

Kempower

Company report

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✓ Inderes corporate customer

This report is a summary translation of the report "Tilaukannasta lisätukea lähivuosien kasvulle" published on 10/20/2022 at 8:38 pm

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Order intake strengthens medium-term outlook

Q3 result was in line with our estimates, but the significantly higher number of new orders than expected supports medium-term growth outlook. We expect the company's supply capacity to continue on a gradual growth path, which, at least in the short term, means longer delivery times as demand exceeds delivery capacity. We reiterate our Accumulate recommendation and raise our target price to EUR 22 (previously 20).

Q3 revenue and EBIT in line with our estimates

Kempower's revenue in Q3 was EUR 32.7 million, representing a 227% growth year-on-year. EBIT was EUR 2.4 million, i.e. relative profitability decreased to 7.3% due to a change in the cost structure generated by growth investments (Q3'21: 21.0%). Revenue and EBIT exceeded consensus estimates by 9% but were in line with Inderes' estimates. The gross margin was 46%, i.e. one percentage point better than our estimate. No changes were made to the company's verbal guidance and demand is expected to remain good.

Fierce order intake puts more pressure on increasing the delivery capacity rapidly

New orders totaled EUR 65.4 million during Q3, which clearly exceeded our estimate (31.9). At the end of Q3, the order backlog was already EUR 95 million and according to the company, a majority of this will be delivered in the first half of 2023. Orders were already received in January-September for EUR 149 million. The surprisingly strong demand for Kempower's products challenges the company's delivery capacity, especially in Q4'22. The biggest bottleneck is related to scaling of the subcontracting chain and the availability of electronic components. The company has managed to scale its delivery capacity well during 2022 and we expect further gradual improvement in delivery capacity in 2023. We increased our revenue estimates for 2023-24 by 6% due to the strong order intake. At the same time, our EBIT estimate increased by 18-26% due to faster scaling of revenue. In connection with the Q3 report, Kempower said that it is assessing its current financial targets for the medium and long term. The targets will be updated during the first quarter of 2023. In line with its current targets, Kempower aims to achieve a revenue of EUR 200 million and an EBIT margin of 10% by 2025-2027, and a 15% EBIT margin in the long term. We estimate that at least the medium-term targets will be achieved much sooner, as EUR 200 million revenue could even be reached already during 2023 thanks to strong order development.

The high valuation can be backed up

The higher required return on the stock market, as well as the decrease in the valuation multiples for the peers, highlight Kempower's high valuation relative to short-term figures, so even small cuts in earnings growth expectations could result in significant downward pressure on the share price. Yet we feel that the company's strong growth and especially strong margins relative to the young industry, indicate the exceptional competitiveness of its products. The company is currently in a period of strong growth, but it is profitable at EBIT level, although a large part of fixed costs is allocated to long-term measures and, e.g., the staff has tripled over the past 12 months. When good market demand continues and without major changes in the competitive environment, Kempower's valuation would fall to favorable in 2025-26 (EV/EBIT: 17x and 11x). We consider this an attractive valuation profile for an industry whose growth is likely to continue as strong in the 2030s with the growth of the electric vehicle fleet.

Recommendation

Accumulate

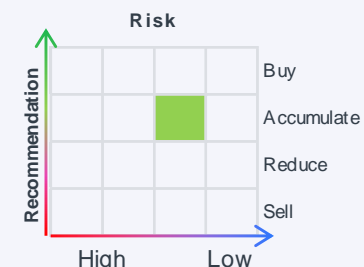
(previous Accumulate)

EUR 22.00

(previous EUR 20.00)

Share price:

19.64



Key figures

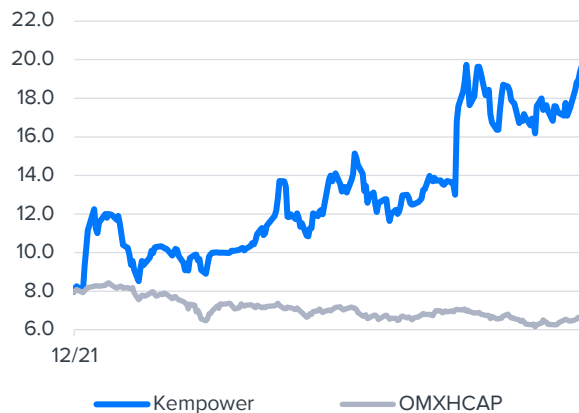
	2021	2022e	2023e	2024e
Revenue	27.4	100.0	189.0	283.5
growth-%	730%	265%	89%	50%
EBIT adj.	-0.6	2.6	14.2	32.3
EBIT-% adj.	-2.2 %	2.6 %	7.5 %	11.4 %
Net Income	0.3	0.5	11.0	24.4
EPS (adj.)	0.01	0.01	0.20	0.44
P/E (adj.)	>100	>100	>100	44.7
P/B	6.6	11.1	10.0	8.2
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	neg.	>100	71.7	31.1
EV/EBITDA	>100	>100	52.4	25.0
EV/S	20.2	10.2	5.4	3.5

