

# Kempower

## Company report

10/19/2023



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✓ Inderes corporate customer

This report is a summary translation of the report “Pysymme kyydissä ennusteriskeistä huolimatta” published on 10/19/2023 at 7:10 pm EEST.

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# Staying on board despite forecast risks

The soft order intake in Q3 increased the uncertainty surrounding growth forecasts. The increase in orders can be partly attributed to seasonality and temporary factors, but we still had to cut our growth estimates. In turn, profitability is scaling up more strongly than expected. We expect growth to return to a strong path in the coming quarters and expect valuation multiples to decline rapidly in line with earnings growth in the coming years. We therefore reiterate our Accumulate recommendation and lower the target price to EUR 44 (was 52).

## Order intake missed and profitability beat expectations

Q3 figures were mixed compared to expectations. Revenue increased to EUR 72.6 million (122% y/y) but was 10% below our and consensus forecasts. Order intake was only EUR 60.9 million, down year-on-year (65.4 MEUR) and as much as 36-38% below our and consensus forecasts. According to Kempower, one delivery of EUR 10 million was postponed to Q4 due to logistical problems. In addition, the company explained the weak growth in order intake by quarterly fluctuations and delivery times becoming shorter in the industry, which means that customers are no longer under the same pressure to place up-front charger orders. In contrast, operative EBIT was at a strong level of EUR 14.4 million (19.8% of sales), exceeding our estimate by 21% and the consensus by 44%. According to the company, the costs of the US expansion are not yet fully reflected in the results.

## Raising profitability guidance not enough to cover order disappointment

Kempower reiterated its guidance on revenue and raised its guidance on profitability. In 2023, EBIT is expected to reach over 14% of revenue (previously over 10%). The negative growth in order intake in Q3 certainly does not give a true picture of the direction of the company's revenue in the coming years, but it does force us to cut our growth forecasts by 12-16% for 2024-25 and 19% for 2030. We expect order growth to return a clearly positive rate in Q4 (43% y/y). Our EBIT estimate went up by 36% for 2023 but decreased by 18% for 2030 (EBIT 2030e: 220 MEUR). The impression that we got from the company's interim report and the management interview is that expectations for market growth remain positive. However, we believe that there is considerable uncertainty about the rate of growth. Growth could still surprise in a big positive way if US sales take off next year and European growth continues at the pace of the first half of the year. However, if Q4 were to see a similar order disappointment as Q3, there would be a clear downside to the forecasts.

## We still think the stock is attractive, but there is a lot of uncertainty in the forecasts

Kempower is one of the technologically strongest and most profitable companies in a fast-growing industry and has also made significant market share gains. Our projections for 2026-27 even bring the valuation down to an attractive level (EV/EBIT 2026e: 14x, 2027e: 11x). Despite the threats, no significant increase in technological competition or copying of Kempower's products has yet materialized, so market share gains may continue in the coming years, supported by the expansion of the organization. With only 1-2% of passenger cars being electric and heavy traffic still at an early stage of electrification, both segments will continue to support strong market growth for a long time to come. The growth that we forecast for 2024 no longer requires market share gains, but rather a continuation of strong market growth. Forecasting market growth in the midst of intense change is challenging. However, we strongly believe in the rapid scaling of profitability, which supports the valuation amid growth uncertainties.

## Recommendation

### Accumulate

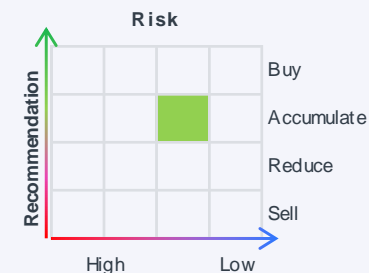
(previous Accumulate)

### EUR 44.00

(previous EUR 52.00)

### Share price:

37.88



## Key figures

	2022	2023e	2024e	2025e
<b>Revenue</b>	103.6	298.4	411.7	527.0
<b>growth-%</b>	278%	188%	38%	28%
<b>EBIT adj.</b>	6.7	54.5	67.3	96.2
<b>EBIT-% adj.</b>	6.5 %	18.3 %	16.3 %	18.3 %
<b>Net Income</b>	3.4	44.6	52.5	75.0
<b>EPS (adj.)</b>	0.07	0.80	0.94	1.35
<b>P/E (adj.)</b>	>100	47.1	40.1	28.0
<b>P/B</b>	10.8	14.5	10.6	7.7
<b>Dividend yield-%</b>	0.0 %	0.0 %	0.0 %	0.0 %
<b>EV/EBIT (adj.)</b>	>100	37.0	29.5	20.0
<b>EV/EBITDA</b>	>100	33.4	25.0	17.6
<b>EV/S</b>	10.0	6.8	4.8	3.6

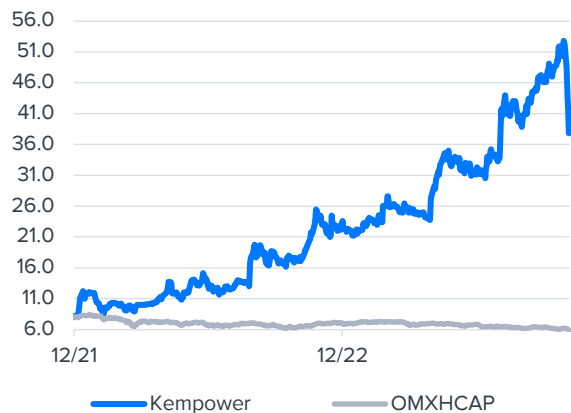
Source: Inderes

## Guidance

(Improved)

