

Hexicon

Company report

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Focus is on the MunmuBaram project

Hexicon's Q1 report did not provide any major surprises, although we view it positively that the company showed better cost control than expected during the quarter. However, the main focus in the short term is the process of establishing a long-term ownership structure for the MunmuBaram project, which could help Hexicon secure short-term financing and will be critical to assessing future capital requirements. However, considering that the parameters of the possible divestment remain unknown and the challenging market environment will put pressure on the project development, we stay on the sidelines and wait for a more attractive risk/reward profile. Thus, we reiterate our Reduce recommendation and keep our target price of SEK 0.56 per share.

Q1 report showed better cost control than expected

Hexicon's Q1 revenue amounted to 0.5 MSEK (Inderes: 1.8 MSEK) and was driven by consulting fees earned from its development projects. In the bigger picture, however, Hexicon's investment case and growth to cash flow neutrality hinges on successful development and divestments of the project portfolio. Thus, we do not place too much emphasis on the reported revenue during the quarter. While EBIT for Q1 remained negative, totaling -19.9 MSEK, the company showed substantially better cost development than we expected. The decrease in operating loss was primarily due to capitalizing expenses in the MunmuBaram project from Q3'23 and a slight reduction in the development pace due to an upcoming ownership change. Hexicon showed positive net cash development due to utilizing available debt facilities, resulting in a cash position of 152 MSEK at the end of the period. However, given the high rate of cash consumption, we believe the company will need additional capital this year.

We keep our long-term estimates relatively unchanged

Q1 revenue was slightly below our estimates, leading to small adjustments in our revenue projections for consulting services this year while maintaining revenue estimates from project divestments. Hexicon's Q1 report highlighted a shift towards prioritizing short-term divestible projects, resulting in slower development of the TwinHub project in the UK and improved cost control. Consequently, we lowered our current year cost estimates but kept long-term projections unchanged, as we anticipate ongoing cost increases as the project portfolio develops. Despite these adjustments, our long-term estimates remain relatively unchanged, and [our recent extensive report](#) provides a comprehensive perspective on our estimates.

Still challenging short-term valuation

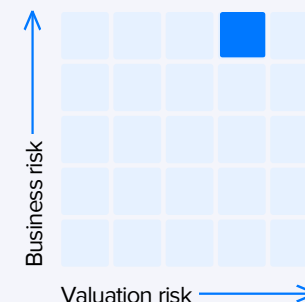
Utilizing valuation methods that depend on Hexicon's future potential, we could currently justify a broad fair value range of SEK 0.40-0.75 per share (unchanged). Given that Hexicon focuses on early project development, and the uncertainty regarding future divestments, the required rate of return is high. With short-term risks still high, especially with the uncertain ownership structure of the important MunmuBaram project and challenging conditions in the offshore wind power market, we see the current risk/reward ratio as quite neutral, and our target price is roughly in the middle of our fair value range. As operations continue to burn cash, we can not rule out possible dilution through share issuance. However, if Hexicon generates significantly more revenue by selling a larger part of its project portfolio or at a higher valuation, the financing situation could change and offer a potentially solid expected return.

Recommendation

Reduce
(prev. Reduce)

0.56 SEK
(prev. 0.56 SEK)

Share price:
0.52



Key indicators

	2023	2024e	2025e	2026e
Revenue	5.7	78.1	451.5	981.8
growth-%	-51%	1266%	478%	117%
EBIT adj.	-180.3	-87.2	270.7	778.7
EBIT-% adj.	-3156.0 %	-111.7 %	60.0 %	79.3 %
Net Income	-187.3	-136.3	209.4	747.7
EPS (adj.)	-0.51	-0.37	0.58	2.06

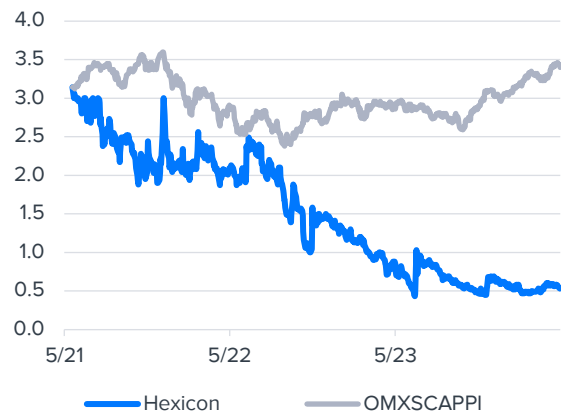
P/E (adj.)	neg.	neg.	0.9	0.3
P/B	>100	neg.	2.5	0.2
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	neg.	neg.	2.7	0.2
EV/EBITDA	neg.	neg.	2.4	0.1
EV/S	73.6	10.4	1.6	0.1

