

Kempower

Company report

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✓ Inderes corporate customer

This report is a summary translation of the report "Pitkän aikavälin kasvuoletuksissa nousuvaraa" published on 9/18/2023 at 7:30 pm EEST.

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Upside in long-term growth assumptions

Kempower's growth strategy is progressing well, while the trend towards electrification of transport continues to gain momentum, leading us to upgrade our estimates. We raise our recommendation to Accumulate (was Reduce) with a target price of EUR 52 (was EUR 43).

Progress in the expansion strategy

The company's expansion strategy has again taken small steps forward during Q3. At the end of August, Kempower's main product was awarded the Eichrecht certificate, which allows the products to be sold to public charging stations in Germany, Europe's largest single car market (19% of registered cars in the EU). According to the company's guidance, it will start production at its US plant by the end of 2023. Although the factory will not yet generate significant revenue for the current year, the project seems to be progressing well and is on track to meet expectations.

We are raising our growth estimates, especially for the long term, supported by the market outlook

The trend towards electrification of transport is developing strongly, with car prices falling rapidly, driven by, e.g., Tesla's price cuts and the emergence of low-cost Chinese cars. Furthermore, we have not seen any deterioration in the investment appetite of charging operators, despite higher interest rates. We are therefore raising our assumptions for Kempower's long-term growth. Our revenue estimates for 2023-25 are up only 2-6%, but revenue and profit for 2027 are up as much as 20% (EBIT-% assumptions unchanged). We believe that our earlier assumptions of a slowdown in the growth rate of the market after a few years of strong growth are now too cautious given, e.g., the wave of investment caused by the electrification of heavy transport, which comes with a lag relative to investment in passenger car charging. We forecast Kempower's market share to increase to a combined 13% in Europe and North America this year (2022: 7%) and 14% in 2024. Our 2030 revenue estimate (1,310 MEUR) would correspond to a total growth of the DC charging market in Europe and North America to around EUR 9 billion, assuming Kempower's market share remains at 14%. This scenario would still be well below the EUR 14 billion target market for 2030 estimated by Kempower at CMD, so the realization of the market growth outlined by the company would still put upward pressure on our growth estimates.

The market may underestimate the scalability of profitability

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 forecasts for 2026-27, the valuation starts to seem low (EV/EBIT 2026e: 15x, 2027e: 12x). Despite the threats, no significant increase in technological competition or copying of Kempower's products has yet materialized, so market share gains are likely to continue in the coming years. Long-term market growth will provide support, even if competition tightens slightly. We expect the company's profitability to scale up faster than consensus (our 2024-25 EBIT estimates are 12-26% above Vara's consensus), which would act as a share price driver. There are still uncertainties surrounding the US growth outlook and forecasting market growth amid intense change is challenging. However, after a moment of hesitation, we are again ready to jump on the growth bandwagon, as market growth can still surprise in a positive direction. We do not consider it impossible that the company still had to revise its guidance for the current year upwards (our revenue estimate is 300 MEUR, the guidance is EUR 280-310 MEUR).

Recommendation

Accumulate
(previous Reduce)

EUR 52.00
(previous EUR 43.00)

Share price:
46.10



Key figures

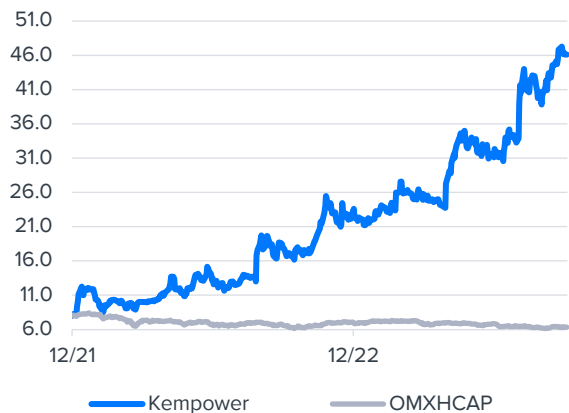
	2022	2023e	2024e	2025e
Revenue	103.6	300.4	465.7	628.7
growth-%	278%	190%	55%	35%
EBIT adj.	6.7	40.0	66.1	106.2
EBIT-% adj.	6.5 %	13.3 %	14.2 %	16.9 %
Net Income	3.4	31.8	50.9	82.2
EPS (adj.)	0.07	0.57	0.92	1.48
P/E (adj.)	>100	80.2	50.3	31.1
P/B	10.8	19.3	14.0	9.6
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	>100	62.9	37.7	22.8
EV/EBITDA	>100	54.8	31.3	19.9
EV/S	10.0	8.4	5.3	3.9