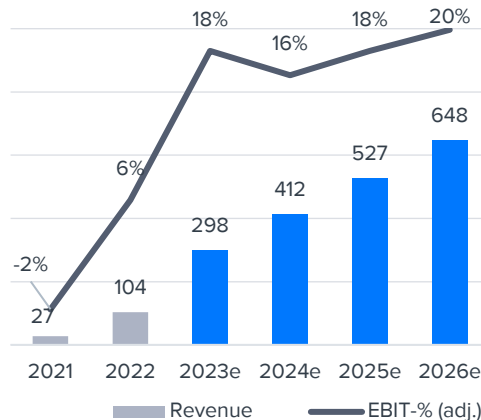
2023 revenue; EUR 280–310 million, assuming no major impact of foreign currency exchange rates. 2023 operative EBIT margin, %; over 14%.

### Share price



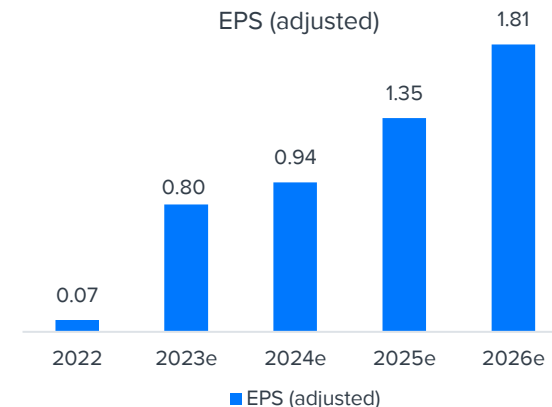
Source: Millstream Market Data AB

### 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	37.9	37.9	37.9
Number of shares, millions	55.5	55.5	55.5
Market cap	2104	2104	2104
EV	2018	1984	1922
P/E (adj.)	47.1	40.1	28.0
P/E	47.2	40.1	28.0
P/B	14.5	10.6	7.7
P/S	7.1	5.1	4.0
EV/Sales	6.8	4.8	3.6
EV/EBITDA	33.4	25.0	17.6
EV/EBIT (adj.)	37.0	29.5	20.0
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

# Q3: Growth slowed; profitability solid as a rock

## Revenue below expectations due to logistical challenges

Kempower's revenue in Q3 was EUR 72.6 million, representing a 122% growth year-on-year. However, revenue was 10% below our forecast. According to the company, revenue was affected by the delay of one delivery of EUR 10 million to the UK due to logistical challenges. 44% of revenue came from the Nordic countries, 47% from the rest of Europe, 5% from North America and 4% from the rest of the world.

## Orders clearly missed expectations

Kempower's order intake in Q3 was EUR 60.9 million (Q3'22: 65.4 MEUR), which was as much as 36-38% below our and consensus expectations. We had forecast order intake to increase to EUR 95 million (Q2'23: 86.3 MEUR). The company explained the

order development by, e.g., the uneven distribution of orders between quarters and shorter delivery times across the industry. It is possible that the summer holiday period in Q3 could bring a seasonal break in new orders, and we did not expect this as last year at the same time the company saw major orders. Last year was exceptional in that component shortages and lack of manufacturing capacity significantly increased delivery times for DC chargers, prompting charging operators to proactively order them up-front, which resulted in large orders.

## Profitability at excellent level

Lower-than-expected revenue was not reflected in profitability. Operative EBIT was at a strong level of EUR 14.4 million (19.8% of sales), exceeding our estimate by 21% and the consensus by 44%. Gross margin was at a very strong 52.9% (Q3'22: 46.2%).

We estimate that fixed costs did not increase as much as we had expected. According to Kempower, US expansion costs are not yet fully reflected in the results, which partly explains the lower-than-expected fixed costs. Net profit for Q3 was EUR 11.7 million (our estimate: 9.7 MEUR). Cash flow from operating activities was at a good level of EUR 15.9 million and net cash increased to EUR 81 million (Q3'22: 68.3 MEUR).

Estimates	Q3'22	Q3'23	Q3'23e	Q3'23e	Consensus	Difference (%)	2023e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Inderes
					Act. vs. Inderes		
Revenue	32.7	72.6	81.1	80.9		-10%	298
Order intake	65.4	60.9	94.8	98.1		-36%	297
Gross margin	46.2 %	52.9 %	49.9 %				51.4 %
EBIT (adj.)	2.4	14.4	11.9	10.0		21%	54.5
EBIT	2.4	14.3	11.9	9.4			54.4
EPS (reported)	0.03	0.21	0.18	0.18			0.80
Revenue growth-%	227.0 %	122.0 %	148.0 %	147.3 %		-26 pp	188.0 %
EBIT-% (adj.)	7.3 %	19.8 %	14.6 %	12.4 %		5.2 pp	18.3 %

Source: Inderes & Bloomberg & Vara (consensus)

Bloomberg consensus: revenue, EBIT and EPS, Vara consensus: order intake and adj. EBIT

[Watch Inderes interview with CEO Tomi Ristimäki via the link below:](#)



