

Meriaura Group

Company report

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Pauli Lohi
+35845 134 7790
pauli.lohi@inderes.fi

✓ Inderes corporate customer

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Sea freight market prices cooling down

The figures for the second quarter were below our expectations as the slowdown in the sea freight market was reflected in the company's results faster than expected. We lowered our assumptions on the long-term normalized performance of Marine Logistics and slightly increased our Renewable Energy estimates thanks to a significant contract. We see room for downside in the stock on our current assumptions, which we believe are loaded with enough optimism relative to historical evidence. We lower our recommendation to Sell (was Reduce) with a target price of EUR 0.04 (was 0.05).

Marine Logistics missed expectations

The group's Q2 revenue was EUR 15.3 million, down 20% year-on-year (pro forma figures). The decrease was mainly due to the normalization of fuel costs charged to customers and the price of sea freight. The cooling of the sea freight market seems to be reflected in Meriaura Group's results faster than we had previously expected. In addition, the utilization rates of special cargo vessels in Q2 were low due to the timing of projects and the maintenance needs of the fleet. EBITDA for Q2 was EUR 1.1 million, well below our estimate (3.0 MEUR) and the pro forma level of the comparison period (2.5 MEUR). With a low revenue in Renewable Energy (0.3 MEUR) and a negative EBITDA (-1.2 MEUR), almost all of the group's revenue was generated in Marine Logistics (15.0 MEUR). EBITDA from Marine Logistics was EUR 2.3 million. The group's EBIT was at EUR -0.2 million and the net result at EUR -0.5 million.

We cut our group-level forecasts even though the outlook for Renewable Energy has improved

Based on Q2, we lowered our assumptions for the normalized result of Marine Logistics, but slightly increased the growth and profitability assumptions for Renewable Energy. We now forecast an EBIT margin for Marine Logistics of 8% in the medium term, well below the 2022 level (13.6%) but well above the 2016-20 average (around 4%). In Renewable Energy, the record order of EUR 9 million from Germany announced in the summer supports the growth outlook, so we raised the segment's earnings growth expectations and forecast EBIT to reach near neutral by 2026. At group level, our long-term EBIT estimate (2025) decreased by 9%.

Difficult to justify the current share price

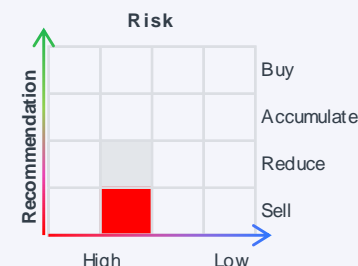
Our fair value, determined by the sum of the parts, decreased to EUR 0.04 as we lowered our assumptions about the sustainable level of performance of Marine Logistics. In the baseline scenario of our SOTP methodology, we value the Renewable Energy business at EUR 4 million (was 0 MEUR) and adjusted EBIT to be EUR 45 million (was 55 MEUR), which would result in a market value of EUR 34 million (0.042 EUR/share) after a net debt of EUR 15 million. This calculation values Marine Logistics at normalized 2024e earnings and a normalized valuation multiple (EV/EBIT 9x). The growth performance of Renewable Energy plays a crucial role in creating a significant upside or downside margin – long-term market drivers are favorable, but so far business numbers have been weak. In the peak Renewable Energy scenario, the total share value would be EUR 0.084, but this would require revenue improving to EUR 50 million and EBIT to EUR 2.5 million by 2026, which still sounds far away based on current evidence. In the worst-case scenario, Renewable Energy would have to be closed down as unprofitable after several years of losses, which could bring the total share value down to just EUR 0.013.

Recommendation

Sell
(previous Reduce)

EUR 0.04
(previous EUR 0.05)