Source: Inderes

Guidance

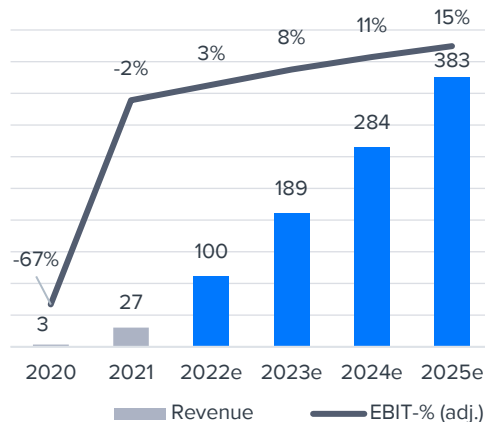
(No numeric guidance)

Share price



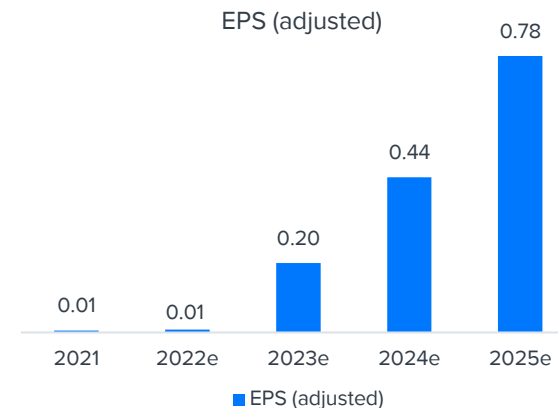
Source: Millstream Market Data AB

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 longer term
- A high valuation based on long-term earnings growth carries significant risk

Valuation	2022e	2023e	2024e
Share price	19.6	19.6	19.6
Number of shares, millions	55.5	55.5	55.5
Market cap	1091	1091	1091
EV	1017	1019	1006
P/E (adj.)	>100	>100	44.7
P/E	>100	>100	44.7
P/FCF	neg.	neg.	79.2
P/B	11.1	10.0	8.2
P/S	10.9	5.8	3.8
EV/Sales	10.2	5.4	3.5
EV/EBITDA	>100	52.4	25.0
EV/EBIT (adj.)	>100	71.7	31.1
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Number of orders exceeded our expectations

Revenue and EBIT in line with our estimates

Kempower's revenue in Q3 was EUR 32.7 million, representing a 227% growth (y-o-y). 59% of revenue was generated in the Nordic countries, 39% in the rest of Europe and 2% in the rest of the world. The share of the Nordic countries was about EUR 2 million more than we estimate and the share of the rest of the world was slightly lower. Geographical distribution of new orders is not reported, but we estimate that the revenue shares of the rest of Europe and the rest of the world will grow rapidly in coming years.

EBIT was EUR 2.4 million and fully in line with our estimate. However, the relative sales margin (7.3%) decreased from the comparison period, as we expected. Despite the growth, the company's EBIT remained relatively modest, as growth measures such as rapid recruitment and examining expansion

possibilities increased fixed costs. The gross margin was 46% (our estimate 45%) and the company has been able to respond to cost inflation and increased production costs by making sufficient price increases.

More than tenfold increase in new orders

Kempower's order intake during Q3 was EUR 65.4 million, which is more than double our estimate (3.9 MEUR). The relative growth rate of new orders (~1000% y-o-y) accelerated significantly compared to the Q2 growth rate (374% y-o-y). We believe this is due to the underlying growth in Europe outside the Nordic countries, because in those markets, installations can also be made in winter, which supports the relative growth of Q3 orders. Previously, fall has been a quieter time for the company in terms of orders, but with geographical expansion this will no longer be the case. During January-September, new orders have been

received for as much as EUR 149 million, for the full year orders may already approach the EUR 200 million milestone.

