

Kempower

Company report

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✓ Inderes corporate customer

This report is a summary translation of the report “Yllätyspotentiaalia löytyy yhä” published on 4/20/2023 at 8:38 pm

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There is still potential for surprises

The CMD arranged on the Q1-result date offered interesting estimates of market growth potential and strengthened our faith in Kempower's earnings growth outlook. We find it likely that the improved delivery capacity and expansion in the US will support order growth in 2023 and enable clear earnings growth in the coming years. We reiterate our Accumulate recommendation and raise our target price to EUR 32 (previous 30) driven by our estimate revisions.

Main Q1 figures were known, delivery capacity strengthened more than expected

On April 20, the Q1 report no longer offered significant surprises, as the main figures had been [reported in advance](#) on April 14. Revenue and EBIT figures were clearly stronger than earlier market expectations (prior to 4/14) because delivery capacity had improved faster than expected. We expect that the new sub-assembly line could increase Lahti's delivery capacity to some EUR 300 million per year. We believe that long delivery times have slowed the growth of new orders in the latest quarters, but believe that order growth will again accelerate with improved delivery capacity. Sales work in the US is already under way, but we do not expect this to be more prominently visible in order intake until the factory to be opened in North Carolina is running in late 2023. In size the new factory corresponds to the current Lahti plant. Thanks to the generous subsidy policy in the US, the margins may be higher than the European margins in the coming years, but we have not yet modeled this in our estimates.

CMD supported the growth outlook

In connection with the CMD, Kempower raised its medium-term (2026-28) growth target to EUR 750 million (previous 2025- 27: 200 MEUR). The EBIT target in the medium term is 10-15% of revenue but this assumes that growth investments continue and maintain a high cost level. In the long term, the company aims to reach an EBIT margin of over 15%. We consider the medium-term growth target moderately ambitious (revenue 2026-28e: 613-742 MEUR) and the profitability target rather cautious (EBIT-% 2026-28e: 16.6-18.9%). The company estimates the size of the total DC charging equipment market in Europe and North America to be EUR 14 billion in 2030, while, in connection with the IPO, the market size estimate was still only EUR 4 billion. The company expects that truck charging will grow into the largest segment by 2030, as especially in North America electrification of heavy transport appears to be faster than previously assumed. We raised our revenue estimates for 2023-25 by 1-9% and fixed cost estimates so that our 2023 EBIT estimate decreased by 3% and 2024-25 estimates rose by 1-4%.

There is surprise potential and we believe that earnings growth will turn valuation favorable in 2026

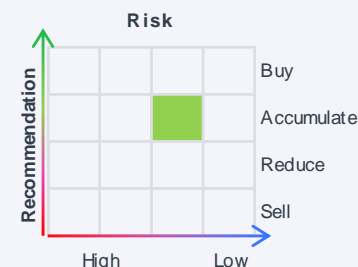
Kempower is one of the technologically strongest and most profitable companies in a strongly growing industry, in addition to which it is also clearly winning market shares from its competitors. Our estimates assume faster growth than the market, mainly for 2023-24, but strong market growth also enables long-term growth after that, even if competitors would be able to catch up with Kempower's competitive advantages. The rapid change in the industry makes forecasting more difficult and the valuation level increases the risk of the investment, but we feel the company could surprise positively over the next few years in terms of growth and profitability in the US. With our 2026 estimates, the valuation is already relatively favorable (EV/EBIT 2026e: 14x) and the target market is expected to continue growing for a long time after that, as the share of electric vehicles in the car fleet is estimated to still be around 10% in the western countries at that time. We, therefore, still consider the share to be attractive and reiterate our Accumulate recommendation.

