Meriaura Group

Company report

3/1/2024

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Inderes corporate customer

This report is a summary translation of the report "Merirahdin tulosnäkymät vakautuneet" published on 3/1/2024 at 7:25 pm EET.

Earnings outlook for sea freight stabilized

In Marine Logistics, cyclical concerns seem to have abated and the segment's performance should remain stable. Renewable Energy's loss will narrow in the early part of the year thanks to order book growth and acquisitions, but a turnaround to positive EBIT in the segment is not in sight, at least not for the next few years, which is why we believe there is no upside to the valuation. We reiterate our Reduce recommendation and the target price of EUR 0.04.

Favorable development of the contract base for Maritime Logistics

The group's Q4 revenue amounted to 19.0 MEUR. In Marine Logistics, organic revenue growth (16.4 MEUR) returned to 2% after two difficult quarters, and the contract base seems to have developed favorably recently. In Renewable Energy, revenue increased to 2.7 MEUR in Q4 (Q4'22: 0.8 MEUR) due to the start-up of a major solar thermal project in Germany. The project generated less revenue than we expected, but that is not important in the grand scheme of things. Group EBITDA was 2.1 MEUR (Q4'22 pro forma: 2.2 MEUR) and EBIT 0.8 MEUR (pro forma 2022: 1.3 MEUR). Profitability was slightly better than our estimate, with Marine Logistics' profitability exceeding our forecast. The company's board proposes that no dividend be paid for 2023, which was expected. The Company's net debt at the end of 2023 was 13.3 MEUR (2022: 16.7 MEUR), i.e., the debt decreased as investments in vessels in 2023 were significantly lower than depreciation.

Renewable Energy to be key driver of 2024 results

The company expects demand in Marine Logistics to remain stable in 2024 compared to 2023. However, tougher-than-usual ice conditions and labor disputes will reduce operational efficiency in the early part of the year. We expect the group's operating profit to grow to 3.3 MEUR in 2024 (2023: 1.0 MEUR). In our forecasts, Marine Logistics' EBIT will remain at the 2023 level and Renewable Energy's EBIT will improve to -1.8 MEUR (2023: -3.8 MEUR). Of the projected earnings growth, 0.7 MEUR is due to the acquisition of Rasol Oy, a provider of solar power solutions, in November 2023. Rasol aims to increase the size of its deliveries, where the company can leverage the group's engineering expertise for larger energy projects. The solar thermal business is estimated to contribute 1.3 MEUR to the EBIT improvement, supported by an increased order book driven by a large system to be delivered to Germany. Our EBIT forecast for 2024 has increased by 19% as cyclical concerns about sea freight have eased, but our long-term forecasts are virtually unchanged.

Clear visibility on the turnaround of Renewable Energy required for upside potential

The projected improvement in earnings levels during 2024 would significantly lower Meriaura Group's earnings-based valuation multiples, which would start to show a valuation close to fair value by several measures (2024e EV/EBITDA: 6x, P/B: 1.0x). The most relevant of the multiples, EV/EBIT, is still clearly above the company's peers (2024e: 17x, sea freight peers: 8x). The sum-of-the-parts valuation method indicates a fair value of EUR 0.045 per share. Of the 40 MEUR fair market value, 2 MEUR comes from solar thermal, 5 MEUR from solar electricity (Rasol), 46 MEUR from sea freight and -13 MEUR from net debt. Upside in the stock would require better visibility on Renewable Energy's earnings turnaround. This would require, among other things, recurring orders of significant size and that the growth actually contributes to improving the segment's profitability through adequate margins. Net debt may increase in the coming years if the shipping business invests significantly in new equipment, which would increase valuation multiples and possibly weigh on the SOTP calculation in the short term.

Recommendation

Reduce
(previous Reduce)

EUR 0.04
(previous EUR 0.04)

Share price:
0.048

Key figures

	2023	2024e	2025e	2026e
Revenue	66.2	78.5	85.2	94.8
growth-%	666%	19%	9%	11%
EBIT adj.	1.0	3.3	4.2	5.7
EBIT-% adj.	1.6 %	4.2 %	5.0 %	6.0 %
Net Income	-0.3	1.8	3.0	4.5
EPS (adj.)	0.000	0.002	0.003	0.005

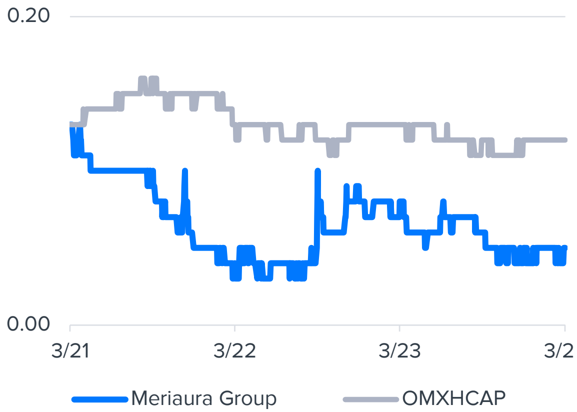
P/E (adj.)	neg.	23.6	14.1	9.5
P/B	1.1	1.0	0.9	0.9
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	53.5	16.9	13.0	9.4
EV/EBITDA	8.8	6.4	5.6	4.6
EV/S	0.8	0.7	0.6	0.6

Source: Inderes

Guidance

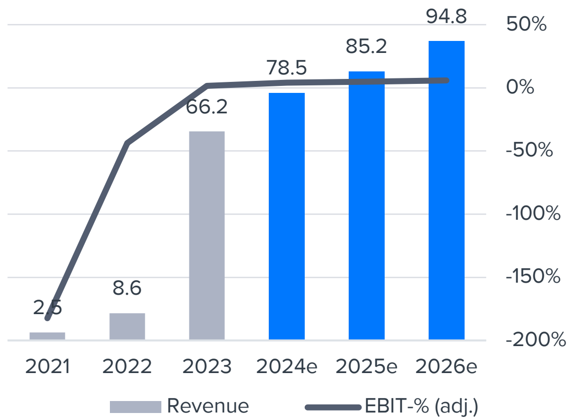
(No guidance)

