

# Photon Energy NV

Netherlands | Renewables | MCap EUR 57.3m

20 February 2025

UPDATE



## Preliminary FY24 slightly misses guidance, confirm Spec. BUY

### What's it all about?

Photon Energy's preliminary FY24 results slightly missed guidance, with revenues of EUR 89.2m just below the EUR 90-100m range and EBITDA of EUR 8.7m falling short of the EUR 10m target due to a postponed PV project sale and restructuring costs. Q4 saw strong revenue growth (+124% yoy to EUR 25.1m), driven by power generation, capacity market contracts, and PV component sales, though EBITDA remained weak at EUR -1.1m due to clearance of excess inventory and negative one-off effects. Positive free cash flow of EUR 11.6m in Q4 allowed for over EUR 7m in debt repayment. The adjusted equity ratio of 25.7% remains above bond covenants. With minor model adjustments, we confirm our Spec. BUY rating with a price target of EUR 1.40.

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

### Spec. BUY (Spec. BUY)

Target price	EUR 1.40 <small>(1.40)</small>
Current price	EUR 0.94
Up/downside	49.6%



### MAIN AUTHOR

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# Photon Energy NV

Netherlands | Renewables | MCap EUR 57.3m | EV EUR 215.6m

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## Preliminary FY24 slightly misses guidance, confirm Spec. BUY

**Preliminary FY24 slightly misses guidance.** Photon Energy has published its preliminary FY24 results and held a conference call. Revenues of EUR 89.2m were roughly in line with our expectations (EUR 89.6m), slightly below the lower end of the guidance range of EUR 90-100m. The EBITDA shortfall was more pronounced: the preliminary figure of EUR 8.7m missed the guidance of EUR 10m and our estimate of EUR 9.8m by more than 10%. Photon Energy attributes this to a combination of factors. The most relevant is the reversal of a EUR 0.9m gain related to the sale of a PV project in Poland, where project completion has been postponed to 2025. In addition, EBITDA was negatively impacted by higher-than-expected costs related to restructuring payments and working capital write-offs totaling around EUR 0.6m.

**Q4 with strong top line growth.** Q4 revenues of EUR 25.1m were up 124% yoy. The main growth drivers were power generation, New Energy (capacity market contracts) and PV component sales. EBITDA could not keep pace with the strong top line growth and was almost unchanged at EUR -1.1m. The fact that the operating result did not improve in line with revenues is due to lower margins in PV component trading as a result of the clearance of excess inventory and negative one-off effects related to severance payments and balance sheet clearance (see above).

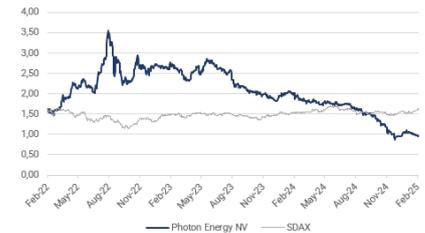
**Positive free cash flow in Q4.** In Q4, operating cash flow was EUR 6.4m, up by c. EUR 0.8m yoy. This resulted in a free cash flow of EUR 11.6m in Q4, supported by c. EUR 6m proceeds from the sale of operating PV assets in Australia. Overall, this enabled the repayment of more than EUR 7m of debt in Q4, leaving Photon Energy with a comfortable level of cash and equivalents of EUR 8.4m on 31 December.

**Adjusted equity ratio above bond covenant.** The bond covenants require that the adjusted equity ratio, calculated on the basis of the audited full year figures, remains above 25.0%. Based on the preliminary results, the adjusted equity ratio is 25.7%, i.e. there is no indication of a breach of the covenants. Taking into account that shortfalls due to regulatory changes can be excluded from the calculation, the adjusted equity ratio would be 26.5%, providing a more comfortable buffer.

**Spec. BUY, PT EUR 1.40.** Excluding one-offs, Q4 was roughly in line with our expectations and we are just fine-tuning our model, leading to an unchanged DCF-based fair value of EUR 1.40. We confirm our Spec. BUY rating.