Source: Inderes

Guidance (Unchanged)

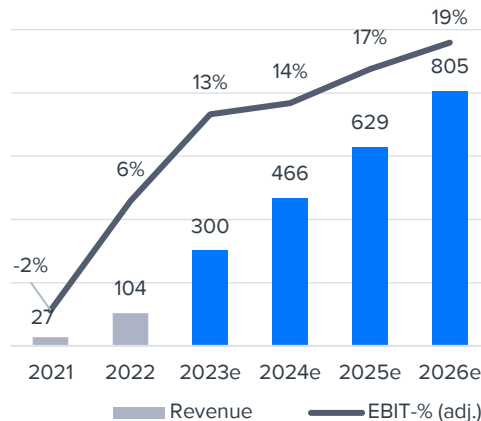
2023 revenue; EUR 280–310 million, assuming no major impact of foreign currency exchange rates. 2023 operative EBIT margin, %; over 10%.

Share price



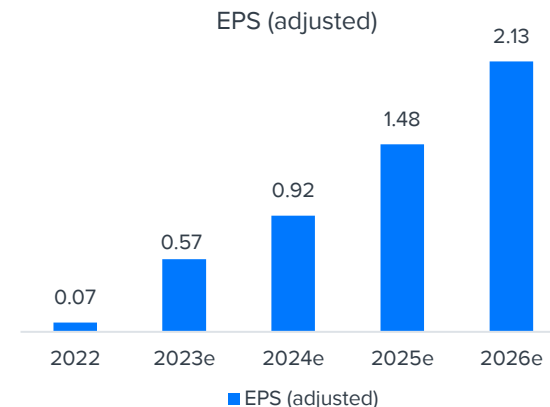
Source: Millistream Market Data AB

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 slows profitability development 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

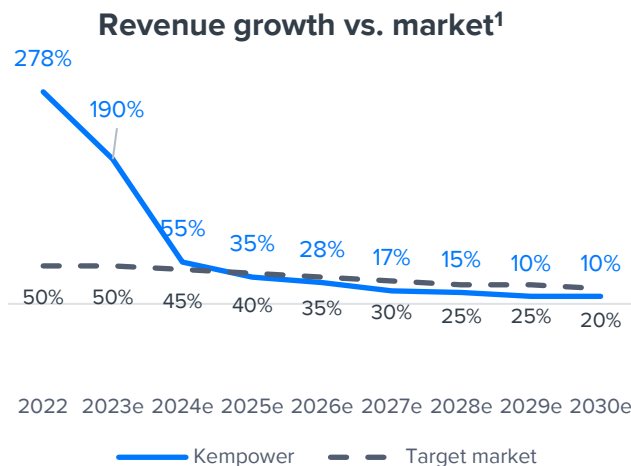
Valuation	2023e	2024e	2025e
Share price	46.1	46.1	46.1
Number of shares, millions	55.5	55.5	55.5
Market cap	2561	2561	2561
EV	2517	2490	2422
P/E (adj.)	80.2	50.3	31.1
P/E	80.5	50.3	31.1
P/FCF	neg.	92.8	37.7
P/B	19.3	14.0	9.6
P/S	8.5	5.5	4.1
EV/Sales	8.4	5.3	3.9
EV/EBITDA	54.8	31.3	19.9
EV/EBIT (adj.)	62.9	37.7	22.8
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

We raised our long-term growth assumptions

We expect the strong growth to continue for longer than before

- We made a level adjustment to the growth assumptions. Revenue estimates for 2023-25 rose by only 2-6%, but 2030 revenue rose by as much as 20%.
- In the past, we expected growth to slow rapidly after a short-term growth spurt. If the 14 billion market growth presented by Kempower at CMD were to materialize, the market would still grow at a rate of 20-40% in 2025-30, making our current growth assumptions far too modest. However, there is uncertainty in forecasting market growth, and we do not consider the 14 billion market to be a baseline scenario yet.
- We now assume that if Kempower keeps its market share (14%) stable in 2024e, the total market size in 2030 would be around EUR 9 billion. Conversely, our revenue estimate of EUR 1310 million in 2030 would represent a market share of 9% in a market of EUR 14 billion, not even including markets outside Europe and North America.
- We kept our EBIT margin assumption unchanged.