Share price:
0.06



Key figures

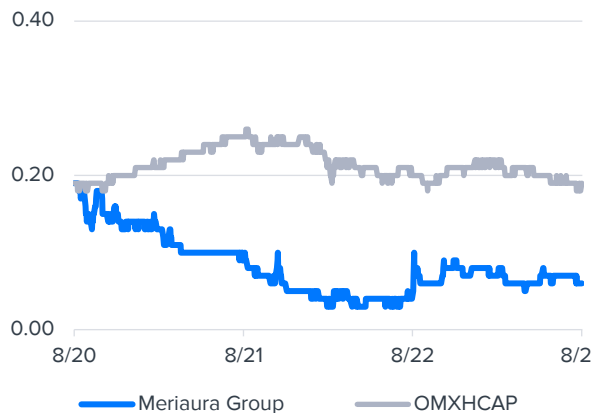
	2022	2023e	2024e	2025e
Revenue	8.6	69.1	70.5	77.0
growth-%	246%	700%	2%	9%
EBIT adj.	-3.8	1.2	2.1	3.5
EBIT-% adj.	-43.6 %	1.7 %	3.0 %	4.5 %
Net Income	-4.1	0.0	0.6	1.5
EPS (adj.)	-0.005	0.000	0.001	0.002
P/E (adj.)	neg.	>100	76.7	32.3
P/B	1.5	1.3	1.3	1.2
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	neg.	55.7	30.7	18.2
EV/EBITDA	neg.	9.9	8.6	6.9
EV/S	8.1	0.9	0.9	0.8

Source: Inderes

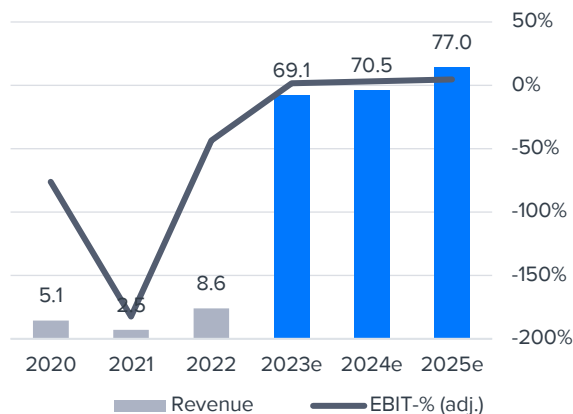
Guidance

(No guidance)

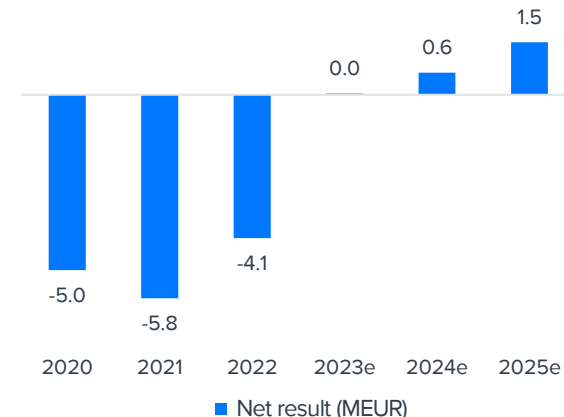
Share price



Revenue and EBIT-%



Net profit



Value drivers

- Growing demand for environmentally friendly solutions that reduce greenhouse gas emissions
- Unwinding the overcapacity in the global maritime cargo market
- Regulation, such as emissions trading, will make reducing CO2 emissions a competitive factor in both heat production and maritime freight
- Good position with emission reduction solutions in both business units



Risk factors

- The target market for the Renewable Energy unit at an early stage of its development
- The profitability turnaround of the Renewable Energy unit is unlikely to materialize in the next few years, which will eat into cash flow
- The market for Marine Logistics is cyclical
- Marine Logistics cycle has turned down after peak years 2021-2022

Valuation	2023e	2024e	2025e
Share price	0.06	0.06	0.06
Number of shares, millions	800.1	800.1	800.1
Market cap	48	48	48
EV	64	64	63
P/E (adj.)	>100	76.7	32.3
P/E	>100	76.7	32.3
P/FCF	39.6	39.1	31.5
P/B	1.3	1.3	1.2
P/S	0.7	0.7	0.6
EV/Sales	0.9	0.9	0.8
EV/EBITDA	9.9	8.6	6.9
EV/EBIT (adj.)	55.7	30.7	18.2
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Q2 below our estimates

Marine Logistics revenue in decline

Meriaura Group's Q2 key figures were below our estimates. Revenue totaled EUR 15.3 million, of which EUR 15.0 million came from Marine Logistics and EUR 0.3 million from Renewable Energy. Revenue declined by around 20% year-on-year on pro forma basis, compared to our estimate of 2% growth. The negative growth was due to lower fuel prices charged to customers in Marine Logistics and lower market prices for sea freight as demand fell from high levels. The slowdown in the market is particularly visible in spot prices, which account for about a third of dry freight. Long-term contracts even out the situation. The result was partly affected by under-utilization of special cargo vessels in Q2, due to the maintenance needs caused by the November wreck of the Meri vessel and the timing of customer

projects. As expected, Renewable Energy's revenue was low as the significant order of EUR 9 million from Germany at the end of Q2 did not yet have an impact. The order is conditional on obtaining a construction permit and it is our understanding that one will be granted in the near future.