Share price



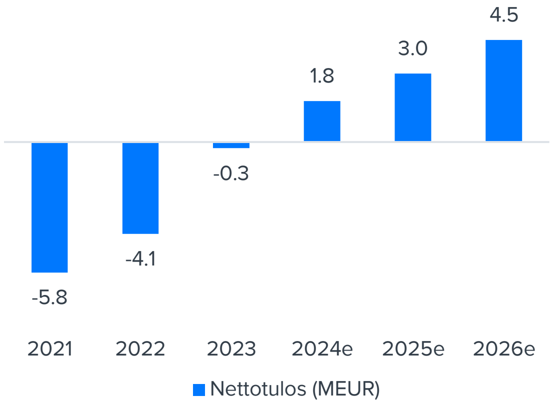
Source: Millistream Market Data AB

Revenue and EBIT-%



Source: Inderes

Net profit



Source: Inderes

Value drivers

- Growing demand for environmentally friendly solutions that reduce greenhouse gas emissions
- 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

Valuation	2024e	2025e	2026e
Share price	0.05	0.05	0.05
Number of shares, millions	886.8	886.8	886.8
Market cap	43	43	43
EV	56	55	54
P/E (adj.)	23.6	14.1	9.5
P/E	23.6	14.1	9.5
P/B	1.0	0.9	0.9
P/S	0.5	0.5	0.4
EV/Sales	0.7	0.6	0.6
EV/EBITDA	6.4	5.6	4.6
EV/EBIT (adj.)	16.9	13.0	9.4
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Good momentum in demand for Marine Logistics in Q4

Good momentum in Marine Logistics

Meriaura Group's revenue in Q4'23 was 19.0 MEUR. In Marine Logistics, revenue was 16.4 MEUR, an organic growth of 2% (our forecast was 15.7 MEUR). In Marine Logistics, demand for transport picked up and utilization rates improved in Q4 compared to a weaker Q3. Demand for project transport was particularly strong towards the end of the year.

Renewable Energy's revenue more than tripled to 2.7 MEUR compared to the weaker comparison period (Q4'22: 0.8 MEUR). The revenue miss (4.5 MEUR) was due to lower-than-expected revenue from a large solar thermal system delivery to Germany, while the impact of Rasol, a solar power systems supplier acquired at the end of November, was minimal in the reporting period, probably due to its seasonal nature. It is difficult to estimate the quarterly revenue generation from the German project, and we do not consider the revenue miss in Renewable Energy to be a cause for concern.

Profitability exceeded our expectations

The Group's Q4 EBITDA was 2.1 MEUR (forecast 1.8 MEUR) and EBIT 0.8 MEUR (forecast 0.3 MEUR), both exceeding our forecasts. The earnings beat was thanks to Marine Logistics, where Q4 EBITDA was 3.0 MEUR (forecast EUR 2.2 MEUR). Renewable Energy's EBITDA of -0.7 MEUR was below our forecast (-0.4 MEUR), due to e.g., lower-than-estimated revenue from the German project delivery in Q4.

The group's net result for Q4 was 0.3 MEUR and for the full year 2023 -0.3 MEUR. The board proposes that no dividend be paid for the financial year 2023.

Balance sheet strengthened as little cash investment was made during 2023

Net debt at the end of the year amounted to 13.3 MEUR, strengthening the balance sheet compared to the previous year (2022: 16.7 MEUR). Meriaura Group invested 0.7 MEUR organically in 2023 (2022: 1.1 MEUR). In addition, the Company invested EUR 3.8 MEUR in shares of subsidiaries, mainly for the acquisition of Rasol Oy through a share swap. Annual depreciation amounted to 5.3 MEUR in 2023, most of which relates to the balance sheet value of ships. In the long term, therefore, Meriaura will have to invest more in order to maintain the operational capacity of the vessels it owns at the current level. In addition to self-owned ships, business can of course also be increased by leasing ships (*time chartering*).

Estimates	Q4'22	Q4'23	Q4'23e	Q4'23e	Consensus		Diff-%
MEUR / EUR	**Comparison**	**Actualized**	**Inderes**	**Consensus**	**High**	**Low**	**Act. vs. Inderes**
Revenue	5.7	19.0	20.2				-6%
EBITDA	-0.3	2.1	1.8				17%
EBIT	-0.2	0.8	0.3				145%
Net profit	-0.4	0.3	0.0				684%
Dividend/share	0.00	0.00	0.00				
Revenue growth %	1628%	233%	255%				-21.3 pp
EBIT-%	-4.3%	4.2%	1.6%				-2.6 pp

Source: Inderes

Good outlook for Maritime Logistics gave reason to raise forecasts

Estimate revisions 2024e-2025e

- Our revenue forecasts increased by 3% at group level, which is related to the positive development of the contract portfolio of Marine Logistics and a relatively good outlook for 2024.
- At group level, EBIT forecasts increased by 19% for 2024. However, the absolute change is quite moderate. The increase in the earnings forecast is due to the good order book and a rather favorable outlook for Marine Logistics.
- Our long-term earnings forecasts remained unchanged. For Marine Logistics, we assume that the 2023-24 performance level corresponds to a long-term sustainable performance level.
- We expect a significant increase in investment in 2024-25, compared to the very low investment in 2023. The investments are related to fleet renewal and emission reduction in Marine Logistics.

Operational performance drivers for 2024:

- In Marine Logistics, tougher-than-usual ice conditions and labor strikes reduce operational efficiency in the early part of the year. However, Meriaura expects demand to remain at the 2023 level also in 2024, thanks to a good contract base. The contract base in the bulk business has been increased and the order book for project transport is also strong. We expect Marine Logistics' revenue to grow by 2% during 2024, mainly driven by project transport.
- The order book for Renewable Energy increased to 6.8 MEUR at the end of 2023, almost entirely related to the project delivery of the German solar thermal system. Delivery of the system started in Q4 and will be completed in Q4'2024. At the end of 2023, the projects in the planning and tendering phase in the solar thermal business amounts to 60 MEUR (2022: 42 MEUR) - new projects are needed to continue the revenue growth at the end of 2024 and during 2025.
- Rasol Oy, a supplier of solar power solutions, is aiming to increase the size of its deliveries. The company aims to leverage the design expertise of the Meriaura Group for larger projects. For example, ports could be a potential new customer base where solar power could be installed. Forecasting revenue for 2024 is challenging due to the volatility and project nature of the market, but we expect revenue to remain at the 2022 level of 5 MEUR (latest data point).