Recommendation

Accumulate
(previous Accumulate)

EUR 32.00
(previous EUR 30.00)

Share price:
28,80



Key figures

	2022	2023e	2024e	2025e
Revenue	103.6	269.4	393.3	511.2
growth-%	278%	160%	46%	30%
EBIT adj.	6.7	25.3	46.8	74.1
EBIT-% adj.	6.5 %	9.4 %	11.9 %	14.5 %
Net Income	3.4	20.0	35.9	57.2
EPS (adj.)	0.07	0.36	0.65	1.03
P/E (adj.)	>100	79.7	44.6	28.0
P/B	10.8	13.3	10.2	7.5
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	>100	61.3	32.7	20.0
EV/EBITDA	>100	50.6	26.3	17.0
EV/S	10.0	5.8	3.9	2.9

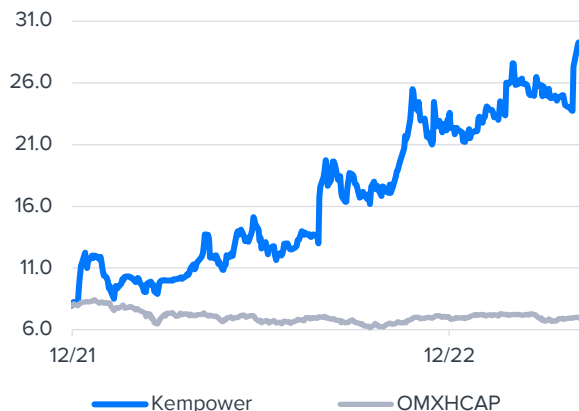
Source: Inderes

Guidance

(Unchanged)

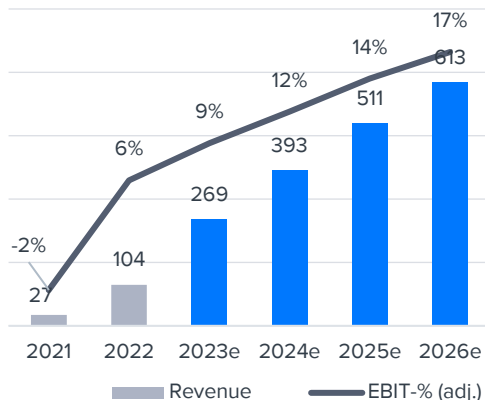
2023 revenue; EUR 240–270 million, assuming no major impact of foreign currency exchange rates. 2023 operative EBIT; positive operative EBIT margin, % between 5% to 10 %.

Share price



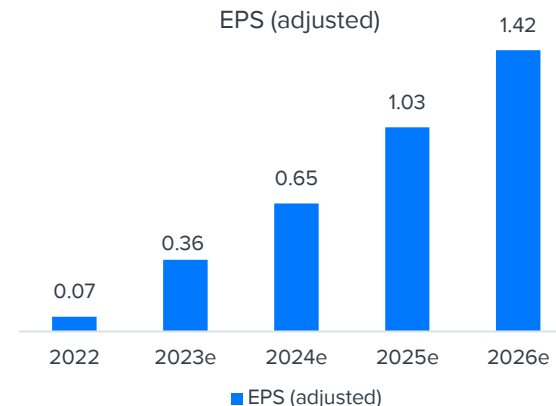
Source: Millstream Market Data AB

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 burdens profitability in the short term
- Uncertainty about long-term profitability levels in the industry
- Changes in technological competitiveness could threaten growth and pricing
- Slowdown in demand growth and narrowing technological gaps are likely trends in the long term
- A high valuation based on long-term earnings growth carries significant risk

Valuation	2023e	2024e	2025e
Share price	28.8	28.8	28.8
Number of shares, millions	55.5	55.5	55.5
Market cap	1600	1600	1600
EV	1554	1530	1479
P/E (adj.)	79.7	44.6	28.0
P/E	80.1	44.6	28.0
P/FCF	neg.	66.2	31.0
P/B	13.3	10.2	7.5
P/S	5.9	4.1	3.1
EV/Sales	5.8	3.9	2.9
EV/EBITDA	50.6	26.3	17.0
EV/EBIT (adj.)	61.3	32.7	20.0
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Interim report provided limited new information

Little new information on Q1 in the actual interim report

The actual Q1 interim report provided little new, important information about Q1 performance, as Kempower already reported preliminary Q1 data on April 14. Below are a few points worth mentioning:

- The sales margin was higher than we expected, which means that fixed costs have also been higher than our estimate. The sales margin was EUR 28.4 million or 50.8% (our estimate was 46.5%). According to the company, Q1 sales distribution was good.
- Kempower canceled one order of EUR 5 million from its order book due to the customer's financial situation. This means that new orders in Q1 were higher than expected (66.4 MEUR), but on the

other hand, the loss of an old order resulted in net order intake being in line with our expectations (61.4 MEUR).