Outlook remains favorable

Kempower repeated its verbal outlook according to which it expects that demand for its products will continue as good and market development as favorable. Seasonality is not expected to have a significant impact on revenue as a result of geographical expansion. The company will continue expanding in Europe and explore options for expansion to the US. The company's objective is to be present on the US market by the end of 2023 at the latest. In its interim report, the company added that expansion options may even include acquisitions or partnership agreements to accelerate expansion.

Estimates MEUR / EUR	Q3'21	Q3'22	Q3'22e	Q3'22e	Consensus		2022e
	Comparison	Actualized	Inderes	Consensus	Low	High	Inderes
Revenue	10.0	32.7	32.0	30.0	28.0	- 32.0	98.6
Order intake	5.8	65.4	31.9	65.4			148
EBITDA	2.4	3.2	3.3	3.1	2.9	- 3.3	5.7
EBIT	2.1	2.4	2.4	2.2	2.0	- 2.4	2.2
EPS (reported)	0.05	0.03	0.03	0.03	0.03	- 0.03	0.00
Revenue growth-%	1900.0 %	227.0 %	220.0 %	200.0 %	180.0 %	- 220.0 %	260.0 %
EBIT-% (adj.)	21.0 %	7.3 %	7.4 %	7.3 %	7.1 %	- 7.5 %	2.3 %

Source: Inderes & Bloomberg (consensus)

Watch our interview with CEO Tomi Ristimäki using the link below



We expect a gradual increase in delivery volumes

Importance of delivery capacity is emphasized

Kempower's order backlog stood at EUR 95 million at the end of Q3 (Q3'21: 11). Delivery times have begun to stretch and products cannot be delivered at the rate that new orders are received. The company says that most of its EUR 95 million order backlog is planned to be delivered during the first half of 2023. Extremely high demand and increased orders have led to a positive problem for the company, which means that delivery capacity must be scaled up much faster than anticipated. According to the company, personnel and production facilities enable rapid growth, but the most likely bottleneck is found in subcontracting chains and the availability of electronic components. This bottleneck will limit supply, especially in Q4, but capacity will increase towards 2023. In addition, a sub-assembly line will be built for power units, which will help increase the delivery capacity during 2023.

Kempower has so far managed to increase its delivery capacity quickly and fared well despite the component shortage. We find it likely that in Q4 delivery capacity will be at least as good as in Q3 or even improve. We expect Q4 revenue to be EUR 34.2 million (previously 33.5), which is slightly higher than the EUR 32.7 million revenue of Q3. Kempower can exceed our Q4 estimate if it manages to navigate the component availability challenges as well as it has in previous quarters.

2023-24 revenue estimates rise by 6%

We estimate that the delivery capacity will improve roughly by about EUR 5 million per quarter in 2023 and by as much as EUR 10 million in Q4 as production starts in the US. Our 2023 revenue estimate rises to EUR 189 million, or by 6% from our previous estimate. Our 2024 estimate also rises accordingly.

Profitability outlook for the next few years strengthened

Faster revenue growth than we previously estimated supports faster profitability scaling, which is why we raise our 2023-24 EBIT estimates by 18-26%. Costs also remained well within the framework of our estimates and the gross margin was slightly better than we expected. Strong demand for the company's products improves Kempower's pricing power, which helps the company cover the upward pressure on production costs.

Estimate revisions	2022e	2022e	Change	2023e	2023e	Change	2024e	2024e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	98.6	100	1%	178	189	6%	266	284	6%
EBITDA	5.7	6.1	7%	16.5	19.5	18%	35.2	40.3	15%
EBIT (exc. NRIs)	2.2	2.6	17%	11.3	14.2	26%	27.4	32.3	18%
EBIT	2.2	2.6	17%	11.3	14.2	26%	27.4	32.3	18%
PTP	0.2	0.6	170%	10.3	13.2	29%	26.4	31.3	19%
EPS (excl. NRIs)	0.00	0.01	170%	0.14	0.20	37%	0.37	0.44	19%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

