

Enapter AG

Germany | Industrial Goods & Services | MCap EUR 243.1m

7 February 2024

UPDATE



Slower progress, but on course with its strategy, Reiterate BUY

What's it all about?

Enapter pre-announced its FY23 results and was able to generate better than expected sales of EUR 31.5m (consensus EUR 30.3m / eAR EUR 30.6m) and positive EBITDA of EUR 0.4m in 2023. These positive results are supported by the recently signed agreement with its first exclusive distribution partner, Solar Invest International SE, for the US market, which Enapter estimates to contribute approx. EUR 25m (EUR 10m for 23) in sales. Enapter's distribution strategy has thus taken the first hurdle, and this year Enapter was able to move forward with another joint venture in China with the Wolong Electric Group. However, growth will be somewhat slower than expected, as the production expansions will not be ready for mass production until 2025. Based on the continued strong growth prospects from 2025 onwards, we reiterate our BUY rating and maintain our target price of EUR 22.50.

BUY (BUY)

Target price	EUR 22.50 (22.50)
Current price	EUR 8.94
Up/downside	151.7%



MAIN AUTHOR

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IMPORTANT. Please refer to the last page of this report for "Important disclosures" and analyst(s) certifications.

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Enapter AG

Germany | Industrial Goods & Services | MCap EUR 243.1m | EV EUR 241.9m

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Slower progress, but on course with its strategy, Reiterate BUY

FY23 better than expected. Enapter pre-announced its FY23 results and was able to generate better than expected sales of EUR 31.5m (consensus EUR 30.3m / eAR EUR 30.6m) and positive EBITDA of EUR 0.4m in 2023 mainly driven by its agreement with its first exclusive distribution partner Solar Invest International SE for the US market.

Distribution agreements. As part of the US agreement, Enapter will receive a payment of EUR 25m, of which we expect approx. EUR 10m to be booked in FY23 and the remainder over the next 2 years. In our view, this first installment explains the better-than-expected results, adjusted for this positive impact, the EBITDA would be in the range of EUR -3.5m to EUR -4m. On the cash flow side, however, only EUR 2m will flow in FY23 and the rest over the following 14 months. Enapter's distribution strategy has taken the first hurdle, and this year Enapter was able to move forward with another joint venture in China with the Wolong Electric Group (Market cap EUR 1.5bn). The Chinese partner will hold 51% of the shares and will also contribute EUR 2m. Enapter on the other hand will secure minimum purchase quantities for its stacks (the core of the electrolyzers), which will continue to be produced in Europe, but will also outsource other value-added steps (assembly of the stacks in the container shell).

Distribution strategy. Enapter uses a distribution strategy that somewhat resembles the successful franchise model, entering into exclusive distribution partnerships for various countries. This allows Enapter not only to secure product sales through minimum orders, but also, as in this case, to receive large one-off payments. Enapter can also focus on its core competence, developing and manufacturing AEM electrolyzers (stacks and software).

Outlook. However, growth will be slightly slower than expected as the production expansions will not be ready for mass production until 2025, a year longer than we had previously assumed in our model. Nevertheless, Enapter's business is well positioned to respond to the strong demand in the hydrogen market after 2025, and the sales strategy is already bearing fruit. Enapter's AEM technology stands out in the electrolysis market because it is cheaper and particularly suited to the flexible storage of electricity using hydrogen, which is important for renewable energy in suitable climates. Based on the continued strong growth prospects from 2025 onwards, we reiterate our BUY rating and maintain our target price of EUR 22.50.



Source: Company data, AlsterResearch

High/low 52 weeks 16.35 / 7.46
Price/Book Ratio 2.6x

Ticker / Symbols

ISIN DE000A255G02
WKN A255G0
Bloomberg H20:GR

Changes in estimates

		Sales	EBIT	EPS
2023E	old	30.6	-5.4	-0.27
	Δ	2.9%	na%	na%
2024E	old	57.8	-0.3	-0.10
	Δ	-10.0%	na%	na%
2025E	old	129.4	5.0	0.06
	Δ	-16.6%	na%	na%

Key share data

Number of shares: (in m pcs) 27.20
Book value per share: (in EUR) 3.39
Ø trading volume: (12 months) 18,626

Major shareholders

BluGreen (Sebastian Schmidt) 65.0%
Svelland Global 5.0%
Sergei Storozhenko 4.1%
Johnson Matthey Plc 3.9%
Mirabella Financial Services LLP 3.0%
Morgan Stanley 3.0%
Free Float 16.0%

Company description

Enapter produces unified electrolysis systems that can be combined into larger modules using a modular approach. The innovative Anion Exchange Membrane (AEM) electrolysis used is an evolution of PEM technologies. This development is aimed at reducing material costs. Enapter has patented its AEM electrolyser, which uses an even more cost-effective process than normal AEM, is very flexible due to its uniform shape and can be produced in series.

Enapter AG	2020	2021	2022	2023E	2024E	2025E
Sales	2.1	8.4	14.7	31.5	52.0	107.9
<i>Growth yoy</i>	122.7%	307.8%	73.8%	114.7%	64.9%	107.7%
EBITDA	-2.9	-7.6	-10.6	0.4	-4.7	-1.2
EBIT	-3.5	-8.6	-12.9	-4.8	-9.8	-8.8
Net profit	-3.6	-8.7	-13.0	-7.4	-11.9	-8.1
Net debt (net cash)	-2.1	-15.0	-1.2	29.5	39.1	52.9
Net debt/EBITDA	0.7x	2.0x	0.1x	77.0x	-8.4x	-42.6x
EPS reported	-1.21	-0.38	-0.51	-0.27	-0.44	-0.30
DPS	0.00	0.00	0.00	0.00	0.00	0.00
<i>Dividend yield</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross profit margin	-0.4%	13.1%	21.7%	57.1%	31.0%	32.9%
EBITDA margin	-141.1%	-90.2%	-72.1%	1.2%	-9.0%	-1.1%
EBIT margin	-171.2%	-102.1%	-87.6%	-15.4%	-18.9%	-8.1%
ROCE	-30.5%	-16.2%	-13.9%	-3.9%	-8.2%	-7.5%
EV/Sales	116.4x	27.0x	16.5x	8.7x	5.4x	2.7x
EV/EBITDA	-82.5x	-29.9x	-22.9x	712.6x	-60.4x	-238.6x
EV/EBIT	-68.0x	-26.5x	-18.8x	-56.2x	-28.7x	-33.8x
PER	-7.4x	-23.7x	-17.6x	-33.0x	-20.3x	-29.9x