# Cuts to growth forecasts

## Our forecasts still call for strong order growth in Q4 and 2024

- We lowered our long-term growth forecasts due to weaker-than-expected Q3 order intake. Our revenue estimates for 2024-25 decreased by 12-16%. The revenue estimate for 2030 is now EUR 1055 million, down by as much as 19%.
- Our profitability forecasts for the near term rose on the back of strong earnings. We expect gross margins to continue to decline in the medium term and profitability to stabilize at around 20% from 2026 onwards.
- The weak order intake in Q3 should not be interpreted too strongly. The order intake was probably affected by the summer holiday season in Central Europe. In addition, the company said that long delivery times in 2022 boosted order volumes and these orders have been delivered during 2023, which in turn has relatively weakened recent order volumes. Individual large orders can also swing the order intake between quarters.
- We were left with the impression that the company expects market demand to remain strong and that the company is well positioned for growth.
- Our forecasts call for order intake to grow in the coming quarters. We forecast order intake growth of 43% in Q4 and 40% in 2024, supported by, e.g., the start of production in North America.
- Kempower said it has found new growth opportunities in the EV charging market, which could potentially point to acquisition opportunities. We estimate that potential acquisition targets could include, e.g., companies developing software and back-end systems for charging devices.

## Profitability guidance for the current year raised

- Kempower kept its revenue guidance unchanged. 2023 revenue is expected to be EUR 280-310 million, assuming no major impact of foreign currency exchange rates.
- The profitability guidance was raised. The operative EBIT margin for 2023 is expected to be above 14%. According to previous guidance, the operative EBIT margin was expected to be above 10%.
- We believe Kempower will meet its revenue guidance, as the company has a large order book (127 MEUR at the end of Q3) and the postponement of a EUR 10 million delivery booking from Q3 to the last quarter will support Q4 revenue. Q4 revenue should be around EUR 79-109 million (up 110-189% y/y), in line with the guidance.
- Exceeding the revenue guidance would require an exceptionally strong quarter and possibly deliveries from the US factory. The company's base assumption has been that US production will not yet have a significant impact on 2023 revenue.

Estimate revisions MEUR / EUR	2023e			2024e			2025e		
	Old	New	Change %	Old	New	Change %	Old	New	Change %
Revenue	300	298	-1%	466	412	-12%	629	527	-16%
EBITDA	45.9	60.5	32%	79.6	79.2	0%	122	109	-10%
EBIT (exc. NRIs)	40.0	54.5	36%	66.1	67.3	2%	106	96.2	-9%
EBIT	39.9	54.4	36%	66.1	67.3	2%	106	96.2	-9%
PTP	39.3	55.1	40%	65.3	67.3	3%	105	96.2	-9%
EPS (excl. NRIs)	0.57	0.80	40%	0.92	0.94	3%	1.48	1.35	-9%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

# Earnings growth potential remains huge

## 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 falls to 14x and 11x. High growth forecasts are associated with uncertainty. Visibility has largely improved as the company's growth pushes forward, but the weakness in the latest quarter is a good reminder of the risks to the stock. 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.

## Impossible to anchor Kempower's valuation to peers

Valuation multiples for companies developing EV charging solutions have generally been on a downward trend in recent times. This has been affected not only by the general stock market downturn, but also by the profitability challenges faced by several DC charger manufacturers (e.g. Tritium and ABB e-mobility). Kempower stands out from the crowd with its very high valuation multiples. The 2024e EV/Sales multiple is as high as 4.8x and the EV/EBIT multiple is 30x. Of our peer group, only Tesla (EV/EBIT 56x) achieves higher multiples, and its value creation potential is probably higher than Kempower's due to its larger target market and dominant market position. However, Kempower is still a relatively small company in its industry and has the potential to grow much faster than Tesla in the coming years if order intake returns to growth after Q3.

## DCF valuation rose with the estimates

A DCF analysis indicates a share value of EUR 45.8 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.

## We reiterate our Accumulate recommendation

Kempower's market growth is still in its infancy, with the electric vehicle fleet in the West only around 1-2%. Although there will be occasional fluctuations in growth, we believe the company will be able to meet the high expectations in the medium term. The company has highly competitive products and the opening of the US market offers the company the opportunity to take the next step. For the time being, we consider the 2027 EV/EBIT ratio 14x (now 11.4x) to be a neutral valuation level for the company, which would provide further upside to EUR 45. Revenue will likely land within the guidance range in 2023, but rapid scaling of profitability and progress in the US could be positive drivers for the stock. Of course, there is considerable uncertainty surrounding the huge expectations, but our risk/return estimate is still on the positive side. We lower the target price to EUR 44 (was EUR 52) as a result of the forecast cuts.

Valuation	2023e	2024e	2025e
Share price	37.9	37.9	37.9
Number of shares, millions	55.5	55.5	55.5
Market cap	2104	2104	2104
EV	2018	1984	1922
P/E (adj.)	47.1	40.1	28.0
P/E	47.2	40.1	28.0
P/B	14.5	10.6	7.7
P/S	7.1	5.1	4.0
EV/Sales	6.8	4.8	3.6
EV/EBITDA	33.4	25.0	17.6
EV/EBIT (adj.)	37.0	29.5	20.0
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

