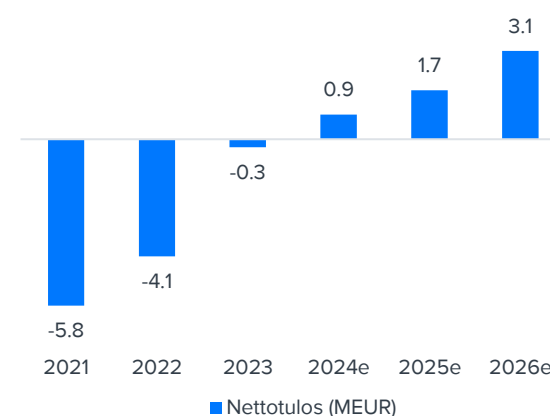
Source: Millstream Market Data AB

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	0.04	0.04	0.04
Number of shares, millions	886.8	886.8	886.8
Market cap	39	39	39
EV	60	65	68
P/E (adj.)	45.7	23.0	12.7
P/E	45.7	23.0	12.7
P/B	1.0	0.9	0.9
P/S	0.5	0.5	0.4
EV/Sales	0.8	0.8	0.7
EV/EBITDA	7.1	6.6	5.1
EV/EBIT (adj.)	21.1	15.7	11.7
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Net income down due to minority interest

Forecast changes 2024e-2026e

- We have now included the sale of a 20,6 % minority interest in Meriaura Oy in our estimates.
- As a result, our net income forecasts are down 32% and 22% for 2025-26, although the absolute numbers are quite low due to Renewable Energy being loss-making.
- The estimated operational improvement in 2024-26 is mainly explained by the projected profit improvement in Renewable Energy (losses decrease with growth).
- In our projections, net debt at the end of 2024 decreased to 13.6 MEUR (was 17.5 MEUR).
- There were no changes in revenue and EBIT as Meriaura's figures are still fully consolidated in the group. The change is only reflected in the minority interest line and on the liabilities side of the balance sheet.

Estimate revisions	2024e	2024e	Change	2025e	2025e	Change	2026e	2026e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	77.8	77.8	0%	84.6	84.6	0%	93.6	93.6	0%
EBITDA	8.5	8.5	0%	10.0	10.0	0%	13.4	13.4	0%
EBIT (exc. NRIs)	2.8	2.8	0%	4.2	4.2	0%	5.8	5.8	0%
EBIT	2.8	2.8	0%	4.2	4.2	0%	5.8	5.8	0%
PTP	1.5	1.5	0%	2.7	2.7	0%	4.1	4.1	0%
EPS (excl. NRIs)	0.00	0.00	-37%	0.00	0.00	-32%	0.00	0.00	-22%

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 retail 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 SOTP method, Renewable Energy would be valued at 6 MEUR and Marine Logistics at 48 MEUR (EV/EBIT 2024e 9.0x or 0.95x market value of vessels on June 14, 2022), resulting in a fair value of 33 MEUR or EUR 0.037 per share, taking into account net debt and minority interests. The SOTP value decreased because a part of Marine Logistics was sold at what

we believe to be a low price and because we switched to looking at the net debt forecast for the end of 2024 in the calculation, which is boosted by, e.g., an increase in ship investments.

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 2024-25e would fall to 21x and 16x, respectively. The negative result of Renewable Energy raises earnings-based multiples, and there is no clear visibility of the profitability turn yet. EV/EBITDA ratios are more moderate (2024-24: ~7x), but the capital-intensive nature of Marine Logistics means that a large part of EBITDA will be spent over time on investments required for fleet maintenance and replacement. On a balance sheet basis, the stock is priced at a P/B ratio of 1.0x (2024e), which is roughly in line with the average of maritime freight companies (1.1x). However, the loss-making of Renewable Energy depresses equity development in the coming years.

