

Kempower

Company report

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✓ Inderes corporate customer

This report is a summary translation of the report "Vahvistunut toimituskyky tukee tulokasvua" published on 4/17/2023 at 7:44 am

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Stronger delivery capacity supports earnings growth

The midpoint of the revenue guidance rose by as much as 31% with the guidance revision on Friday, which also means that profitability will scale faster than previously estimated this year. We expect the faster-than-expected strengthening of the delivery capacity will shorten delivery times and support the development of the order intake in the future. The improved earnings growth outlook turns the risk/return ratio attractive again, so we raise our recommendation to Accumulate (previous Reduce) with a EUR 30 target price (previous 27).

Stronger than expected Q1 especially indicates improved delivery capacity

On Friday morning, Kempower published preliminary data on its business development during Q1. Revenue growth exceeded our and Bloomberg's consensus estimate by about 30%. Revenue increased to EUR 55.8 million (+385% y-o-y). We believe the stronger than expected growth is related to the company's delivery capacity strengthening and bottlenecks easing in the subcontracting chain. The order intake was EUR 61.4 million (+128%) and in line with our estimate. EBIT was EUR 6.9 million, well above our (4.0 MEUR) and consensus (3.5 MEUR) estimates. We estimate that the strong EBIT is related to better-than-expected revenue, which means that the relative share of fixed costs is lower and profitability is better.

Raised 2023 guidance indicates strong delivery capacity and confidence in demand

The guidance increase for 2023 was significant in terms of revenue, as the middle of the range increased by as much as 31% compared to the previous guidance. According to the new guidance, 2023 revenue will be EUR 240-270 million (previous 180-210 MEUR) and the EBIT margin 5-10% (previous single-digit positive figure). The guidance considers that the ramp-up of US operations will increase costs during 2023. We estimate that the growth outlook of the company has strengthened, even though the Q1 order intake is in line with expectations. A large order backlog means that delivery times for new orders are extended and it may not be sensible for the company to use a lot of resources on sales if the delivery capacity cannot keep up with demand. The strengthened delivery capacity can thus make room for new orders and support the order intake for the rest of the year. We raised our revenue estimates by 27% for 2023, by 19% for 2024 and by 13% for 2025. In terms of EBIT, our estimate for 2023 increased by as much as 57%, but we maintained the EBIT estimates for subsequent years largely unchanged. Our 2023 estimates are close to the top end of the company's new guidance and we consider it possible that the company will raise its profitability guidance if the costs from the expansion in the US do not prove especially large.

Risk/return ratio turned positive again

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. Although high earnings growth expectations and the high valuation compared to competitors make it challenging to assess the investment object, we feel the valuation picture has again turned more attractive, with faster than expected improvement in delivery capacity and our latest estimates changes. 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 below 10% in the western countries at that time. On its Q1 report date on April 20 the company also hosts a CMD where it will present its new financial objectives.

Recommendation

Accumulate

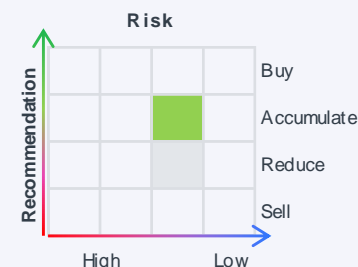
(previous Reduce)

EUR 30.00

(previous EUR 27.00)

Share price:

27.3



Key figures

	2022	2023e	2024e	2025e
Revenue	103.6	266.3	364.8	466.9
growth-%	278%	157%	37%	28%
EBIT adj.	6.7	26.0	46.3	71.4
EBIT-% adj.	6.5 %	9.7 %	12.7 %	15.3 %
Net Income	3.4	20.0	35.3	54.9
EPS (adj.)	0.07	0.36	0.64	0.99
P/E (adj.)	>100	75.9	42.9	27.6
P/B	10.8	12.6	9.7	7.2
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	>100	56.8	31.5	19.8
EV/EBITDA	>100	47.0	25.6	17.0
EV/S	10.0	5.5	4.0	3.0