## Valuation scenarios 2030e

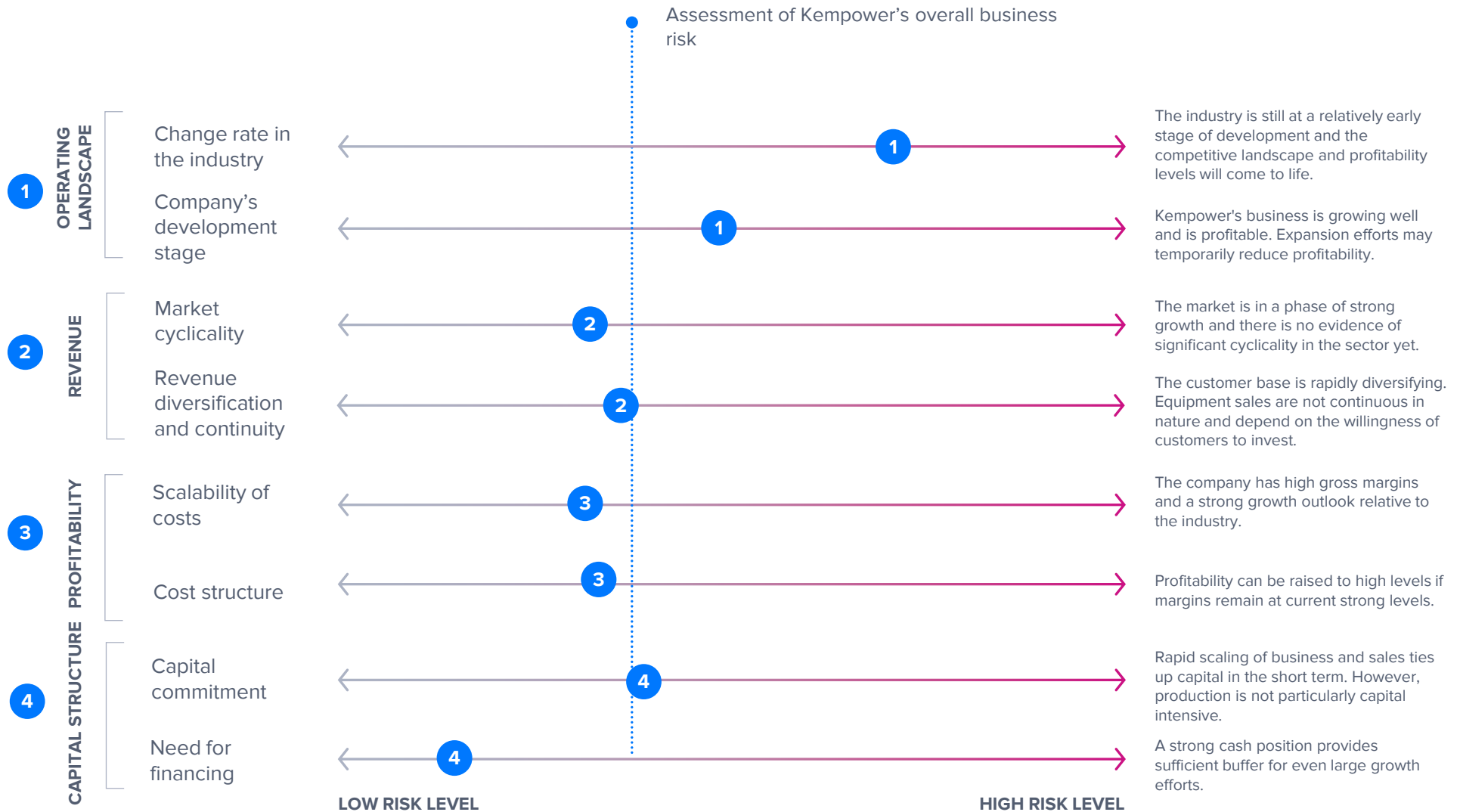
MEUR 2030e	Negative scenario	Base scenario	Positive scenario
Market size	6 billion	9 billion	14 billion
Market share	8%	11%	14%
Revenue	480	1,055	1,960
EBIT-%	12.0%	20.6%	22.0%
EBIT	58	250	431
EV/EBIT multiple (x)	10x	15x	18x
EV	576	3,750	7,762
Cumulative cash flow 23-30e	308	770	1144
Cash assets 2022	58	58	58
Market cap 2030e (MEUR)	942	4,579	8,964
<b>Share value in 2030 (EUR)</b>	<b>17.0</b>	<b>82.4</b>	<b>161.4</b>
Value change (%)	-55%	118%	326%
<b>Annual return</b>	<b>-11%</b>	<b>12%</b>	<b>23%</b>