Source: Company data, AlsterResearch

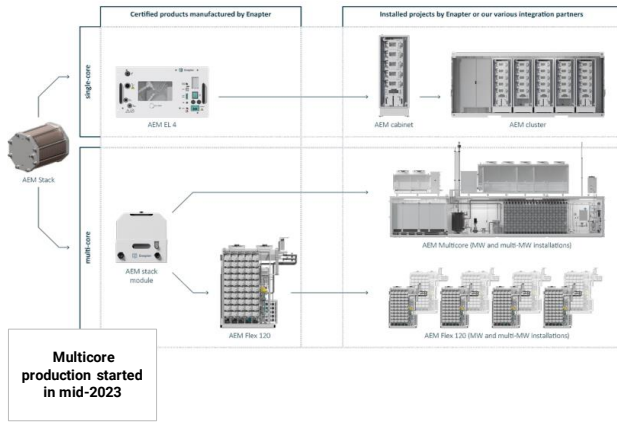
The following table displays the six-monthly performance of **Enapter AG**:

P&L data	H2 2020	H1 2021	H2 2021	H1 2022	H2 2022	H1 2023
Sales	2.1	2.0	6.4	3.3	11.4	4.8
yoy growth in %	na%	218.0%	210.5%	64.5%	76.7%	43.8%
Gross profit	-7.6	0.5	0.6	0.0	3.1	0.9
Gross margin in %	-367.4%	26.1%	9.1%	1.4%	27.6%	19.7%
EBITDA	-3.4	-3.6	-3.8	-6.8	-2.5	-7.0
EBITDA margin in %	-166.3%	-176.3%	-59.0%	-204.4%	-22.3%	-147.2%
EBIT	-3.4	-3.9	-4.7	-7.6	-5.2	-8.6
EBIT margin in %	-166.3%	-195.8%	-72.7%	-229.7%	-46.2%	-180.3%
EBT	-3.5	-4.0	-4.7	-7.7	-5.3	-9.9
taxes paid	0.0	0.0	-0.0	0.0	0.0	0.0
tax rate in %	-0.1%	-0.1%	0.3%	-0.1%	-0.3%	-0.0%
net profit	-3.5	-4.0	-4.7	-7.7	-5.3	-9.9
yoy growth in %	na%	na%	na%	na%	na%	na%
EPS	-0.92	-0.17	-0.20	-0.31	-0.20	-0.37

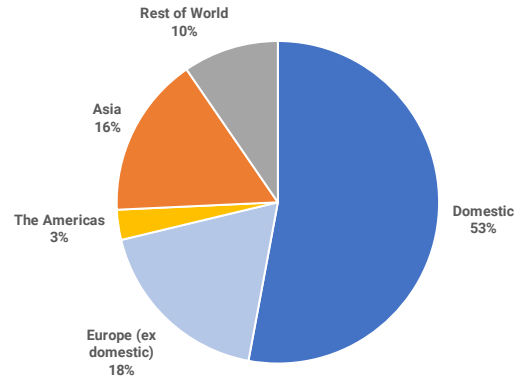
Source: Company data; AlsterResearch

Investment case in six charts

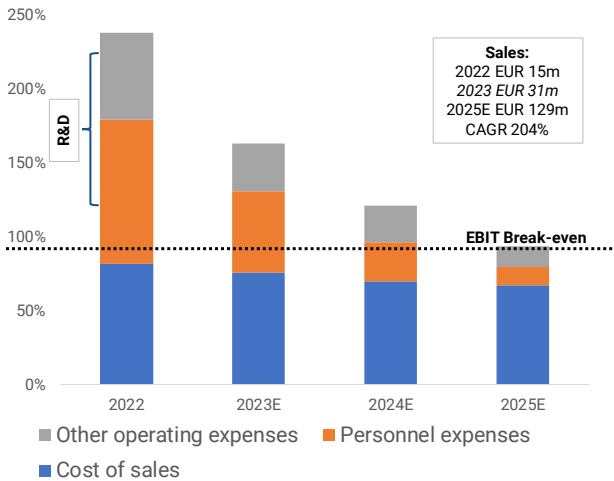
AEM's patented electrolysis systems



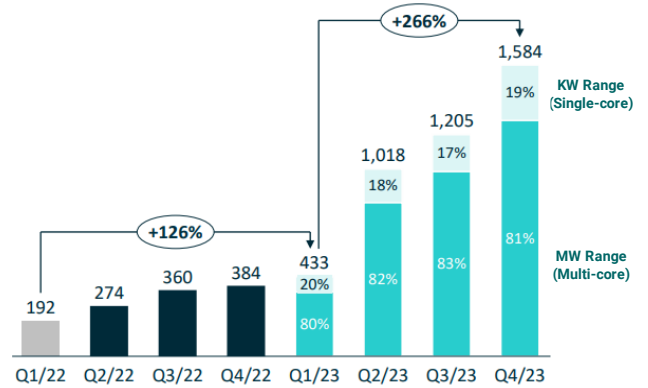
Regional sales split 2022 in %



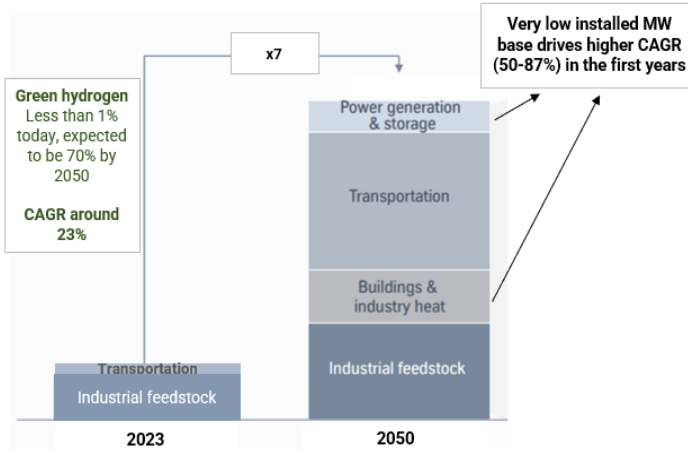
Cost outlook (as % of total sales)