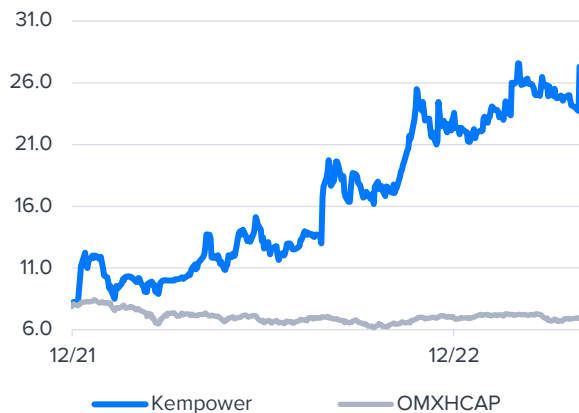
Source: Inderes

Guidance

(Improved)

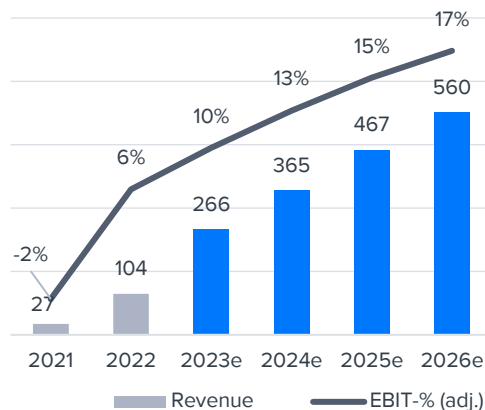
2023 revenue; EUR 240–270 million, assuming no major impact of foreign currency exchange rates. 2023 operative EBIT; positive operative EBIT margin, % between 5% to 10 %.

Share price



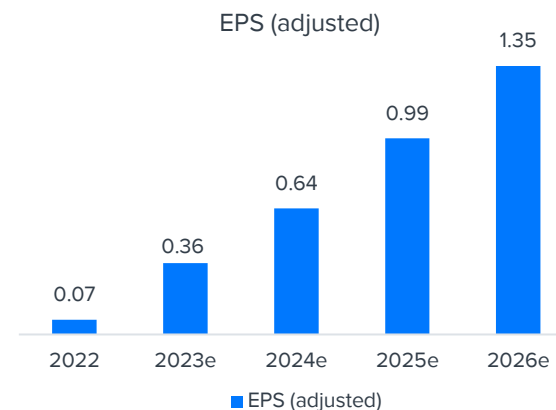
Source: Millstream Market Data AB

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	27.3	27.3	27.3
Number of shares, millions	55.5	55.5	55.5
Market cap	1516	1516	1516
EV	1475	1457	1413
P/E (adj.)	75.9	42.9	27.6
P/E	75.9	42.9	27.6
P/FCF	neg.	79.5	34.0
P/B	12.6	9.7	7.2
P/S	5.7	4.2	3.2
EV/Sales	5.5	4.0	3.0
EV/EBITDA	47.0	25.6	17.0
EV/EBIT (adj.)	56.8	31.5	19.8
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Improved delivery capacity drove strong earnings

Q1 revenue exceeded our estimates by 28%

Kempower's Q1 revenue was EUR 55.8 million while our estimate was EUR 43.7 million (consensus 42.3 MEUR). Thus, growth was as much as 385%, which accelerated compared to the 2022 level (278%). Revenue was not dependent on Q1 demand, but rather on the delivery capacity, as the order backlog at the end of 2022 stood at EUR 119 million. We consider the Q1 order intake even more important than revenue as it gives an indication of the demand development of the company's equipment.

Orders in line with our estimate

The order intake was EUR 61.4 million and roughly in line with our estimate (60.5 MEUR) and increased by +128% from the comparison period. We expect that the high order backlog will partially limit new sales, as

delivery times have started to get longer. We believe that the strengthening delivery capacity can support the order intake in coming quarters.

EBIT scaled nicely

Q1 EBIT was EUR 6.9 million exceeding our (4.0 MEUR) and consensus (3.5 MEUR) estimates. Relative profitability at 12.4% also exceeded our (9.1%) and consensus (8.2%) estimates. We believe that the strong profitability derives from higher revenue than expected, which means that profitability also scaled better than we and the company expected as the relative share of fixed costs in revenue decreases. In its statement, Kempower did not reveal the gross margin so a more detailed analysis of profitability development has to wait until the report date.