1) The target market growth rates assume that the DC charger market in Europe and North America will grow to 14 billion by 2030.

Source: Inderes and Kempower

Estimate revisions	2023e		Change	2024e		Change	2025e		Change
	Old	New		Old	New		Old	New	
MEUR / EUR									
Revenue	295	300	2%	458	466	2%	595	629	6%
EBITDA	45.2	45.9	2%	78.2	79.6	2%	115	122	6%
EBIT (exc. NRIs)	39.2	40.0	2%	65.0	66.1	2%	101	106	6%
EBIT	39.1	39.9	2%	65.0	66.1	2%	101	106	6%
PTP	38.5	39.3	2%	64.2	65.3	2%	99.7	105	6%
EPS (excl. NRIs)	0.56	0.57	2%	0.90	0.92	2%	1.40	1.48	6%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

Inderes estimates compared to consensus

	Inderes estimates				Consensus estimates				Difference			
	Q3'23	2023e	2024e	2025e	Q3'23	2023e	2024e	2025e	Q3'23	2023e	2024e	2025e
New orders	95	345	483	642	94.1	332	478	616	0.8%	4.0%	0.9%	4.3%
Revenue	81	300	466	629	81.5	302	461	604	-0.5%	-0.4%	1.0%	4.2%
-growth	148%	190%	55.0%	35.0%	149%	190%	52.9%	30.9%				
EBIT	11.9	40.0	66.1	106.2	9.8	39.0	59.1	84.1	21.1%	2.5%	11.8%	26.3%
EBIT-%	14.6%	13.3%	14.2%	16.9%	11.8%	13.0%	13.0%	14.3%				
EPS	0.18	0.57	0.92	1.48	0.15	0.53	0.87	1.28	16.8%	8.5%	5.4%	15.6%

Source: Inderes and Vara consensus

Higher growth estimates bring the expected return up

Earnings-based valuation is favorable in 2027

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 2026-27 estimates EV/EBIT will fall to 15x and 12x. 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. Assuming continued good market demand and no major changes in the technology environment, we believe Kempower's valuation would be at least neutral in 2026 and favorable in 2027, given that the industry is expected to continue to grow.

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 5.3x with our 2024 estimates, i.e., below Tesla's level (6.7x) and clearly higher than the poorly performing Tritium (0.6x) 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 54 per share. We have used an 8.8% cost of equity (CoE) and an 8.2% weighted average cost of capital (WACC). We kept our long-term EBIT margin assumption unchanged at 20% and our 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.

Moving back to Accumulate

Kempower's growth limits seem to be constantly rising and there could still be upside if the market continues to grow in line with the company's estimates and no huge change is seen in the competitive situation in the market. For the time being, we consider the 2027 EV/EBIT ratio 14x (now 12x) to be a neutral valuation level for the company, which would provide further upside to EUR 52. Revenue in 2023 may still exceed consensus, and we expect profitability to scale faster than the company's targets and consensus estimates. Of course, there is considerable uncertainty associated with the huge expectations, but for the moment we believe our risk/return estimate is turning positive.

Valuation	2023e	2024e	2025e
Share price	46.1	46.1	46.1
Number of shares, millions	55.5	55.5	55.5
Market cap	2561	2561	2561
EV	2517	2490	2422
P/E (adj.)	80.2	50.3	31.1
P/E	80.5	50.3	31.1
P/FCF	neg.	92.8	37.7
P/B	19.3	14.0	9.6
P/S	8.5	5.5	4.1
EV/Sales	8.4	5.3	3.9
EV/EBITDA	54.8	31.3	19.9
EV/EBIT (adj.)	62.9	37.7	22.8
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Valuation scenarios 2030e