Detailed estimates

MEUR	2018	2019	2020	2021	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	Terminaalijakso
Order intake			7	37	199									
- growth %				427 %	432 %									
Order backlog			4	14	113									
				261 %	722 %									
Revenue	0	0	3	27	100	189	284	383	478	526	579	637	701	
- growth %		68 %	909 %	730 %	265 %	89 %	50 %	35 %	25 %	10 %	10 %	10 %	10 %	3 %
Revenue by geographic area														
Nordic countries	0	0	2	23	48	69	88	107	124	137				
- growth %					108 %	44 %	27 %	22 %	16 %	10 %				
Rest of Europe	0	0	1	4	42	77	119	161	201	221				
- growth %					924 %	85 %	54 %	35 %	25 %	10 %				
Rest of world	0	0	0	0	10	43	77	115	153	168				
- growth %						325 %	80 %	50 %	33 %	10 %				
Materials and services	0.0	-0.1	-1.5	-13.6	-50.9	-96.8	-145.5	-197.5	-248.8	-275.3	-304.5	-336.9		
Personnel costs	-0.3	-1.1	-2.2	-7.5	-26.5	-47.3	-65.2	-80.4	-90.9	-97.4	-104.8	-112.7		
Other expenses	-0.4	-1.3	-1.8	-5.9	-16.5	-25.5	-32.6	-38.3	-45.5	-47.4	-49.8	-52.2		
EBITDA	-0.6	-2.2	-2.1	0.5	6.1	19.5	40.3	66.6	93.3	106.3	119.8	135.0	131.7	
- % of revenue				1.8 %	6.1 %	10.3 %	14.2 %	17.4 %	19.5 %	20.2 %	20.7 %	21.2 %	18.8 %	18.8 %
Depreciation	0.0	0.0	-0.1	-1.1	-3.5	-5.3	-7.9	-9.8	-10.5	-10.5	-11.0	-11.5	-12.6	
EBIT	-0.6	-2.2	-2.2	-0.7	2.6	14.2	32.3	56.8	82.8	95.8	108.8	123.5	119.1	
- % of revenue				-2.6 %	2.6 %	7.5 %	11.4 %	14.9 %	17.3 %	18.2 %	18.8 %	19.4 %	17.0 %	17.0 %
Financing costs				-0.2	-2.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	
Taxes				1.1	-0.1	-2.3	-6.9	-12.3	-18.0	-20.9	-23.7	-27.0	-26.0	
-Tax rate %				122 %	20 %	20 %	22 %	22 %	22 %	22 %	22 %	22 %	22 %	22 %
Net profit/loss				0.3	0.5	11.0	24.4	43.6	63.8	73.9	84.1	95.6	92.1	
EPS (EUR)				0.01	0.01	0.20	0.44	0.78	1.15	1.33	1.51	1.72	1.66	
Investments			0.5	1.6	4.5	7.2	9.0	9.7	10.4	10.6	10.9	11.2	11.4	
Net working capital			2.9	3.6	18.2	31.0	41.4	50.6	59.9	63.2	66.6	70.1	70.1	
Net cash assets			0.5	89.3	74.2	71.6	84.6	90.0	173.7	210.5	231.6	254.7	280.2	
Number of personnel (at end)	5	17	38	136	367									

Source: Inderes

Valuation

Earning-based valuation multiples elevated for the next few years

Looking at earnings-based valuation multiples Kempower's valuation cannot be justified with 2022-23 figures so sights must be set further. With our 2024 estimates, EV/EBIT falls to 31x and in 2025-26 to 17x and 11x. We do not consider our 2024 revenue estimate particularly challenging due to the high order backlog and strong demand outlook. When good market demand continues and without major changes in the technology environment, Kempower's valuation would fall to favorable in 2025-26. We consider this an attractive valuation profile in an industry that is expected to grow strongly until 2030 (2020-30e CAGR: 20% p.a.¹), with electric vehicles accounting for about 10% in Europe and DC charger markets totaling EUR 4 billion in Europe and the US. Electrification of transport is expected to continue as strong also in the 2030s.

The valuations of peers have decreased

Among Kempower's peers that manufacture DC fast charging equipment, Tritium and Tesla are listed on the stock exchange. The valuation multiples of the peers have fallen since August when we started monitoring Kempower. Tritium's valuation has collapsed as its 2023e EV/S ratio has fallen to 1.3x (previously 3.8x). We believe the collapse in Tritium's valuation is especially caused by the company's low profitability since the company's gross margin has still been negative in 2022, even though the company has already achieved higher revenue than Kempower. While Kempower's products are flying off the shelf with good 46% gross margins, Tritium has had to sell

its products below production costs. In the current situation, we do not consider Tritium a suitable peer for Kempower.

The valuation of the other listed peer Tesla has also fallen from August. The EV/S ratio for 2023 is now only 6.1x (previously 7.8x) which still exceeds Kempower's ratio (5.4x). On earnings-basis Kempower is more expensive than Tesla for 2023 (EV/EBIT 72x vs 30x), but Kempower is still in early stages when it comes to scaling operations and its earnings-based multiples fall rapidly in the coming years. Kempower's relative growth rate is faster than Tesla's, but the size of its end market is smaller. In our opinion, peer valuation cannot be used to determine whether Kempower is over or under-valued, but we note that in a growing end market, high valuation multiples will still be paid for a company that is capable of high value generation.