Estimates	Q1'22	Q1'23	Q1'23e	Q1'23e	Consensus	Difference (%)	2023e	
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. Inderes	Inderes
Revenue	11.5	55.8	43.7	42.3			28%	209
Order intake	26.9	61.4	60.5				1%	303
Gross margin-%	48.7 %		46.5 %	45.5 %				46.3 %
EBIT (adj.)	-1.0	6.9	4.0	3.5			73%	16.5
EBIT	-1.0		4.0	3.5				16.5
EPS (reported)	-0.02		0.05	0.05				0.22
Revenue growth-%	393.0 %	385.2 %	280.0 %	268.0 %			105.2 pp	102.0 %
EBIT-% (adj.)	-8.7 %	12.4 %	9.1 %	8.2 %			3.2 pp	7.9 %

Source: Inderes & Bloomberg (consensus)

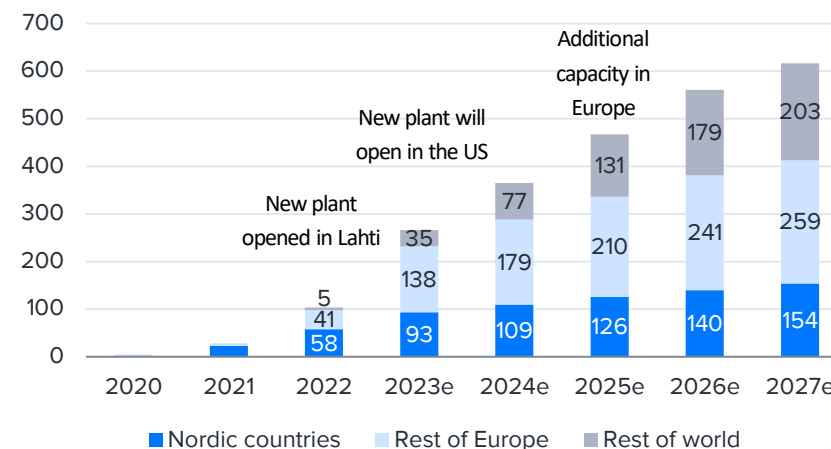
2023e refers to Inderes' expectations before the release of Q1'23 preliminary data.

Growth outlook strengthened

Improved delivery capacity supports new sales and profitability scaling

- Kempower raised its 2023 guidance. According to the new guidance 2023 revenue is EUR 240–270 million, assuming no major impact of foreign currency exchange rates (previous 180-210 MEUR). Operative EBIT margin 5-10% (previous single-digit positive figure).
- We raised our revenue estimates clearly, e.g., due to improve delivery capacity and raised guidance. In practice, a faster-than-expected increase in delivery capacity means that the company is likely to be able to accumulate more orders in the near future. Revenue of EUR 56 million in Q1 is likely to mean clearly over EUR 200 million production in Lahti in the full year 2023. A high delivery capacity only one year after the new Lahti plant opened also increases the probability of rapid implementation of the factory ramp-up in the US.
- We estimate 2023 revenue to be EUR 266 million and EBIT EUR 26.0 million (9.7% EBIT margin). Our estimates are at the upper end of the guidance range. We expect that positive surprises may be seen especially in terms of profitability depending on the final costs caused by the US expansion. We believe the profitability guidance is somewhat cautious due to the uncertainties related to the US ramp-up.

Revenue development by area (MEUR)



Estimate revisions	2023e			2024e			2025e			
	MEUR / EUR	Old	New	Change %	Old	New	Change %	Old	New	Change %
Revenue		209	266	27%	306	365	19%	412	467	13%
EBITDA		22.0	31.4	43%	47.6	56.9	19%	73.4	83.1	13%
EBIT (exc. NRIs)		16.5	26.0	57%	38.5	46.3	20%	62.9	71.4	14%
EBIT		16.5	26.0	57%	38.5	46.3	20%	62.9	71.4	14%
PTP		15.5	25.0	61%	37.5	45.3	21%	61.9	70.4	14%
EPS (excl. NRIs)		0.22	0.36	61%	0.53	0.64	21%	0.87	0.99	14%
DPS		0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