Source: Inderes

Guidance

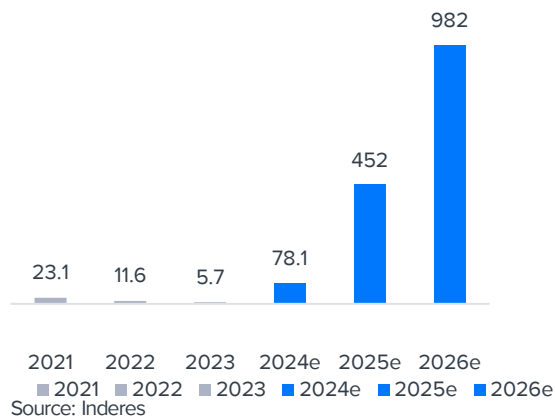
Hexicon do not provide guidance

Share price

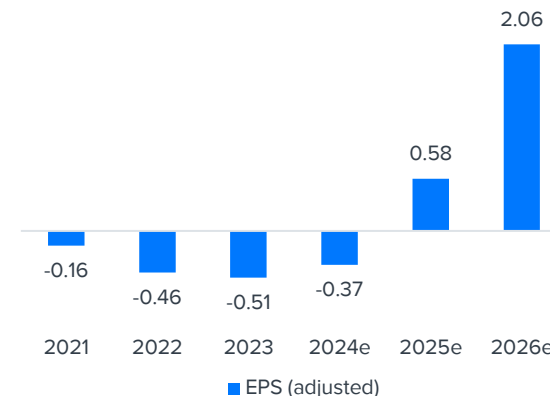


Source: Millstream Market Data AB

Revenue



Earnings per share



Value drivers

- Value of Hexicon's project development portfolio
- Proprietary TwinWind technology with patents in over 20 countries
- Organization's expertise and experience in floating offshore project development
- Market knowledge and global network of partners
- The floating offshore market is expected to grow substantially during this decade



Risk factors

- Delays in development projects or failure of projects to reach FID
- Inability to sell projects on favorable terms or at an appropriate time
- Deterioration in the market value of the project portfolio
- High debt level, somewhat mitigated by the loan structure
- Failure of TwinWind technology to achieve commercial viability

Valuation	2024e	2025e	2026e
Share price	0.52	0.52	0.52
Number of shares, millions	363.8	363.8	363.8
Market cap	189	189	189
EV	815	736	117
P/E (adj.)	neg.	0.9	0.3
P/E	neg.	0.9	0.3
P/B	neg.	2.5	0.2
P/S	2.4	0.4	0.2
EV/Sales	10.4	1.6	0.1
EV/EBITDA	neg.	2.4	0.1
EV/EBIT (adj.)	neg.	2.7	0.2
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Good cost control but divestments are critical to secure financing

Project divestments in focus

Hexicon's Q1 revenue decreased by 71% to 0.5 MSEK, below our estimates of 1.8 MSEK. However, in absolute terms the decline was modest. The main revenue driver during the quarter, as expected, was consulting fees earned from development projects.

In the bigger picture, however, enhancing visibility on revenue growth remains crucial for Hexicon. Clear indications of successful project development and divestments of active projects are essential factors in increasing this visibility. However, we feel that we did not get any tangible information on this in the Q1 report. Hexicon is still in the process of establishing a long-term ownership structure for the MunmuBaram project, in parallel with securing final regulatory approvals for the ownership change. The company commented that it expects additional announcements regarding this to be made over the next few months,

which, in our view, will be critical when assessing Hexicon's future capital requirements.

Lower costs than expected but profitability remains in the red

Hexicon's Q1 EBIT remained negative, totaling -19.9 MSEK, showing better cost development than we expected. The operating loss decreased substantially YoY primarily because expenses in the MunmuBaram project began to be capitalized from Q3'23, and the pace of development has been slightly reduced due to the upcoming structural change in ownership.

Cash flow and financial position

In our view, operating cash flow was at stable levels of -18.1 MSEK (Q1'23: -38.6), mainly due to the decreased operating loss. However, due to the acquisition of shares in MunmuBaram (we expect it to have been some 53 MSEK) and continued high investments in

ongoing project and technology development, free cash flow was heavily in the red and amounted to -116.7 MSEK (Q1'23: -41.6).

Hexicon showed positive net cash development as the company continued to utilize its available debt facilities, resulting in a cash position of 152 MSEK at the end of March 2024. However, given the still high rate of cash consumption and the need to repay the 75 MSEK credit facility by July 2024, we believe the company will require additional capital this year. We anticipate that Hexicon will divest parts of the MunmuBaram project in Q3'24, which would help secure short-term financing and reduce its financial exposure to the project. However, since the potential divestment depends on uncertain yet critical factors such as price, timing, and the share of the project divested, we cannot currently rule out the possibility that the company will also seek other financing options beyond divestments.