Estimate revisions	2023e	2023	Change	2024e	2024e	Change	2025e	2025e	Change
MEUR / EUR	Old	Actualized	%	Old	New	%	Old	New	%
Revenue	67.4	66.2	-2%	76.1	78.5	3%	82.8	85.2	3%
EBITDA	6.1	6.3	4%	8.5	8.7	3%	10.1	9.8	-2%
EBIT excluding NRIs	0.5	1.0	99%	2.8	3.3	19%	4.2	4.2	2%
EBIT	0.5	1.0	99%	2.8	3.3	19%	4.2	4.2	2%
PTP	-0.5	-0.3	-37%	1.8	2.0	8%	3.3	3.2	-2%

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 clear 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 translation 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.

Valuation down closer to peers

In our view, the current price level is still somewhat elevated, although at least some valuation multiples have come down to near fair value. EV/EBIT multiples at group level are high (2024-25: 17X and 13x, peers 8x), as Renewable Energy is weighing on earnings and Marine Logistics has high depreciation. EV/EBITDA multiples are already quite low (2024-25: 6x) and close to the peer group level (6x). The capital-intensive nature of Marine Logistics means that a large part of EBITDA will be spent over time on the investments required to refurbish and renew the fleet, which were very low in 2023. As regards the balance sheet, Meriaura Group is valued at a P/B ratio of 1.0x (2024e). The median P/B ratio of our peers is 1.1x, so the valuation is close to fair value on a balance sheet basis.

SOTP close to the current share price

We believe that the sum-of-the-parts valuation method is the most appropriate for determining the value of Meriaura Group. In the baseline scenario of our sum-of-the-parts method, the solar thermal business would be valued at 2 MEUR, the solar power business at 5 MEUR and Marine Logistics at 46 MEUR (EV/EBIT 2024e 9.0x or 0.91x market value of the ships on June 14, 2022), which would result in a fair value of the group of 40 MEUR and a share value of EUR 0.045, taking into account net debt of 13 MEUR.

Clear visibility on the turnaround of Renewable Energy required for upside potential

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 0.035-0.055 (EV/EBITDA 5-7x, P/B 0.7-1.2x at 2024 estimates). We reiterate our target price of EUR 0.04 and Reduce recommendation. 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. Business development following the merger of Savosolar and Meriaura may help to turn the tide, but for the time being visibility is still limited.

Valuation	2024e	2025e	2026e
Share price	0.05	0.05	0.05
Number of shares, millions	886.8	886.8	886.8
Market cap	43	43	43
EV	56	55	54
P/E (adj.)	23.6	14.1	9.5
P/E	23.6	14.1	9.5
P/B	1.0	0.9	0.9
P/S	0.5	0.5	0.4
EV/Sales	0.7	0.6	0.6
EV/EBITDA	6.4	5.6	4.6
EV/EBIT (adj.)	16.9	13.0	9.4
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Factors supporting the valuation:

- Emissions reduction and regulation create demand for company’s solutions
- Extensive solar energy portfolio and experience in designing large-scale energy solutions
- 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
- Renewable Energy business is project-based and therefore vulnerable to changes in demand
- The profitability of Marine Logistics fluctuates with the business cycle

Valuation (2/2): Sum of the parts

Sum of the parts and scenarios

There is significant uncertainty about the long-term performance of the Renewable Energy unit. Therefore, we find it useful to look at the fair value of the group through different scenarios. The value of the solar thermal business within Renewable Energy varies between the scenarios, but for photovoltaics (Rasol) and marine logistics we have developed only one scenario in the SOTP calculation.

Sum of the parts - Renewable Energy

The baseline scenario for the valuation of the **solar thermal business** unit assumes a clearly positive business trend with an increase in revenue and an improvement in the material margin, which would result in EBIT already close to neutral in 2026 (-0.1 MEUR). Even in the baseline scenario, the business is a burden on the Group's cash flows, but on the other hand, a positive development would raise hopes for a long-term turnaround in the profitability of the business. We value the business at 2 MEUR in the baseline scenario, consisting of negative cash flows of -8 MEUR in 2024-2026 and a residual value of 10 MEUR in 2026. The residual value assumes that the 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 10 MEUR on cash flows in 2024-2026. In a positive scenario, revenue more than tenfolds to 50 MEUR material margin improves to 25% and fixed costs increase to 10 MEUR (2023: -4 MEUR), resulting in an EBIT of 2.5 MEUR (5% of revenue). In this case, an EV/EBIT valuation factor of 14x, suitable for a growth business, would turn the value of the business clearly positive at EUR 35 MEUR.

We have set the value of the **solar power business** at 5 MEUR, which is slightly higher than the notional purchase price of the Rasol acquisition (3.9 MEUR). Business figures for 2023 are not available, which makes the valuation difficult, but compared to 2022 figures, the valuation is quite moderate (EV/EBIT 8x). The performance as part of the Meriaura Group will drive the value of the unit in our calculations.