Strong growth decreases earnings-based valuation multiples

Earnings-based valuation is favorable in 2026

With earnings-based valuation multiples, Kempower's valuation cannot be justified with 2023-24 figures so sights must be set further. With our raised 2025-26 estimates EV/EBIT will fall to 20x and 14x. Strong growth estimates involve uncertainty but visibility has constantly improved with Kempower's strong growth and order development, as well as the progress of expansion plans. If good market demand continues, and without major changes in the technology environment, Kempower's valuation in 2026 is already quite favorable considering that industry growth is expected to continue as strong for a long time, even in the 2030s.

It is challenging to find good peers for Kempower

Of Kempower's peers that manufacture DC fast charging equipment, Tritium and Tesla are listed on the stock exchange. Peers' valuation multiples have fallen since August 2022 when we started monitoring Kempower, which has been particularly affected by the earnings disappointments and challenges in implementing profitable growth in both peer companies. Kempower's EV/S ratio is 4.0x with our 2024 estimates, which is close to Tesla's level (4.3x) and much higher than the poorly performing Tritium (0.8x). In addition to DC manufacturers, there are listed companies specializing in AC charging equipment such as Zapterc and CTEK Group, whose growth profiles are not on Kempower's level, and thus the EV/S ratios are around 2x for 2024. In our opinion, peer valuation cannot be used to take a strong stand on Kempower's valuation, but high valuation multiples are still paid for companies that are capable of high value generation in a growing end market. We believe Kempower has the highest margins among the

companies in the DC charging equipment market and, thanks to its technological advantage, it wins market shares from other industry players, which justifies a higher valuation while making peer-based valuation difficult.

DCF valuation rose with the estimates

A DCF analysis indicates a share value of EUR 30.7 per share. We have used an 8.8% cost of equity (CoE) and an 8.2% weighted average cost of capital (WACC). We maintained our long-term EBIT margin assumption (18%) and growth assumption (3%) unchanged. 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 uncertainty. The DCF valuation is highly sensitive to changes in the CoE and WACC and long-term EBIT margin changes.

Recommendation raised to Accumulate

The 2026e EV/EBIT of 14x that looks some three years down the line seems to us to be a sufficiently favorable valuation level for Kempower, considering potential near term share price drivers, like the new financial objectives and the geographical expansion to the US, whose weight in our estimates is still quite moderate. In February 2023, when we cut our recommendation, we stated that we considered the 2026 EV/EBIT ratio of 15x neutral and we still stand behind this valuation view. So far, we do not see a strong upside in Kempower's share, but set the target price to EUR 30 (previous 27). If strong trend continues and uncertainties related to performance are dispelled, the fair value of the share measured with 2026 EV/EBIT is likely to increase gradually.

Valuation	2023e	2024e	2025e
Share price	27.3	27.3	27.3
Number of shares, millions	55.5	55.5	55.5
Market cap	1516	1516	1516
EV	1475	1457	1413
P/E (adj.)	75.9	42.9	27.6
P/E	75.9	42.9	27.6
P/FCF	neg.	79.5	34.0
P/B	12.6	9.7	7.2
P/S	5.7	4.2	3.2
EV/Sales	5.5	4.0	3.0
EV/EBITDA	47.0	25.6	17.0
EV/EBIT (adj.)	56.8	31.5	19.8
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Factors supporting Kempower's valuation:

- Industry-leading products enable high margins and even increasing market shares
- The target market is growing strongly

Factors negatively affecting Kempower's valuation:

- In the long term, technological competition intensifies
- In the short term, growth investments depress earnings