MEUR 2030e	Negative scenario	Base scenario	Positive scenario
Market size	MRD 6	MRD 9	MRD 14
Market share	14%	14%	14%
Revenue	854	1310	1994
EBIT-%	12.0%	20.0%	20.0%
EBIT	103	262	399
EV/EBIT multiple (x)	10x	15x	20x
EV	1025	3929	7974
Cumulative cash flow 23-30e	522	870	1192
Cash assets 2022	58	58	58
Market cap 2030e (MEUR)	1606	4858	9225
Share value in 2030 (EUR)	28.9	87.5	166.1
Value change (%)	-37%	90%	260%
Annual return	-6%	10%	20%

Detailed estimates

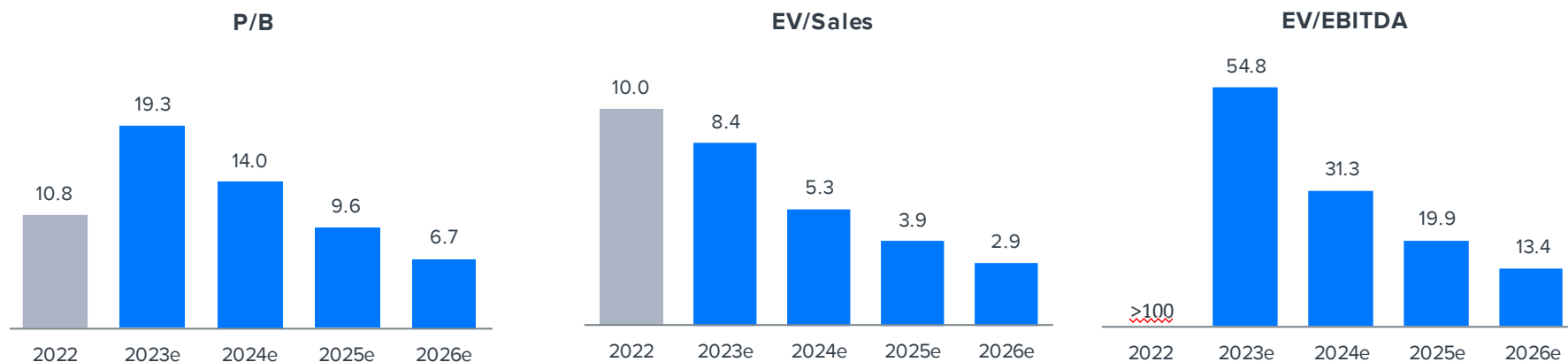
MEUR	2018	2019	2020	2021	2022	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	Terminal period
Order intake			7	37	209	345	483	642						
- growth %				427%	459%	65%	40%	33%						
Order book			4	14	119	163	180	193						
				261%	768%	37%	10%	7%						
Revenue	0	0	3	27	104	300	466	629	805	941	1083	1191	1310	
- growth %		68%	909%	730%	278%	190%	55%	35%	28%	17%	15%	10%	10%	3%
Revenue by geography														
Nordic countries	0	0	2	23	58	107	126	152	179	204				
- growth %					150%	85%	18%	21%	17%	14%				
Rest of Europe	0	0	1	4	41	160	228	283	350	405				
- growth %					893%	292%	43%	24%	24%	16%				
North America	0	0	0	0	2	15	83	150	215	257				
- growth %							453%	81%	43%	19%				
Rest of the world	0	0	0	0	4	19	29	43	61	76				
- growth %							50%	50%	40%	25%				
Material and service costs	0.0	-0.1	-1.5	-13.6	-52.4	-140.6	-219.8	-298.7	-385.5	-453.9	-525.2	-581.3		
Personnel costs	-0.3	-1.1	-2.2	-7.5	-21.9	-57.1	-88.9	-112.5	-133.6	-153.5	-173.2	-187.0		
Other costs	-0.4	-1.3	-1.8	-5.9	-19.9	-56.8	-77.3	-95.6	-112.7	-129.0	-145.1	-156.0		
EBITDA	-0.6	-2.2	-2.1	0.5	9.5	45.9	79.6	121.9	172.9	205.2	239.2	266.7	297.3	
- % 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	-13.5	-15.7	-20.1	-23.5	-26.0	-28.6	-30.1	
EBIT	-0.6	-2.2	-2.2	-0.7	6.1	39.9	66.1	106.2	152.8	181.6	213.2	238.1	267.2	
- % of revenue				-2.6%	5.9%	13.3%	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	-7.5	-14.4	-23.2	-33.4	-39.8	-46.7	-52.2	-58.6	
- Tax rate %				122%	25%	19%	22%	22%	22%	22%	22%	22%	22%	22%
Net profit				0.3	3.6	31.8	50.9	82.2	118.6	141.1	165.7	185.1	207.8	
EPS (EUR)				0.01	0.07	0.57	0.92	1.48	2.13	2.54	2.98	3.33	3.74	
Investments (incl. capitalization of leasing contracts)			0	4	23	29	27	24	25	26	27	28	28	
Net working capital			3	4	21	45	56	63	75	83	90	94	90	
Cash and cash equivalents			1	90	74	75	110	180	287	370	528	711	924	
Headcount (at the end of year)	5	17	38	136	375	740								