More signs of Renewable Energy turnaround needed

We reiterate our Reduce recommendation and keep the target price unchanged at EUR 0.04. A higher share price than the target price would require stronger turnaround signals from the Renewable Energy business unit, such as a strong gross margin and increased customer orders. 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	0.04	0.04	0.04
Number of shares, millions	886.8	886.8	886.8
Market cap	39	39	39
EV	60	65	68
P/E (adj.)	45.7	23.0	12.7
P/E	45.7	23.0	12.7
P/B	1.0	0.9	0.9
P/S	0.5	0.5	0.4
EV/Sales	0.8	0.8	0.7
EV/EBITDA	7.1	6.6	5.1
EV/EBIT (adj.)	21.1	15.7	11.7
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 close to neutral in 2026 (-0.2 MEUR). Even in the baseline scenario, the business is a burden on the Group's cash flows, but on the other hand, a positive development would raise hopes for a long-term turnaround in the profitability of the business. We value the business at 2 MEUR in the baseline scenario, consisting of negative cash flows of -8 MEUR in 2024-2026 and a residual value of 10 MEUR in 2026. The residual value assumes that the earnings outlook in 2026 would be clearly upward and the business could be turned profitable within a few years, although in the first years cash flow would still suffer from small losses and commitment of capital.

We have also developed two additional scenarios for Renewable Energy, one negative and one positive. In a negative scenario, the result never turns positive, resulting in a closure of operations in 2026 and a total negative impact of 10 MEUR on cash flows in 2024-2026. In a positive scenario, revenue more than

tenfolds to 50 MEUR material margin improves to 25% and fixed costs increase to 10 MEUR (2023: -4 MEUR), resulting in an EBIT of 2.5 MEUR (5% of revenue). In this case, an EV/EBIT valuation factor of 14x, suitable for a growth business, would turn the value of the business clearly positive at EUR 35 MEUR.

We have 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.