Detailed estimates

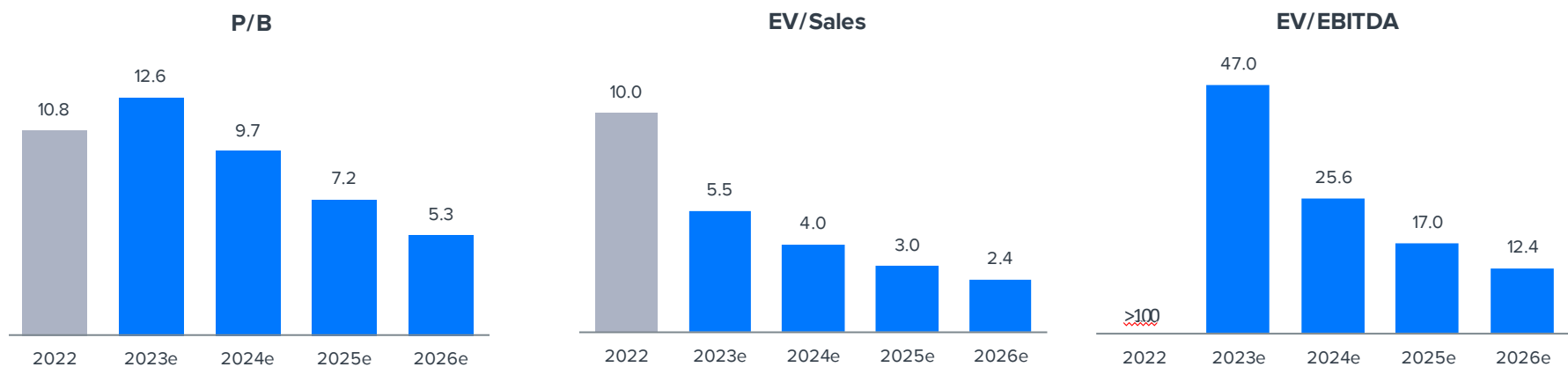
MEUR	2018	2019	2020	2021	2022	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	Terminal
Order intake			7	37	209	303	394							
- growth %				427%	459%	45%	30%							
Order backlog			4	14	119	156	185							
				261%	768%	31%	19%							
Revenue	0	0	3	27	104	266	365	467	560	616	678	746	820	
- growth %		68%	909%	730%	278%	157%	37%	28%	20%	10%	10%	10%	10%	3%
Revenue by area														
Nordic countries	0	0	2	23	58	93	109	126	140	154				
- growth %					150%	61%	17%	15%	11%	10%				
Rest of Europe	0	0	1	4	41	138	179	210	241	259				
- growth %					893%	240%	29%	18%	15%	7%				
Rest of world	0	0	0	0	5	35	77	131	179	203				
- growth %						579%	121%	71%	37%	13%				
Material and service costs	0.0	-0.1	-1.5	-13.6	-52.4	-136.3	-187.2	-241.0	-291.4	-322.4	-356.6	-394.5		
Personnel costs	-0.3	-1.1	-2.2	-7.5	-21.9	-55.1	-69.7	-84.5	-98.0	-103.5	-111.2	-119.3		
Other costs	-0.4	-1.3	-1.8	-5.9	-19.9	-43.4	-51.1	-58.4	-61.6	-64.7	-68.5	-72.3		
EBITDA	-0.6	-2.2	-2.1	0.5	9.5	31.4	56.9	83.1	109.2	125.7	141.6	159.5	179.6	
- % of revenue				1.8%	9.2%	11.8%	15.6%	17.8%	19.5%	20.4%	20.9%	21.4%	21.9%	
Depreciation	0.0	0.0	-0.1	-1.1	-3.4	-5.4	-10.6	-11.7	-11.8	-12.3	-12.9	-13.4	-14.8	
EBIT	-0.6	-2.2	-2.2	-0.7	6.1	26.0	46.3	71.4	97.4	113.4	128.8	146.1	164.8	
- % of revenue				-2.6%	5.9%	9.7%	12.7%	15.3%	17.4%	18.4%	19.0%	19.6%	20.1%	18.0%
Financial expenses				-0.2	-1.3	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	
Taxes				1.1	-1.2	-5.0	-6.9	-12.3	-18.0	-20.9	-23.7	-27.0	-24.4	
- Tax rate %				122%	25%	20%	22%	22%	22%	22%	22%	22%	22%	22%
Net result				0.3	3.6	20.0	38.4	58.1	78.5	91.5	104.0	118.1	139.4	
EPS (EUR)				0.01	0.07	0.36	0.64	0.99	1.35	1.58	1.79	2.04	2.30	
Investments			0.5	1.6	6.2	15.0	16.2	12.5	13.1	13.4	13.7	14.0	14.3	
Net working capital			2.9	3.6	20.8	48.6	60.0	70.3	80.4	85.4	90.6	95.9	97.3	
Net cash assets			0.5	89.3	58.3	41.5	59.8	90.0	96.8	94.1	90.0	84.1	76.1	
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	27.3	27.3	27.3	27.3	27.3	27.3	27.3	27.3
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	1516	1516	1516	1516	1516	1516	1516	1516
EV	1033	1475	1457	1413	1349	1284	1202	1108	999
P/E (adj.)	>100	75.9	42.9	27.6	20.2	17.3	15.2	13.4	11.9
P/E	>100	75.9	42.9	27.6	20.2	17.3	15.2	13.4	11.9
P/FCF	neg.	neg.	79.5	34.0	23.5	18.4	16.0	14.0	11.9
P/B	10.8	12.6	9.7	7.2	5.3	4.1	3.2	2.6	2.1
P/S	10.5	5.7	4.2	3.2	2.7	2.5	2.2	2.0	1.8
EV/Sales	10.0	5.5	4.0	3.0	2.4	2.1	1.8	1.5	1.2
EV/EBITDA	>100	47.0	25.6	17.0	12.4	10.2	8.5	6.9	5.6
EV/EBIT (adj.)	>100	56.8	31.5	19.8	13.8	11.3	9.3	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	160	248					1.7	0.8					
Tesla	532665	516178	39.1	27.3	27.6	20.6	5.5	4.3	47.5	34.0			10.1
Wallbox	506	576				42.3	2.1	1.1					733.6
CTEK Group	162	222	20.0	13.4	13.1	9.7	2.3	1.9	15.4	10.2	1.4	2.4	2.0
Zaptec	297	291	24.3	16.6	20.7	14.7	2.9	2.2	27.9	19.0			6.3
Alfen	1594	1590	18.4	13.9	15.8	11.9	2.9	2.2	24.5	18.7			7.0
Kempower (Inderes)	1516	1475	56.8	31.5	47.0	25.6	5.5	4.0	75.9	42.9	0.0	0.0	12.6
Average			25.4	17.8	19.3	19.8	2.9	2.1	28.8	20.5	1.4	2.4	151.8
Median			22.1	15.3	18.3	14.7	2.6	2.1	26.2	18.8	1.4	2.4	7.0
Diff-% to median			157%	106%	157%	74%	114%	93%	190%	128%	-100%	-100%	81%