Sum of the parts - Marine Logistics

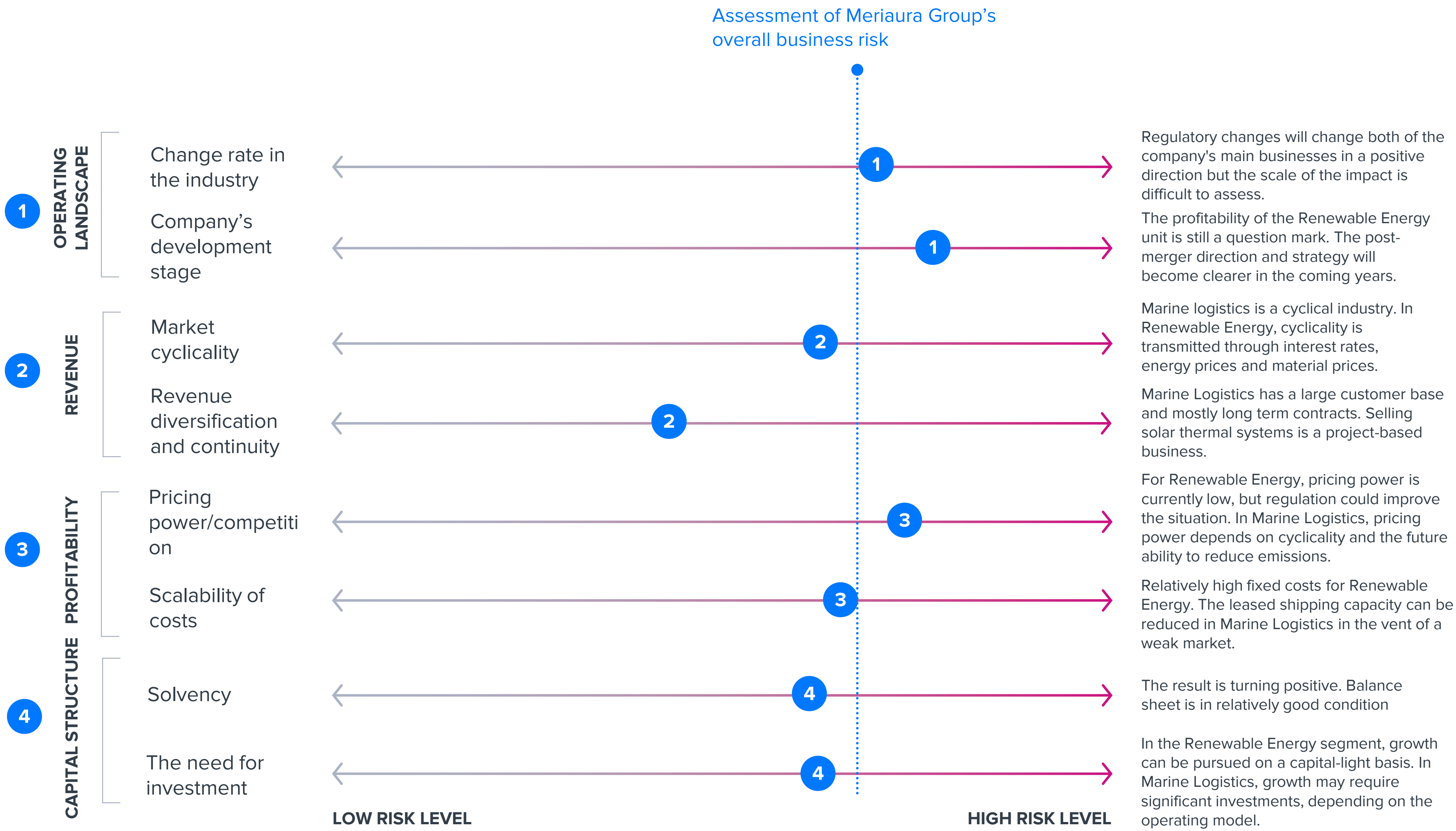
We seek to determine the value of Marine Logistics by looking at the estimated normalized earnings level and the normalized earnings-based valuation multiples. The marine logistics industry is capital-intensive and cyclical, which is why we believe the business should be valued at a relatively moderate EV/EBIT of 9x relative to normalized earnings. With 2024 forecasts, peers are priced at 8-10x EV/EBIT ratios.

We estimate the projected performance level for 2024 to be equal to the normalized level and use this as the base year for the valuation. For 2024, we forecast an EBIT of 5.1 MEUR (8.0% of revenue), whereby a 9x EV/EBIT multiple would give an operating value of 46 MEUR, which is about 0.9 times the market value of the company's ships on 07/14/2022 (50.8 MEUR). The market value of the ships may have fallen since then, partly due to the economic downturn and wear and tear.

Sum of the parts MEUR	Scenario		
	Negative	Baseline	Positive
Solar thermal (formerly Savosolar)			
Revenue 2026e	5	21.2	50
EBIT 2026e	-4.0	-0.1	2.5
EBIT-% 2026e	-80%	2%	5%
EV/EBIT (x)			14x
Enterprise value (EV)	**-10**	**2**	**35**
+			
Solar power (Rasol)			
Revenue 2022		5.0	
EBIT 2022		0.7	
EV/EBIT (x)		8x	
Enterprise value (EV)	**5**	**5**	**5**
+			
Marine Logistics			
Revenue 2024e		64	
EBIT 2024e		5.1	
EBIT-% 2024e		8.0%	
EV/EBIT (x)		9.0x	
Enterprise value (EV)	**46**	**46**	**46**
EV/Market value of ships 06/14/2022	0.91x	0.91x	0.91x
=			
Total enterprise value (EV)	**42**	**53**	**86**
Net debt 2023	-13	-13	-13
Fair market value	**29**	**40**	**73**
Fair share price EUR	**0.032**	**0.045**	**0.082**
Current share price EUR	0.048	0.048	0.048
Current market cap	43	43	43
Change	-33%	-7%	72%