- Kempower published a more detailed geographical breakdown of revenue. Figures for North America are now available separately. Revenue in North America has so far been surprisingly low, and the majority of revenue outside Europe has been generated by markets other than North America.

Main points of the Q1 result were already provided on April 14

Kempower announced key figures on Q1 performance on April 14. At that time, revenue growth and earnings exceeded our previous estimates clearly but the order intake was close to our

expectations. Preliminary data and market expectations are examined in detail [in our report](#) published on April 17.

Estimates MEUR / EUR	Q1'22	Q1'23	Q1'23e	Q1'23e	Consensus	Difference (%)
	Comparison	Actualized	Inderes	Consensus	Low High	Act. vs. inderes
Revenue	11.5	55.8	55.8	42.3		0%
Order intake	26.9	61.4	61.4			0%
Gross margin-%	48.3 %	50.8 %	46.5 %	45.5 %		4.3 pp
EBIT (adj.)	-1.0	6.9	6.9	3.5		0%
EBIT	-1.0	6.8	6.9	3.5		-2%
EPS (reported)	-0.02	0.10	0.05	0.05		100%
Revenue growth-%	393.0 %	385.2 %	385.2 %	268.0 %		0 pp
EBIT-% (adj.)	-8.6 %	12.4 %	12.4 %	8.2 %		0 pp

Source: Inderes & Bloomberg (consensus)

New financial objectives largely in line with our expectations

CMD predicted strong growth prospects

- Kempower updated its revenue growth target to EUR 750 million in the medium term (2026-28). In December 2021 in connection with the IPO, the target was EUR 200 million (2025-27).
- The profitability target was updated to 10-15% in the medium term. The medium-term target assumes that the company will continue to pursue growth, which will keep the cost level high. The long-term profitability target is still over 15%.
- The company raised its estimate on the size of the DC charging equipment market in 2030. The size is now estimated to be EUR 14 billion in Europe and North America. In connection with the IPO, the market was estimated to be EUR 4 billion. The company sees that market growth will materialize earlier and faster than previously anticipated. The company also estimates that the importance of charging trucks will increase and that trucks will become the key target segment for Kempower by the end of the decade.
- The capacity of the Lahti plant seems to be higher than we estimated in the past. Annual production already exceeds EUR 200 million and once the new sub-assembly line is completed, we estimate that the capacity could be around EUR 300 million.

We raised our growth estimates slightly and lowered our margin assumptions

- In the Q1 report, Kempower reiterated its new guidance issued on April 14. According to the guidance 2023 revenue is EUR 240–270 million, assuming no major impact of foreign currency exchange rates previous. According to the guidance, the operative EBIT margin is 5-10% and affected by the costs from the US expansion.
- The previous guidance issued on February 15 assumed revenue of EUR 180-210 million and a positive single-digit operative EBIT margin.
- We made minor changes to our estimates, mainly related to the views offered in the CMD. We raised our growth estimates by 1-9% for 2023-25 and lowered our EBIT margin estimates slightly. The estimated absolute EBIT decreased by 3% for 2023 and increased by 1-4% for 2024-25.
- Considering Kempower's new financial objectives our growth estimates are more cautious, but our EBIT margin estimates are more optimistic.

[Watch our interview with CEO Tomi Ristimäki using the link below \(in English\)](#)

Estimate revisions	2023e			2024e			2025e		
	Old	New	Change %	Old	New	Change %	Old	New	Change %
MEUR / EUR									
Revenue	266	269	1%	365	393	8%	467	511	9%
EBITDA	31.4	30.7	-2%	56.9	58.2	2%	83.1	86.9	5%
EBIT (exc. NRIs)	26.0	25.3	-2%	46.3	46.8	1%	71.4	74.1	4%
EBIT	26.0	25.2	-3%	46.3	46.8	1%	71.4	74.1	4%
PTP	25.0	24.6	-1%	45.3	46.0	1%	70.4	73.3	4%
EPS (excl. NRIs)	0.36	0.36	0%	0.64	0.65	1%	0.99	1.03	4%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes



Other comments on the CMD

Charging market for commercial vehicles is larger than previously assumed

By 2030, trucks will be the largest segment of Kempower's target market (commercial vehicles EUR 9.1 bn 2030e). According to the company, truck companies are significantly investing in developing electric trucks. Especially in the US, significant orders for electric trucks have already been seen.