Source: Inderes

Valuation table

Valuation	2022	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e
Share price	19.6	46.1	46.1	46.1	46.1	46.1	46.1	46.1	46.1
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	2561	2561	2561	2561	2561	2561	2561	2561
EV	1033	2517	2490	2422	2321	2219	2088	1929	1746
P/E (adj.)	>100	80.2	50.3	31.1	21.6	18.2	15.5	13.8	12.3
P/E	>100	80.5	50.3	31.1	21.6	18.2	15.5	13.8	12.3
P/FCF	neg.	neg.	92.8	37.7	25.1	19.5	16.2	13.9	12.0
P/B	10.8	19.3	14.0	9.6	6.7	4.9	3.7	2.9	2.4
P/S	10.5	8.5	5.5	4.1	3.2	2.7	2.4	2.1	2.0
EV/Sales	10.0	8.4	5.3	3.9	2.9	2.4	1.9	1.6	1.3
EV/EBITDA	>100	54.8	31.3	19.9	13.4	10.8	8.7	7.2	5.9
EV/EBIT (adj.)	>100	62.9	37.7	22.8	15.2	12.2	9.8	8.1	6.5
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	96	187					1.2	0.6						
Tesla	816520	797830	76.2	52.9	50.1	37.7	8.5	6.7	80.4	58.8			16.3	
Wallbox	433	505				52.3	2.7	1.5					5.3	
CTEK Group	118	147	64.8	19.2	18.3	11.0	2.0	1.9	118.7	19.3		0.8	1.6	
Zaptec	203	189	15.3	7.2	12.8	6.4	1.4	1.0	18.4	9.9			3.0	
Alfen	990	1069	23.0	15.0	17.5	11.8	2.1	1.7	32.5	20.3			5.3	
Kempower (Inderes)	2561	2517	62.9	37.7	54.8	31.3	8.4	5.3	80.2	50.3	0.0	0.0	19.3	
Average			44.8	23.6	24.7	23.8	3.0	2.2	62.5	27.1			0.8	6.3
Median			43.9	17.1	17.9	11.8	2.0	1.6	56.5	19.8			0.8	5.3
Diff-% to median			43%	120%	206%	165%	311%	245%	42%	154%			-100%	264%