Earnings weakened in line with sea freight prices

Weaker sea freight prices also affected the earnings level, with the result clearly below our estimate. EBITDA landed at EUR 1.1 million (our estimate: 3.0 MEUR), which also meant a year-on-year deterioration on pro forma basis (2.5 MEUR). The weakening of the sea freight market has happened faster than we expected, and the impact is also reflected in Meriaura Group's results earlier than we forecast. Marine Logistics accounted for EUR 2.3 million and Renewable Energy for EUR -1.2 million of

EBITDA. Due to high depreciation and amortization charges in Marine Logistics, group level EBIT was a loss of EUR -0.2 million.

Debt sustainability not under threat for the time being

Meriaura Group had cash and cash equivalents of EUR 4.3 million at the end of June. Interest-bearing debt amounted to EUR 19.2 million. The balance sheet is somewhat indebted, which is typical for the capital-intensive sea freight sector. We expect the result to remain positive in the coming years, resulting in a reasonably good debt service capacity. However, with the current balance sheet, it may be challenging to make large investments in equipment, especially if the decline in profitability deepens in line with prices in the sea freight market.

Estimates MEUR / EUR	Q2'22	Q2'23	Q2'23e	Q2'23e	Consensus		Difference (%)	2023e
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	0.7	15.3	19.4				-21%	69.1
EBITDA	-1.2	1.1	3.0					6.5
EBIT	-1.2	-0.2	1.7				-112%	1.2
Net result	-1.4	-0.5	-0.5				-1%	0.0
Revenue growth-%	-22.6 %	2133.6 %	2732.7 %				-599.1 pp	699.7 %
EBIT-%	-182.0 %	-1.3 %	8.5 %				-9.9 pp	1.7 %

Source: Inderes

Weaker earnings outlook for Marine Logistics

Lifted demand for Renewable Energy partly offsets the weakness of the sea freight market

- The Meriaura Group does not provide numerical guidance on near-term performance. However, the company expects the demand for Marine Logistics to remain at a reasonably good level toward the end of the year due to the strong contract base. Q3 is seasonally weaker as the holiday season reduces demand for transport.
- In special cargo, prices do not follow the cyclical fluctuations of the bulk segment. In special cargo, the company can afford to grow through utilization rates, and on the other hand, infrastructure projects related to the green transition support long-term demand.
- We lowered our revenue estimates for Meriaura Group by 6-8% for 2023-2025. This includes significant revenue estimate cuts in Marine Logistics and relatively significant but smaller absolute revenue estimate increases in Renewable Energy. Of the EUR 9 million order, we expect about EUR 6 million to be received in 2023 and the rest in 2024.
- Changes in revenue estimates were also reflected in profitability and therefore our earnings estimates fell significantly - although in the longer term the changes are more moderate (2025 EBIT estimate fell by only 9%).
- Profitability forecasts for both segments are clearly bullish relative to historical levels and are subject to uncertainty. However, low-carbon or zero-emission business models can be expected to perform better in the future, as regulation and companies' own targets drive them to reduce their emissions in both energy and logistics.

Estimate revisions	2023e	2023e	Change	2024e	2024e	Change	2025e	2025e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	73.2	69.1	-6%	76.7	70.5	-8%	82.7	77.0	-7%
EBITDA	8.7	6.5	-25%	8.0	7.4	-7%	9.4	9.1	-4%
EBIT (exc. NRIs)	3.3	1.2	-65%	2.6	2.1	-21%	3.8	3.5	-9%
EBIT	3.3	1.2	-65%	2.6	2.1	-21%	3.8	3.5	-9%
PTP	2.3	0.1	-98%	1.7	1.0	-39%	2.9	2.4	-17%
EPS (excl. NRIs)	0.00	0.00	-99%	0.00	0.00	-63%	0.00	0.00	-49%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

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-intensive growth business. However, its cash flows are unlikely to turn positive in the near term and even long-term growth would require a significant positive turnaround in the company's business. 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.