In Lahti, production capacity grows inside existing floor space

The production capacity of the Lahti plant is increased with continuous improvements. Efforts are also made to improve efficiency. Labor-intensive assembly may be automated to some degree, but we do not see it as a large single factor that would reduce production costs, as labor costs are low relative to the value of production. In addition, Kempower wants to retain production flexibility in case of product changes. We estimate that Lahti could generate up to EUR 300 million in revenue while last fall we assumed EUR 200 million or a bit more.

North America may prove a particularly profitable market for Kempower

In the US, the NEVI subsidy policy is very generous, which supports the price level of the market. In remote areas, up to 80% of investment costs are reimbursed. Moreover, the domestic rating requirement of the subsidy policy forces manufacturers already operating in the US to move their supply chain, e.g., from Mexico to the US, which increases the costs of these competitors and can, therefore, support the price level of the market.

According to Kempower, their own production costs are not necessarily much higher in the US than in Finland.

The competitive situation in the US

The competitive situation in the US seems from Kempower's viewpoint to be slightly less tight than in Europe but the subsidies naturally also attract other players to the US market. NEVI subsidies require that the charging solution serves more than one car make. We believe this may either slow down the growth of the current market leader Tesla's charging network relative to the rest of the market, or alternatively force the company to open its new Superchargers to other car makes. Currently, Tesla's network is of superior size and quality compared to other local players. Kempower must convince Americans of the quality and usability of its products.

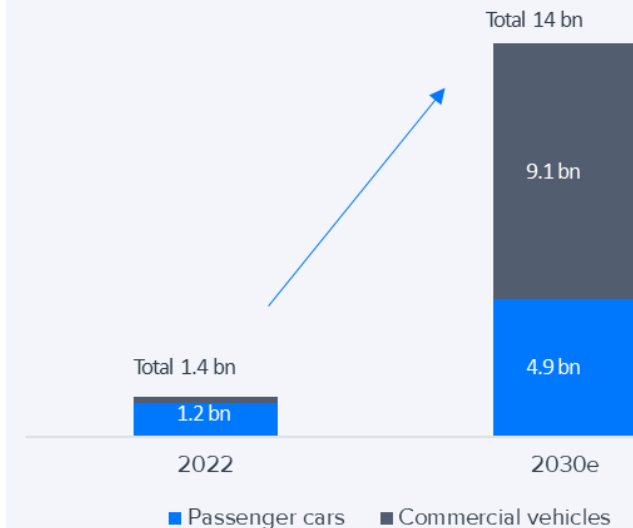
According to the company, the share of service revenue grows to a significant level by 2030

Kempower said that as the equipment portfolio grows, the share of service sales will also grow to a significant level even though the share is very small to date. The company did not numerically specify what significant means, but our estimate is that service revenue could account for 10% of revenue in the long term. Kempower's ChargeEye cloud service enables customers to monitor and optimize the charging network. In addition, the data and management of charging points can be integrated with customers' own systems. Kempower also offers customers the opportunity to increase the power of their charging solutions, which brings recurring revenue.