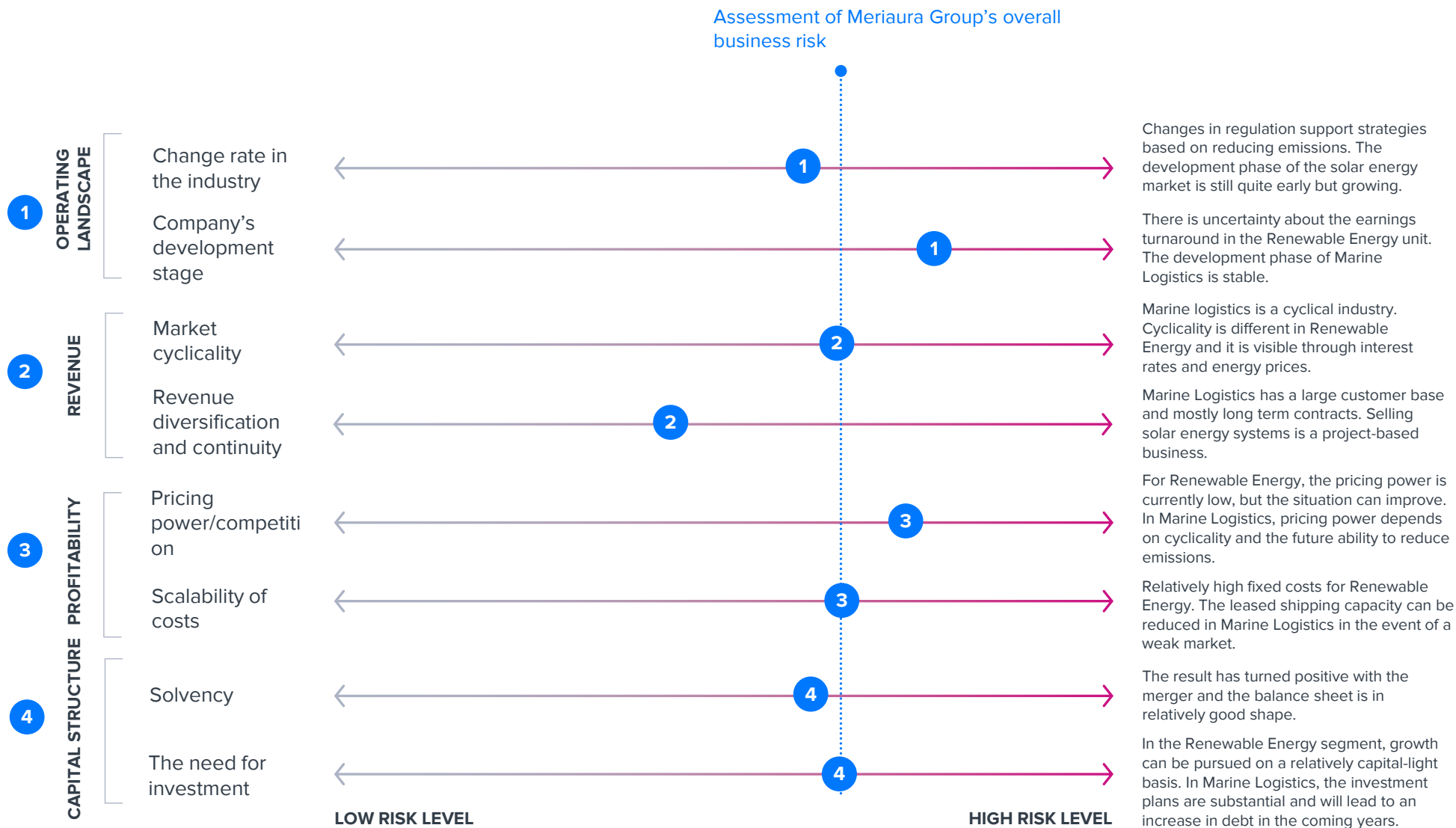
Sum of the parts - Marine Logistics

We seek to determine the value of Marine Logistics by looking at the estimated normalized earnings level and the normalized earnings-based valuation multiples. The marine logistics industry is capital-intensive and cyclical, which is why we believe the business should be valued at a relatively moderate EV/EBIT of 9x relative to normalized earnings. With 2024 forecasts, peers are priced at 7-11x EV/EBIT ratios. We estimate the projected performance level for 2024 to be equal to the normalized level and use this as the base year for the valuation. For 2024, we forecast an EBIT of 5.3 MEUR (8.2% of revenue), whereby a 9x EV/EBIT multiple would give an operating value of 48 MEUR, which is about 0.95 times the market value of the company's ships on 07/14/2022 (50.8 MEUR). We have deducted the minority interest in Marine Logistics and Meriaura Oy's net debt (20.6%) from 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	-0.2	2.5
EBIT-% 2026e	-80%	1%	5%
EV/EBIT (x)			14x
Enterprise value (EV)	-10	2	35
+			
Solar power (Rasol)			
Revenue 2022		6.0	
EBIT 2022		0.4	
EV/EBIT (x)		10x	
Enterprise value (EV)	4	4	4
+			
Marine Logistics			
Revenue 2024e		65	
EBIT 2024e		5.3	
EBIT-% 2024e		8.2%	
EV/EBIT (x)		9.0x	
Enterprise value (EV)	48	48	48
EV/Market value of ships 06/14/2022	0.95x	0.95x	0.95x
Group ownership in Marine Logistics (79%)	38	38	38
=			
Total enterprise value (EV)	32	44	77
Net debt 2024e	-14	-14	-14
Minority share of debt	3	3	3
Fair market value	22	33	66
Fair share price EUR	0.024	0.037	0.075
Current share price EUR	0.044	0.044	0.044
Current market cap	39	39	39
Change	-45%	-15%	69%