Elevated valuation multiples

The current share price level also looks pricy when looking at group-level earnings-based valuation multiples. EV/EBIT multiples at group level are very high (2023-24: 31-56x), as Renewable Energy is weighing on earnings and Marine Logistics has high depreciation. EV/EBITDA multiples are already a degree more moderate (2023-24: ~ 9- 10x), 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. As regards the balance sheet, Meriaura

Group is valued at a P/B ratio of 1.3x (2023e). The median P/B ratio of the peer freight shipping companies is 0.8x, so the valuation of Meriaura Group cannot be based purely on the value of the company's current assets.

The sum of the parts below 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 scenario of our sum-of-the-parts method, the Renewable Energy unit would be valued at EUR 4 million and Marine Logistics at EUR 45 million (EV/EBIT 9.0x or 0.9x the market value of vessels as of 06/14/2022). Considering the net debt of EUR 15 million in H1' 2023, this would give a fair market value of EUR 34 million and a share value of EUR 0.042.

Value per share EUR 0.03-0.05

Based on the sum of the parts and earnings-based and balance sheet valuation multiples, we estimate the fair value of the stock at EUR 0.030-0.05 (EV/EBITDA 5-8x, P/B 0.7-1.1x at 2024 estimates). Therefore, we set the target price at EUR 0.04 and our recommendation at Buy (was Reduce). Justifying a higher share price would require clearly better visibility of the performance of the Renewable Energy business. In our view, a turnaround would require a significant improvement in the competitiveness of the business relative to the past. Emission reduction targets and tighter regulation are likely to support the long-term competitiveness of the Renewable Energy segment, but there is still a long way to go to a profitable level. The clarification of the strategy following the merger of Savosolar and Meriaura may provide new perspectives on the company's business and valuation.

Valuation	2023e	2024e	2025e
Share price	0.06	0.06	0.06
Number of shares, millions	800.1	800.1	800.1
Market cap	48	48	48
EV	64	64	63
P/E (adj.)	>100	76.7	32.3
P/E	>100	76.7	32.3
P/FCF	39.6	39.1	31.5
P/B	1.3	1.3	1.2
P/S	0.7	0.7	0.6
EV/Sales	0.9	0.9	0.8
EV/EBITDA	9.9	8.6	6.9
EV/EBIT (adj.)	55.7	30.7	18.2
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Factors supporting the valuation:

- Emissions reduction and regulation create demand for company's solutions
- Proprietary technology and experience in solar thermal
- Marine Logistics prepared to reduce emissions even before emissions trading started

Factors negatively affecting the valuation of Savosolar:

- Renewable Energy unit's turnaround not yet in sight for the next few years
- Marine Logistics performance will decline after the cyclical peak in 2022 and may occasionally fall below long-term levels as the business cycle weakens

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 Renewable Energy unit varies between scenarios, but for Marine Logistics we have developed only one scenario based on a normalized result in the SOTP calculation.

Sum of the parts - Renewable Energy

The baseline scenario for the valuation of the Renewable Energy 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 (-0.3 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 EUR 4 million in the baseline scenario, consisting of negative cash flows of EUR -8 million in 2023-2026 and a residual value of EUR 12 million in 2026. The residual value of EUR 12 million assumes that the profit 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 expansion investments.

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 EUR 20 million on cash flows in 2023-2026. In a positive scenario, revenue more than

tenfolds to EUR 50 million, material margin improves to 25% and fixed costs increase to EUR 10 million (2022: -4,5), resulting in an EBIT of EUR 2.5 million (5% of revenue). In this case, an EV/EBIT valuation factor of 15x, suitable for a growth business, would turn the value of the business positive at EUR 38 million.

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. As sea freight rates have been exceptionally high in 2021-2022, we estimate that earnings levels will gradually decline in the coming years as market prices return to normal levels. 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. Peers are priced with 2024 projections at EV/EBIT multiples of 3-10x, but we do not consider the average (5x) to be a normalized multiple; the consensus forecasts are likely to still include a positive impact from the gradually receding boom in the shipping sector.