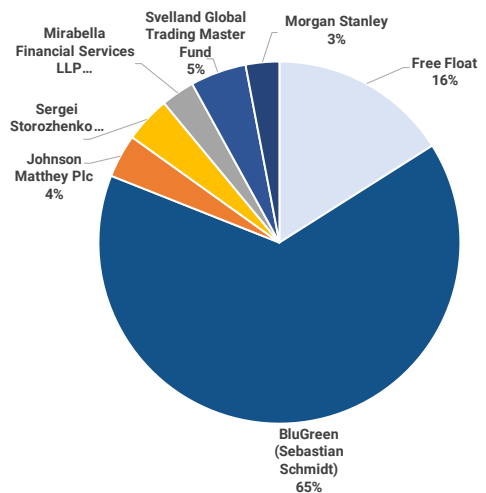
Sales pipeline open deals (EURm)



Hydrogen area outlook



Major Shareholders



Source: Company data; AlsterResearch

SWOT analysis

Strengths

- Lower cost technology than PEM (lower material costs)
- No dependence on rare metals such as titanium and iridium
- Flexible units for different plant sizes
- Broad customer network
- Focus on electricity storage with hydrogen
- Patented core IP
- Software expertise in stack interconnection
- Full vertical integration and self-sufficiency

Weaknesses

- Only single-digit MW installed to date
- Limited track record of technology
- Growth (R&D and capex) will require outside funding
- Order volumes still too low to reach break-even point

Opportunities

- Standardized modules enable mass production and economies of scale
- Improving the power of a stacked module to MW
- Profitable service contracts
- Rapidly expanding hydrogen energy storage market from a low base (especially in Europe)

Threats

- Mass production not taking off as expected
- Market is still in its infancy, threat of new technologies
- Market transition from a subsidy-driven, supplier-centric market to a low-margin, demand-driven market, similar to the wind and solar industries
- High cost of electricity making electrolysis less profitable for customers

FCF Yield Model

Due to the fact that companies rarely bear sufficient resemblance to peers in terms of geographical exposure, size or competitive strength and in order to adjust for the pitfalls of weak long-term visibility, an Adjusted Free Cash Flow analysis (Adjusted FCF) has been conducted.

The adjusted Free Cash Flow Yield results in a fair value between EUR -4.06 per share based on 2023E and EUR 13.72 per share on 2027E estimates.

The main driver of this model is the level of return available to a controlling investor, influenced by the cost of that investors' capital (opportunity costs) and the purchase price – in this case the enterprise value of the company. Here, the adjusted FCF yield is used as a proxy for the required return and is defined as EBITDA less minority interest, taxes and investments required to maintain existing assets (maintenance capex).

FCF yield in EURm	2023E	2024E	2025E	2026E	2027E
EBITDA	0.4	-4.7	-1.2	23.8	40.5
- Maintenance capex	5.2	5.2	7.5	5.4	8.9
- Minorities	0.0	0.0	0.0	0.0	0.0
- tax expenses	0.1	0.2	-2.7	4.0	7.3
= Adjusted FCF	-4.9	-10.1	-6.1	14.5	24.4
Actual Market Cap	243.1	243.1	243.1	243.1	243.1
+ Net debt (cash)	29.5	39.1	52.9	51.1	33.9
+ Pension provisions	0.0	0.0	0.0	0.0	0.0
+ Off B/S financing	0.0	0.0	0.0	0.0	0.0
- Financial assets	1.2	1.2	1.2	1.2	1.2
- Acc. dividend payments	0.0	0.0	0.0	0.0	0.0
<i>EV Reconciliations</i>	28.3	38.0	51.7	49.9	32.7
= Actual EV'	271.4	281.1	294.9	293.1	275.8
Adjusted FCF yield	-1.8%	-3.6%	-2.1%	5.0%	8.8%
base hurdle rate	7.0%	7.0%	7.0%	7.0%	7.0%
ESG adjustment	1.0%	1.0%	1.0%	1.0%	1.0%
adjusted hurdle rate	6.0%	6.0%	6.0%	6.0%	6.0%
Fair EV	-82.0	-167.8	-100.9	242.2	405.9
- <i>EV Reconciliations</i>	28.3	38.0	51.7	49.9	32.7
Fair Market Cap	-110.3	-205.7	-152.7	192.3	373.2
No. of shares (million)	27.2	27.2	27.2	27.2	27.2
Fair value per share in EUR	-4.06	-7.57	-5.61	7.07	13.72
Premium (-) / discount (+)	-145.4%	-184.6%	-162.8%	-20.9%	53.5%

Sensitivity analysis FV						
Adjusted hurdle rate	4.0%	-5.6	-10.7	-7.5	11.5	21.2
	5.0%	-4.7	-8.8	-6.4	8.9	16.7
	6.0%	-4.1	-7.6	-5.6	7.1	13.7
	7.0%	-3.6	-6.7	-5.1	5.8	11.6
	8.0%	-3.3	-6.0	-4.7	4.8	10.0

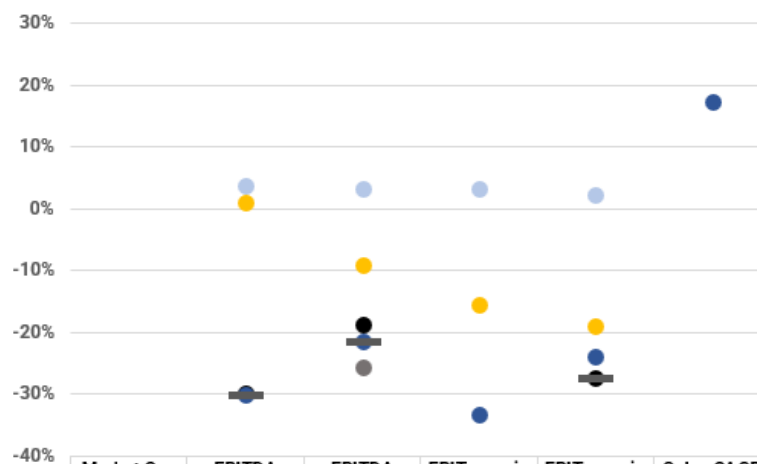
Source: Company data; AlsterResearch

Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 7.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments might be applicable. A high score indicates high awareness for environmental, social or governance issues and thus might lower the overall risk an investment in the company might carry. A low score on the contrary might increase the risk of an investment and might therefore trigger a higher required hurdle rate.**