Estimates MSEK/SEK	Q1'23	Q1'24	Q1'24e	Q1'24e	Consensus		Difference (%)	2024e
	Comparator	Actualized	Inderes	Consensus	Low	High	Act. vs. Inderes	Inderes
Revenue	1.7	0.5	1.8				-72%	78.1
EBITDA	-50.7	-16.3	-45.4				64%	-64.8
EBIT	-54.5	-19.9	-51.7				61%	-87.2
PTP	-47.4	-32.2	-60.7				47%	-136.4
EPS (reported)	-0.13	-0.09	-0.17				47%	-0.37
Revenue growth-%	-70.2 %	-70.6 %	5.0 %				-75.6 pp	1266.1 %
EBIT-% (adj.)	-3205.9 %	-3980.0 %	-2894.3 %				-1085.7 pp	-111.7 %

Source: Inderes

Estimate changes to reflect the focus on prioritized projects

Estimate changes

- Q1 revenue was slightly below our estimates in absolute terms, leading us to make only small adjustments to our revenue estimates for consulting services for the current year. However, we maintain our revenue estimates generated through project divestments.
- In its Q1 report, Hexicon stated that the company has narrowed its focus to prioritize projects that can be divested in the short term. This has resulted in a slower development pace of the TwinHub project in the UK and better cost control. Reflecting this, we have lowered our cost estimates for the current year but kept our long-term estimates relatively unchanged, as we believe that the company will continue to increase its costs as it develops its project portfolio.
- In the broader context, we continue to identify project divestments, particularly the divestment of the MunmuBaram project, as the primary growth driver for 2024 and 2025. However, estimating the revenue Hexicon will receive from selling part of the project involves uncertain assumptions such as the share of the project divested, the price of that share, and the deal structure. Given the short time between acquiring the remaining 80% of the MunmuBaram project and our estimate that the company will divest parts of the project in Q3'24, we believe it will be challenging to significantly increase the project's value in that short period. Additionally, since the company needs financing, its bargaining power may be somewhat limited. Therefore, we expect that the company will divest some 10-20% of the project at around the same price per MW at which it was acquired from Shell.

Estimate revisions	2024e	2024e	Change	2025e	2025e	Change	2026e	2026e	Change
MSEK/ SEK	Old	New	%	Old	New	%	Old	New	%
Revenue	80.1	78.1	-3%	453	452	0%	983	982	0%
EBITDA	-94.3	-64.8	31%	289	305	5%	803	820	2%
EBIT (exc. NRIs)	-119.3	-87.2	27%	259	271	4%	763	779	2%
EBIT	-119.3	-87.2	27%	259	271	4%	763	779	2%
PTP	-155.3	-136.4	12%	205	209	2%	736	748	2%
EPS (excl. NRIs)	-0.43	-0.37	12%	0.56	0.58	2%	2.02	2.06	2%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

Short-term risk/reward ratio still in the red

Significant potential but high risks

We believe that Hexicon's investment story and growth to cash flow neutrality hinges on the successful development and divestments of the project portfolio. Hexicon has invested heavily in securing and advancing 12 active projects, of which 3 projects are already in the late stage (i.e., before the construction phase where Hexicon aims to divest its ownership of the project). The company is now looking to start divesting parts of its project portfolio, which should generate a significant amount of revenue and is reflected in our estimates. On the other hand, project divestments are subject to several uncertain factors such as timing, pricing and the proportion of projects that are divested. As a result, a wide range of potential outcomes, both positive and negative, can be projected for Hexicon in the future. In addition, the timing of divestments and the deal structure will be critical factors in determining Hexicon's future capital needs.

Sum-of-the-parts valuation

To value Hexicon, we will rely primarily on a sum-of-the-parts (SOTP) calculation, as the valuation method allows us to consider Hexicon's long-term potential without worrying too much about projecting the exact timing of project sales.

The indicative value of our sum-of-the-parts calculation (detailed parameters presented in our [extensive report](#)) is now set at 136-286 MSEK in our baseline scenario. This corresponds to a value of SEK 0.37-0.79 per share (was SEK 0.35-0.76). The slight increase was mainly due to the time factor and no operational changes were made. Therefore, we still believe that the risks are too great to rely on the potential.

DCF and absolute multiples

Our DCF model indicates an equity value of 212 MSEK or 0.58 per share, which is slightly above the current share price. We point out, however, that our DCF model is based on the company's current number of shares, although it is plausible that the company will need equity financing to carry out the growth investments (i.e., we expect the number of shares to increase without any large successful divestments).

Absolute sales-based valuation multiples are high in the near term (2024 EV/S: 10.4x). Looking to 2025, the valuation picture looks more attractive than in the short term, but the forecast risk is also higher as the time horizon is longer. In addition, multiples are difficult to apply as we expect Hexicon's sales to be highly volatile over the forecast period, making it difficult to project the company's levelized sales.

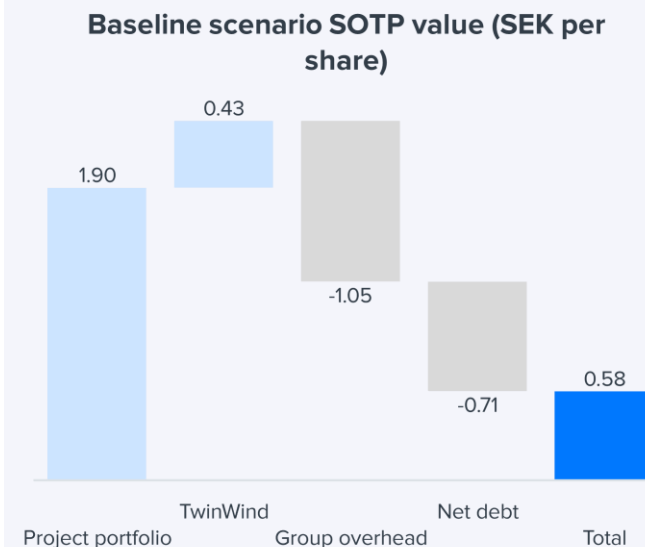
Valuation summary

In our view, the fair value range is still around 0.40-0.75 per share. Despite good growth prospects and value-creating growth, we do not believe that there is sufficient upside in the valuation to bear the risk and uncertainty. In addition, the high debt burden increases risks and hampers cash flow development over the next few years.