# Detailed estimates

MEUR	2018	2019	2020	2021	2022	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	Terminal period
<b>Order intake</b>			7	37	209	297	415	544						
- growth %				427%	459%	42%	40%	31%						
<b>Order book</b>			4	14	119	117	121	138						
				261%	768%	-1%	3%	14%						
<b>Revenue</b>	0	0	3	27	104	298	412	527	648	758	872	959	1055	
- growth %		68%	909%	730%	278%	188%	38%	28%	23%	17%	15%	10%	10%	3%
Revenue by geography														
The Nordics	0	0	2	23	58	109	124	137	152	167				
- growth %					150%	88%	13%	11%	11%	10%				
Rest of Europe	0	0	1	4	41	159	202	242	282	326				
- growth %					893%	291%	27%	20%	16%	16%				
North America	0	0	0	0	2	14	62	111	163	202				
- growth %							345%	79%	47%	24%				
Rest of the world	0	0	0	0	4	16	24	36	51	64				
- growth %							50%	50%	40%	25%				
Material and service costs	0.0	-0.1	-1.5	-13.6	-52.4	-137.8	-191.3	-248.2	-308.6	-364.1	-422.2	-468.2		
Personnel costs	-0.3	-1.1	-2.2	-7.5	-21.9	-46.5	-73.7	-88.5	-101.8	-116.8	-131.7	-142.0		
Other costs	-0.4	-1.3	-1.8	-5.9	-19.9	-53.5	-67.6	-80.9	-92.5	-106.1	-119.6	-128.7		
<b>EBITDA</b>	<b>-0.6</b>	<b>-2.2</b>	<b>-2.1</b>	<b>0.5</b>	<b>9.5</b>	<b>60.5</b>	<b>79.2</b>	<b>109.4</b>	<b>145.4</b>	<b>171.5</b>	<b>198.8</b>	<b>220.5</b>	<b>244.6</b>	
- % of revenue				1.8%	9.2%	20.3%	19.2%	20.8%	22.4%	22.6%	22.8%	23.0%	23.2%	
Depreciation	0.0	0.0	-0.1	-1.1	-3.4	-6.1	-11.9	-13.2	-16.2	-19.0	-20.9	-23.0	-24.3	
<b>EBIT</b>	<b>-0.6</b>	<b>-2.2</b>	<b>-2.2</b>	<b>-0.7</b>	<b>6.1</b>	<b>54.4</b>	<b>67.3</b>	<b>96.2</b>	<b>129.2</b>	<b>152.5</b>	<b>177.9</b>	<b>197.5</b>	<b>220.3</b>	
- % of revenue				-2.6%	5.9%	18.2%	16.3%	18.3%	19.9%	20.1%	20.4%	20.6%	20.9%	20.0%
Financial expenses				-0.2	-1.3	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Taxes				1.1	-1.2	-10.5	-14.8	-21.2	-28.4	-33.5	-39.1	-43.4	-48.5	
- Tax rate %				122%	25%	19%	22%	22%	22%	22%	22%	22%	22%	22%
Net profit				0.3	3.6	44.6	52.5	75.0	100.7	118.9	138.7	154.0	171.9	
<b>EPS (EUR)</b>				<b>0.01</b>	<b>0.07</b>	<b>0.80</b>	<b>0.94</b>	<b>1.35</b>	<b>1.81</b>	<b>2.14</b>	<b>2.50</b>	<b>2.77</b>	<b>3.09</b>	
Investments (incl. capitalization of leasing contracts)			0	4	23	20	27	24	25	26	27	27	28	
Net working capital			3	4	21	25	29	31	34	36	37	36	39	
Cash and cash equivalents			1	90	74	105	120	182	272	382	514	665	829	
Headcount (at the end of year)	5	17	38	136	375	694								