Source: Inderes' estimate

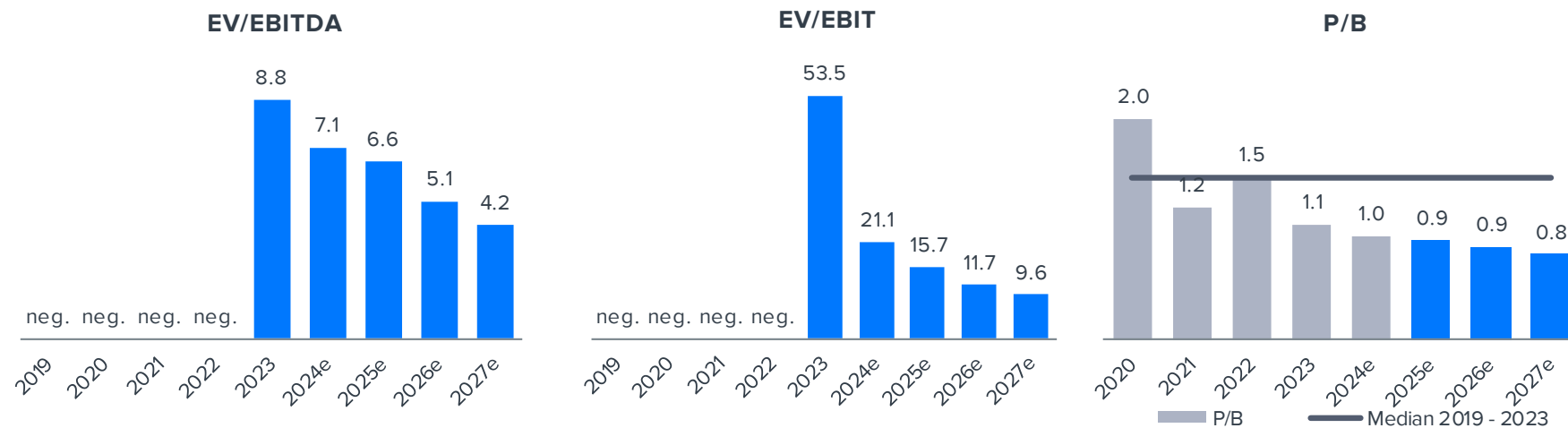
Risk profile of the business model



Valuation table

Valuation	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e
Share price	0.90	0.15	0.05	0.07	0.05	0.04	0.04	0.04	0.04
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	39	39	39	39
EV	15	7.6	4.1	70	56	60	65	68	63
P/E (adj.)	neg.	neg.	neg.	neg.	neg.	45.7	23.0	12.7	10.0
P/E	neg.	neg.	neg.	neg.	neg.	45.7	23.0	12.7	10.0
P/B	4.3	2.0	1.2	1.5	1.1	1.0	0.9	0.9	0.8
P/S	4.5	1.9	3.2	6.2	0.6	0.5	0.5	0.4	0.4
EV/Sales	4.3	1.5	1.7	8.1	0.8	0.8	0.8	0.7	0.6
EV/EBITDA	neg.	neg.	neg.	neg.	8.8	7.1	6.6	5.1	4.2
EV/EBIT (adj.)	neg.	neg.	neg.	neg.	53.5	21.1	15.7	11.7	9.6
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	587	1001	8.0	9.0	5.7	6.0	3.6	3.7	6.7	7.5	4.1	3.9	
Eurodry	64	157	11.0	7.5	6.3	4.7	2.3	2.2	9.5	4.2			0.6
Start Bulk Carriers	2650	3414	7.3	6.4	5.5	4.9	3.1	2.7	6.2	5.4	12.5	15.9	1.2
Kawasaki Kisen Kaisha	10301	10588			14.3	13.0	2.0	1.9	12.2	9.4	4.3	3.4	1.2
Golden Ocean Group	2623	3834		9.6	7.2	7.2	4.5	4.3	8.6	8.1	11.1	11.2	1.4
Meriaura Group (Inderes)	39	60	21.1	15.7	7.1	6.6	0.8	0.8	45.7	23.0	0.0	0.0	1.0
Average			8.8	8.1	7.8	7.2	3.1	3.0	8.6	6.9	8.0	8.6	1.1
Median			8.0	8.2	6.3	6.0	3.1	2.7	8.6	7.5	7.7	7.5	1.2
Diff-% to median			164%	90%	13%	9%	-75%	-72%	431%	206%	-100%	-100%	-19%