The CMD can be watched using the link below



Size of DC charging equipment market in Europe and North America



Source: Kempower

Detailed estimates

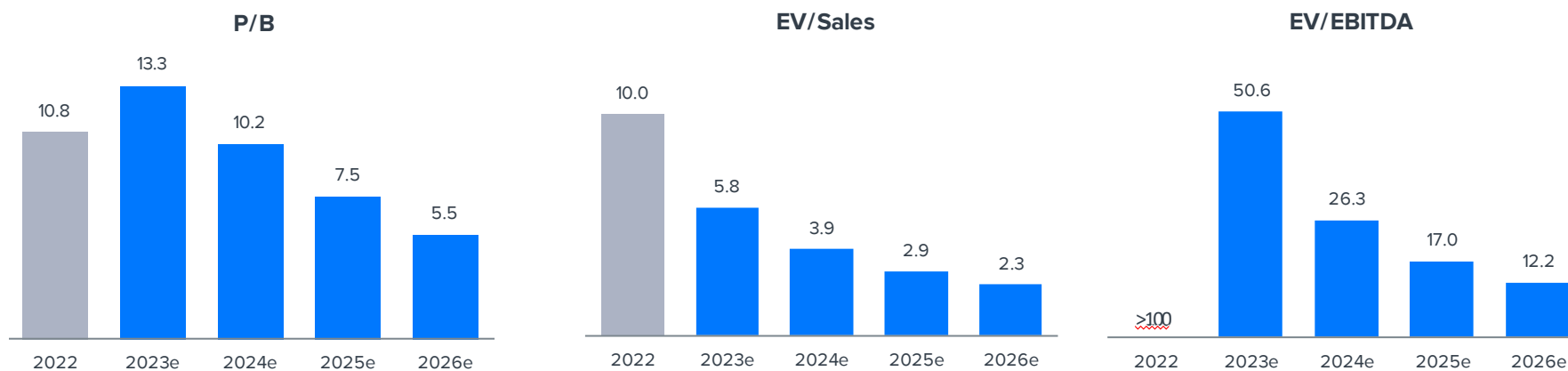
MEUR	2018	2019	2020	2021	2022	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	Terminal
Order intake			7	37	209	303	403							
- growth %				427%	459%	45%	33%							
Order backlog			4	14	119	152	162							
				261%	768%	28%	6%							
Revenue	0	0	3	27	104	269	393	511	613	675	742	817	898	
- growth %		68%	909%	730%	278%	160%	46%	30%	20%	10%	10%	10%	10%	3%
Geographical revenue distribution														
Nordic countries	0	0	2	23	58	94	110	128	141	152				
- growth %					150%	63%	17%	16%	10%	8%				
Rest of Europe	0	0	1	4	41	140	185	220	252	273				
- growth %					893%	244%	32%	19%	14%	9%				
North America					20	76	130	174	195					
- growth %						279%	71%	34%	13%					
Rest of world					15	23	34	47	54					
- growth %						50%	50%	40%	15%					
Materials & services costs	0.0	-0.1	-1.5	-13.6	-52.4	-132.3	-193.5	-253.1	-306.2	-338.8	-374.9	-414.9		
Personnel costs	-0.3	-1.1	-2.2	-7.5	-21.9	-55.2	-75.5	-92.0	-103.1	-108.0	-115.1	-123.3		
Other expenses	-0.4	-1.3	-1.8	-5.9	-19.9	-51.2	-66.1	-79.2	-89.0	-91.1	-97.2	-105.3		
EBITDA	-0.6	-2.2	-2.1	0.5	9.5	30.7	58.2	86.9	115.3	136.9	155.1	173.0	193.0	
- % of revenue				1.8%	9.2%	11.4%	14.8%	17.0%	18.8%	20.3%	20.9%	21.2%	21.5%	
Depreciation	0.0	0.0	-0.1	-1.1	-3.4	-5.4	-11.4	-12.8	-13.5	-14.2	-14.8	-15.1	-15.3	
EBIT	-0.6	-2.2	-2.2	-0.7	6.1	25.2	46.8	74.1	101.8	122.8	140.2	157.9	177.8	
- % of revenue				-2.6%	5.9%	9.4%	11.9%	14.5%	16.6%	18.2%	18.9%	19.3%	19.8%	18.0%
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	-4.7	-6.9	-12.3	-18.0	-20.9	-23.7	-27.0	-24.4	
-Tax rate %				122%	25%	19%	22%	22%	22%	22%	22%	22%	22%	22%
Net profit				0.3	3.6	20.0	39.1	61.0	83.0	101.1	115.7	130.2	152.6	
EPS (EUR)				0.01	0.07	0.36	0.65	1.03	1.42	1.71	1.96	2.21	2.49	
Investments			0.5	1.6	6.2	13.5	14.4	12.5	13.1	13.4	13.7	14.0	14.3	
Net working capital			2.9	3.6	20.8	45.9	55.3	61.6	69.7	73.3	76.9	80.5	79.6	
Net cash assets			0.5	89.3	58.3	45.7	69.2	90.0	95.7	91.8	86.1	78.4	68.3	
Number of personnel (at end)	5	17	38	136	375									