We are looking for clear actions from the company to establish large-scale operations that can reduce the risk associated with the share price by improving the visibility into growth and achieving positive cash flows. This would also lower the required rate of return and hence probably have a positive effect on the acceptable valuation. Thus, we reiterate our Reduce recommendation and keep our target price of SEK 0.56 per share.

Valuation	2024e	2025e	2026e
Share price	0.52	0.52	0.52
Number of shares, millions	363.8	363.8	363.8
Market cap	189	189	189
EV	815	736	117
P/E (adj.)	neg.	0.9	0.3
P/E	neg.	0.9	0.3
P/B	neg.	2.5	0.2
P/S	2.4	0.4	0.2
EV/Sales	10.4	1.6	0.1
EV/EBITDA	neg.	2.4	0.1
EV/EBIT (adj.)	neg.	2.7	0.2
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes



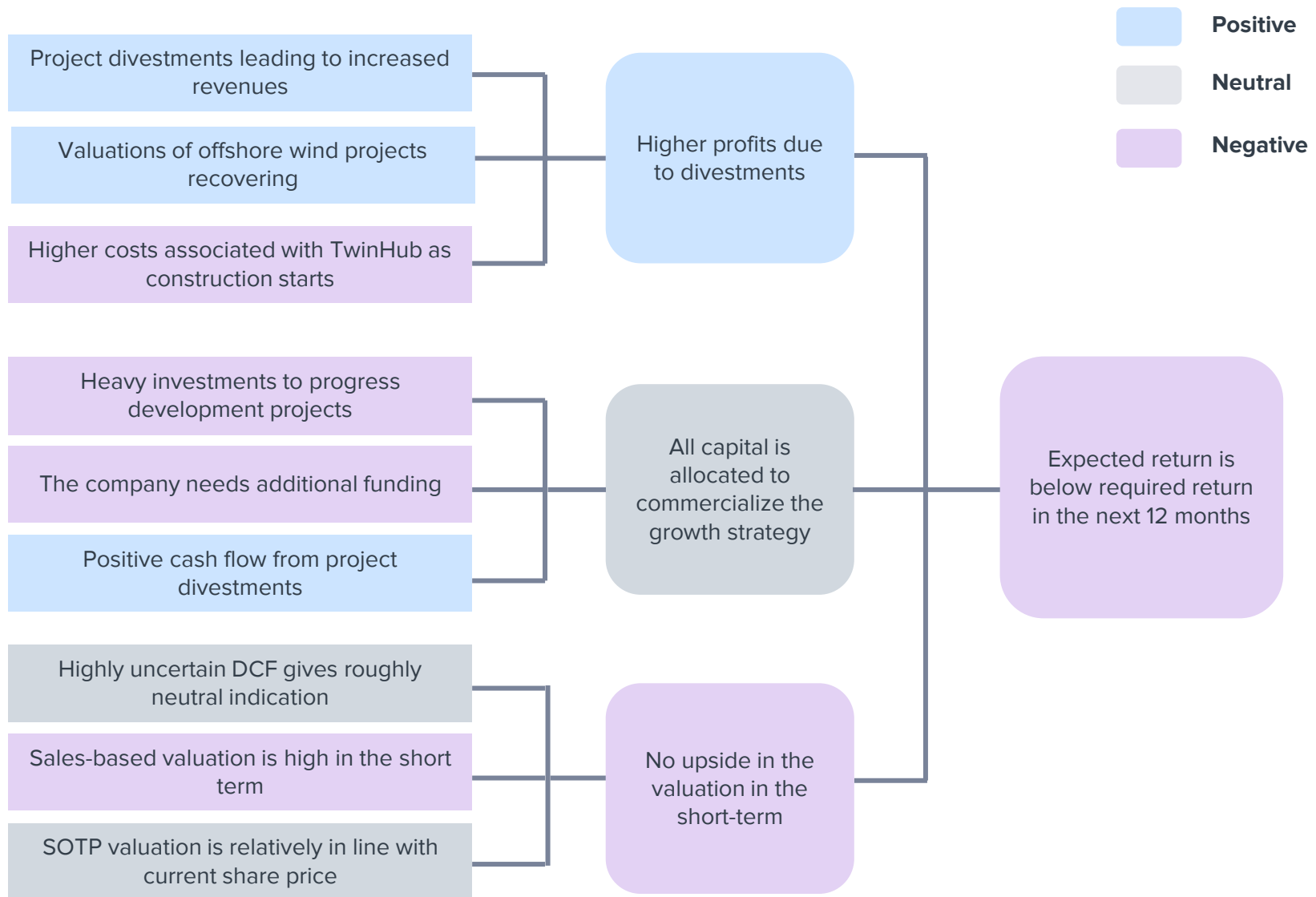
Sum-of-the-parts valuation

Distribution of income over the years (MSEK)	1	2	3	4	5	6	7	8	9
Years	2024	2025	2026	2027	2028	2029	2030	2031	2032
Income from project sales	43	258	566	124	232	199	235	259	157
Distribution of income	43	258	566	124	232	199	235	259	157
WACC-%	15%								
PV	1,165								
Profit sharing & earn out	-473								
PV value of overhead costs	-380								
Net debt	259								
Value of TwinWind technology	158								
Equity value	211								
Value per share (SEK)	0.58								

Parameters	Project portfolio
Net capacity (MW)	7,649 MW
MSEK/MW	1.45-1.65
EBIT-%	70-90%
Tax rate-%	20%
Probability of success-% (Late stage/Early stage)	85/20%
Value of the project development portfolio (MSEK)	2,074

Source: Inderes

TSR drivers 2024e-2027e



Valuation table

Valuation	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e
Share price			3.00	1.46	0.69	0.52	0.52	0.52	0.52
Number of shares, millions			315.3	363.8	363.8	363.8	363.8	363.8	363.8
Market cap			1091	530	252	189	189	189	189
EV			803	524	421	815	736	117	213
P/E (adj.)			neg.	neg.	neg.	neg.	0.9	0.3	3.6
P/E			neg.	neg.	neg.	neg.	0.9	0.3	3.6
P/B			3.4	2.6	>100	neg.	2.5	0.2	0.2