Source: Inderes' estimate

Risk profile of the business model

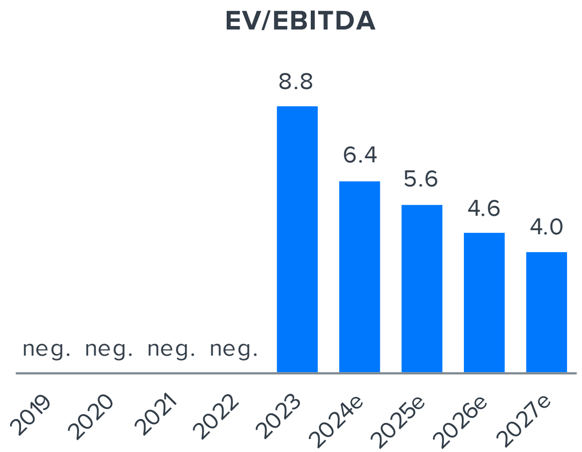


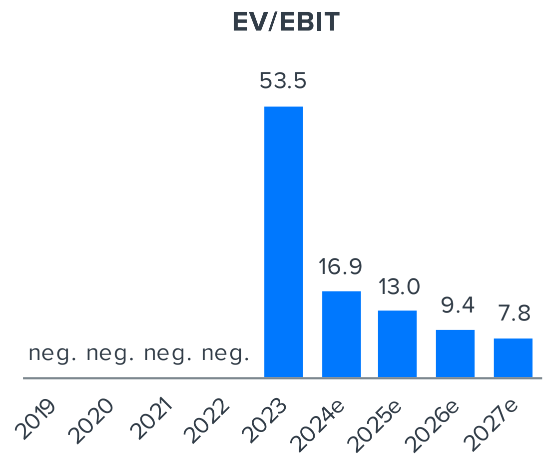
Source: Inderes

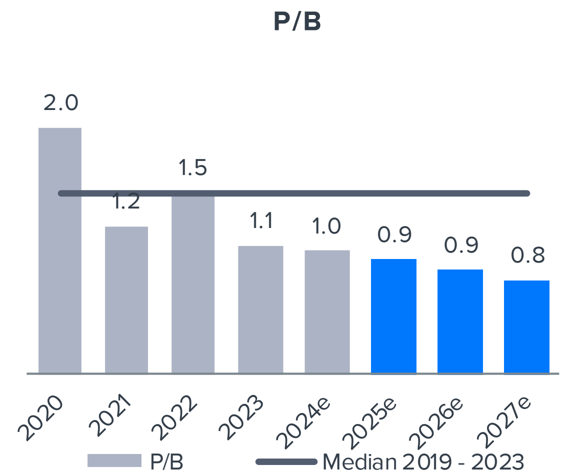
Valuation table

Valuation	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e
Share price	0.90	0.15	0.05	0.07	0.05	**0.05**	**0.05**	**0.05**	**0.05**
Number of shares, millions	17.2	62.9	165.2	783.1	886.8	**886.8**	**886.8**	**886.8**	**886.8**
Market cap	16	9.5	8.0	53	42	**43**	**43**	**43**	**43**
EV	15	7.6	4.1	70	56	**56**	**55**	**54**	**51**
P/E (adj.)	neg.	neg.	neg.	neg.	neg.	**23.6**	**14.1**	**9.5**	**7.9**
P/E	neg.	neg.	neg.	neg.	neg.	**23.6**	**14.1**	**9.5**	**7.9**
P/B	4.3	2.0	1.2	1.5	1.1	**1.0**	**0.9**	**0.9**	**0.8**
P/S	4.5	1.9	3.2	6.2	0.6	**0.5**	**0.5**	**0.4**	**0.4**
EV/Sales	4.3	1.5	1.7	8.1	0.8	**0.7**	**0.6**	**0.6**	**0.5**
EV/EBITDA	neg.	neg.	neg.	neg.	8.8	**6.4**	**5.6**	**4.6**	**4.0**
EV/EBIT (adj.)	neg.	neg.	neg.	neg.	53.5	**16.9**	**13.0**	**9.4**	**7.8**
Payout ratio (%)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**

Source: Inderes







Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	**MEUR**	**MEUR**	**2024e**	**2025e**	**2024e**	**2025e**	**2024e**	**2025e**	**2024e**	**2025e**	**2024e**	**2025e**	**2024e**
Safe Bulkers	479	857	8.1	8.8	5.3	5.6	3.2	3.3	6.6	7.4	4.9	5.0	
Eurodry	58	152	10.2	10.7	5.2	5.3	2.3	2.2	9.0	7.6			0.5
Start Bulk Carriers	2070	2956	7.7	6.8	5.8	5.2	3.6	3.1	6.3	5.2	10.1	11.2	1.1
Kawasaki Kisen Kaisha	10522	10707			13.2	12.4	1.9	1.9	14.0	13.9	3.0	2.9	1.1
Golden Ocean Group	2384	3622		9.5	7.4	7.0	4.7	4.3	8.8	7.4	9.5	10.7	1.3
Meriaura Group (Inderes)	**43**	**56**	**16.9**	**13.0**	**6.4**	**5.6**	**0.7**	**0.6**	**23.6**	**14.1**	**0.0**	**0.0**	**1.0**
Average			**8.6**	**8.9**	**7.4**	**7.1**	**3.1**	**3.0**	**8.9**	**8.3**	**6.9**	**7.4**	**1.0**
Median			**8.1**	**9.2**	**5.8**	**5.6**	**3.2**	**3.1**	**8.8**	**7.4**	**7.2**	**7.8**	**1.1**
Diff-% to median			***111%***	***42%***	***11%***	***0%***	***-78%***	***-79%***	***170%***	***90%***	***-100%***	***-100%***	***-10%***