Source: Inderes

Valuation table

Valuation	2022	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e
Share price	19.6	28.8	28.8	28.8	28.8	28.8	28.8	28.8	28.8
Number of shares, millions	55.5	55.5	55.5	55.5	55.5	55.5	55.5	55.5	55.5
Market cap	1091	1600	1600	1600	1600	1600	1600	1600	1600
EV	1033	1554	1530	1479	1408	1336	1244	1137	1016
P/E (adj.)	>100	79.7	44.6	28.0	20.3	16.8	14.7	13.1	11.6
P/E	>100	80.1	44.6	28.0	20.3	16.8	14.7	13.1	11.6
P/FCF	neg.	neg.	66.2	31.0	22.3	17.2	15.0	13.3	11.4
P/B	10.8	13.3	10.2	7.5	5.5	4.1	3.2	2.6	2.1
P/S	10.5	5.9	4.1	3.1	2.6	2.4	2.2	2.0	1.8
EV/Sales	10.0	5.8	3.9	2.9	2.3	2.0	1.7	1.4	1.1
EV/EBITDA	>100	50.6	26.3	17.0	12.2	9.8	8.0	6.6	5.3
EV/EBIT (adj.)	>100	61.3	32.7	20.0	13.8	10.9	8.9	7.2	5.7
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	156	245					1.6	0.7					
Tesla	522286	505719	38.8	26.8	27.2	20.3	5.4	4.2	46.8	33.3			9.9
Wallbox	551	621				41.3	2.3	1.2					798.5
CTEK Group	151	211	18.9	12.7	12.4	9.2	2.2	1.8	14.3	9.5	1.5	2.6	1.8
Zaptec	292	287	24.2	16.6	20.6	14.7	2.8	2.2	27.8	18.9			6.3
Alfen	1537	1533	17.7	13.4	15.3	11.5	2.8	2.1	23.6	18.0			6.7
Kempower (Inderes)	1600	1554	61.3	32.7	50.6	26.3	5.8	3.9	79.7	44.6	0.0	0.0	13.3
Average			24.9	17.4	18.9	19.4	2.9	2.1	28.1	19.9	1.5	2.6	164.6
Median			21.6	15.0	17.9	14.7	2.5	2.0	25.7	18.5	1.5	2.6	6.7
Diff-% to median			184%	118%	182%	79%	128%	96%	210%	142%	-100%	-100%	98%

Source: Refinitiv / Inderes

Income statement

Income statement	2020	2021	Q1'22	Q2'22	Q3'22	Q4'22	2022	Q1'23	Q2'23e	Q3'23e	Q4'23e	2023e	2024e	2025e	2026e
Revenue	3.3	27.4	11.5	21.6	32.7	37.8	104	55.8	63.3	70.3	80.0	269	393	511	613
EBITDA	-2.1	0.5	-0.2	2.7	3.2	3.9	9.5	7.9	7.8	7.8	7.2	30.7	58.2	86.9	115
Depreciation	-0.1	-1.1	-0.8	-0.9	-0.8	-1.0	-3.4	-1.1	-1.1	-1.5	-1.8	-5.4	-11.4	-12.8	-13.5
EBIT (excl. NRI)	-2.2	-0.6	-1.0	1.8	2.4	3.5	6.7	6.9	6.7	6.3	5.4	25.3	46.8	74.1	102
EBIT	-2.2	-0.6	-1.0	1.8	2.4	2.9	6.1	6.8	6.7	6.3	5.4	25.2	46.8	74.1	102
Net financial items	0.0	-0.2	-0.2	-1.0	-0.6	0.5	-1.3	-0.1	-0.1	-0.1	-0.3	-0.6	-0.8	-0.8	-0.8
PTP	-2.2	-0.8	-1.2	0.8	1.8	3.4	4.8	6.7	6.6	6.2	5.1	24.6	46.0	73.3	101
Taxes	0.0	1.1	0.1	-0.2	-0.4	-0.9	-1.4	-1.1	-1.3	-1.2	-1.0	-4.7	-10.1	-16.1	-22.2
Net earnings	-2.2	0.3	-1.1	0.6	1.4	2.5	3.4	5.6	5.3	5.0	4.1	20.0	35.9	57.2	78.8
EPS (adj.)		0.01	-0.02	0.01	0.03	0.06	0.07	0.10	0.09	0.09	0.07	0.36	0.65	1.03	1.42
EPS (rep.)		0.01	-0.02	0.01	0.03	0.05	0.06	0.10	0.09	0.09	0.07	0.36	0.65	1.03	1.42
Key figures	2020	2021	Q1'22	Q2'22	Q3'22	Q4'22	2022	Q1'23	Q2'23e	Q3'23e	Q4'23e	2023e	2024e	2025e	2026e
Revenue growth-%	909.2 %	730.3 %	400.0 %	222.4 %	227.0 %	350.0 %	278.1 %	385.2 %	193.0 %	115.0 %	111.6 %	160.0 %	46.0 %	30.0 %	20.0 %
Adjusted EBIT growth-%			100.0 %	260.0 %	13.4 %			-789.6 %	270.6 %	166.4 %	54.5 %	278.3 %	84.5 %	58.4 %	37.4 %
EBITDA-%			-2.0 %	12.3 %	9.7 %	10.3 %	9.2 %	14.2 %	12.3 %	11.1 %	9.0 %	11.4 %	14.8 %	17.0 %	18.8 %
Adjusted EBIT-%			-8.7 %	8.3 %	7.3 %	9.3 %	6.5 %	12.4 %	10.5 %	9.0 %	6.8 %	9.4 %	11.9 %	14.5 %	16.6 %
Net earnings-%			-9.6 %	2.8 %	4.3 %	6.7 %	3.3 %	10.1 %	8.3 %	7.1 %	5.1 %	7.4 %	9.1 %	11.2 %	12.8 %