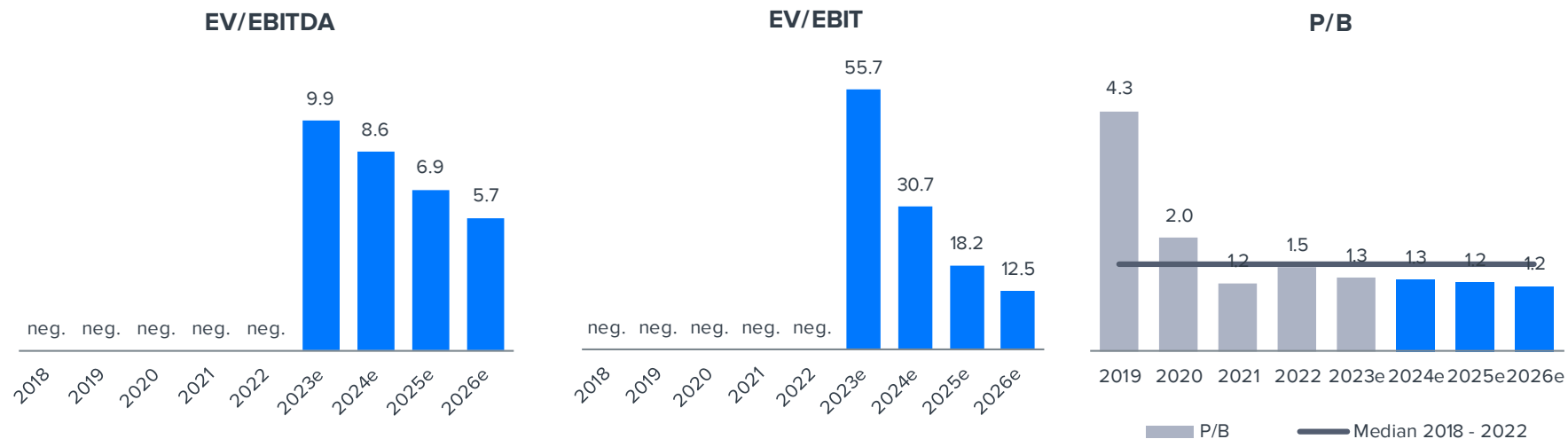
We forecast Meriaura's EBIT to normalize in 2024 and use this as the base year for the valuation. For 2024, we forecast a revenue of EUR 62 million and an EBIT of EUR 5.0 million (8.0% of revenue), whereby a 9x EV/EBIT multiple would give an operating value of EUR 45 million, which is about 0.9 times the market value of the company's ships on 07/14/2022 (EUR 50.8 MEUR).

Sum of the parts MEUR	Scenario		
	Negative	Baseline	Positive
Renewable Energy			
Revenue 2026e	4	19.3	50
EBIT 2026e	-5	-0.3	2.5
EBIT-% 2026e	-125%	-2%	5%
EV/EBIT (x)	4.0x		15.0x
Enterprise value (EV)	-20	4	38
+			
Marine Logistics			
Revenue 2024e		62	
EBIT 2024e		5.0	
EBIT-% 2024e		8.0%	
EV/EBIT (x)		9.0x	
Enterprise value (EV)	45	45	45
EV/Market value of ships 06/14/2022	0.9x	0.9x	0.9x
=			
Total enterprise value (EV)	25	49	82
Net debt 2022	-15	-15	-15
Fair market value*	10	34	67
Fair share price*	0.013	0.042	0.084
Current share price	0.060	0.060	0.060
Current market capitalization	48	48	48
Change*	-79%	-29%	41%