Source: Refinitiv / Inderes

Income statement

Income statement	2021	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24	Q2'24e	Q3'24e	Q4'24e	2024e	2025e	2026e	2027e
Revenue	2.5	8.6	16.2	15.3	15.7	19.0	66.2	17.9	19.8	19.2	20.9	77.8	84.6	93.6	100
Renewable Energy	0.0	3.8	0.2	0.3	0.2	2.7	3.4	1.9	3.3	3.5	4.1	12.9	17.4	24.0	28.3
Marine Logistics	0.0	4.9	16.0	15.0	15.5	16.4	62.8	15.9	16.5	15.7	16.8	64.9	67.2	69.6	72.1
EBITDA	-4.2	-3.6	1.5	1.1	1.7	2.1	6.3	1.2	2.2	2.2	2.9	8.5	10.0	13.4	15.0
Depreciation	-0.4	-0.2	-1.3	-1.3	-1.4	-1.2	-5.3	-1.4	-1.4	-1.5	-1.4	-5.6	-5.8	-7.6	-8.4
EBIT (excl. NRI)	-4.6	-3.8	0.2	-0.2	0.3	0.8	1.0	-0.2	0.9	0.7	1.5	2.8	4.2	5.8	6.6
EBIT	-4.6	-3.8	0.2	-0.2	0.3	0.8	1.0	-0.2	0.9	0.7	1.5	2.8	4.2	5.8	6.6
Renewable Energy			-1.1	-1.3	-0.7	-0.7	-3.8	-0.9	-0.6	-0.4	-0.4	-2.5	-1.2	0.2	0.7
Marine Logistics			1.2	1.0	1.0	1.9	5.1	0.8	1.5	1.1	1.9	5.3	5.3	5.6	5.9
Net financial items	-1.2	-0.3	-0.2	-0.3	-0.2	-0.6	-1.4	-0.3	-0.3	-0.4	-0.4	-1.3	-1.5	-1.7	-1.6
PTP	-5.8	-4.1	-0.1	-0.5	0.0	0.2	-0.3	-0.5	0.6	0.4	1.1	1.5	2.7	4.1	5.0
Taxes	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.2	-0.3	-0.5	-0.8	-0.8	-0.9
Net earnings	-5.8	-4.1	-0.1	-0.5	0.0	0.3	-0.3	-0.5	0.5	0.1	0.6	0.9	1.7	3.1	3.9
EPS (rep.)	-0.03	-0.01	0.00	0.00	0.00	0.00	0.00	-0.0005	0.0006	0.0001	0.0007	0.0010	0.0019	0.0035	0.0044
Key figures	2021	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24	Q2'24e	Q3'24e	Q4'24e	2024e	2025e	2026e	2027e
Revenue growth-%	-51.2 %	#####					666.5 %	10.3 %	29.7 %	22.7 %	9.7 %	17.6 %	8.8 %	10.6 %	7.3 %
Adjusted EBIT growth-%												173.1 %	46.0 %	40.4 %	12.6 %
EBITDA-%	-167.2 %	-41.4 %	9.3 %	7.2 %	10.6 %	10.8 %	9.6 %	6.7 %	11.3 %	11.2 %	13.9 %	10.9 %	11.8 %	14.3 %	14.9 %
Adjusted EBIT-%	-182.4 %	-43.6 %	1.0 %	-1.4 %	1.7 %	4.4 %	1.6 %	-1.0 %	4.3 %	3.7 %	7.1 %	3.7 %	4.9 %	6.2 %	6.6 %
Net earnings-%	-231.2 %	-47.1 %	-0.5 %	-3.3 %	0.1 %	1.5 %	-0.4 %	-2.6 %	2.8 %	0.7 %	3.0 %	1.1 %	2.0 %	3.3 %	3.9 %

Source: Inderes

Balance sheet

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

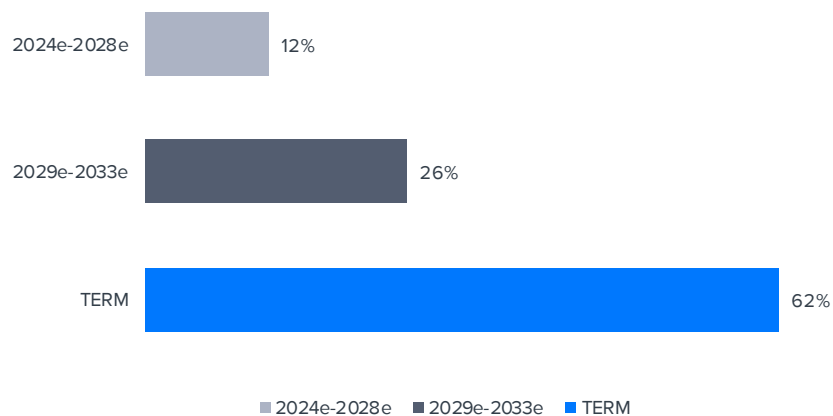
Source: Inderes

Liabilities & equity	2022	2023	2024e	2025e	2026e
Equity	35.4	40.0	45.2	46.9	50.0
Share capital	0.5	0.5	0.5	0.5	0.5
Retained earnings	-50.0	-50.3	-49.4	-47.7	-44.7
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	18.4	21.7	24.9
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	18.1	21.4	24.7
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	11.9	14.9	16.7
Interest bearing debt	3.2	3.2	4.5	7.1	8.2
Payables	8.2	6.6	7.4	7.8	8.4
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	64.4	67.8	75.5	83.5	91.6