DCF

The DCF analysis indicates a share value of EUR 22.0 per share. We have used a cost of equity (CoE) of 9.2% and a weighted average cost of capital (WACC) of 8.5%. We have raised the cost of capital due to the increase in the expected return on the market, but at the same time we note that the risk level of Kempower's share has fallen slightly due to the strengthened order backlog and demand outlook. We consider the risk level of Kempower's operations to be relatively moderate for a company with strong growth. The DCF valuation is highly sensitive to changes in the CoE and WACC and long-term EBIT margin changes.

Valuation	2022e	2023e	2024e
Share price	19.6	19.6	19.6
Number of shares, millions	55.5	55.5	55.5
Market cap	1091	1091	1091
EV	1017	1019	1006
P/E (adj.)	>100	>100	44.7
P/E	>100	>100	44.7
P/FCF	neg.	neg.	79.2
P/B	11.1	10.0	8.2
P/S	10.9	5.8	3.8
EV/Sales	10.2	5.4	3.5
EV/EBITDA	>100	52.4	25.0
EV/EBIT (adj.)	>100	71.7	31.1
Payout ratio (%)	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Factors supporting Kempower's valuation:

- Strong competitiveness thanks to advanced technology
- Strong market growth supported by megatrends
- Progress on expansion plans

Factors negatively affecting Kempower's valuation:

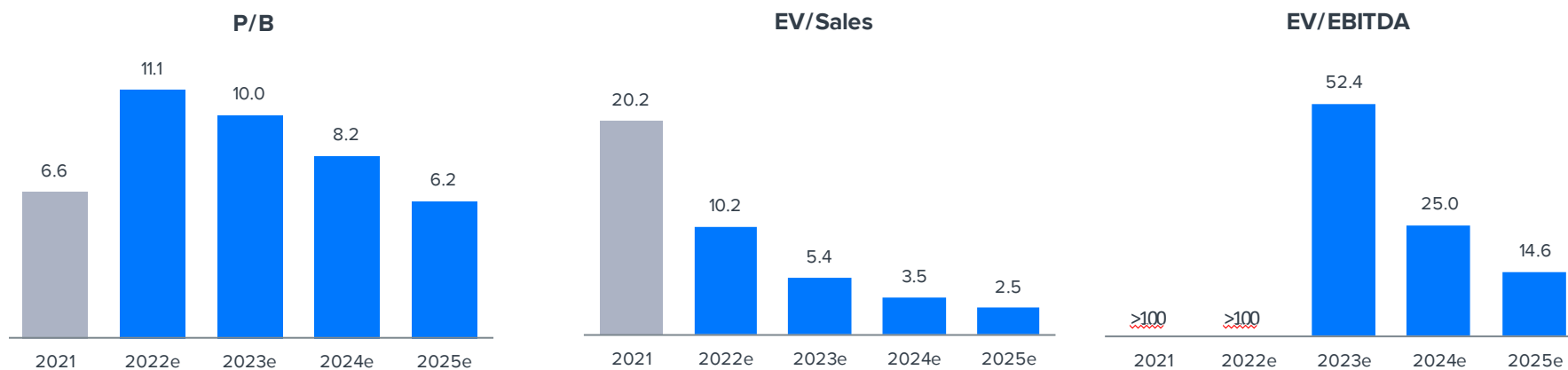
- Lowish profitability in the short term
- Equipment sales is not continuous by nature (even if dispersed and often repetitive)
- Required return rising with increasing interest rates

1) BCG: Why Electric Cars Can't Come Fast Enough (April 2021).