Peer group analysis

A peer group or comparable company (“comps”) analysis is a methodology that calculates a company’s relative value – how much it should be worth based on how it compares to other similar companies. Given that **Enapter AG** differs quite significantly in terms of size, focus, financial health and growth trajectory, we regard our peer group analysis merely as a support for other valuation methods. The peer group of Enapter AG consists of the stocks displayed in the chart below. As of 7 February 2024 the median market cap of the peer group was EUR 708.7m, compared to EUR 243.1m for Enapter AG. In the period under review, the peer group was less profitable than Enapter AG. The expectations for sales growth are lower for the peer group than for Enapter AG.

Peer Group – Key data



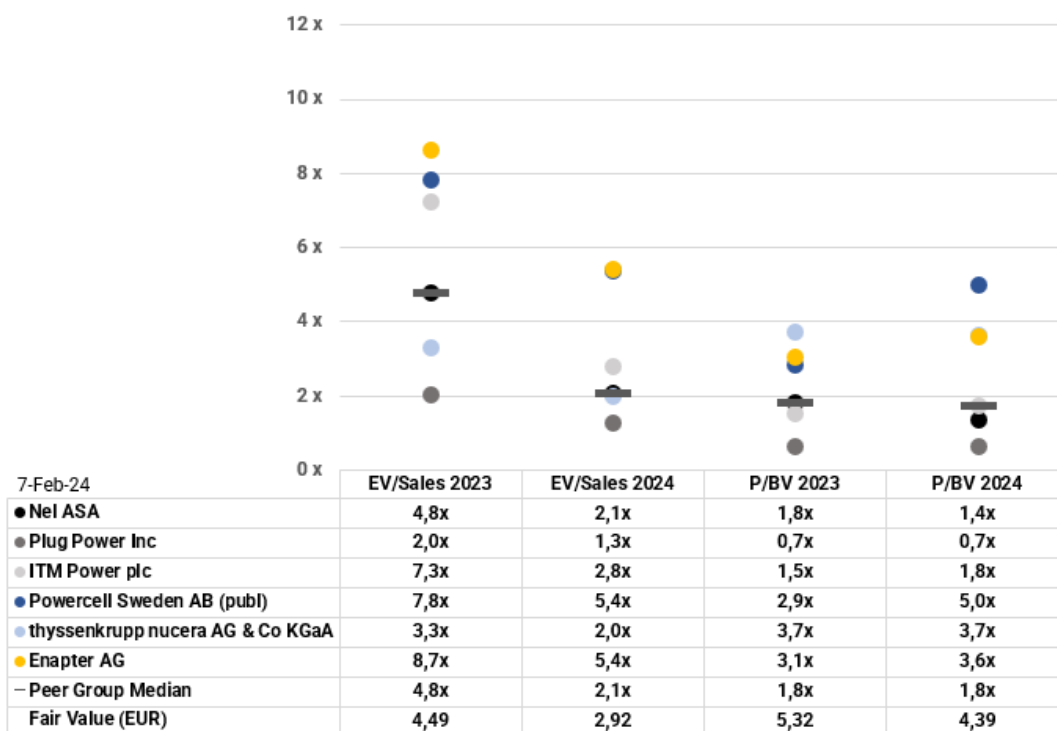
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	Market Cap (EURm)	EBITDA margin 2023	EBITDA margin 2024	EBIT margin 2023	EBIT margin 2024	Sales CAGR 2022-2025
● Nel ASA	709	-29,7%	-18,6%	-42,3%	-27,4%	43,5%
● Plug Power Inc	2.449	-79,1%	-25,5%	-101,9%	-46,2%	35,9%
● ITM Power plc	450	-1907,9%	-257,5%	-1983,4%	-281,8%	106,1%
● Powercell Sweden AB (publ)	176	-29,9%	-21,3%	-33,3%	-23,9%	17,3%
● thyssenkrupp nucera AG & Co KGaA	2.817	3,8%	3,3%	3,3%	2,3%	50,4%
● Enapter AG	243	1,2%	-9,0%	-15,4%	-18,9%	82,4%
— Peer Group Median	709	-29,9%	-21,3%	-42,3%	-27,4%	43,5%

Source: Sentio, AlsterResearch

Comparable company analysis operates under the assumption that similar companies will have similar valuation multiples. We use the following multiples: EV/EBITDA 2023, EV/EBITDA 2024, EV/Sales 2023, EV/Sales 2024, P/BV 2023 and P/BV 2024. Applying these to Enapter AG results in a range of fair values from EUR 2.92 to EUR 139.55.

Peer Group – Multiples and valuation



Source: Sentio, AlsterResearch

The following is a detailed description of the peer group (source: Sentio):

Nel ASA, formerly Diagenic ASA, is a Norway-based hydrogen company that delivers solutions to produce, store and distribute hydrogen from renewable energy. The Company's hydrogen solutions cover the entire value chain from hydrogen production technologies to hydrogen fueling stations. Nel ASA's operations are divided into two operating segments, Nel Hydrogen Fueling and Nel Hydrogen Electrolyser. The Nel Hydrogen Fueling Segment is a manufacturer of hydrogen fueling stations that provide Fuel Cell Electric Vehicles (FCEVs) with the same fast fueling and long range as conventional fossil fuel vehicles, while the Nel Hydrogen Electrolyser Segment is a global supplier of hydrogen production equipment and plants based on both alkaline and Polymer Electrolyte Membrane (PEM) water electrolyser technology. The Company has several subsidiaries, including Proton Energy Systems Inc, Nel Hydrogen Electrolyser AS and Nel Korea Co Ltd.