Photon Energy NV	2022	2023	2024	2025E	2026E	2027E
Sales	94.2	70.6	89.2	103.5	116.0	128.0
<i>Growth yoy</i>	159.1%	-25.0%	26.3%	16.0%	12.1%	10.3%
EBITDA	24.1	6.8	8.7	12.9	17.1	20.8
EBIT	14.5	-5.2	-3.1	0.3	3.8	6.7
Net profit	4.3	-0.5	-9.9	-4.3	-2.6	0.1
Net debt (net cash)	127.3	166.8	157.7	168.4	170.2	167.3
Net debt/EBITDA	5.3x	24.4x	18.1x	13.1x	9.9x	8.0x
EPS reported	0.07	-0.01	-0.16	-0.07	-0.04	0.00
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	53.1%	47.8%	57.4%	71.1%	73.0%	74.4%
EBITDA margin	25.5%	9.7%	9.8%	12.4%	14.8%	16.3%
EBIT margin	15.4%	-7.4%	-3.5%	0.3%	3.3%	5.3%
ROCE	6.6%	-2.0%	-1.3%	0.1%	1.6%	2.8%
EV/Sales	2.0x	3.2x	2.4x	2.2x	2.0x	1.8x
EV/EBITDA	7.7x	32.9x	24.7x	17.6x	13.3x	10.8x
EV/EBIT	12.7x	-43.2x	-68.8x	664.0x	59.9x	33.4x
PER	13.4x	-124.9x	-5.8x	-13.4x	-21.8x	401.9x

Source: Company data, mwb research



Source: Company data, mwb research

**High/low 52 weeks** 1.99 / 0.83  
**Price/Book Ratio** 1.0x

### Ticker / Symbols

ISIN NL0010391108  
WKN A1T9KW  
Bloomberg P7V:GR

### Changes in estimates

		Sales	EBIT	EPS
2025E	old	104.2	1.1	-0.04
	Δ	-0.7%	-70.0%	na%
2026E	old	114.4	3.4	-0.04
	Δ	1.4%	11.3%	na%
2027E	old	128.0	6.7	0.00
	Δ	0.0%	0.0%	0.0%

### Key share data

Number of shares: (in m pcs) 61.24  
Book value per share: (in EUR) 0.98  
Ø trading vol.: (12 months) 18,690

### Major shareholders

Solar Future 35.5%  
Solar Power to the People 32.2%  
Tomala Investments 3.7%  
Free Float 26.4%

### Company description

Photon Energy NV is a solar energy and water treatment solutions company based in the Netherlands that covers the entire lifecycle of its technologies. The Company develops projects in Australia, Hungary, Poland and Romania, and provides operations and maintenance services worldwide. The Company has offices in Europe and Australia.

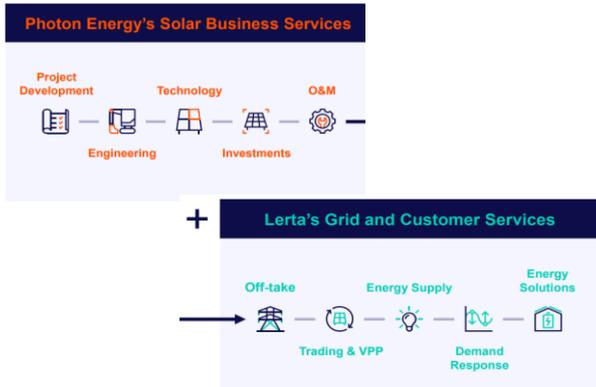
The following table displays the quarterly performance of **Photon Energy NV**:

P&L data	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Sales	19.3	21.0	19.2	11.2	17.4	23.9	22.9	25.1
yoy growth in %	111.0%	-9.8%	-45.7%	-43.6%	-9.9%	14.1%	18.9%	124.1%
Gross profit	6.2	11.9	11.8	3.8	9.3	15.2	14.7	12.1
Gross margin in %	32.4%	56.9%	61.6%	72.4%	53.5%	63.4%	64.5%	48.1%
EBITDA	0.3	2.5	1.9	-1.0	0.8	5.3	3.8	-1.1
EBITDA margin in %	1.7%	11.9%	10.0%	2.4%	4.5%	22.1%	16.6%	-4.5%
EBIT	-1.6	0.1	-1.0	-2.7	-1.4	2.3	0.4	-4.4
EBIT margin in %	-8.1%	0.5%	-5.4%	-27.3%	-8.2%	9.5%	1.7%	-17.4%
EBT	-4.2	-2.8	-4.0	-5.3	-2.3	-2.6	-2.5	-7.0
taxes paid	0.0	0.5	-1.8	0.8	-1.0	0.2	0.5	-0.4
tax rate in %	0.0%	-17.0%	46.0%	-20.0%	43.0%	-6.2%	-20.7%	6.4%
net profit	-4.2	-3.3	-2.1	-6.2	-1.3	-2.8	-3.0	-6.5
yoy growth in %	na%	na%	na%	na%	na%	-14.8%	37.6%	6.0%
<b>EPS</b>	<b>-0.08</b>	<b>-0.06</b>	<b>-0.04</b>	<b>-0.10</b>	<b>-0.02</b>	<b>-0.05</b>	<b>-0.05</b>	<b>-0.11</b>

Source: Company data; mwb research

# Investment case in six charts

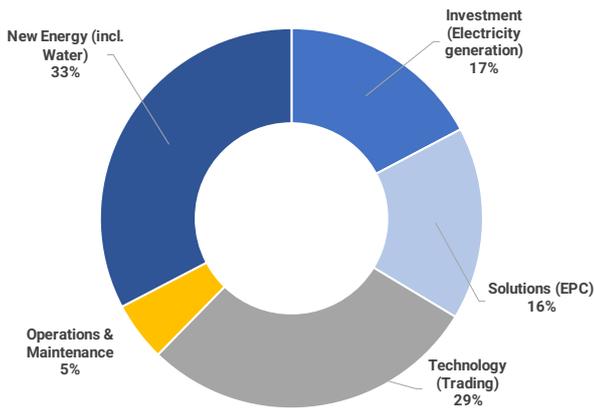
## Business Model



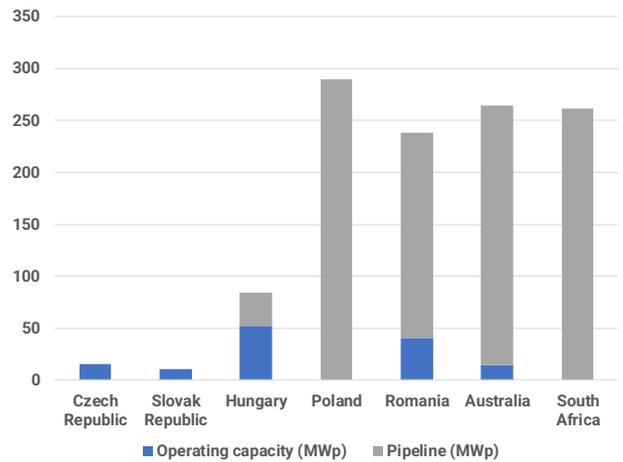
## Geographical Presence



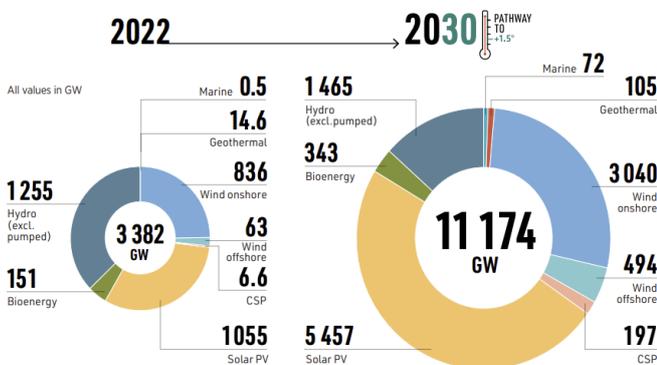
## External Revenue Shares (2023)