Source: Inderes

Balance sheet

Assets	2021	2022	2023e	2024e	2025e
Non-current assets	5.2	24.3	31.8	34.8	34.5
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	27.7	29.1	27.3
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	205	271	340
Inventories	6.4	27.1	65.2	87.3	106
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	6.6	28.7	69.3	93.4	114
Cash and equivalents	90.4	74.0	70.0	90.0	120
Balance sheet total	109	154	236	305	374

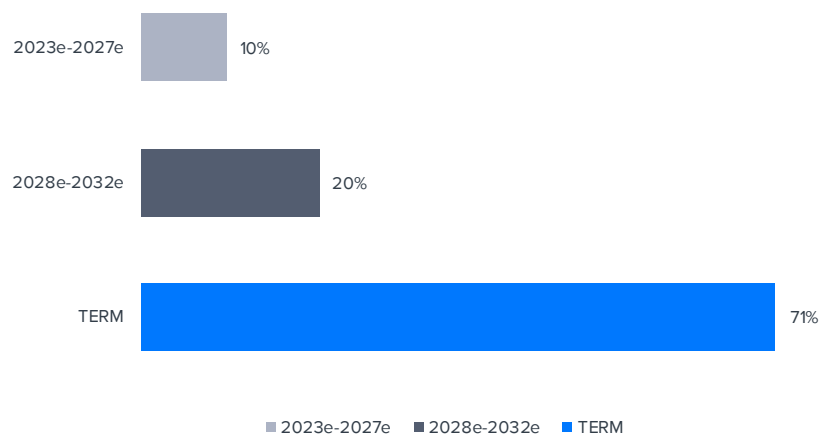
Source: Inderes

Liabilities & equity	2021	2022	2023e	2024e	2025e
Equity	97.5	101	121	156	214
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	1.8	6.4	26.3	62.2	119
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	95.7	94.2	94.2	94.2	94.2
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	1.0	16.0	23.5	20.4	2.8
Deferred tax liabilities	0.3	0.4	0.4	0.4	0.4
Provisions	0.2	2.4	2.4	2.4	2.4
Long term debt	0.5	13.3	20.7	17.7	0.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	0.0	0.0	0.0	0.0
Current liabilities	10.0	37.5	92.2	128	158
Short term debt	0.6	2.4	3.7	3.1	0.0
Payables	9.4	35.1	88.6	125	158
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	108	154	236	305	374