Valuation table

Valuation	2018	2019	2020	2021	2022	2023e	2024e	2025e	2026e
Share price	0.60	0.90	0.15	0.05	0.07	0.06	0.06	0.06	0.06
Number of shares, millions	3.53	17.2	62.9	165.2	783.1	800.1	800.1	800.1	800.1
Market cap	2.1	16	9.5	8.0	53	48	48	48	48
EV	3.9	15	7.6	4.1	70	64	64	63	62
P/E (adj.)	neg.	neg.	neg.	neg.	neg.	>100	76.7	32.3	20.0
P/E	neg.	neg.	neg.	neg.	neg.	>100	76.7	32.3	20.0
P/FCF	neg.	neg.	neg.	neg.	neg.	39.6	39.1	31.5	27.7
P/B	1.6	4.3	2.0	1.2	1.5	1.3	1.3	1.2	1.2
P/S	0.4	4.5	1.9	3.2	6.2	0.7	0.7	0.6	0.6
EV/Sales	0.7	4.3	1.5	1.7	8.1	0.9	0.9	0.8	0.7
EV/EBITDA	neg.	neg.	neg.	neg.	neg.	9.9	8.6	6.9	5.7
EV/EBIT (adj.)	neg.	neg.	neg.	neg.	neg.	55.7	30.7	18.2	12.5
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	2023e	2024e	2023e	2024e	2023e	2024e	2023e	2024e	2023e	2024e	2023e
Safe Bulkers	319	655	7.2	4.7	4.7	3.4	2.6	2.0	5.4	3.0	6.5	12.0	
Eurodry	37	74		6.0	9.0	2.8	1.8	1.4		3.4			0.4
Start Bulk Carriers	1620	2392	9.9	5.6	6.5	4.3	3.3	2.6	9.3	4.5	11.3	23.9	0.8
Kawasaki Kisen Kaisha	7616	7516			9.6	9.8	1.3	1.3	1.8	10.4	7.9	3.9	0.9
Golden Ocean Group	1291	2387		6.9	7.3	5.5	4.0	3.1	8.5	5.5	9.5	16.6	0.7
Meriaura Group (Inderes)	48	64	55.7	30.7	9.9	8.6	0.9	0.9	1504.9	76.7	0.0	0.0	1.3
Average			8.6	5.8	7.4	5.1	2.6	2.1	6.3	5.4	8.8	14.1	0.7
Median			8.6	5.8	7.3	4.3	2.6	2.0	7.0	4.5	8.7	14.3	0.8
Diff-% to median			551%	426%	35%	100%	-64%	-56%		1588%	-100%	-100%	69%

Source: Refinitiv / Inderes

Income statement

Income statement	2020	2021	2022	Q1'23	Q2'23	Q3'23e	Q4'23e	2023e	2024e	2025e	2026e
Revenue	5.1	2.5	8.6	16.2	15.3	17.7	19.9	69.1	70.5	77.0	85.8
Renewable Energy	0.0	0.0	3.8	0.2	0.3	3.0	3.2	6.6	8.6	12.9	19.3
Marine Logistics	0.0	0.0	4.9	16.0	15.0	14.7	16.8	62.4	61.9	64.1	66.4
EBITDA	-3.4	-4.2	-3.6	1.5	1.1	1.4	2.5	6.5	7.4	9.1	10.9
Depreciation	-0.5	-0.4	-0.2	-1.3	-1.3	-1.3	-1.4	-5.3	-5.4	-5.6	-5.9
EBIT (excl. NRI)	-3.9	-4.6	-3.8	0.2	-0.2	0.1	1.1	1.2	2.1	3.5	5.0
EBIT	-3.9	-4.6	-3.8	0.2	-0.2	0.1	1.1	1.2	2.1	3.5	5.0
Renewable Energy			-4.3	-1.1	-1.3	-0.6	-0.5	-3.4	-2.9	-1.6	-0.3
Marine Logistics			0.5	1.2	1.0	0.7	1.6	4.6	5.0	5.1	5.3
Net financial items	-1.1	-1.2	-0.3	-0.2	-0.3	-0.3	-0.3	-1.1	-1.1	-1.0	-1.0
PTP	-5.0	-5.8	-4.1	-0.1	-0.5	-0.2	0.8	0.1	1.0	2.4	3.9
Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.4	-1.0	-1.5
Net earnings	-5.0	-5.8	-4.1	-0.1	-0.5	-0.2	0.8	0.0	0.6	1.5	2.4
EPS (rep.)	-0.08	-0.03	-0.01	-0.0001	-0.0006	-0.0002	0.0010	0.0000	0.0008	0.0019	0.0030
Key figures	2020	2021	2022	Q1'23	Q2'23	Q3'23e	Q4'23e	2023e	2024e	2025e	2026e
Revenue growth-%	49.8 %	-51.2 %	245.8 %	1018.7 %	2131.1 %	2102.9 %	249.3 %	699.7 %	2.1 %	9.3 %	11.4 %
Adjusted EBIT growth-%									80.5 %	67.3 %	42.8 %
EBITDA-%	-66.6 %	-167.2 %	-41.4 %	9.3 %	7.2 %	8.0 %	12.4 %	9.4 %	10.6 %	11.8 %	12.7 %
Adjusted EBIT-%	-76.2 %	-182.4 %	-43.6 %	1.0 %	-1.4 %	0.6 %	5.6 %	1.7 %	3.0 %	4.5 %	5.8 %
Net earnings-%	-97.3 %	-231.2 %	-47.1 %	-0.5 %	-3.3 %	-1.1 %	4.1 %	0.0 %	0.9 %	1.9 %	2.8 %