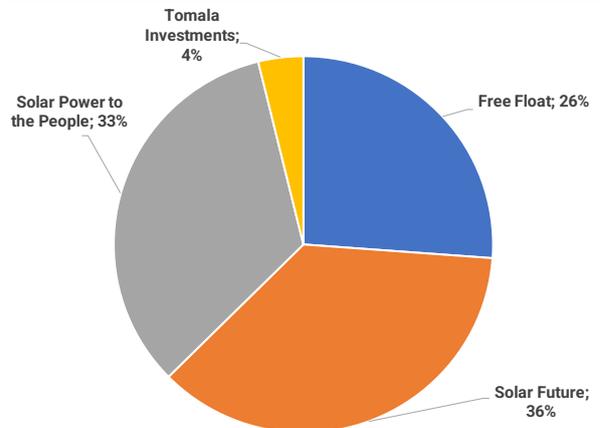
## Capacity and Pipeline (H1 2024)



## Fastest growing renewable energy



## Major Shareholders



Source: Company data; mwb research; IRENA

# SWOT analysis

## Strengths

- early mover in the PV market with expertise in the whole system life cycle
- unique focus on and understanding of CEE market
- strong ESG credentials -> green bond
- transparent and detailed reporting and comprehensive capital market communications
- strong management team and high standards of corporate governance

## Weaknesses

- still a relatively small player
- high leverage and capital needs to fulfill project pipeline
- strong seasonality in solar business
- analysis of underlying profitability complex due the nature of the business (FX and derivatives effects, strong contribution of OCI, capital gains on resale of projects and high share of internal revenues in business segments)

## Opportunities

- solar power finally competitive without subsidies
- access to promising technology (RayGen) via equity participation
- catch up potential in CEE and a well filled project pipeline
- high prices for fossil energy and geopolitical tailwinds
- increasing interest in behind-the-meter projects
- increasing share of renewables leads to greater demand for grid flexibility and VPP services
- PFAS water remediation potentially huge market

## Threats

- water business line could distract focus
- volatile market prices
- large-scale project risk (cost overruns, change in market conditions during development etc.)
- regulatory risks, for example retroactive adjustments to feed-in tariffs or price caps



## 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 -1.42 per share based on 2025E and EUR 1.70 per share on 2029E 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	2025E	2026E	2027E	2028E	2029E
<b>EBITDA</b>	<b>12.9</b>	<b>17.1</b>	<b>20.8</b>	<b>22.6</b>	<b>23.0</b>
- Maintenance capex	10.0	10.6	11.3	11.3	11.3
- Minorities	0.0	0.0	0.0	0.0	0.0
- tax expenses	-0.6	-0.6	-0.4	-0.3	-0.1
<b>= Adjusted FCF</b>	<b>3.5</b>	<b>7.0</b>	<b>10.0</b>	<b>11.6</b>	<b>11.9</b>
<b>Actual Market Cap</b>	<b>57.3</b>	<b>57.3</b>	<b>57.3</b>	<b>57.3</b>	<b>57.3</b>
+ Net debt (cash)	168.4	170.2	167.3	144.3	118.0
+ Pension provisions	0.6	0.7	0.8	0.8	0.9
+ Off B/S financing	0.0	0.0	0.0	0.0	0.0
- Financial assets	24.5	24.5	24.5	24.5	24.5
- Acc. dividend payments	0.0	0.0	0.0	0.0	0.0
<i>EV Reconciliations</i>	144.6	146.4	143.6	120.6	94.4
<b>= Actual EV'</b>	<b>201.9</b>	<b>203.7</b>	<b>200.9</b>	<b>177.9</b>	<b>151.8</b>
<b>Adjusted FCF yield</b>	<b>1.7%</b>	<b>3.5%</b>	<b>5.0%</b>	<b>6.5%</b>	<b>7.8%</b>
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%
<b>Fair EV</b>	<b>57.9</b>	<b>117.4</b>	<b>166.3</b>	<b>192.7</b>	<b>198.5</b>
- <i>EV Reconciliations</i>	144.6	146.4	143.6	120.6	94.4
<b>Fair Market Cap</b>	<b>-86.7</b>	<b>-28.9</b>	<b>22.7</b>	<b>72.0</b>	<b>104.1</b>
No. of shares (million)	61.2	61.2	61.2	61.2	61.2
<b>Fair value per share in EUR</b>	<b>-1.42</b>	<b>-0.47</b>	<b>0.37</b>	<b>1.18</b>	<b>1.70</b>
<b>Premium (-) / discount (+)</b>	<b>-251.2%</b>	<b>-150.5%</b>	<b>-60.3%</b>	<b>25.7%</b>	<b>81.5%</b>