Valuation table

Valuation	2021	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e
Share price	11.6	19.6	19.6	19.6	19.6	19.6	19.6	19.6	19.6
Number of shares, millions	55.5	55.5	55.5	55.5	55.5	55.5	55.5	55.5	55.5
Market cap	642	1091	1091	1091	1091	1091	1091	1091	1091
EV	552	1017	1019	1006	972	916	845	764	670
P/E (adj.)	>100	>100	>100	44.7	25.0	17.1	14.8	13.0	11.4
P/E	>100	>100	>100	44.7	25.0	17.1	14.8	13.0	11.4
P/FCF	neg.	neg.	neg.	79.2	31.0	19.7	15.3	13.4	11.7
P/B	6.6	11.1	10.0	8.2	6.2	4.5	3.5	2.7	2.2
P/S	23.4	10.9	5.8	3.8	2.8	2.3	2.1	1.9	1.7
EV/Sales	20.2	10.2	5.4	3.5	2.5	1.9	1.6	1.3	1.1
EV/EBITDA	>100	>100	52.4	25.0	14.6	9.8	7.9	6.4	5.0
EV/EBIT (adj.)	neg.	>100	71.7	31.1	17.1	11.1	8.8	7.0	5.4
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	2022e	2023e	2022e	2023e	2022e	2023e	2022e	2023e	2022e	2023e	2022e
Tritium	288	306					2.0	1.3					
Tesla	725267	708466	46.6	30.3	35.8	25.6	8.4	6.1	55.8	40.8			15.7
Wallbox	1096	981					5.3	2.6					11.5
CTEK Group	343	396	41.6	24.9	27.0	18.4	4.2	3.4	41.7	27.2	0.5	0.9	5.3
Zaptec	254	235	32.7	12.1	23.9	10.6	3.3	2.1	43.8	16.5			6.2
Alfen	2338	2322	35.6	25.3	30.6	21.9	5.4	4.1	45.6	33.5			15.5
Kempower (Inderes)	1091	1017	390.9	71.7	166.6	52.4	10.2	5.4	2270.4	99.5	0.0	0.0	11.1
Average			39.1	23.1	29.3	19.1	4.8	3.2	46.7	29.5	0.5	0.9	10.8
Median			38.6	25.1	28.8	20.2	4.7	3.0	44.7	30.3	0.5	0.9	11.5
Diff-% to median			914%	186%	478%	160%	114%	81%	4977%	228%	-100%	-100%	-3%

Source: Refinitiv / Inderes. NB: The market cap Inderes uses does not consider own shares held by the company.

Income statement

Income statement	2019	2020	Q1'21	Q2'21	Q3'21	Q4'21	2021	Q1'22	Q2'22	Q3'22	Q4'22e	2022e	2023e	2024e	2025e
Revenue	0.3	3.3	2.3	6.7	10.0	8.4	27.4	11.5	21.6	32.7	34.2	100	189	284	383
EBITDA	-2.2	-2.1	-0.2	0.7	2.4	-2.4	0.5	-0.2	2.7	3.2	0.5	6.1	19.5	40.3	66.6
Depreciation	0.0	-0.1	-0.3	-0.2	-0.3	-0.3	-1.1	-0.8	-0.9	-0.8	-1.1	-3.5	-5.3	-7.9	-9.8
EBIT (excl. NRI)	-2.2	-2.2	-0.5	0.5	2.1	-2.7	-0.6	-1.0	1.8	2.4	-0.6	2.6	14.2	32.3	56.8
EBIT	-2.2	-2.2	-0.5	0.5	2.1	-2.7	-0.6	-1.0	1.8	2.4	-0.6	2.6	14.2	32.3	56.8
Net financial items	0.0	0.0	0.0	-0.2	0.0	0.0	-0.2	-0.2	-1.0	-0.6	-0.2	-2.0	-1.0	-1.0	-1.0
PTP	-2.2	-2.2	-0.5	0.3	2.1	-2.7	-0.8	-1.2	0.8	1.8	-0.8	0.6	13.2	31.3	55.8
Taxes	0.0	0.0	0.0	0.0	0.6	0.6	1.1	0.1	-0.2	-0.4	0.3	-0.1	-2.3	-6.9	-12.3
Net earnings	-2.2	-2.2	-0.5	0.3	2.7	-2.2	0.3	-1.1	0.6	1.4	-0.5	0.5	11.0	24.4	43.6
EPS (adj.)			-0.01	0.01	0.05	-0.04	0.01	-0.02	0.01	0.03	-0.01	0.01	0.20	0.44	0.78
EPS (rep.)			-0.01	0.01	0.05	-0.04	0.01	-0.02	0.01	0.03	-0.01	0.01	0.20	0.44	0.78