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	Q1'24e	Q2'24e	Q3'24e	Q4'24e	2024e	2025e	2026e
Revenue	3.3	27.4	11.5	21.6	32.7	37.8	104	55.8	72.5	81.1	91.1	300	95.9	112	124	133	466	629	805
EBITDA	-2.1	0.5	-0.2	2.7	3.2	3.9	9.5	7.9	15.4	13.5	9.1	45.9	14.6	19.8	23.5	21.6	79.6	122	173
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	-3.0	-3.2	-3.5	-3.8	-13.5	-15.7	-20.1
EBIT (excl. NRI)	-2.2	-0.6	-1.0	1.8	2.4	3.5	6.7	6.9	13.9	11.9	7.3	40.0	11.6	16.6	20.0	17.8	66.1	106	153
EBIT	-2.2	-0.6	-1.0	1.8	2.4	2.9	6.1	6.8	13.9	11.9	7.3	39.9	11.6	16.6	20.0	17.8	66.1	106	153
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	-0.2	-0.2	-0.2	-0.2	-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	12.2	5.9	39.3	11.4	16.4	19.8	17.6	65.3	105	152
Taxes	0.0	1.1	0.1	-0.2	-0.4	-0.9	-1.4	-1.3	-3.2	-2.4	-0.5	-7.5	-2.3	-3.3	-4.0	-4.8	-14.4	-23.2	-33.4
Net earnings	-2.2	0.3	-1.1	0.6	1.4	2.5	3.4	5.7	11.0	9.7	5.4	31.8	9.2	13.1	15.9	12.8	50.9	82.2	119
EPS (adj.)		0.01	-0.02	0.01	0.03	0.06	0.07	0.10	0.20	0.18	0.10	0.57	0.16	0.24	0.29	0.23	0.92	1.48	2.13
EPS (rep.)		0.01	-0.02	0.01	0.03	0.05	0.06	0.10	0.20	0.18	0.10	0.57	0.16	0.24	0.29	0.23	0.92	1.48	2.13
Key figures	2020	2021	Q1'22	Q2'22	Q3'22	Q4'22	2022	Q1'23	Q2'23	Q3'23e	Q4'23e	2023e	Q1'24e	Q2'24e	Q3'24e	Q4'24e	2024e	2025e	2026e
Revenue growth-%	909.2 %	730.3 %	400.0 %	222.4 %	227.0 %	350.0 %	278.1 %	384.9 %	235.5 %	148.0 %	141.1 %	#####	72.0 %	55.0 %	53.0 %	46.4 %	55.0 %	35.0 %	28.0 %
Adjusted EBIT growth-%			100.0 %	260.0 %	13.4 %			-788.8 %	671.5 %	398.5 %	108.8 %	#####	69.0 %	19.5 %	68.6 %	142.8 %	65.3 %	60.7 %	43.9 %
EBITDA-%			-2.0 %	12.3 %	9.7 %	10.3 %	9.2 %	14.1 %	21.2 %	16.7 %	10.0 %	15.3 %	15.3 %	17.6 %	19.0 %	16.2 %	17.1 %	19.4 %	21.5 %
Adjusted EBIT-%			-8.7 %	8.3 %	7.3 %	9.3 %	6.5 %	12.4 %	19.2 %	14.6 %	8.1 %	13.3 %	12.1 %	14.8 %	16.1 %	13.4 %	14.2 %	16.9 %	19.0 %
Net earnings-%			-9.6 %	2.8 %	4.3 %	6.7 %	3.3 %	10.2 %	15.2 %	12.0 %	5.9 %	10.6 %	9.5 %	11.7 %	12.8 %	9.6 %	10.9 %	13.1 %	14.7 %

Source: Inderes

Balance sheet

Assets	2021	2022	2023e	2024e	2025e
Non-current assets	5.2	24.3	46.2	59.2	67.0
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	42.0	53.5	59.8
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	222	319	444
Inventories	6.4	27.1	71.2	101	127
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	6.6	28.7	75.8	108	137
Cash and equivalents	90.4	74.0	75.0	110	180
Balance sheet total	109	154	268	378	511

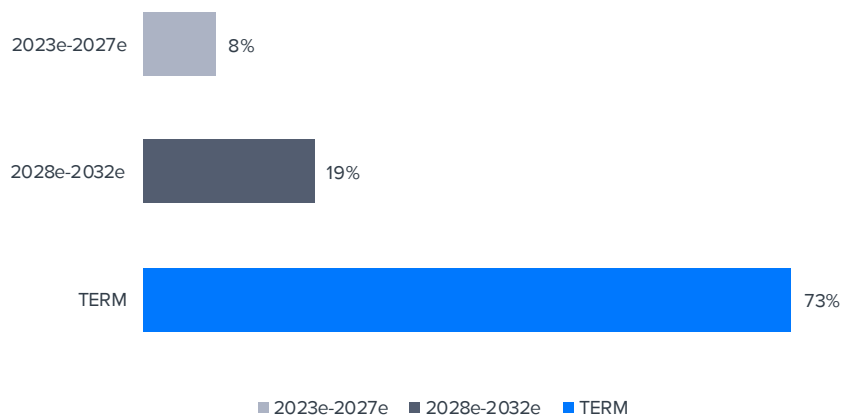
Source: Inderes

Liabilities & equity	2021	2022	2023e	2024e	2025e
Equity	97.5	101	133	183	266
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	1.8	6.4	38.2	89.1	171
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	29.2	36.1	38.4
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	26.5	33.3	35.6
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	106	159	207
Short term debt	0.6	2.4	4.7	5.9	6.3
Payables	9.4	35.1	102	153	200
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	108	154	268	378	511