Source: Inderes

# Risk profile of the business model

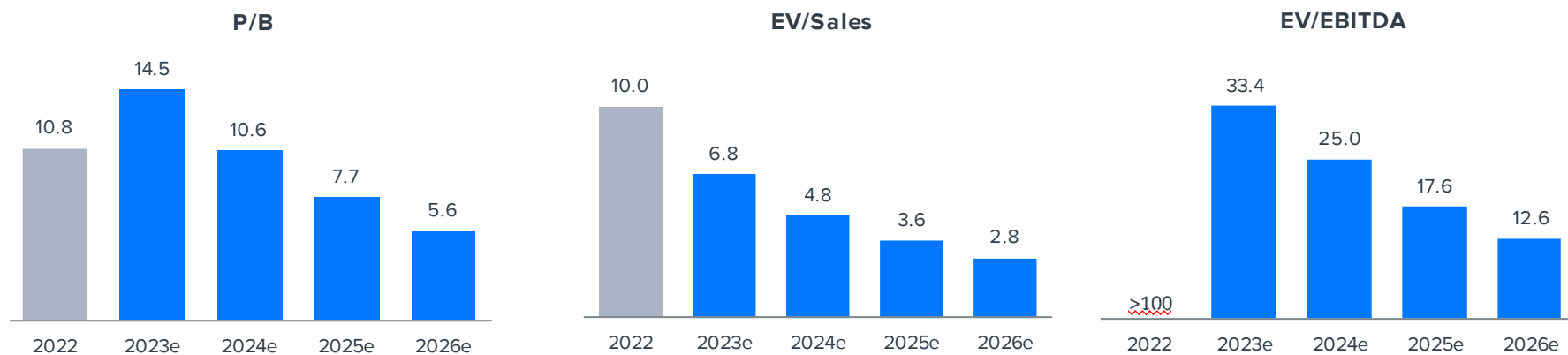




# Valuation table

Valuation	2022	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e
Share price	19.6	37.9	37.9	37.9	37.9	37.9	37.9	37.9	37.9
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	2104	2104	2104	2104	2104	2104	2104	2104
EV	1033	2018	1984	1922	1832	1743	1633	1501	1350
P/E (adj.)	>100	47.1	40.1	28.0	20.9	17.7	15.2	13.7	12.2
P/E	>100	47.2	40.1	28.0	20.9	17.7	15.2	13.7	12.2
P/B	10.8	14.5	10.6	7.7	5.6	4.3	3.3	2.7	2.2
P/S	10.5	7.1	5.1	4.0	3.2	2.8	2.4	2.2	2.0
EV/Sales	10.0	6.8	4.8	3.6	2.8	2.3	1.9	1.6	1.3
EV/EBITDA	>100	33.4	25.0	17.6	12.6	10.2	8.2	6.8	5.5
EV/EBIT (adj.)	>100	37.0	29.5	20.0	14.2	11.4	9.2	7.6	6.1
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	56	213					1.3	0.7					
Tesla	730907	711977	75.2	56.4	45.3	34.6	7.6	6.2	73.2	55.6			14.4
Wallbox	345	441				41.3	2.3	1.3					4.9
CTEK Group	121	150	64.6	19.2	18.3	10.9	2.0	1.9	118.2	19.2		0.9	1.6
Zaptec	161	147	12.1	5.7	10.1	5.1	1.1	0.8	14.8	8.0			2.4
Alfen	705	784	19.9	12.1	15.0	9.3	1.6	1.2	26.2	15.4			3.8
<b>Kempower (Inderes)</b>	<b>2104</b>	<b>2018</b>	<b>37.0</b>	<b>29.5</b>	<b>33.4</b>	<b>25.0</b>	<b>6.8</b>	<b>4.8</b>	<b>47.1</b>	<b>40.1</b>	<b>0.0</b>	<b>0.0</b>	<b>14.5</b>
<b>Average</b>			<b>42.9</b>	<b>23.4</b>	<b>22.2</b>	<b>20.2</b>	<b>2.6</b>	<b>2.0</b>	<b>58.1</b>	<b>24.6</b>		<b>0.9</b>	<b>5.4</b>
<b>Median</b>			<b>42.3</b>	<b>15.7</b>	<b>16.6</b>	<b>10.9</b>	<b>1.8</b>	<b>1.3</b>	<b>49.7</b>	<b>17.3</b>		<b>0.9</b>	<b>3.8</b>
<b>Diff-% to median</b>			<b>-12%</b>	<b>88%</b>	<b>101%</b>	<b>129%</b>	<b>280%</b>	<b>281%</b>	<b>-5%</b>	<b>131%</b>		<b>-100%</b>	<b>283%</b>

Source: Refinitiv / Inderes

# Income statement

Income statement	2020	2021	Q1'22	Q2'22	Q3'22	Q4'22	2022	Q1'23	Q2'23	Q3'23	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	72.6	97.5	298	89.2	105	105	112	412	527	648
EBITDA	-2.1	0.5	-0.2	2.7	3.2	3.9	9.5	7.9	15.4	16.0	21.2	60.5	16.3	20.8	20.9	21.1	79.2	109	145
Depreciation	-0.1	-1.1	-0.8	-0.9	-0.8	-1.0	-3.4	-1.1	-1.5	-1.7	-1.9	-6.1	-2.5	-3.0	-3.2	-3.2	-11.9	-13.2	-16.2
EBIT (excl. NRI)	-2.2	-0.6	-1.0	1.8	2.4	3.5	6.7	6.9	13.9	14.4	19.3	54.5	13.8	17.8	17.7	17.9	67.3	96.2	129
EBIT	-2.2	-0.6	-1.0	1.8	2.4	2.9	6.1	6.8	13.9	14.4	19.3	54.4	13.8	17.8	17.7	17.9	67.3	96.2	129
Net financial items	0.0	-0.2	-0.2	-1.0	-0.6	0.5	-1.3	0.2	0.3	0.2	0.0	0.7	-0.2	-0.2	-0.2	0.6	0.0	0.0	0.0
PTP	-2.2	-0.8	-1.2	0.8	1.8	3.4	4.8	7.0	14.2	14.6	19.3	55.1	13.6	17.6	17.5	18.5	67.3	96.2	129
Taxes	0.0	1.1	0.1	-0.2	-0.4	-0.9	-1.4	-1.3	-3.2	-2.9	-3.0	-10.5	-2.7	-3.5	-3.5	-5.0	-14.8	-21.2	-28.4
Net earnings	-2.2	0.3	-1.1	0.6	1.4	2.5	3.4	5.7	11.0	11.7	16.3	44.6	10.9	14.1	14.0	13.5	52.5	75.0	101
EPS (adj.)		0.01	-0.02	0.01	0.03	0.06	0.07	0.10	0.20	0.21	0.29	0.80	0.20	0.25	0.25	0.24	0.94	1.35	1.81
EPS (rep.)		0.01	-0.02	0.01	0.03	0.05	0.06	0.10	0.20	0.21	0.29	0.80	0.20	0.25	0.25	0.24	0.94	1.35	1.81

Key figures	2020	2021	Q1'22	Q2'22	Q3'22	Q4'22	2022	Q1'23	Q2'23	Q3'23	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 %	122.0 %	158.1 %	#####	60.0 %	45.0 %	45.0 %	15.0 %	38.0 %	28.0 %	23.0 %
Adjusted EBIT growth-%			100.0 %	260.0 %	13.4 %			-788.8 %	671.5 %	504.7 %	448.5 %	713.0 %	100.9 %	28.2 %	23.0 %	-7.2 %	23.5 %	43.0 %	34.3 %
EBITDA-%			-2.0 %	12.3 %	9.7 %	10.3 %	9.2 %	14.1 %	21.2 %	22.1 %	21.7 %	20.3 %	18.3 %	19.8 %	19.9 %	18.8 %	19.2 %	20.8 %	22.4 %
Adjusted EBIT-%			-8.7 %	8.3 %	7.3 %	9.3 %	6.5 %	12.4 %	19.2 %	19.8 %	19.8 %	18.3 %	15.5 %	16.9 %	16.8 %	16.0 %	16.3 %	18.3 %	19.9 %
Net earnings-%			-9.6 %	2.8 %	4.3 %	6.7 %	3.3 %	10.2 %	15.2 %	16.1 %	16.7 %	15.0 %	12.2 %	13.4 %	13.3 %	12.0 %	12.7 %	14.2 %	15.5 %