ITM Power plc is an energy storage and clean fuel company. The Company manufactures integrated hydrogen energy solutions for grid balancing, energy storage and the production of renewable hydrogen for transport, renewable heat and chemicals. Its proton exchange membrane (PEM) electrolysers use renewable electricity and water to create green hydrogen through a process called electrolysis. Its electrolysers include HGAS1SP, HGAS3SP and 3MEP CUBE. HGAS1SP is a small containerized PEM electrolyser system and its Plug & Play product includes a single ITM Power PEM electrolyser stack alongside all the necessary sub-systems required to produce self-pressurized green hydrogen gas. HGAS3SP is a medium-sized containerized PEM electrolyser system, and its Plug & Play product includes three ITM Power PEM electrolyser stacks alongside all the necessary sub-systems

required to produce self-pressurized green hydrogen gas. 3MEP CUBE is a modular system for large hydrogen production.

Plug Power Inc. is a provider of hydrogen fuel cell turnkey solutions. The Company provide electrolyzers that allow customers, such as refineries, producers of chemicals, steel, fertilizer and commercial refueling stations, to generate hydrogen on-site. It focuses on industrial mobility applications, including electric forklifts and electric industrial vehicles, at multi-shift high volume manufacturing and high throughput distribution sites and environmental benefits; stationary power systems that supports critical operations, such as data centers, microgrids and generation facilities, in either a backup power or continuous power role and replace batteries, diesel generators or the grid for telecommunication logistics, transportation, and utility customers; and production of hydrogen. Its products include GenDrive, GenFuel, GenCare, GenSure, GenKey, ProGen, Electrolyzers, Liquefaction Systems and Cryogenic Equipment. It serves the North American and European material handling markets.

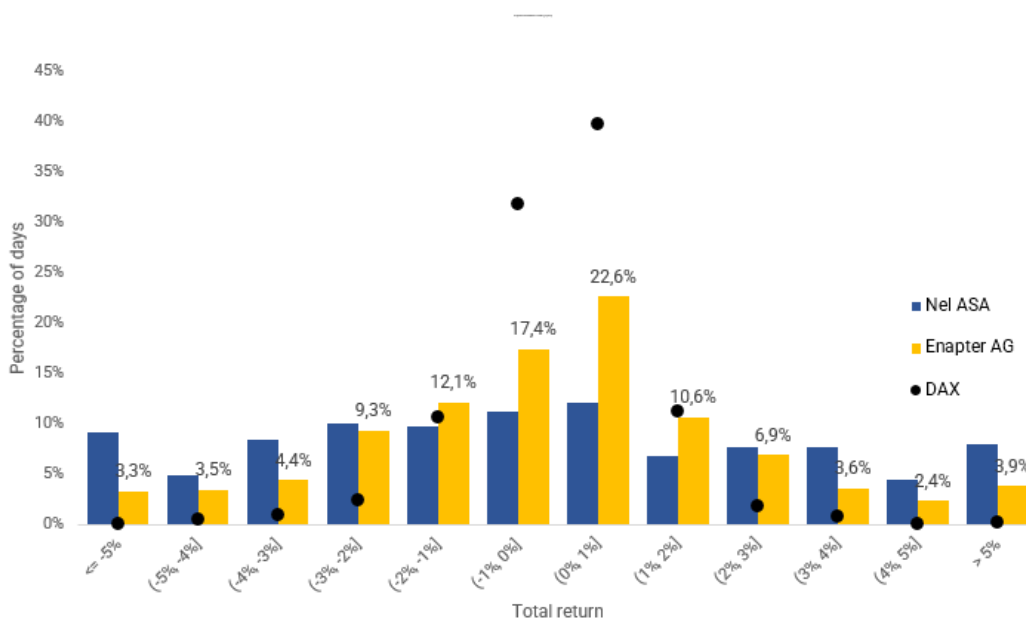
Powercell Sweden AB (publ) is a Sweden-based company active in the field of clean energy. It is engaged in the development, manufacture and sales of power systems with fuel cell and reformer technology. Its systems work both fossil and renewable fuels and convert them to hydrogen, which drives the power cells. The Company's product offering comprises: Fuel Cell Stack, designed to work in the auxiliary power unit (APU) environment on reformat gas or hydrogen and varying from one to six kilowatts (kW); and PowerPac, a complete electric power-generating unit operating in the range between one and three kW, which uses low sulfur road diesel. The possible applications of its products include telecommunication, transport, power supply to buildings, and military.

Thyssenkrupp nucera is an environmental technology company for electrolysis systems. The company focuses on the development, production, project management and maintenance of systems for the production of hydrogen by the chlor-alkali process for industrial use and by alkaline hydrogen electrolysis for the supply of green energy. (source: Alsterresearch)

Risk

The chart displays the distribution of daily returns of Enapter AG over the last 3 years, compared to the same distribution for Nel ASA. We have also included the distribution for the index DAX. The distribution gives a better understanding of risk than measures like volatility, which assume that log returns are normally distributed. In reality, they are skewed (down moves are larger) and have fat tails (large moves occur more often than predicted). Also, volatility treats up and down moves the same, while investors are more worried about down moves. For Enapter AG, the worst day during the past 3 years was 09/12/2022 with a share price decline of -20.0%. The best day was 29/12/2023 when the share price increased by 17.1%.