Sensitivity analysis FV						
	4.0%	-0.9	0.5	1.7	2.7	3.3
<b>Adjusted hurdle rate</b>	5.0%	-1.2	-0.1	0.9	1.8	2.3
	<b>6.0%</b>	<b>-1.4</b>	<b>-0.5</b>	<b>0.4</b>	<b>1.2</b>	<b>1.7</b>
	7.0%	-1.6	-0.7	-0.0	0.7	1.2
	8.0%	-1.7	-1.0	-0.3	0.4	0.9

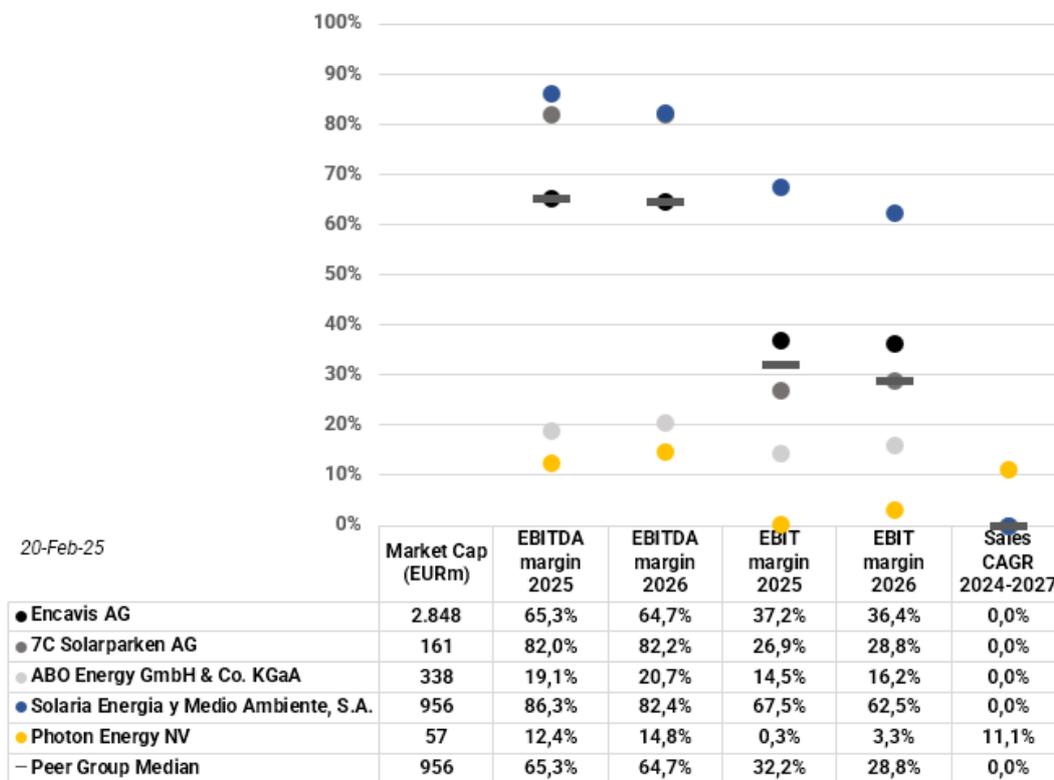
Source: Company data; mwb research

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 **Photon Energy NV** 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 Photon Energy NV consists of the stocks displayed in the chart below. As of 20 February 2025 the median market cap of the peer group was EUR 956.5m, compared to EUR 57.3m for Photon Energy NV. In the period under review, the peer group was more profitable than Photon Energy NV. The expectations for sales growth are #Z AHL! for the peer group than for Photon Energy NV.