DCF calculation

DCF model	2022	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	TERM
Revenue growth-%	278.1%	160.0%	46.0%	30.0%	20.0%	10.0%	10.0%	10.0%	10.0%	10.0%	3.0%	3.0%
EBIT-%	5.9%	9.4%	11.9%	14.5%	16.6%	18.2%	18.9%	19.3%	19.8%	18.0%	18.0%	18.0%
EBIT (operating profit)	6.1	25.2	46.8	74.1	102	123	140	158	178	178	183	
+ Depreciation	3.4	5.4	11.4	12.8	13.5	14.2	14.8	15.1	15.3	16.8	12.7	
- Paid taxes	-0.6	-4.1	-10.1	-16.1	-22.2	-26.8	-30.7	-34.6	-38.9	-39.0	-40.1	
- 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	-25.2	-9.3	-6.4	-8.0	-3.6	-3.6	-3.6	0.9	1.9	-2.3	
Operating cash flow	-8.6	1.3	38.5	64.2	84.9	106	121	135	155	157	153	
+ 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		-13.5	-14.4	-12.5	-13.1	-13.4	-13.7	-14.0	-14.3	-14.6	-18.4	
Free operating cash flow		-12.2	24.2	51.7	71.8	93.0	107	121	141	143	135	
+/- Other		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF		-12.2	24.2	51.7	71.8	93.0	107	121	141	143	135	2686
Discounted FCFF		-11.6	21.1	41.8	53.7	64.3	68.4	71.3	76.8	72.1	63.0	1254
Sum of FCFF present value		1775	1787	1766	1724	1670	1606	1538	1466	1389	1317	1254
Enterprise value DCF		1775										
- Interesting bearing debt		-15.7										
+ Cash and cash equivalents		74.0										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		1834										
Equity value DCF per share		33.0										

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	269.4	393.3	EPS (reported)		0.01	0.06	0.36	0.65
EBITDA	-2.1	0.5	9.5	30.7	58.2	EPS (adj.)		0.01	0.07	0.36	0.65
EBIT	-2.2	-0.6	6.1	25.2	46.8	OCF / share		0.00	-0.16	0.02	0.69
PTP	-2.2	-0.8	4.8	24.6	46.0	FCF / share		-0.14	-0.53	-0.22	0.44
Net Income	-2.2	0.3	3.4	20.0	35.9	Book value / share		1.76	1.81	2.17	2.82
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	236.3	305.4	Revenue growth-%	909%	730%	278%	160%	46%
Equity capital	0.6	97.5	100.7	120.6	156.5	EBITDA growth-%	-4%	-124%	1800%	223%	90%
Goodwill	0.0	0.0	0.0	0.0	0.0	EBIT (adj.) growth-%	-1%	-73%	-1217%	278%	85%
Net debt	-0.5	-89.3	-58.3	-45.7	-69.2	EPS (adj.) growth-%			1287%	382%	79%
Cash flow	2020	2021	2022	2023e	2024e	EBITDA-%	-63.6 %	1.8 %	9.2 %	11.4 %	14.8 %
EBITDA	-2.1	0.5	9.5	30.7	58.2	EBIT (adj.)-%	-66.7 %	-2.2 %	6.5 %	9.4 %	11.9 %
Change in working capital	-2.9	-0.6	-17.2	-25.2	-9.3	EBIT-%	-66.7 %	-2.2 %	5.9 %	9.4 %	11.9 %
Operating cash flow	-5.0	-0.1	-8.6	1.3	38.5	ROE-%	-430.1%	0.6 %	3.5 %	18.0 %	25.9 %
CAPEX	-0.5	-4.4	-23.2	-13.5	-14.4	ROI-%	-430.1%	-1.2 %	5.7 %	19.3 %	29.0 %
Free cash flow	-1.9	-7.7	-29.7	-12.2	24.2	Equity ratio	9.7 %	89.9 %	65.3 %	51.1 %	51.2 %
Valuation multiples	2020	2021	2022	2023e	2024e	Gearing	-83.3 %	-91.5 %	-57.9 %	-37.8 %	-44.2 %
EV/S	neg.	20.2	10.0	5.8	3.9						
EV/EBITDA (adj.)	0.2	>100	>100	50.6	26.3						
EV/EBIT (adj.)	0.2	neg.	>100	61.3	32.7						
P/E (adj.)		>100	>100	79.7	44.6						
P/B	0.0	6.6	10.8	13.3	10.2						
Dividend-%		0.0 %	0.0 %	0.0 %	0.0 %						

Source: Inderes

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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
15-08-22	Accumulate	20.00 €	18.35 €
30-10-22	Accumulate	22.00 €	19.64 €
15-02-23	Reduce	27.00 €	27.56 €
14-04-23	Lisää	30.00 €	27.30 €
20-04-23	Accumulate	32.00 €	28.80 €



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