Source: Inderes

Balance sheet

Assets	2021	2022	2023e	2024e	2025e
Non-current assets	1.4	50.6	50.9	51.0	51.6
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	0.5	4.1	4.1	4.1	4.1
Tangible assets	0.5	46.5	46.8	46.9	47.5
Associated companies	0.2	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.2	0.0	0.0	0.0	0.0
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
Current assets	6.8	13.8	19.0	19.2	20.7
Inventories	1.9	3.4	6.2	6.2	6.6
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	0.8	6.6	7.9	8.0	8.7
Cash and equivalents	4.1	3.8	4.8	4.9	5.4
Balance sheet total	8.2	64.4	69.8	70.1	72.3

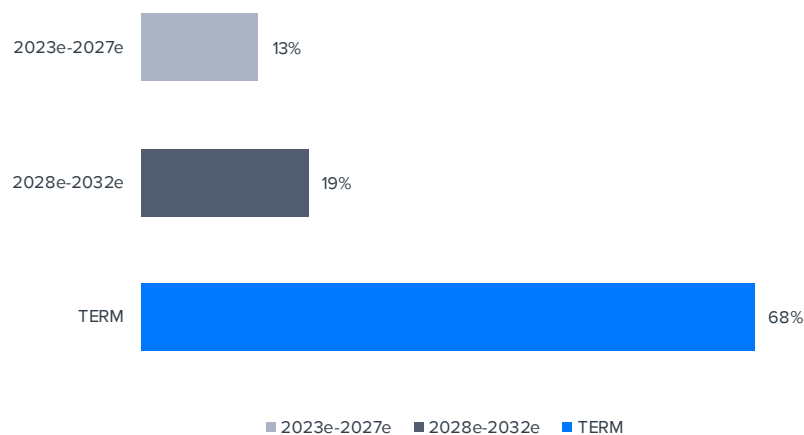
Source: Inderes

Liabilities & equity	2021	2022	2023e	2024e	2025e
Equity	6.5	35.4	36.3	37.0	38.4
Share capital	0.5	0.5	0.5	0.5	0.5
Retained earnings	-45.9	-50.0	-50.0	-49.4	-47.9
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	51.9	84.9	85.8	85.8	85.8
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	0.3	17.5	10.8	10.7	10.6
Deferred tax liabilities	0.0	0.0	0.0	0.0	0.0
Provisions	0.2	0.2	0.2	0.2	0.2
Long term debt	0.1	17.3	10.6	10.5	10.3
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	1.3	11.4	22.7	22.5	23.3
Short term debt	0.1	3.2	10.6	10.5	10.3
Payables	1.2	8.2	12.1	12.1	12.9
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	8.2	64.4	69.8	70.1	72.3