Source: Refinitiv / Inderes

Income statement

Income statement	2020	2021	Q1'22	Q2'22	Q3'22	Q4'22	2022	Q1'23e	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	61.6	70.3	78.6	266	365	467	560
EBITDA	-2.1	0.5	-0.2	2.7	3.2	3.9	9.5	8.0	7.6	7.5	8.3	31.4	56.9	83.1	109
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	-10.6	-11.7	-11.8
EBIT (excl. NRI)	-2.2	-0.6	-1.0	1.8	2.4	3.5	6.7	6.9	6.5	6.0	6.5	26.0	46.3	71.4	97.4
EBIT	-2.2	-0.6	-1.0	1.8	2.4	2.9	6.1	6.9	6.5	6.0	6.5	26.0	46.3	71.4	97.4
Net financial items	0.0	-0.2	-0.2	-1.0	-0.6	0.5	-1.3	-0.3	-0.3	-0.3	-0.3	-1.0	-1.0	-1.0	-1.0
PTP	-2.2	-0.8	-1.2	0.8	1.8	3.4	4.8	6.7	6.3	5.8	6.3	25.0	45.3	70.4	96.4
Taxes	0.0	1.1	0.1	-0.2	-0.4	-0.9	-1.4	-1.3	-1.3	-1.2	-1.3	-5.0	-10.0	-15.5	-21.2
Net earnings	-2.2	0.3	-1.1	0.6	1.4	2.5	3.4	5.3	5.0	4.6	5.0	20.0	35.3	54.9	75.2
EPS (adj.)		0.01	-0.02	0.01	0.03	0.06	0.07	0.10	0.09	0.08	0.09	0.36	0.64	0.99	1.35
EPS (rep.)		0.01	-0.02	0.01	0.03	0.05	0.06	0.10	0.09	0.08	0.09	0.36	0.64	0.99	1.35