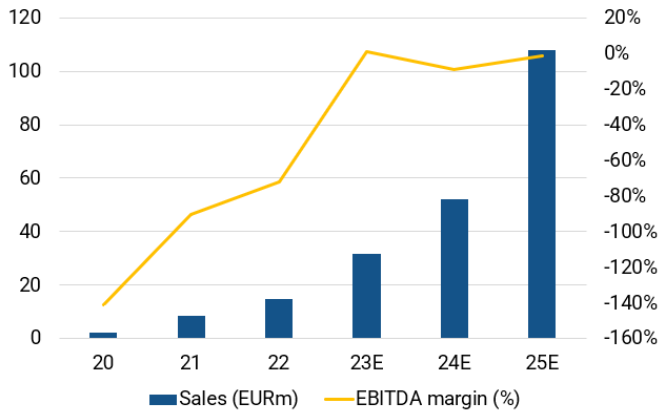
Risk – Daily Returns Distribution (trailing 3 years)



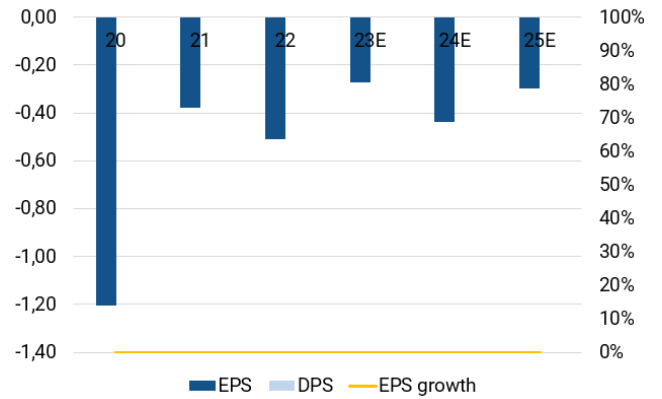
Source: Sentieo, AlsterResearch

Financials in six charts

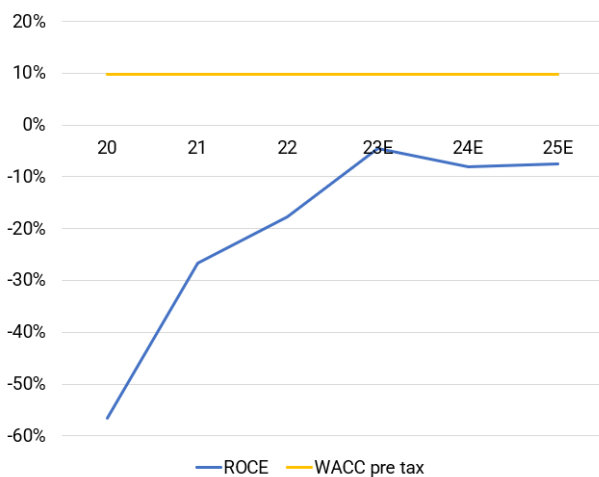
Sales vs. EBITDA margin development



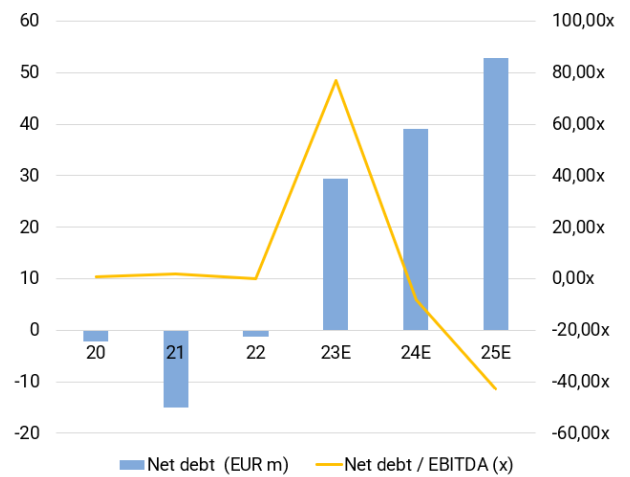
EPS, DPS in EUR & yoy EPS growth



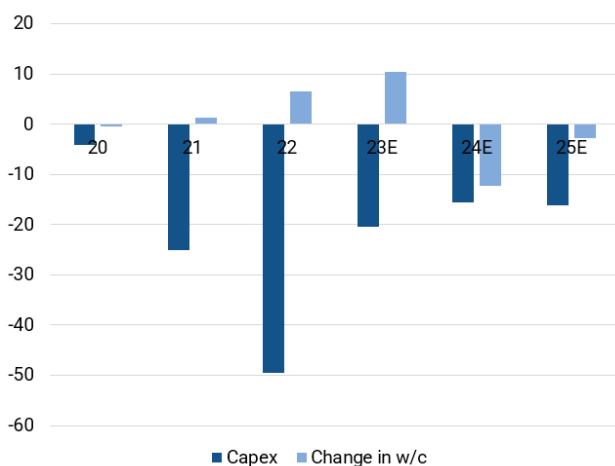
ROCE vs. WACC (pre tax)