DCF calculation

DCF model	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	TERM
Revenue growth-%	666.5 %	17.6 %	8.8 %	10.6 %	7.3 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	2.5 %	2.5 %
EBIT-%	1.6 %	3.7 %	4.9 %	6.2 %	6.6 %	6.6 %	6.6 %	6.6 %	5.5 %	5.5 %	5.5 %	5.5 %
EBIT (operating profit)	1.0	2.8	4.2	5.8	6.6	6.9	7.3	7.6	6.7	7.0	7.2	
+ Depreciation	5.3	5.6	5.8	7.6	8.4	8.1	7.9	6.5	6.6	6.7	6.8	
- Paid taxes	0.1	-0.2	-0.2	-0.2	-0.2	-0.3	-0.4	-0.5	-0.5	-0.5	-0.6	
- Tax, financial expenses	-0.2	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	0.0	0.0	0.0	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	-2.4	-0.8	-0.4	-0.7	-0.4	-0.3	-0.3	-0.1	-0.1	-0.1	-0.2	
Operating cash flow	3.7	7.3	9.2	12.4	14.3	14.4	14.4	13.5	12.7	13.1	13.3	
+ Change in other long-term liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-4.1	-10.3	-12.2	-13.3	-6.6	-6.8	-7.0	-7.2	-7.5	-7.7	-7.7	
Free operating cash flow	-0.3	-3.0	-3.0	-0.8	7.7	7.6	7.4	6.3	5.2	5.4	5.6	
+/- Other	4.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	4.5	-3.0	-3.0	-0.8	7.7	7.6	7.4	6.3	5.2	5.4	5.6	87.6
Discounted FCFF		-2.9	-2.6	-0.7	5.7	5.1	4.6	3.6	2.7	2.6	2.5	38.4
Sum of FCFF present value		59.0	61.9	64.5	65.1	59.5	54.3	49.7	46.2	43.5	40.9	38.4
Enterprise value DCF		59.0										
- Interest bearing debt		-21.1										
+ Cash and cash equivalents		7.7										
-Minorities		-7.5										
-Dividend/capital return		0.0										
Equity value DCF		38.2										
Equity value DCF per share		0.043										

Cash flow distribution

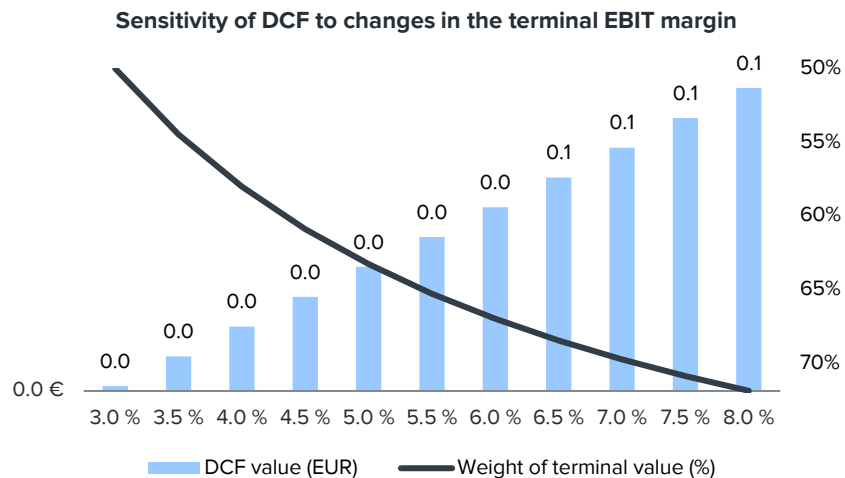
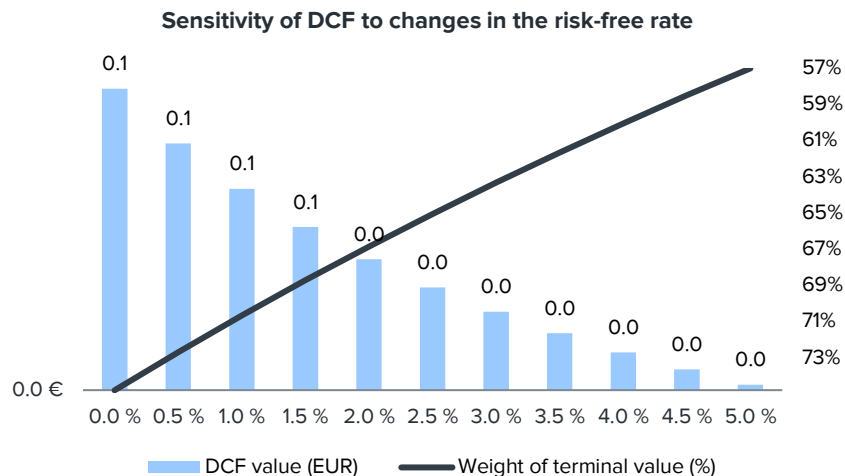
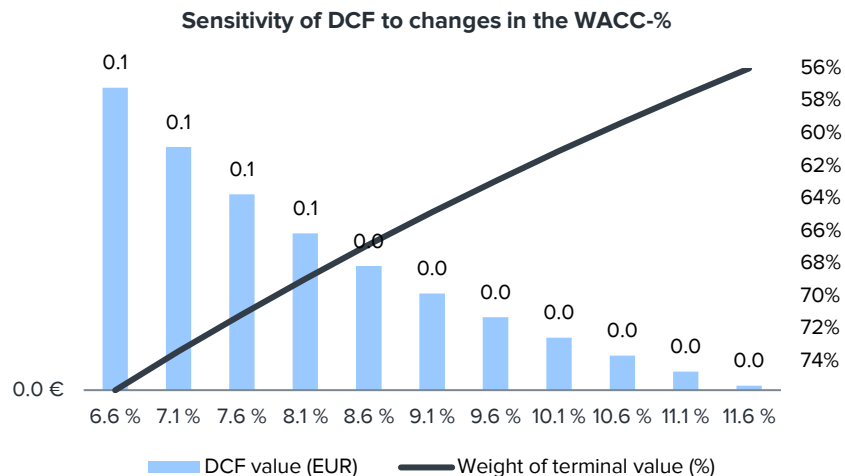