P/S			47.2	45.8	44.1	2.4	0.4	0.2	0.6
EV/Sales			34.8	45.3	73.6	10.4	1.6	0.1	0.7
EV/EBITDA			neg.	neg.	neg.	neg.	2.4	0.1	2.1
EV/EBIT (adj.)			neg.	neg.	neg.	neg.	2.7	0.2	3.7
Payout ratio (%)			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 %

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
OX2	1407	1147	10.9	7.2	10.5	7.0	1.2	0.8	15.1	10.2			2.9
Eolus Vind	163	178	5.6	5.3	5.4	5.1	1.8	1.6	6.9	6.5	3.5	3.8	1.1
Arise	174	229	13.2	11.0	9.7	8.3	5.2	4.4	11.3	9.6	3.0	3.3	0.9
PNE	1126	1858	144.3	80.8	35.9	26.5	8.1	7.1			0.3	0.3	4.8
Enersense	43	82	16.4	7.9	4.5	4.0	0.2	0.2		23.0	1.9	3.9	1.0
Hexicon (Inderes)	16	71	-9.3	2.7	-12.6	2.4	10.4	1.6	-1.4	0.9	0.0	0.0	-1.4
Average			38.1	22.5	13.2	10.2	3.3	2.8	11.1	12.3	2.2	2.8	2.1
Median			13.2	7.9	9.7	7.0	1.8	1.6	11.3	9.9	2.5	3.6	1.1
Diff-% to median			-171%	-66%	-230%	-65%	486%	5%	-112%	-91%	-100%	-100%	-233%

Source: Refinitiv / Inderes

Income statement

Income statement	2021	2022	2023	Q1'24	Q2'24e	Q3'24e	Q4'24e	2024e	2025e	2026e	2027e
Revenue	23.1	11.6	5.7	0.5	1.9	74.9	0.7	78.1	452	982	302
EBITDA	-45.7	-125.6	-159.9	-16.3	-26.8	31.1	-52.8	-64.8	305	820	103
Depreciation	-4.0	-35.5	-20.4	-3.6	-6.3	-6.3	-6.3	-22.4	-33.9	-40.9	-46.6
EBIT (excl. NRI)	-49.8	-161.1	-180.3	-19.9	-33.1	24.9	-59.1	-87.2	271	779	56.8
EBIT	-49.8	-161.1	-180.3	-19.9	-33.1	24.9	-59.1	-87.2	271	779	56.8
Share of profits in assoc. compan.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net financial items	-1.2	-9.7	-7.6	-12.3	-12.3	-12.3	-12.3	-49.2	-61.3	-31.0	-4.0
PTP	-51.0	-170.8	-187.9	-32.2	-45.4	12.6	-71.4	-136.4	209	748	52.7
Taxes	-0.1	0.5	0.4	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0
Minority interest	-0.1	3.4	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	-51.2	-166.9	-187.3	-32.1	-45.4	12.6	-71.4	-136.3	209	748	52.7
EPS (adj.)	-0.16	-0.46	-0.51	-0.09	-0.12	0.03	-0.20	-0.37	0.58	2.06	0.14
EPS (rep.)	-0.16	-0.46	-0.51	-0.09	-0.12	0.03	-0.20	-0.37	0.58	2.06	0.14