### Peer Group – Key data

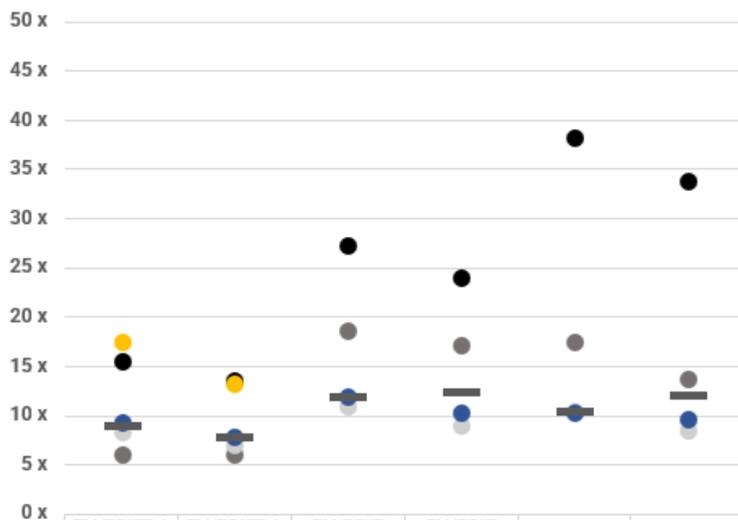


Source: FactSet, mwb research

Comparable company analysis operates under the assumption that similar companies will have similar valuation multiples. We use the following multiples: EV/EBITDA 2025, EV/EBITDA 2026, EV/EBIT 2025, EV/EBIT 2026, P/E 2025 and P/E 2026.

**Applying these to Photon Energy NV results in a range of fair values from EUR 0.01 to EUR -0.52.**

### Peer Group – Multiples and valuation



20-Feb-25

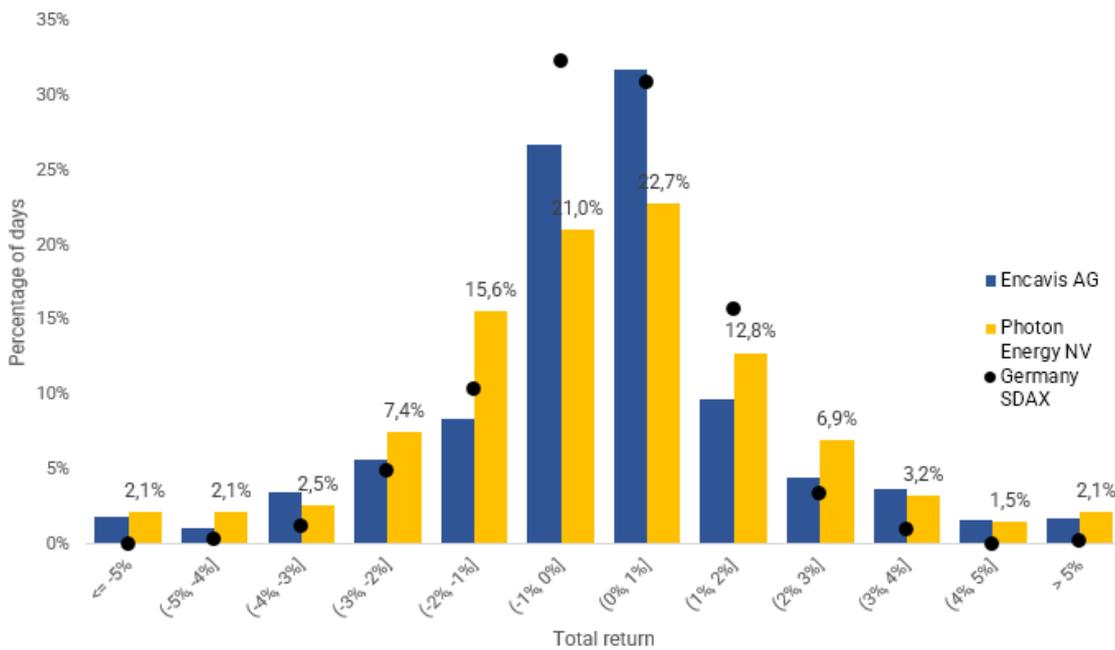
	EV/EBITDA 2025	EV/EBITDA 2026	EV/EBIT 2025	EV/EBIT 2026	P/E 2025	P/E 2026
● Encavis AG	15,5x	13,5x	27,3x	24,1x	38,2x	33,8x
● 7C Solarparken AG	6,1x	6,1x	18,7x	17,2x	17,6x	13,8x
● ABO Energy GmbH & Co. KGaA	8,3x	7,0x	11,0x	9,0x	10,5x	8,5x
● Solaria Energia y Medio Ambiente, S.A.	9,4x	7,8x	12,0x	10,3x	10,3x	9,7x
● Photon Energy NV	17,6x	13,3x	664,0x	59,9x	-13,4x	-21,8x
– Peer Group Median	9,0x	7,8x	12,0x	12,5x	10,5x	12,2x
Fair Value (EUR)	-0,87	-0,57	-2,69	-1,98	-0,73	-0,52