Key figures	2019	2020	Q1'21	Q2'21	Q3'21	Q4'21	2021	Q1'22	Q2'22	Q3'22	Q4'22e	2022e	2023e	2024e	2025e
Revenue growth-%	67.7 %	909.2 %					730.3 %	400.0 %	222.4 %	227.0 %	307.3 %	265.0 %	89.0 %	50.0 %	35.0 %
Adjusted EBIT growth-%								100.0 %	260.0 %	14.2 %	-77.8 %	-533.4 %	446.8 %	127.3 %	75.9 %
EBITDA-%			-8.7 %	10.4 %	24.0 %	-28.6 %	1.8 %	-2.0 %	12.3 %	9.8 %	1.4 %	6.1 %	10.3 %	14.2 %	17.4 %
Adjusted EBIT-%			-21.7 %	7.5 %	21.0 %	-32.1 %	-2.2 %	-8.7 %	8.3 %	7.3 %	-1.7 %	2.6 %	7.5 %	11.4 %	14.9 %
Net earnings-%			-21.7 %	4.5 %	26.5 %	-25.6 %	1.1 %	-9.6 %	2.8 %	4.4 %	-1.3 %	0.5 %	5.8 %	8.6 %	11.4 %

Source: Inderes

Balance sheet

Assets	2020	2021	2022e	2023e	2024e
Non-current assets	0.7	5.2	6.1	6.8	7.9
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	0.2	1.1	1.1	1.1	1.1
Tangible assets	0.5	2.9	3.9	5.8	6.8
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	1.3	1.2	0.0	0.0
Current assets	5.5	103	141	182	219
Inventories	1.3	6.4	23.2	41.2	57.9
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	3.8	6.6	28.0	50.3	71.4
Cash and equivalents	0.5	90.4	90.0	90.0	90.0
Balance sheet total	6.2	109	147	188	227

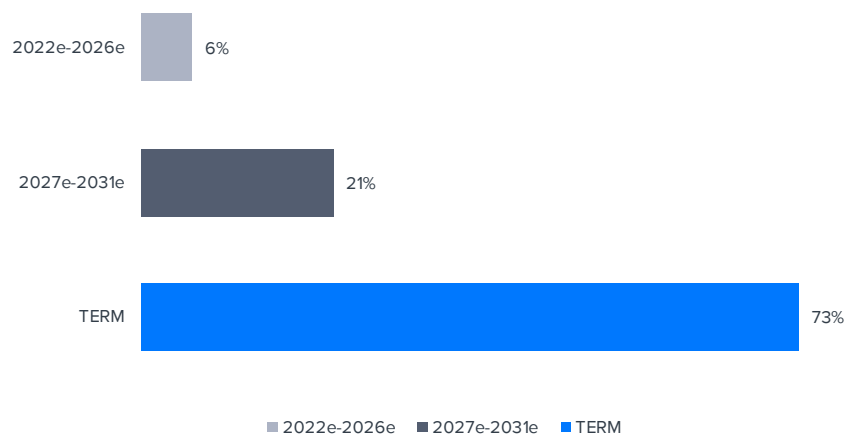
Source: Inderes

Liabilities & equity	2020	2021	2022e	2023e	2024e
Equity	0.6	97.5	98.0	109	133
Share capital	0.0	0.1	0.1	0.1	0.1
Retained earnings	0.0	0.0	0.5	11.4	35.9
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	0.6	97.5	97.5	97.5	97.5
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	3.5	1.0	0.5	0.5	0.5
Deferred tax liabilities	0.0	0.3	0.3	0.3	0.3
Provisions	0.1	0.2	0.2	0.2	0.2
Long term debt	0.0	0.5	0.0	0.0	0.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	3.4	0.0	0.0	0.0	0.0
Current liabilities	2.1	10.0	48.8	78.9	93.3
Short term debt	0.0	0.6	15.8	18.4	5.4
Payables	2.1	9.4	33.0	60.5	87.9
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	6.2	108	147	188	227

DCF calculation

DCF model	2021	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	TERM
Revenue growth-%	730.3 %	265.0 %	89.0 %	50.0 %	35.0 %	25.0 %	10.0 %	10.0 %	10.0 %	10.0 %	3.0 %	3.0 %
EBIT-%	-2.2 %	2.6 %	7.5 %	11.4 %	14.9 %	17.3 %	18.2 %	18.8 %	19.4 %	17.0 %	17.0 %	17.0 %
EBIT (operating profit)	-0.6	2.6	14.2	32.3	56.8	82.8	95.8	109	124	119	123	
+ Depreciation	1.1	3.5	5.3	7.9	9.8	10.5	10.5	11.0	11.5	12.6	10.2	
- Paid taxes	0.1	0.0	-1.1	-6.9	-12.3	-18.0	-20.9	-23.7	-27.0	-26.0	-26.8	
- Tax, financial expenses	0.0	-0.4	-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	-0.6	-14.6	-12.8	-10.4	-9.1	-9.3	-3.4	-3.4	-3.5	0.0	-2.1	
Operating cash flow	-0.1	-8.9	5.4	22.7	45.0	65.8	81.9	92.5	104	105	104	
+ 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		-4.5	-7.2	-9.0	-9.7	-10.4	-10.6	-10.9	-11.2	-11.4	-11.3	
Free operating cash flow		-13.4	-1.8	13.8	35.2	55.4	71.3	81.6	93.2	94.1	92.5	
+/- Other		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF		-13.4	-1.8	13.8	35.2	55.4	71.3	81.6	93.2	94.1	92.5	1742
Discounted FCFF		-13.3	-1.6	11.6	27.2	39.5	46.8	49.4	52.0	48.4	43.9	827
Sum of FCFF present value		1131	1144	1146	1134	1107	1068	1021	971	919	871	827
Enterprise value DCF		1131										
- Interesting bearing debt		-1.1										
+ Cash and cash equivalents		90.4										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		1220										
Equity value DCF per share		22.0										