WACC

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	77.8	84.6	EPS (reported)	-0.03	-0.01	0.00	0.00	0.00
EBITDA	-4.2	-3.6	6.3	8.5	10.0	EPS (adj.)	-0.03	-0.01	0.00	0.00	0.00
EBIT	-4.6	-3.8	1.0	2.8	4.2	OCF / share	-0.03	0.00	0.00	0.01	0.01
PTP	-5.8	-4.1	-0.3	1.5	2.7	FCF / share	-0.03	-0.02	0.01	0.00	0.00
Net Income	-5.8	-4.1	-0.3	0.9	1.7	Book value / share	0.04	0.05	0.05	0.05	0.05
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	75.5	83.5	Revenue growth-%	-51%	246%	666%	18%	9%
Equity capital	6.5	35.4	40.0	45.2	46.9	EBITDA growth-%	22%	-14%	-277%	34%	17%
Goodwill	0.0	0.0	3.5	3.5	3.5	EBIT (adj.) growth-%	17%	-17%	-128%	173%	46%
Net debt	-3.8	16.7	13.3	13.6	18.7	EPS (adj.) growth-%	-56%	-85%	-94%	-407%	99%
Cash flow	2021	2022	2023	2024e	2025e	EBITDA-%	-167.2 %	-41.4 %	9.6 %	10.9 %	11.8 %
EBITDA	-4.2	-3.6	6.3	8.5	10.0	EBIT (adj.)-%	-182.4 %	-43.6 %	1.6 %	3.7 %	4.9 %
Change in working capital	-0.5	-0.3	-2.4	-0.8	-0.4	EBIT-%	-182.4 %	-43.6 %	1.6 %	3.7 %	4.9 %
Operating cash flow	-4.7	-3.8	3.7	7.3	9.2	ROE-%	-103.4 %	-19.4 %	-0.7 %	2.1 %	4.1 %
CAPEX	0.2	-49.5	-4.1	-10.3	-12.2	ROI-%	-76.2 %	-12.0 %	1.8 %	4.4 %	5.8 %
Free cash flow	-4.5	-16.9	4.5	-3.0	-3.0	Equity ratio	79.5 %	55.0 %	58.9 %	59.9 %	56.2 %
Valuation multiples	2021	2022	2023	2024e	2025e	Gearing	-58.8 %	47.2 %	33.3 %	30.0 %	39.8 %
EV/S	1.7	8.1	0.8	0.8	0.8						
EV/EBITDA	neg.	neg.	8.8	7.1	6.6						
EV/EBIT (adj.)	neg.	neg.	53.5	21.1	15.7						
P/E (adj.)	neg.	neg.	neg.	45.7	23.0						
P/B	1.2	1.5	1.1	1.0	0.9						
Dividend-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %						

Source: Inderes

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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 €



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