Key figures	2020	2021	Q1'22	Q2'22	Q3'22	Q4'22	2022	Q1'23e	Q2'23e	Q3'23e	Q4'23e	2023e	2024e	2025e	2026e
Revenue growth-%	909.2 %	730.3 %					278.1 %	385.2 %	185.0 %	115.0 %	107.9 %	157.0 %	37.0 %	28.0 %	20.0 %
Adjusted EBIT growth-%			100.0 %	260.0 %	13.4 %			-790.7 %	261.3 %	153.2 %	85.2 %	287.4 %	78.4 %	54.2 %	36.5 %
EBITDA-%			-2.0 %	12.3 %	9.7 %	10.3 %	9.2 %	14.3 %	12.4 %	10.6 %	10.6 %	11.8 %	15.6 %	17.8 %	19.5 %
Adjusted EBIT-%			-8.7 %	8.3 %	7.3 %	9.3 %	6.5 %	12.4 %	10.6 %	8.6 %	8.3 %	9.7 %	12.7 %	15.3 %	17.4 %
Net earnings-%			-9.6 %	2.8 %	4.3 %	6.7 %	3.3 %	9.5 %	8.1 %	6.6 %	6.4 %	7.5 %	9.7 %	11.8 %	13.4 %

Source: Inderes

Balance sheet

Assets	2021	2022	2023e	2024e	2025e
Non-current assets	5.2	24.3	33.3	38.9	39.8
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	29.2	33.2	32.6
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	206	266	318
Inventories	6.4	27.1	66.0	85.3	104
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	6.6	28.7	70.1	91.0	111
Cash and equivalents	90.4	74.0	70.0	90.0	104
Balance sheet total	109	154	239	305	358

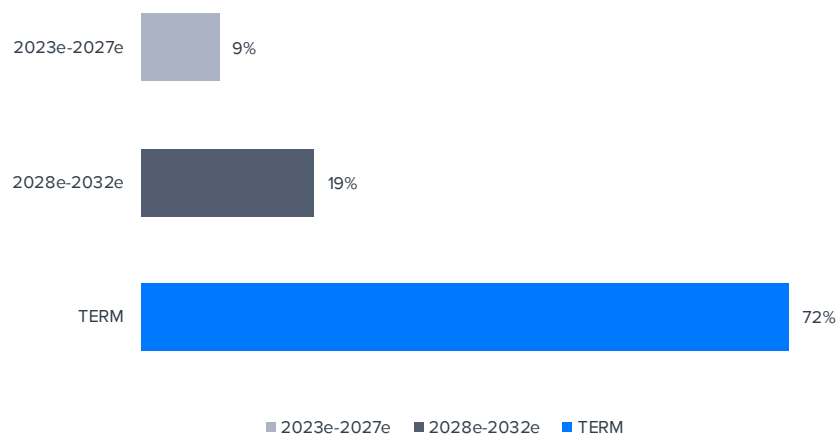
Source: Inderes

Liabilities & equity	2021	2022	2023e	2024e	2025e
Equity	97.5	101	121	156	211
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	1.8	6.4	26.3	61.7	117
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	27.0	28.4	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	24.2	25.7	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	91.8	121	144
Short term debt	0.6	2.4	4.3	4.5	0.0
Payables	9.4	35.1	87.5	116	144
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	108	154	239	305	358