Source: Inderes

# Balance sheet

Assets	2021	2022	2023e	2024e	2025e
<b>Non-current assets</b>	<b>5.2</b>	<b>24.3</b>	<b>37.1</b>	<b>51.7</b>	<b>62.1</b>
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	1.1	2.6	4.1	5.7	7.2
Tangible assets	2.9	21.1	33.0	46.1	54.9
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
<b>Current assets</b>	<b>103</b>	<b>130</b>	<b>242</b>	<b>299</b>	<b>401</b>
Inventories	6.4	27.1	66.2	87.3	106
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	6.6	28.7	70.8	91.6	112
Cash and equivalents	90.4	74.0	105	120	182
<b>Balance sheet total</b>	<b>109</b>	<b>154</b>	<b>279</b>	<b>351</b>	<b>463</b>

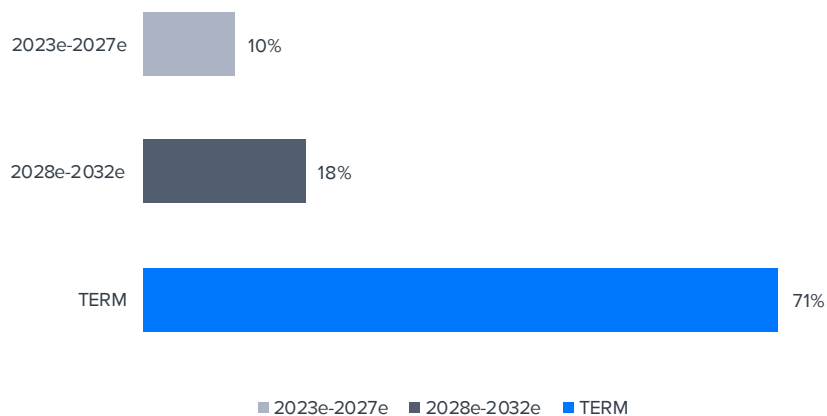
Source: Inderes

Liabilities & equity	2021	2022	2023e	2024e	2025e
<b>Equity</b>	<b>97.5</b>	<b>101</b>	<b>145</b>	<b>198</b>	<b>273</b>
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	1.8	6.4	51.0	103	178
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	95.7	94.2	94.2	94.2	94.2
Minorities	0.0	0.0	0.0	0.0	0.0
<b>Non-current liabilities</b>	<b>1.0</b>	<b>16.0</b>	<b>19.1</b>	<b>2.8</b>	<b>2.8</b>
Deferred tax liabilities	0.3	0.4	0.4	0.4	0.4
Provisions	0.2	2.4	2.4	2.4	2.4
Interest bearing debt	0.5	13.3	16.4	0.0	0.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	0.0	0.0	0.0	0.0
<b>Current liabilities</b>	<b>10.0</b>	<b>37.5</b>	<b>115</b>	<b>150</b>	<b>187</b>
Interest bearing debt	0.6	2.4	2.9	0.0	0.0
Payables	9.4	35.1	112	150	187
Other current liabilities	0.0	0.0	0.0	0.0	0.0
<b>Balance sheet total</b>	<b>108</b>	<b>154</b>	<b>279</b>	<b>351</b>	<b>463</b>

# DCF calculation

DCF model	2022	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	TERM
Revenue growth-%	278.1 %	188.0 %	38.0 %	28.0 %	23.0 %	17.0 %	15.0 %	10.0 %	10.0 %	10.0 %	3.0 %	3.0 %
EBIT-%	5.9 %	18.2 %	16.3 %	18.3 %	19.9 %	20.1 %	20.4 %	20.6 %	20.9 %	20.0 %	20.0 %	20.0 %
<b>EBIT (operating profit)</b>	<b>6.1</b>	<b>54.4</b>	<b>67.3</b>	<b>96.2</b>	<b>129</b>	<b>152</b>	<b>178</b>	<b>197</b>	<b>220</b>	<b>232</b>	<b>239</b>	
+ Depreciation	3.4	6.1	11.9	13.2	16.2	19.0	20.9	23.0	24.3	24.6	25.4	
- Paid taxes	-0.6	-9.9	-14.8	-21.2	-28.4	-33.5	-39.1	-43.4	-48.5	-51.1	-52.6	
- Tax, financial expenses	-0.4	0.1	0.0	0.0	0.0	0.0	0.0	0.0	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	-17.2	-4.4	-3.4	-2.7	-2.7	-2.0	-1.0	1.1	-3.6	-3.9	-1.3	
<b>Operating cash flow</b>	<b>-8.6</b>	<b>46.3</b>	<b>61.0</b>	<b>85.5</b>	<b>114</b>	<b>136</b>	<b>159</b>	<b>178</b>	<b>193</b>	<b>202</b>	<b>211</b>	
+ 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		-19.5	-26.5	-23.5	-24.8	-25.8	-26.7	-27.3	-28.0	-28.6	-28.3	
<b>Free operating cash flow</b>	<b>26.8</b>	<b>34.5</b>	<b>61.9</b>	<b>89.5</b>	<b>110</b>	<b>132</b>	<b>151</b>	<b>165</b>	<b>165</b>	<b>173</b>	<b>182</b>	
+/- Other		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	26.8	34.5	61.9	89.5	110	132	151	165	165	173	182	3645
<b>Discounted FCFF</b>	<b>26.4</b>	<b>31.4</b>	<b>52.1</b>	<b>69.6</b>	<b>79.2</b>	<b>87.8</b>	<b>92.8</b>	<b>93.6</b>	<b>93.6</b>	<b>91.0</b>	<b>88.7</b>	<b>1772</b>
Sum of FCFF present value	2485	2459	2427	2375	2305	2226	2138	2046	1952	1861	1772	
<b>Enterprise value DCF</b>	<b>2485</b>											
- Interest bearing debt		-15.7										
+ Cash and cash equivalents		74.0										
-Minorities		0.0										
-Dividend/capital return		0.0										
<b>Equity value DCF</b>	<b>2543</b>											
<b>Equity value DCF per share</b>	<b>45.8</b>											