Key figures	2021	2022	2023	Q1'24	Q2'24e	Q3'24e	Q4'24e	2024e	2025e	2026e	2027e
Revenue growth-%	430.3 %	-49.9 %	-50.6 %	-70.6 %	-25.0 %	9268.7 %	2.9 %	1266.1 %	478.4 %	117.4 %	-69.3 %
Adjusted EBIT growth-%		223.8 %	11.9 %	-63.5 %	-56.4 %	-190.1 %	164.4 %	-51.7 %	-410.6 %	187.7 %	-92.7 %
EBITDA-%	-197.9 %	-1085.1 %	-2798.5 %	-3260.0 %	-1430.6 %	41.5 %	-7184.7 %	-83.0 %	67.5 %	83.5 %	34.2 %
Adjusted EBIT-%	-215.3 %	-1391.8 %	-3156.0 %	-3980.0 %	-1764.0 %	33.2 %	-8035.2 %	-111.7 %	60.0 %	79.3 %	18.8 %
Net earnings-%	-221.7 %	-1442.1 %	-3278.5 %	-6420.0 %	-2420.0 %	16.8 %	-9708.6 %	-174.6 %	46.4 %	76.2 %	17.5 %

Source: Inderes

Balance sheet

Assets	2022	2023	2024e	2025e	2026e
Non-current assets	246	229	401	526	634
Goodwill	11.7	11.9	11.9	11.9	11.9
Intangible assets	120	146	164	177	188
Tangible assets	66.2	49.4	82.9	110	132
Associated companies	47.1	19.9	140	225	300
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	1.7	1.8	1.8	1.8	1.8
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
Current assets	205	272	196	316	495
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	98.2	136	181	181	181
Receivables	20.5	15.5	7.8	90.3	216
Cash and equivalents	86.6	121	7.8	45.2	98.2
Balance sheet total	452	502	597	842	1129

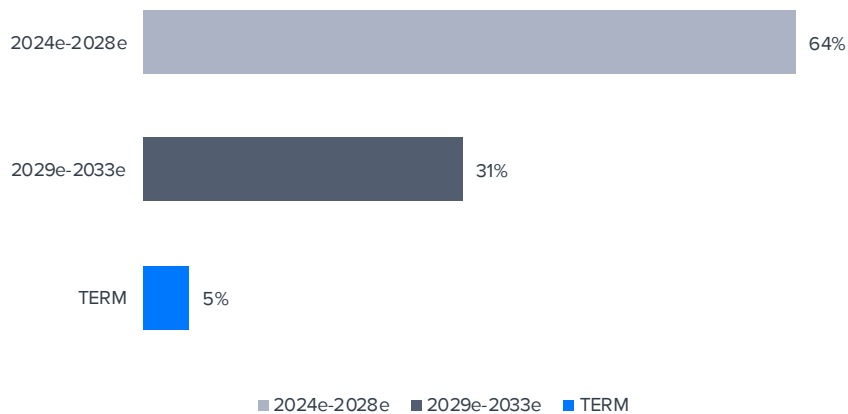
Source: Inderes

Liabilities & equity	2022	2023	2024e	2025e	2026e
Equity	199	1.2	-135.0	74.3	822
Share capital	3.6	3.6	3.6	3.6	3.6
Retained earnings	-388.6	-576.4	-712.7	-503.3	244
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	6.3	-4.4	-4.4	-4.4	-4.4
Other equity	582	579	579	579	579
Minorities	-3.5	-0.7	-0.7	-0.7	-0.7
Non-current liabilities	63.1	129	176	353	69.2
Deferred tax liabilities	4.1	3.8	3.8	3.8	3.8
Provisions	32.7	33.2	33.2	33.2	33.2
Interest bearing debt	2.1	73.5	120	297	13.5
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	24.2	18.7	18.7	18.7	18.7
Current liabilities	189	371	556	415	238
Interest bearing debt	88.4	306	513	297	13.5
Payables	42.0	36.9	15.6	90.3	196
Other current liabilities	58.8	28.0	28.0	28.0	28.0
Balance sheet total	452	502	597	842	1129

DCF calculation

DCF model	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	TERM
Revenue growth-%	-50.6 %	1266.1 %	478.4 %	117.4 %	-69.3 %	63.9 %	-11.4 %	12.5 %	6.4 %	3.5 %	2.0 %	2.0 %
EBIT-%	-3156.0 %	-111.7 %	60.0 %	79.3 %	18.8 %	44.1 %	33.9 %	38.0 %	38.2 %	15.0 %	12.0 %	12.0 %
EBIT (operating profit)	-180.3	-87.2	271	779	56.8	218	148	187	200	81.3	66.4	
+ Depreciation	20.4	22.4	33.9	40.9	46.6	60.6	55.1	50.8	47.5	45.0	43.1	
- Paid taxes	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	-41.2	-16.8	-13.7	
- Tax, financial expenses	0.0	0.0	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	-68.4	-58.6	-7.8	-19.6	-10.5	-19.3	-3.1	-6.5	-3.8	-2.2	-1.3	
Operating cash flow	-228.1	-123.3	297	800	92.8	259	200	231	203	107	94.5	
+ Change in other long-term liabilities	-5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-30.6	-74.0	-74.0	-74.0	-118.9	-39.1	-39.1	-39.1	-39.1	-39.1	-39.1	
Free operating cash flow	-263.8	-197.3	223	726	-26.1	220	161	192	164	68.3	55.4	
+/- Other	0.0	-120.0	-85.0	-75.0	-65.0	-60.0	-60.0	-55.0	-55.0	-50.0	-45.0	
FCFF	-263.8	-317.3	138	651	-91.1	160	101	137	109	18.3	10.4	82.6
Discounted FCFF		-292.3	110	455	-55.4	84.8	46.6	55.0	37.9	5.6	2.8	21.9
Sum of FCFF present value		472	764	654	199	255	170	123	68.1	30.2	24.6	21.9
Enterprise value DCF		472										
- Interest bearing debt		-379.8										
+ Cash and cash equivalents		121										
-Minorities		-0.9										
-Dividend/capital return		0.0										
Equity value DCF		212										
Equity value DCF per share		0.6										