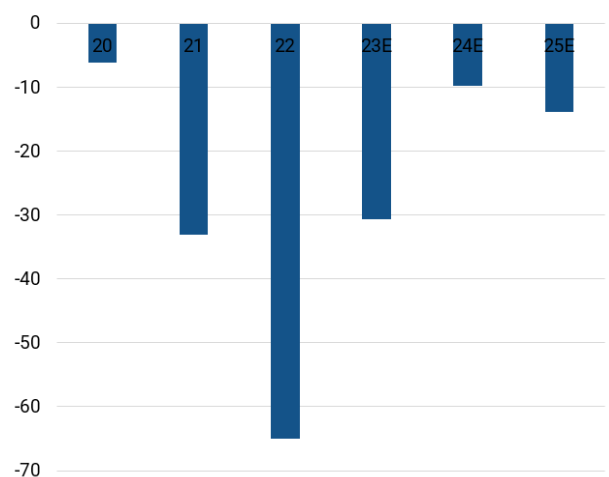
Net debt and net debt/EBITDA



Capex & chgn in w/c requirements in EURm



Free Cash Flow in EURm



Source: Company data, AlsterResearch

Financials

Profit and loss (EURm)	2020	2021	2022	2023E	2024E	2025E
Net sales	2.1	8.4	14.7	31.5	52.0	107.9
Sales growth	122.7%	307.8%	73.8%	114.7%	64.9%	107.7%
Change in finished goods and work-in-process	0.2	0.5	0.5	0.0	0.0	0.0
Total sales	2.3	9.0	15.2	31.5	52.0	107.9
Material expenses	2.3	7.9	12.0	13.5	35.8	72.5
Gross profit	-0.0	1.1	3.2	18.0	16.1	35.4
Other operating income	2.8	4.7	9.2	9.0	6.2	0.0
Personnel expenses	3.4	7.6	14.3	17.2	16.6	21.6
Other operating expenses	2.4	5.8	8.6	9.4	10.4	15.1
EBITDA	-2.9	-7.6	-10.6	0.4	-4.7	-1.2
Depreciation	0.6	1.0	2.3	5.2	5.2	7.5
EBITA	-3.5	-8.6	-12.9	-4.8	-9.8	-8.8
Amortisation of goodwill and intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	-3.5	-8.6	-12.9	-4.8	-9.8	-8.8
Financial result	-0.0	-0.1	-0.1	-2.5	-1.9	-2.1
Recurring pretax income from continuing operations	-3.6	-8.7	-13.0	-7.3	-11.7	-10.8
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-3.6	-8.7	-13.0	-7.3	-11.7	-10.8
Taxes	0.0	-0.0	0.0	0.1	0.2	-2.7
Net income from continuing operations	-3.6	-8.7	-13.0	-7.4	-11.9	-8.1
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	-3.6	-8.7	-13.0	-7.4	-11.9	-8.1
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	-3.6	-8.7	-13.0	-7.4	-11.9	-8.1
Average number of shares	2.96	23.11	25.51	27.20	27.20	27.20
EPS reported	-1.21	-0.38	-0.51	-0.27	-0.44	-0.30

Profit and loss (common size)	2020	2021	2022	2023E	2024E	2025E
Net sales	100%	100%	100%	100%	100%	100%
Change in finished goods and work-in-process	12%	6%	4%	0%	0%	0%
Total sales	112%	106%	104%	100%	100%	100%
Material expenses	112%	93%	82%	43%	69%	67%
Gross profit	-0%	13%	22%	57%	31%	33%
Other operating income	136%	56%	63%	29%	12%	0%
Personnel expenses	162%	90%	97%	55%	32%	20%
Other operating expenses	114%	69%	59%	30%	20%	14%
EBITDA	-141%	-90%	-72%	1%	-9%	-1%
Depreciation	30%	12%	16%	17%	10%	7%
EBITA	-171%	-102%	-88%	-15%	-19%	-8%
Amortisation of goodwill and intangible assets	0%	0%	0%	0%	0%	0%
EBIT	-171%	-102%	-88%	-15%	-19%	-8%
Financial result	-1%	-1%	-1%	-8%	-4%	-2%
Recurring pretax income from continuing operations	-172%	-103%	-88%	-23%	-23%	-10%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	-172%	-103%	-88%	-23%	-23%	-10%
Taxes	0%	-0%	0%	0%	0%	-3%
Net income from continuing operations	-172%	-103%	-88%	-23%	-23%	-8%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	-172%	-103%	-88%	-23%	-23%	-8%
Minority interest	0%	0%	0%	0%	0%	0%
Net profit (reported)	-172%	-103%	-88%	-23%	-23%	-8%

Source: Company data; AlsterResearch

Balance sheet (EURm)	2020	2021	2022	2023E	2024E	2025E
Intangible assets (exl. Goodwill)	4.0	7.1	10.3	15.0	20.2	25.6
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	3.9	25.0	68.8	79.3	84.6	87.8
Financial assets	0.0	0.1	1.2	1.2	1.2	1.2
FIXED ASSETS	7.9	32.2	80.2	95.5	105.9	114.6
Inventories	1.3	3.6	8.4	5.2	11.8	19.9
Accounts receivable	0.2	2.8	9.7	17.3	25.6	47.3
Other current assets	0.0	0.0	0.2	0.2	0.2	0.2
Liquid assets	4.2	19.6	5.1	11.4	7.9	-0.9
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.9	3.9	4.2	12.7	7.8	16.2
CURRENT ASSETS	6.6	29.9	27.6	46.8	53.2	82.6
TOTAL ASSETS	14.5	62.1	107.8	142.3	159.2	197.2
SHAREHOLDERS EQUITY	8.7	46.5	86.5	79.1	67.1	59.0
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	0.6	3.3	2.8	38.3	42.0	45.0
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	0.8	1.9	2.4	4.7	5.2	5.4
Non-current liabilities	1.4	5.2	5.3	43.0	47.2	50.4
short-term liabilities to banks	1.5	1.3	1.0	2.6	5.0	7.0
Accounts payable	0.9	6.4	11.2	9.2	24.6	43.7
Advance payments received on orders	0.2	0.1	0.3	0.6	2.6	10.8
Other liabilities (incl. from lease and rental contracts)	1.8	0.8	1.5	3.1	5.1	10.7
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income	0.0	1.8	2.1	4.6	7.5	15.7
Current liabilities	4.5	10.4	16.1	20.2	44.8	87.8
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	14.5	62.1	107.8	142.3	159.2	197.2

Balance sheet (common size)	2020	2021	2022	2023E	2024E	2025E
Intangible assets (excl. Goodwill)	27%	11%	10%	11%	13%	13%
Goodwill	0%	0%	0%	0%	0%	0%
Property, plant and equipment	27%	40%	64%	56%	53%	45%
Financial assets	0%	0%	1%	1%	1%	1%
FIXED ASSETS	54%	52%	74%	67%	67%	58%
Inventories	9%	6%	8%	4%	7%	10%
Accounts receivable	1%	5%	9%	12%	16%	24%
Other current assets	0%	0%	0%	0%	0%	0%
Liquid assets	29%	32%	5%	8%	5%	-0%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	6%	6%	4%	9%	5%	8%
CURRENT ASSETS	46%	48%	26%	33%	33%	42%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	60%	75%	80%	56%	42%	30%
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	4%	5%	3%	27%	26%	23%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	5%	3%	2%	3%	3%	3%
Non-current liabilities	9%	8%	5%	30%	30%	26%
short-term liabilities to banks	10%	2%	1%	2%	3%	4%
Accounts payable	7%	10%	10%	6%	15%	22%
Advance payments received on orders	2%	0%	0%	0%	2%	5%
Other liabilities (incl. from lease and rental contracts)	12%	1%	1%	2%	3%	5%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred income	0%	3%	2%	3%	5%	8%
Current liabilities	31%	17%	15%	14%	28%	45%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100%	100%	100%	100%	100%	100%