DCF calculation

DCF model	2022	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	TERM
Revenue growth-%	245.8 %	699.7 %	2.1%	9.3%	11.4 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	2.5 %	2.5 %
EBIT-%	-43.6 %	1.7 %	3.0 %	4.5 %	5.8 %	6.7 %	6.7 %	6.7 %	6.7 %	6.0 %	6.0 %	6.0 %
EBIT (operating profit)	-3.8	1.2	2.1	3.5	5.0	6.0	6.3	6.7	7.0	6.6	6.7	
+ Depreciation	0.2	5.3	5.4	5.6	5.9	6.0	6.2	6.3	6.3	6.5	6.7	
- Paid taxes	0.0	0.0	-0.4	-1.0	-1.5	-2.0	-2.1	-2.3	-2.4	-2.3	-2.4	
- Tax, financial expenses	0.0	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.1	-0.1	-0.1	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	-0.3	-0.4	-0.1	-0.2	-0.4	-0.1	-0.1	-0.2	0.0	0.1	-0.1	
Operating cash flow	-3.8	5.9	6.7	7.7	8.8	9.8	10.1	10.4	10.7	10.7	10.8	
+ 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	-49.5	-5.6	-5.5	-6.2	-7.0	-7.2	-7.4	-7.7	-7.9	-8.2	-6.8	
Free operating cash flow	-53.4	0.3	1.2	1.5	1.7	2.6	2.6	2.7	2.8	2.5	4.1	
+/- Other	36.5	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-16.9	1.2	1.2	1.5	1.7	2.6	2.6	2.7	2.8	2.5	4.1	63.3
Discounted FCFF		1.2	1.1	1.2	1.3	1.8	1.6	1.6	1.5	1.2	1.8	28.2
Sum of FCFF present value		42.4	41.2	40.1	38.9	37.6	35.8	34.2	32.6	31.2	30.0	28.2
Enterprise value DCF		42.4										
- Interest bearing debt		-20.5										
+ Cash and cash equivalents		3.8										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		25.7										
Equity value DCF per share		0.032										

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

Summary

Income statement	2020	2021	2022	2023e	2024e	Per share data	2020	2021	2022	2023e	2024e
Revenue	5.1	2.5	8.6	69.1	70.5	EPS (reported)	-0.08	-0.03	-0.01	0.00	0.00
EBITDA	-3.4	-4.2	-3.6	6.5	7.4	EPS (adj.)	-0.08	-0.03	-0.01	0.00	0.00
EBIT	-3.9	-4.6	-3.8	1.2	2.1	OCF / share	-0.05	-0.03	0.00	0.01	0.01
PTP	-5.0	-5.8	-4.1	0.1	1.0	FCF / share	-0.06	-0.03	-0.02	0.00	0.00
Net Income	-5.0	-5.8	-4.1	0.0	0.6	Book value / share	0.07	0.04	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	2020	2021	2022	2023e	2024e	Growth and profitability	2020	2021	2022	2023e	2024e
Balance sheet total	7.0	8.2	64.4	69.8	70.1	Revenue growth-%	50%	-51%	246%	700%	2%
Equity capital	4.7	6.5	35.4	36.3	37.0	EBITDA growth-%	-22%	22%	-14%	-282%	15%
Goodwill	0.0	0.0	0.0	0.0	0.0	EBIT (adj.) growth-%	-22%	17%	-17%	-131%	81%
Net debt	-2.0	-3.8	16.7	16.4	16.0	EPS (adj.) growth-%	-80%	-56%	-85%	-101%	1863%
Cash flow	2020	2021	2022	2023e	2024e	EBITDA-%	-66.6 %	-167.2 %	-41.4 %	9.4 %	10.6 %
EBITDA	-3.4	-4.2	-3.6	6.5	7.4	EBIT (adj.)-%	-76.2 %	-182.4 %	-43.6 %	1.7 %	3.0 %
Change in working capital	0.3	-0.5	-0.3	-0.4	-0.1	EBIT-%	-76.2 %	-182.4 %	-43.6 %	1.7 %	3.0 %
Operating cash flow	-3.2	-4.7	-3.8	5.9	6.7	ROE-%	-120.6 %	-103.4 %	-19.4 %	0.1 %	1.7 %
CAPEX	-0.7	0.2	-49.5	-5.6	-5.5	ROI-%	-77.7 %	-76.2 %	-12.0 %	2.0 %	3.6 %
Free cash flow	-3.9	-4.5	-16.9	1.2	1.2	Equity ratio	66.2 %	79.5 %	55.0 %	52.0 %	52.7 %
Valuation multiples	2020	2021	2022	2023e	2024e	Gearing	-41.9 %	-58.8 %	47.2 %	45.1 %	43.3 %
EV/S	1.5	1.7	8.1	0.9	0.9						
EV/EBITDA (adj.)	neg.	neg.	neg.	9.9	8.6						
EV/EBIT (adj.)	neg.	neg.	neg.	55.7	30.7						
P/E (adj.)	neg.	neg.	neg.	>100	76.7						
P/B	2.0	1.2	1.5	1.3	1.3						
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 €
8/29/2023	Sell	0.04 €	0.060 €



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Inderes Oyj

Itämerentori 2

FI-00180 Helsinki, Finland

+358 10 219 4690

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