Cash flow distribution



Wacc

Tax-% (WACC)	22.0 %
Target debt ratio (D/(D+E))	10.0 %
Cost of debt	3.0 %
Equity Beta	1.40
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.5 %
Cost of equity	9.2 %
Weighted average cost of capital (WACC)	8.5 %

Source: Inderes

Summary

Income statement	2019	2020	2021	2022e	2023e	Per share data	2019	2020	2021	2022e	2023e
Revenue	0.3	3.3	27.4	100.0	189.0	EPS (reported)			0.01	0.01	0.20
EBITDA	-2.2	-2.1	0.5	6.1	19.5	EPS (adj.)			0.01	0.01	0.20
EBIT	-2.2	-2.2	-0.6	2.6	14.2	OCF / share			0.00	-0.16	0.10
PTP	-2.2	-2.2	-0.8	0.6	13.2	FCF / share			-0.14	-0.24	-0.03
Net Income	-2.2	-2.2	0.3	0.5	11.0	Book value / share			1.76	1.76	1.96
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	2019	2020	2021	2022e	2023e	Growth and profitability	2019	2020	2021	2022e	2023e
Balance sheet total	1.3	6.2	108.5	147.3	188.3	Revenue growth-%	68%	909%	730%	265%	89%
Equity capital	0.4	0.6	97.5	98.0	109.0	EBITDA growth-%	244%	-4%	-124%	1120%	219%
Goodwill	0.0	0.0	0.0	0.0	0.0	EBIT (adj.) growth-%	246%	-1%	-73%	-533%	447%
Net debt	-0.1	-0.5	-89.3	-74.2	-71.6	EPS (adj.) growth-%				60%	2181%
Cash flow	2019	2020	2021	2022e	2023e	EBITDA-%	-667.3 %	-63.6 %	1.8 %	6.1 %	10.3 %
EBITDA	-2.2	-2.1	0.5	6.1	19.5	EBIT (adj.)-%	-679.2 %	-66.7 %	-2.2 %	2.6 %	7.5 %
Change in working capital	-0.3	-2.9	-0.6	-14.6	-12.8	EBIT-%	-679.2 %	-66.7 %	-2.2 %	2.6 %	7.5 %
Operating cash flow	-2.4	-5.0	-0.1	-8.9	5.4	ROE-%	-704.0 %	-430.1 %	0.6 %	0.5 %	10.6 %
CAPEX	-0.2	-0.5	-4.4	-4.5	-7.2	ROI-%	-704.0 %	-430.1 %	-1.2 %	2.4 %	11.8 %
Free cash flow	-2.6	-1.9	-7.7	-13.4	-1.8	Equity ratio	32.1 %	9.7 %	89.9 %	66.5 %	57.9 %
						Gearing	-16.8 %	-83.3 %	-91.5 %	-75.7 %	-65.7 %
Valuation multiples	2019	2020	2021	2022e	2023e						
EV/S	neg.	neg.	20.2	10.2	5.4						
EV/EBITDA (adj.)	0.0	0.2	>100	>100	52.4						
EV/EBIT (adj.)	0.0	0.2	neg.	>100	71.7						
P/E (adj.)			>100	>100	>100						
P/B	0.0	0.0	6.6	11.1	10.0						
Dividend-%			0.0 %	0.0 %	0.0 %						

Source: Inderes

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Recommendation history (>12 mo)

Date	Recommendation	Target price	Share price
15-08-22	Accumulate	20.00 €	18.35 €
30-10-22	Accumulate	22.00 €	19.64 €



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