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 %
<b>Cost of equity</b>	<b>8.8 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>8.2 %</b>

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	<b>298.4</b>	<b>411.7</b>	EPS (reported)		0.01	0.06	<b>0.80</b>	<b>0.94</b>
EBITDA	-2.1	0.5	9.5	<b>60.5</b>	<b>79.2</b>	EPS (adj.)		0.01	0.07	<b>0.80</b>	<b>0.94</b>
EBIT	-2.2	-0.6	6.1	<b>54.4</b>	<b>67.3</b>	OCF / share		0.00	-0.16	<b>0.83</b>	<b>1.10</b>
PTP	-2.2	-0.8	4.8	<b>55.1</b>	<b>67.3</b>	FCF / share		-0.14	-0.53	<b>0.48</b>	<b>0.62</b>
Net Income	-2.2	0.3	3.4	<b>44.6</b>	<b>52.5</b>	Book value / share		1.76	1.81	<b>2.62</b>	<b>3.56</b>
Extraordinary items	0.0	0.0	-0.6	<b>-0.1</b>	<b>0.0</b>	Dividend / share	0.00	0.00	0.00	<b>0.00</b>	<b>0.00</b>
Balance sheet	2020	2021	2022	2023e	2024e	Growth and profitability	2020	2021	2022	2023e	2024e
Balance sheet total	6.2	108.5	154.2	<b>279.2</b>	<b>350.8</b>	Revenue growth-%	909%	730%	278%	<b>188%</b>	<b>38%</b>
Equity capital	0.6	97.5	100.7	<b>145.3</b>	<b>197.8</b>	EBITDA growth-%	-4%	-124%	1800%	<b>537%</b>	<b>31%</b>
Goodwill	0.0	0.0	0.0	<b>0.0</b>	<b>0.0</b>	EBIT (adj.) growth-%	-1%	-73%	-1217%	<b>713%</b>	<b>23%</b>
Net debt	-0.5	-89.3	-58.3	<b>-85.7</b>	<b>-120.2</b>	EPS (adj.) growth-%			1287%	<b>975%</b>	<b>17%</b>
Cash flow	2020	2021	2022	2023e	2024e	EBITDA-%	-63.6 %	1.8 %	9.2 %	<b>20.3 %</b>	<b>19.2 %</b>
EBITDA	-2.1	0.5	9.5	<b>60.5</b>	<b>79.2</b>	EBIT (adj.)-%	-66.7 %	-2.2 %	6.5 %	<b>18.3 %</b>	<b>16.3 %</b>
Change in working capital	-2.9	-0.6	-17.2	<b>-4.4</b>	<b>-3.4</b>	EBIT-%	-66.7 %	-2.2 %	5.9 %	<b>18.2 %</b>	<b>16.3 %</b>
Operating cash flow	-5.0	-0.1	-8.6	<b>46.3</b>	<b>61.0</b>	ROE-%	-430.1 %	0.6 %	3.5 %	<b>36.3 %</b>	<b>30.6 %</b>
CAPEX	-0.5	-4.4	-23.2	<b>-19.5</b>	<b>-26.5</b>	ROI-%	-430.1 %	-1.2 %	5.7 %	<b>38.7 %</b>	<b>37.1 %</b>
Free cash flow	-1.9	-7.7	-29.7	<b>26.8</b>	<b>34.5</b>	Equity ratio	9.7 %	89.9 %	65.3 %	<b>52.0 %</b>	<b>56.4 %</b>
						Gearing	-83.3 %	-91.5 %	-57.9 %	<b>-59.0 %</b>	<b>-60.8 %</b>
Valuation multiples	2020	2021	2022	2023e	2024e						
EV/S	neg.	20.2	10.0	<b>6.8</b>	<b>4.8</b>						
EV/EBITDA (adj.)	0.2	>100	>100	<b>33.4</b>	<b>25.0</b>						
EV/EBIT (adj.)	0.2	neg.	>100	<b>37.0</b>	<b>29.5</b>						
P/E (adj.)		>100	>100	<b>47.1</b>	<b>40.1</b>						
P/B	0.0	6.6	10.8	<b>14.5</b>	<b>10.6</b>						
Dividend-%		0.0 %	0.0 %	<b>0.0 %</b>	<b>0.0 %</b>						

Source: Inderes

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Sell	The 12-month risk-adjusted expected shareholder return of the share is very weak

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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 €
9/18/2023	Accumulate	52.0 €	46.10 €
10/19/2023	Accumulate	44.0 €	37.88 €



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