Source: FactSet, mwb research

# Risk

The chart displays the **distribution of daily returns of Photon Energy NV** over the last 3 years, compared to the same distribution for Encavis AG. We have also included the distribution for the index Germany SDAX. 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 Photon Energy NV, the worst day during the past 3 years was 02/09/2022 with a share price decline of -13.1%. The best day was 07/09/2022 when the share price increased by 14.1%.

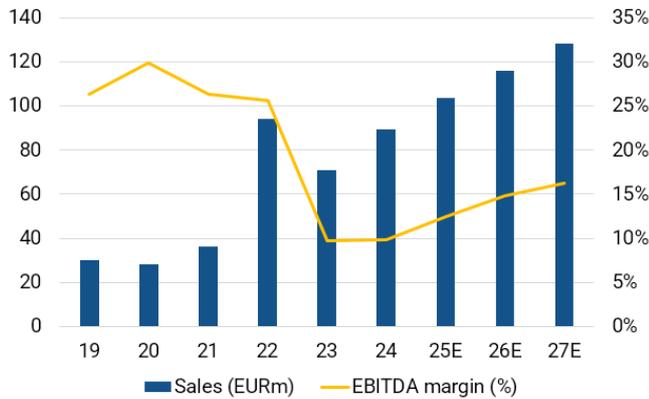
**Risk – Daily Returns Distribution (trailing 3 years)**