Source: Refinitiv / Inderes

Income statement

Income statement	2021	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24e	Q2'24e	Q3'24e	Q4'24e	2024e	2025e	2026e	2027e
Revenue	**2.5**	**8.6**	**16.2**	**15.3**	**15.7**	**19.0**	**66.2**	**18.3**	**19.2**	**18.7**	**22.3**	**78.5**	**85.2**	**94.8**	**102**
Renewable Energy	0.0	3.8	0.2	0.3	0.2	2.7	3.4	3.3	3.7	3.7	3.8	14.5	19.0	26.2	30.9
Marine Logistics	0.0	4.9	16.0	15.0	15.5	16.4	62.8	15.0	15.5	15.0	18.5	64.0	66.2	68.6	71.0
EBITDA	**-4.2**	**-3.6**	**1.5**	**1.1**	**1.7**	**2.1**	**6.3**	**1.9**	**2.1**	**2.0**	**2.7**	**8.7**	**9.8**	**11.6**	**12.7**
Depreciation	-0.4	-0.2	-1.3	-1.3	-1.4	-1.2	-5.3	-1.4	-1.4	-1.5	-1.2	-5.4	-5.6	-5.8	-6.2
EBIT (excl. NRI)	**-4.6**	**-3.8**	**0.2**	**-0.2**	**0.3**	**0.8**	**1.0**	**0.5**	**0.7**	**0.6**	**1.5**	**3.3**	**4.2**	**5.7**	**6.6**
EBIT	**-4.6**	**-3.8**	**0.2**	**-0.2**	**0.3**	**0.8**	**1.0**	**0.5**	**0.7**	**0.6**	**1.5**	**3.3**	**4.2**	**5.7**	**6.6**
Renewable Energy			-1.1	-1.3	-0.7	-0.7	-3.8	-0.4	-0.4	-0.4	-0.5	-1.8	-0.7	0.6	1.2
Marine Logistics			1.2	1.0	1.0	1.9	5.1	0.9	1.1	1.0	2.1	5.1	5.0	5.1	5.3
Net financial items	-1.2	-0.3	-0.2	-0.3	-0.2	-0.6	-1.4	-0.3	-0.3	-0.2	-0.6	-1.3	-1.0	-1.0	-1.0
PTP	**-5.8**	**-4.1**	**-0.1**	**-0.5**	**0.0**	**0.2**	**-0.3**	**0.3**	**0.4**	**0.4**	**0.9**	**2.0**	**3.2**	**4.7**	**5.6**
Taxes	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2
Net earnings	**-5.8**	**-4.1**	**-0.1**	**-0.5**	**0.0**	**0.3**	**-0.3**	**0.2**	**0.4**	**0.3**	**0.9**	**1.8**	**3.0**	**4.5**	**5.4**
EPS (rep.)	**-0.03**	**-0.01**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.0002**	**0.0004**	**0.0004**	**0.0010**	**0.0020**	**0.0034**	**0.0051**	**0.0061**

Key figures	2021	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24e	Q2'24e	Q3'24e	Q4'24e	2024e	2025e	2026e	2027e
Revenue growth-%	-51.2 %	######					666.5 %	13.0 %	25.3 %	19.4 %	17.1 %	18.6 %	8.6 %	11.2 %	7.6 %
Adjusted EBIT growth-%												215.9 %	28.8 %	35.1 %	14.6 %
EBITDA-%	-167.2 %	-41.4 %	9.3 %	7.2 %	10.6 %	10.8 %	9.6 %	10.4 %	10.7 %	10.9 %	12.3 %	11.1 %	11.5 %	12.2 %	12.5 %
Adjusted EBIT-%	-182.4 %	-43.6 %	1.0 %	-1.4 %	1.7 %	4.4 %	1.6 %	2.8 %	3.4 %	3.1 %	6.9 %	4.2 %	5.0 %	6.0 %	6.4 %
Net earnings-%	-231.2 %	-47.1 %	-0.5 %	-3.3 %	0.1 %	1.5 %	-0.4 %	1.2 %	1.9 %	1.8 %	4.0 %	2.3 %	3.5 %	4.7 %	5.3 %

Source: Inderes

Balance sheet

Assets	2022	2023	2024e	2025e	2026e
Non-current assets	**50.6**	**49.4**	**50.3**	**52.2**	**54.6**
Goodwill	0.0	3.5	3.5	3.5	3.5
Intangible assets	4.1	4.1	4.1	4.1	4.1
Tangible assets	46.5	41.8	42.7	44.6	47.0
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
Current assets	**13.8**	**18.4**	**21.6**	**23.2**	**25.7**
Inventories	3.4	2.5	2.8	2.9	3.2
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	6.6	8.2	9.6	10.4	11.4
Cash and equivalents	3.8	7.7	9.2	9.9	11.1
Balance sheet total	**64.4**	**67.8**	**71.9**	**75.5**	**80.3**

Source: Inderes

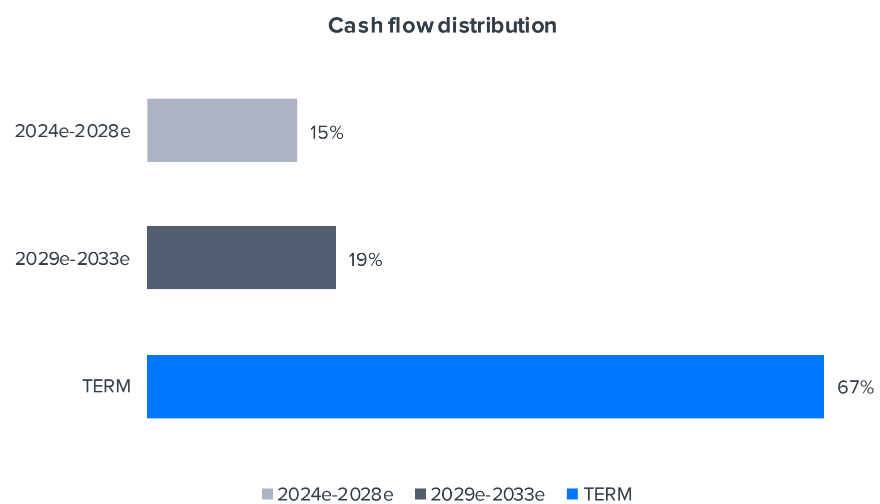
Liabilities & equity	2022	2023	2024e	2025e	2026e
Equity	**35.4**	**40.0**	**41.8**	**44.8**	**49.3**
Share capital	0.5	0.5	0.5	0.5	0.5
Retained earnings	-50.0	-50.3	-48.5	-45.5	-41.0
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	84.9	89.8	89.8	89.8	89.8
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	**17.5**	**18.1**	**18.2**	**17.2**	**16.9**
Deferred tax liabilities	0.0	0.0	0.0	0.0	0.0
Provisions	0.2	0.2	0.2	0.2	0.2
Interest bearing debt	17.3	17.9	17.9	16.9	16.7
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	0.0	0.0	0.0	0.0
Current liabilities	**11.4**	**9.7**	**11.9**	**13.5**	**14.1**
Interest bearing debt	3.2	3.2	4.5	5.6	5.6
Payables	8.2	6.6	7.5	7.8	8.5
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	**64.4**	**67.8**	**71.9**	**75.5**	**80.3**