Source: Company data; AlsterResearch

Cash flow statement (EURm)	2020	2021	2022	2023E	2024E	2025E
Net profit/loss	-3.6	-8.7	-13.0	-7.4	-11.9	-8.1
Depreciation of fixed assets (incl. leases)	0.6	1.0	2.3	5.2	5.2	7.5
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.3	0.9	1.8	2.3	0.5	0.2
Cash flow from operations before changes in w/c	-2.6	-6.8	-8.9	0.1	-6.3	-0.4
Increase/decrease in inventory	-0.4	-2.3	-4.8	3.2	-6.6	-8.1
Increase/decrease in accounts receivable	-0.0	-5.6	-6.1	-7.6	-8.4	-21.7
Increase/decrease in accounts payable	1.0	6.8	4.5	-1.9	15.3	19.1
Increase/decrease in other w/c positions	-0.0	-0.1	-0.1	-4.1	11.9	13.5
Increase/decrease in working capital	0.5	-1.2	-6.5	-10.4	12.2	2.8
Cash flow from operating activities	-2.1	-8.0	-15.5	-10.2	5.9	2.4
CAPEX	-4.0	-25.1	-49.5	-20.5	-15.6	-16.2
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	0.3	-0.0	-0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from investing activities	-3.8	-25.1	-49.5	-20.5	-15.6	-16.2
Cash flow before financing	-5.9	-33.1	-65.0	-30.7	-9.7	-13.8
Increase/decrease in debt position	1.2	2.3	-0.8	37.1	6.1	5.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	6.2	48.3	53.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Others	1.5	-2.2	-1.8	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from financing activities	8.8	48.4	50.4	37.1	6.1	5.0
Increase/decrease in liquid assets	2.9	15.4	-14.5	6.4	-3.6	-8.8
Liquid assets at end of period	4.2	19.6	5.1	11.4	7.9	-0.9

Source: Company data; AlsterResearch

Regional sales split (EURm)	2020	2021	2022	2023E	2024E	2025E
Domestic	0.5	4.3	7.8	16.7	27.5	57.1
Europe (ex domestic)	0.8	1.4	2.7	5.8	9.5	19.8
The Americas	0.0	0.0	0.4	1.0	1.6	3.3
Asia	0.0	0.0	2.4	5.1	8.4	17.4
Rest of World	0.7	2.8	1.4	3.0	5.0	10.3
Total sales	2.1	8.4	14.7	31.5	52.0	107.9

Regional sales split (common size)	2020	2021	2022	2023E	2024E	2025E
Domestic	26.5%	51.3%	52.9%	52.9%	52.9%	52.9%
Europe (ex domestic)	37.3%	16.0%	18.3%	18.3%	18.3%	18.3%
The Americas	0.0%	0.0%	3.0%	3.0%	3.0%	3.0%
Asia	0.0%	0.0%	16.1%	16.1%	16.1%	16.1%
Rest of World	36.2%	32.7%	9.6%	9.6%	9.6%	9.6%
Total sales	100%	100%	100%	100%	100%	100%

Source: Company data; AlsterResearch

Ratios	2020	2021	2022	2023E	2024E	2025E
Per share data						
Earnings per share reported	-1.21	-0.38	-0.51	-0.27	-0.44	-0.30
Cash flow per share	-0.72	-0.35	-0.61	-0.57	0.03	-0.19
Book value per share	2.95	2.01	3.39	2.91	2.47	2.17
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
Valuation						
P/E	-7.4x	-23.7x	-17.6x	-33.0x	-20.3x	-29.9x
P/CF	-12.4x	-25.8x	-14.7x	-15.7x	323.1x	-47.6x
P/BV	3.0x	4.4x	2.6x	3.1x	3.6x	4.1x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	-8.1%	-3.9%	-6.8%	-6.4%	0.3%	-2.1%
EV/Sales	116.4x	27.0x	16.5x	8.7x	5.4x	2.7x
EV/EBITDA	-82.5x	-29.9x	-22.9x	712.6x	-60.4x	-238.6x
EV/EBIT	-68.0x	-26.5x	-18.8x	-56.2x	-28.7x	-33.8x
Income statement (EURm)						
Sales	2.1	8.4	14.7	31.5	52.0	107.9
yoy chg in %	122.7%	307.8%	73.8%	114.7%	64.9%	107.7%
Gross profit	-0.0	1.1	3.2	18.0	16.1	35.4
Gross margin in %	-0.4%	13.1%	21.7%	57.1%	31.0%	32.9%
EBITDA	-2.9	-7.6	-10.6	0.4	-4.7	-1.2
EBITDA margin in %	-141.1%	-90.2%	-72.1%	1.2%	-9.0%	-1.1%
EBIT	-3.5	-8.6	-12.9	-4.8	-9.8	-8.8
EBIT margin in %	-171.2%	-102.1%	-87.6%	-15.4%	-18.9%	-8.1%
Net profit	-3.6	-8.7	-13.0	-7.4	-11.9	-8.1
Cash flow statement (EURm)						
CF from operations	-2.1	-8.0	-15.5	-10.2	5.9	2.4
Capex	-4.0	-25.1	-49.5	-20.5	-15.6	-16.2
Maintenance Capex	0.0	0.0	0.0	5.2	5.2	7.5
Free cash flow	-6.2	-33.1	-65.0	-30.7	-9.7	-13.8
Balance sheet (EURm)						
Intangible assets	4.0	7.1	10.3	15.0	20.2	25.6
Tangible assets	3.9	25.0	68.8	79.3	84.6	87.8
Shareholders' equity	8.7	46.5	86.5	79.1	67.1	59.0
Pension provisions	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities and provisions	2.9	6.6	6.3	45.6	52.2	57.4
Net financial debt	-2.1	-15.0	-1.2	29.5	39.1	52.9
w/c requirements	0.3	-0.1	6.6	12.6	10.3	12.7
Ratios						
ROE	-40.8%	-18.7%	-15.0%	-9.3%	-17.8%	-13.8%
ROCE	-30.5%	-16.2%	-13.9%	-3.9%	-8.2%	-7.5%
Net gearing	-24.4%	-32.2%	-1.4%	37.3%	58.3%	89.7%
Net debt / EBITDA	0.7x	2.0x	0.1x	77.0x	-8.4x	-42.6x

Source: Company data; AlsterResearch

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