Cash flow distribution



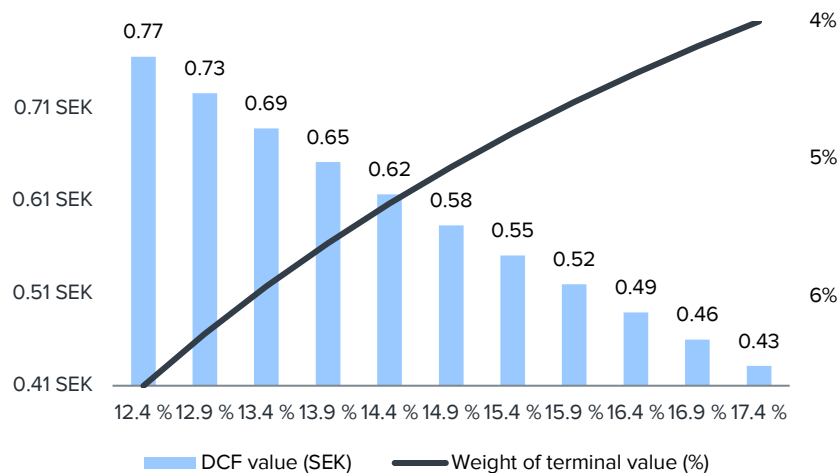
WACC

Tax-% (WACC)	20.6 %
Target debt ratio (D/(D+E))	20.0 %
Cost of debt	8.0 %
Equity Beta	2.00
Market risk premium	4.75%
Liquidity premium	5.00%
Risk free interest rate	2.5 %
Cost of equity	17.0 %
Weighted average cost of capital (WACC)	14.9 %

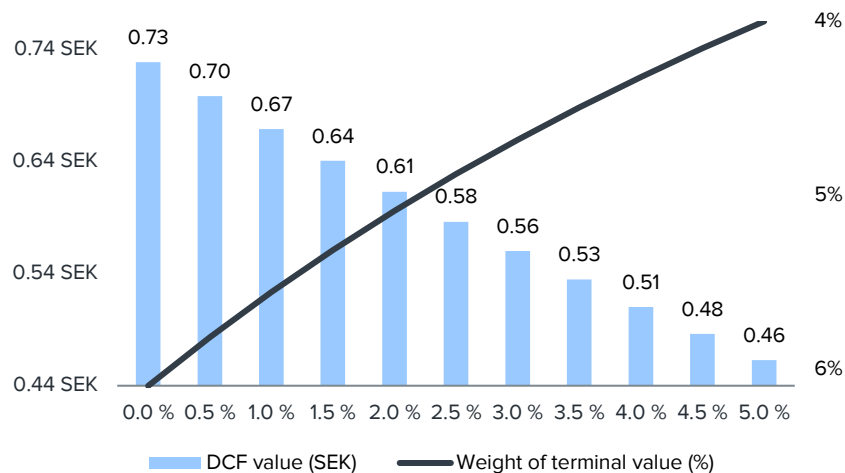
Source: Inderes

DCF sensitivity calculations and key assumptions in graphs

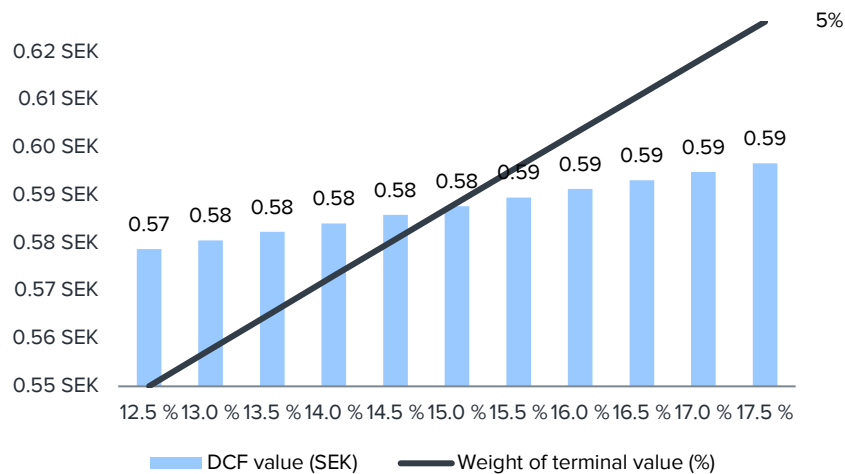
Sensitivity of DCF to changes in the WACC-%