DCF calculation

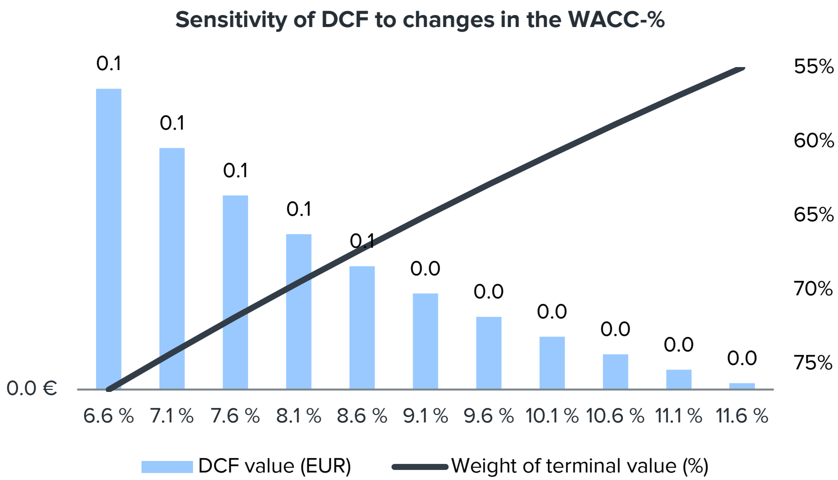
DCF model	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	TERM
Revenue growth-%	666.5 %	18.6 %	8.6 %	11.2 %	7.6 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	2.5 %	2.5 %
EBIT-%	1.6 %	4.2 %	5.0 %	6.0 %	6.4 %	6.4 %	6.4 %	6.4 %	5.5 %	5.5 %	5.5 %	5.5 %
EBIT (operating profit)	**1.0**	**3.3**	**4.2**	**5.7**	**6.6**	**6.9**	**7.2**	**7.6**	**6.8**	**7.2**	**7.3**	
+ Depreciation	5.3	5.4	5.6	5.8	6.2	6.5	6.8	6.5	6.8	7.2	7.5	
- Paid taxes	0.1	-0.2	-0.2	-0.2	-0.2	-0.3	-0.4	-0.5	-0.5	-0.5	-0.6	
- Tax, financial expenses	-0.2	-0.1	-0.1	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	-2.4	-0.8	-0.4	-0.7	-0.5	-0.3	-0.3	-0.1	-0.1	-0.1	-0.2	
Operating cash flow	**3.7**	**7.6**	**9.1**	**10.6**	**12.0**	**12.7**	**13.2**	**13.4**	**13.0**	**13.6**	**14.1**	
+ Change in other long-term liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-4.1	-6.3	-7.5	-8.2	-8.5	-8.8	-9.1	-9.4	-9.7	-10.0	-8.5	
Free operating cash flow	**-0.3**	**1.2**	**1.6**	**2.4**	**3.5**	**3.9**	**4.1**	**4.0**	**3.3**	**3.6**	**5.6**	
+/- Other	4.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	4.5	1.2	1.6	2.4	3.5	3.9	4.1	4.0	3.3	3.6	5.6	87.6
Discounted FCFF		**1.1**	**1.4**	**1.9**	**2.5**	**2.6**	**2.5**	**2.2**	**1.7**	**1.7**	**2.4**	**37.4**
Sum of FCFF present value		57.3	56.1	54.8	52.9	50.4	47.8	45.3	43.1	41.4	39.7	37.4
Enterprise value DCF		**57.3**										
- Interest bearing debt		-21.1										
+ Cash and cash equivalents		7.7										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		**44.0**										
Equity value DCF per share		**0.050**										

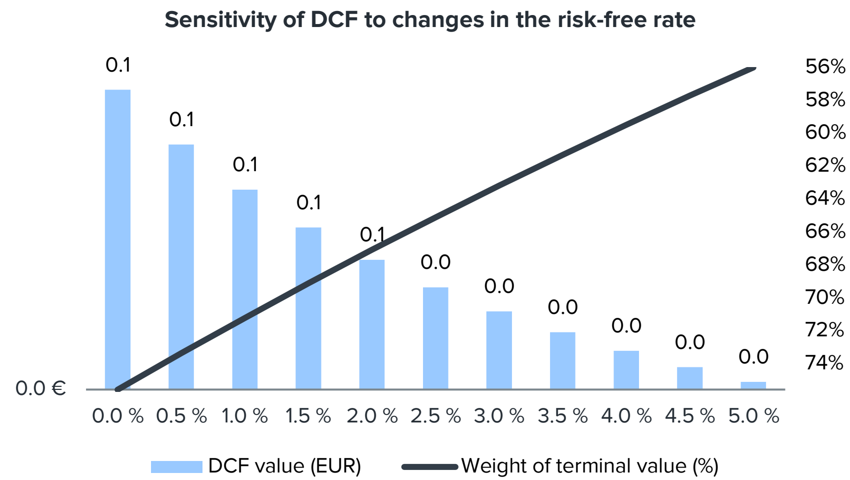
WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E)	10.0 %
Cost of debt	5.0 %
Equity Beta	1.50
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.5 %
Cost of equity	**9.6 %**
Weighted average cost of capital (WACC)	**9.1 %**