DCF calculation

DCF model	2022	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	TERM
Revenue growth-%	278.1%	157.0%	37.0%	28.0%	20.0%	10.0%	10.0%	10.0%	10.0%	10.0%	3.0%	3.0%
EBIT-%	5.9%	9.7%	12.7%	15.3%	17.4%	18.4%	19.0%	19.6%	20.1%	18.0%	18.0%	18.0%
EBIT (operating profit)	6.1	26.0	46.3	71.4	97.4	113	129	146	165	162	167	
+ Depreciation	3.4	5.4	10.6	11.7	11.8	12.3	12.9	13.4	14.8	16.2	14.4	
- Paid taxes	-0.6	-4.4	-10.0	-15.5	-21.2	-24.7	-28.1	-31.9	-36.0	-35.5	-36.6	
- Tax, financial expenses	-0.4	-0.2	-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	-27.8	-11.4	-10.3	-10.1	-5.0	-5.2	-5.3	-1.4	-0.7	-2.9	
Operating cash flow	-8.6	-1.0	35.3	57.1	77.6	95.8	108	122	142	142	142	
+ 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		-15.0	-16.2	-12.5	-13.1	-13.4	-13.7	-14.0	-14.3	-14.6	-14.4	
Free operating cash flow		-16.1	19.1	44.6	64.5	82.4	94.5	108	128	128	128	
+/- Other		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF		-16.1	19.1	44.6	64.5	82.4	94.5	108	128	128	128	2542
Discounted FCFF		-15.2	16.7	36.0	48.2	56.9	60.3	63.8	69.7	64.4	59.5	1186
Sum of FCFF present value		1646	1662	1645	1609	1561	1504	1443	1380	1310	1246	1186
Enterprise value DCF		1646										
- Interesting bearing debt		-15.7										
+ Cash and cash equivalents		74.0										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		1705										
Equity value DCF per share		30.7										

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	266.3	364.8	EPS (reported)		0.01	0.06	0.36	0.64
EBITDA	-2.1	0.5	9.5	31.4	56.9	EPS (adj.)		0.01	0.07	0.36	0.64
EBIT	-2.2	-0.6	6.1	26.0	46.3	OCF / share		0.00	-0.16	-0.02	0.63
PTP	-2.2	-0.8	4.8	25.0	45.3	FCF / share		-0.14	-0.53	-0.29	0.34
Net Income	-2.2	0.3	3.4	20.0	35.3	Book value / share		1.76	1.81	2.17	2.81
Extraordinary items	0.0	0.0	-0.6	0.0	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	239.5	305.2	Revenue growth-%	909%	730%	278%	157%	37%
Equity capital	0.6	97.5	100.7	120.6	156.0	EBITDA growth-%	-4%	-124%	1800%	230%	81%
Goodwill	0.0	0.0	0.0	0.0	0.0	EBIT (adj.) growth-%	-1%	-73%	-1217%	287%	78%
Net debt	-0.5	-89.3	-58.3	-41.5	-59.8	EPS (adj.) growth-%			1287%	380%	77%
Cash flow	2020	2021	2022	2023e	2024e	EBITDA-%	-63.6 %	1.8 %	9.2 %	11.8 %	15.6 %
EBITDA	-2.1	0.5	9.5	31.4	56.9	EBIT (adj.)-%	-66.7 %	-2.2 %	6.5 %	9.7 %	12.7 %
Change in working capital	-2.9	-0.6	-17.2	-27.8	-11.4	EBIT-%	-66.7 %	-2.2 %	5.9 %	9.7 %	12.7 %
Operating cash flow	-5.0	-0.1	-8.6	-1.0	35.3	ROE-%	-430.1%	0.6 %	3.5 %	18.0 %	25.5 %
CAPEX	-0.5	-4.4	-23.2	-15.0	-16.2	ROI-%	-430.1%	-1.2 %	5.7 %	19.6 %	27.6 %
Free cash flow	-1.9	-7.7	-29.7	-16.1	19.1	Equity ratio	9.7 %	89.9 %	65.3 %	50.4 %	51.1 %
						Gearing	-83.3 %	-91.5 %	-57.9 %	-34.4 %	-38.3 %
Valuation multiples	2020	2021	2022	2023e	2024e						
EV/S	neg.	20.2	10.0	5.5	4.0						
EV/EBITDA (adj.)	0.2	>100	>100	47.0	25.6						
EV/EBIT (adj.)	0.2	neg.	>100	56.8	31.5						
P/E (adj.)		>100	>100	75.9	42.9						
P/B	0.0	6.6	10.8	12.6	9.7						
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 €
17-04-23	Accumulate	30.00 €	27.30 €



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