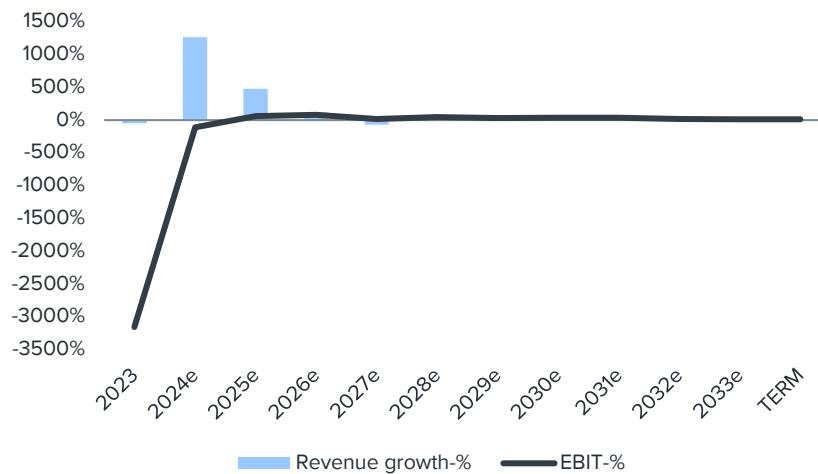
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



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	Per share data	2021	2022	2023	2024e	2025e
Revenue	23.1	11.6	5.7	78.1	451.5	EPS (reported)	-0.16	-0.46	-0.51	-0.37	0.58
EBITDA	-45.7	-125.6	-159.9	-64.8	304.5	EPS (adj.)	-0.16	-0.46	-0.51	-0.37	0.58
EBIT	-49.8	-161.1	-180.3	-87.2	270.7	OCF / share	-0.09	-0.50	-0.63	-0.34	0.82
PTP	-51.0	-170.8	-187.9	-136.4	209.4	FCF / share	-0.30	-0.79	-0.73	-0.87	0.38
Net Income	-51.2	-166.9	-187.3	-136.3	209.4	Book value / share	1.02	0.56	0.01	-0.37	0.21
Extraordinary items	0.0	0.0	0.0	0.0	0.0	Dividend / share	0.00	0.00	0.00	0.00	0.00
Balance sheet	2021	2022	2023	2024e	2025e	Growth and profitability	2021	2022	2023	2024e	2025e
Balance sheet total	432.2	451.6	501.6	597.2	842.2	Revenue growth-%	430%	-50%	-51%	1266%	478%
Equity capital	322.8	199.3	1.2	-135.0	74.3	EBITDA growth-%	157%	175%	27%	-59%	-570%
Goodwill	11.4	11.7	11.9	11.9	11.9	EBIT (adj.) growth-%	39%	224%	12%	-52%	-411%
Net debt	-287.7	3.9	258.6	625.1	548.7	EPS (adj.) growth-%	-15%	182%	12%	-27%	-254%
Cash flow	2021	2022	2023	2024e	2025e	EBITDA-%	-197.9 %	-1085.1 %	-2798.5 %	-83.0 %	67.5 %
EBITDA	-45.7	-125.6	-159.9	-64.8	304.5	EBIT (adj.)-%	-215.3 %	-1391.8 %	-3156.0 %	-111.7 %	60.0 %
Change in working capital	13.3	-55.6	-68.4	-58.6	-7.8	EBIT-%	-215.3 %	-1391.8 %	-3156.0 %	-111.7 %	60.0 %
Operating cash flow	-28.1	-181.1	-228.1	-123.3	296.7	ROE-%	-24.7 %	-63.5 %	-183.1 %	205.7 %	-704.8 %
CAPEX	-129.0	-101.5	-30.6	-74.0	-74.0	ROI-%	-23.9 %	-52.4 %	-53.8 %	-19.8 %	46.4 %
Free cash flow	-95.0	-287.8	-263.8	-317.3	137.8	Equity ratio	74.7 %	44.1 %	0.2 %	-22.6 %	8.8 %
Valuation multiples	2021	2022	2023	2024e	2025e	Gearing	-89.1 %	2.0 %	21424.1 %	-462.9 %	738.4 %
EV/S	34.8	45.3	73.6	10.4	1.6						
EV/EBITDA	neg.	neg.	neg.	neg.	2.4						
EV/EBIT (adj.)	neg.	neg.	neg.	neg.	2.7						
P/E (adj.)	neg.	neg.	neg.	neg.	0.9						
P/B	3.4	2.6	>100	neg.	2.5						
Dividend-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %						

Source: Inderes

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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
2024-04-29	Reduce	0.54 SEK	0.58 SEK
2024-05-30	Reduce	0.54 SEK	0.52 SEK



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