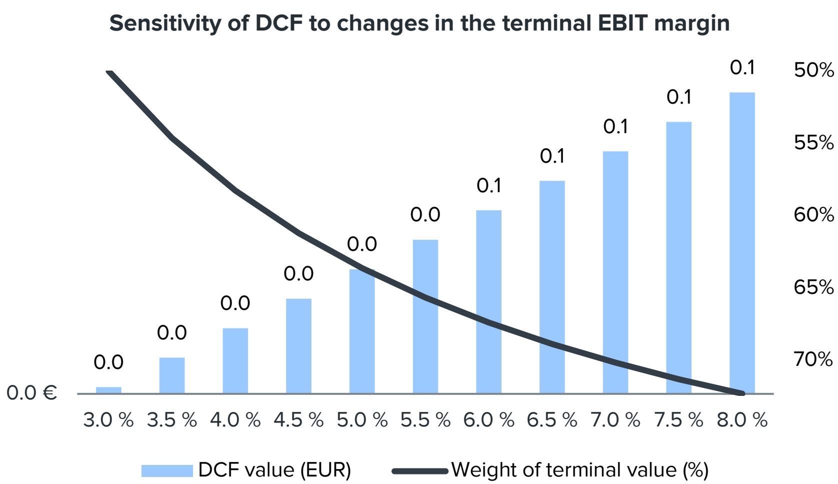
Source: Inderes

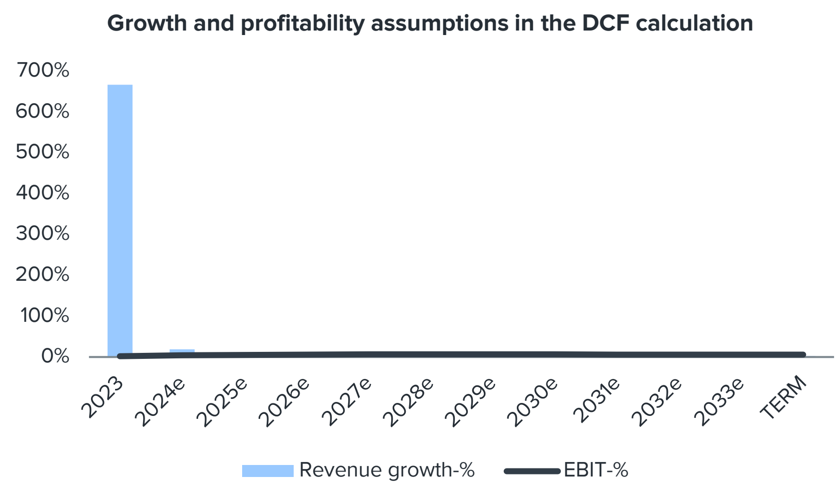


DCF sensitivity calculations and key assumptions in graphs









Source: Inderes. Note that the weight of the terminal value (%) is shown on an inverse scale for clarity.

Summary

Income statement	2021	2022	2023	2024e	2025e
Revenue	2.5	8.6	66.2	**78.5**	**85.2**
EBITDA	-4.2	-3.6	6.3	**8.7**	**9.8**
EBIT	-4.6	-3.8	1.0	**3.3**	**4.2**
PTP	-5.8	-4.1	-0.3	**2.0**	**3.2**
Net Income	-5.8	-4.1	-0.3	**1.8**	**3.0**
Extraordinary items	0.0	0.0	0.0	**0.0**	**0.0**

Balance sheet	2021	2022	2023	2024e	2025e
Balance sheet total	8.2	64.4	67.8	**71.9**	**75.5**
Equity capital	6.5	35.4	40.0	**41.8**	**44.8**
Goodwill	0.0	0.0	3.5	**3.5**	**3.5**
Net debt	-3.8	16.7	13.3	**13.3**	**12.6**

Cash flow	2021	2022	2023	2024e	2025e
EBITDA	-4.2	-3.6	6.3	**8.7**	**9.8**
Change in working capital	-0.5	-0.3	-2.4	**-0.8**	**-0.4**
Operating cash flow	-4.7	-3.8	3.7	**7.6**	**9.1**
CAPEX	0.2	-49.5	-4.1	**-6.3**	**-7.5**
Free cash flow	-4.5	-16.9	4.5	**1.2**	**1.6**

Valuation multiples	2021	2022	2023	2024e	2025e
EV/S	1.7	8.1	0.8	**0.7**	**0.6**
EV/EBITDA (adj.)	neg.	neg.	8.8	**6.4**	**5.6**
EV/EBIT (adj.)	neg.	neg.	53.5	**16.9**	**13.0**
P/E (adj.)	neg.	neg.	neg.	**23.6**	**14.1**
P/B	1.2	1.5	1.1	**1.0**	**0.9**
Dividend-%	0.0 %	0.0 %	0.0 %	**0.0 %**	**0.0 %**

Source: Inderes

Per share data	2021	2022	2023	2024e	2025e
EPS (reported)	-0.03	-0.01	0.00	**0.00**	**0.00**
EPS (adj.)	-0.03	-0.01	0.00	**0.00**	**0.00**
OCF / share	-0.03	0.00	0.00	**0.01**	**0.01**
FCF / share	-0.03	-0.02	0.01	**0.00**	**0.00**
Book value / share	0.04	0.05	0.05	**0.05**	**0.05**
Dividend / share	0.00	0.00	0.00	**0.00**	**0.00**

Growth and profitability	2021	2022	2023	2024e	2025e
Revenue growth-%	-51%	246%	666%	**19%**	**9%**
EBITDA growth-%	22%	-14%	-277%	**38%**	**13%**
EBIT (adj.) growth-%	17%	-17%	-128%	**216%**	**29%**
EPS (adj.) growth-%	-56%	-85%	-94%	**-748%**	**68%**
EBITDA-%	-167.2 %	-41.4 %	9.6 %	**11.1 %**	**11.5 %**
EBIT (adj.)-%	-182.4 %	-43.6 %	1.6 %	**4.2 %**	**5.0 %**
EBIT-%	-182.4 %	-43.6 %	1.6 %	**4.2 %**	**5.0 %**
ROE-%	-103.4 %	-19.4 %	-0.7 %	**4.4 %**	**7.0 %**
ROI-%	-76.2 %	-12.0 %	1.8 %	**5.3 %**	**6.4 %**
Equity ratio	79.5 %	55.0 %	58.9 %	**58.1 %**	**59.4 %**
Gearing	-58.8 %	47.2 %	33.3 %	**31.8 %**	**28.1 %**

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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
3/9/2023	Sell	0.06 €	0.078 €
5/8/2023	Reduce	0.05 €	0.058 €
8/28/2023	Sell	0.04 €	0.062 €
11/6/2023	Reduce	0.04 €	0.049 €
11/30/2023	Reduce	0.04 €	0.048 €
3/1/2024	Reduce	0.04 €	0.048 €

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