DCF calculation

DCF model	2022	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	TERM
Revenue growth-%	278.1 %	190.0 %	55.0 %	35.0 %	28.0 %	17.0 %	15.0 %	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	39.9	66.1	106	153	182	213	238	267	288	297	
+ Depreciation	3.4	6.1	13.5	15.7	20.1	23.5	26.0	28.6	30.1	30.5	28.9	
- Paid taxes	-0.6	-6.9	-14.4	-23.2	-33.4	-39.8	-46.7	-52.2	-58.6	-63.2	-65.1	
- 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	-24.5	-10.9	-7.1	-12.1	-8.1	-7.1	-3.1	3.7	5.4	-2.5	
Operating cash flow	-8.6	14.5	54.1	91.5	127	157	185	211	242	261	258	
+ 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		-28.5	-26.5	-23.5	-25.1	-26.1	-27.0	-27.6	-28.3	-29.0	-36.6	
Free operating cash flow		-14.0	27.6	67.9	102	131	158	184	214	232	221	
+/- Other		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF		-14.0	27.6	67.9	102	131	158	184	214	232	221	4424
Discounted FCFF		-13.7	25.0	56.8	79.0	93.7	105	112	121	121	107	2137
Sum of FCFF present value		2943	2957	2932	2875	2796	2702	2598	2486	2365	2244	2137
Enterprise value DCF		2943										
- Interest bearing debt		-15.7										
+ Cash and cash equivalents		74.0										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		3002										
Equity value DCF per share		54.0										

Cash flow distribution



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	300.4	465.7	EPS (reported)		0.01	0.06	0.57	0.92
EBITDA	-2.1	0.5	9.5	45.9	79.6	EPS (adj.)		0.01	0.07	0.57	0.92
EBIT	-2.2	-0.6	6.1	39.9	66.1	OCF / share		0.00	-0.16	0.26	0.97
PTP	-2.2	-0.8	4.8	39.3	65.3	FCF / share		-0.14	-0.53	-0.25	0.50
Net Income	-2.2	0.3	3.4	31.8	50.9	Book value / share		1.76	1.81	2.39	3.30
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	268.2	378.5	Revenue growth-%	909%	730%	278%	190%	55%
Equity capital	0.6	97.5	100.7	132.5	183.4	EBITDA growth-%	-4%	-124%	1800%	384%	73%
Goodwill	0.0	0.0	0.0	0.0	0.0	EBIT (adj.) growth-%	-1%	-73%	-1217%	497%	65%
Net debt	-0.5	-89.3	-58.3	-43.8	-70.8	EPS (adj.) growth-%			1287%	667%	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	45.9	79.6	EBIT (adj.)-%	-66.7 %	-2.2 %	6.5 %	13.3 %	14.2 %
Change in working capital	-2.9	-0.6	-17.2	-24.5	-10.9	EBIT-%	-66.7 %	-2.2 %	5.9 %	13.3 %	14.2 %
Operating cash flow	-5.0	-0.1	-8.6	14.5	54.1	ROE-%	-430.1 %	0.6 %	3.5 %	27.3 %	32.2 %
CAPEX	-0.5	-4.4	-23.2	-28.5	-26.5	ROI-%	-430.1 %	-1.2 %	5.7 %	28.5 %	34.2 %
Free cash flow	-1.9	-7.7	-29.7	-14.0	27.6	Equity ratio	9.7 %	89.9 %	65.3 %	49.4 %	48.5 %
						Gearing	-83.3 %	-91.5 %	-57.9 %	-33.1 %	-38.6 %
Valuation multiples	2020	2021	2022	2023e	2024e						
EV/S	neg.	20.2	10.0	8.4	5.3						
EV/EBITDA (adj.)	0.2	>100	>100	54.8	31.3						
EV/EBIT (adj.)	0.2	neg.	>100	62.9	37.7						
P/E (adj.)		>100	>100	80.2	50.3						
P/B	0.0	6.6	10.8	19.3	14.0						
Dividend-%		0.0 %	0.0 %	0.0 %	0.0 %						

Source: Inderes

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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	Accumulate	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 €
9/18/2023	Accumulate	52.00 €	46.10 €



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