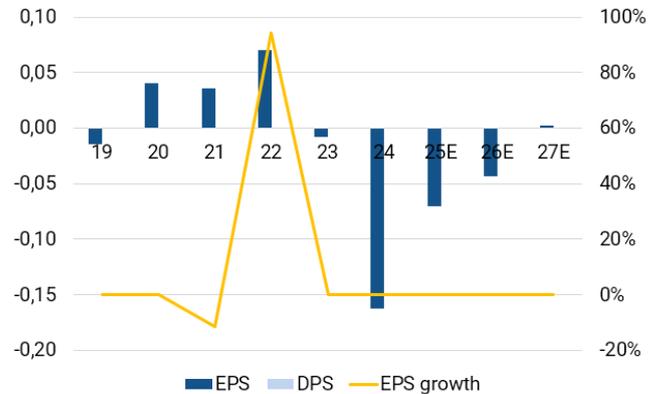
Source: FactSet, mwb research

# Financials in six charts

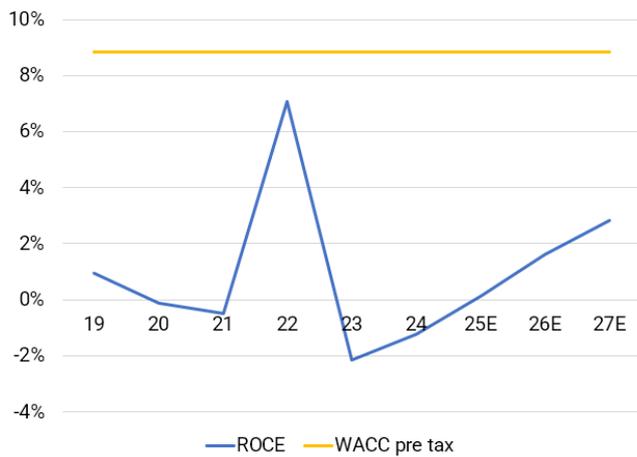
**Sales vs. EBITDA margin development**



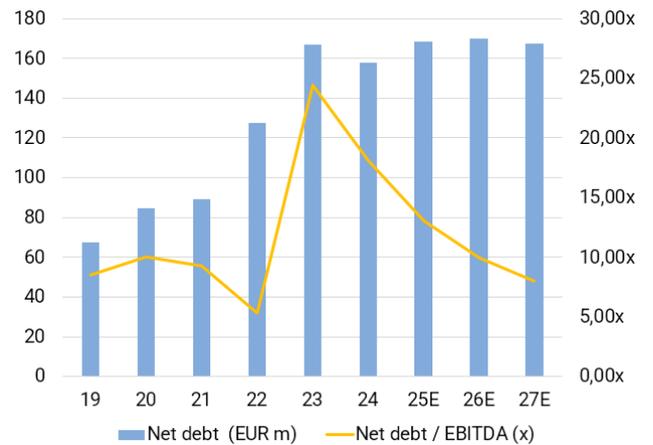
**EPS, DPS in EUR & yoy EPS growth**



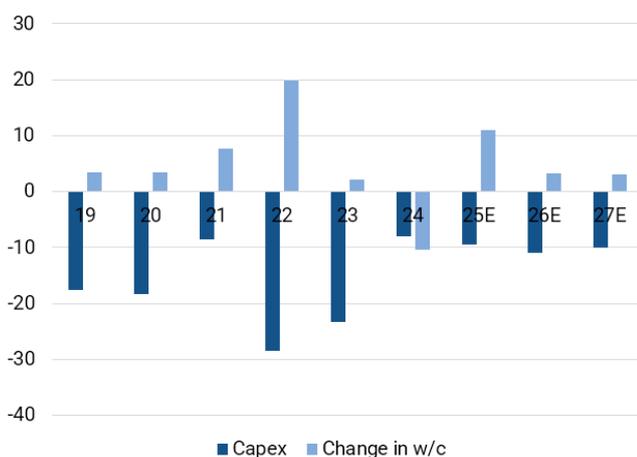
**ROCE vs. WACC (pre tax)**



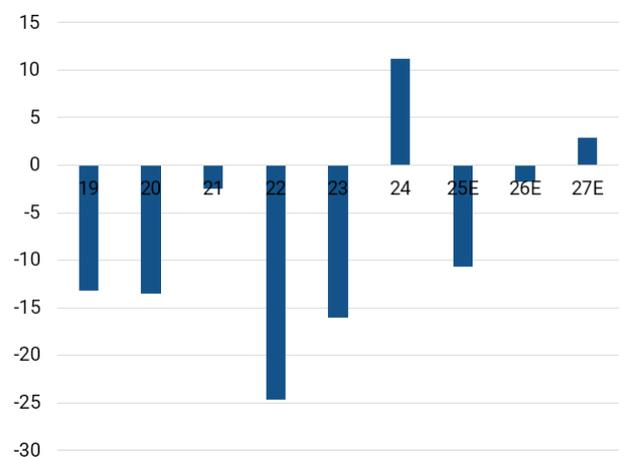
**Net debt and net debt/EBITDA**



**Capex & chgn in w/c requirements in EURm**



**Free Cash Flow in EURm**



Source: Company data; mwb research

# Financials

Profit and loss (EURm)	2022	2023	2024	2025E	2026E	2027E
<b>Net sales</b>	<b>94.2</b>	<b>70.6</b>	<b>89.2</b>	<b>103.5</b>	<b>116.0</b>	<b>128.0</b>
Sales growth	159.1%	-25.0%	26.3%	16.0%	12.1%	10.3%
Change in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total sales</b>	<b>94.2</b>	<b>70.6</b>	<b>89.2</b>	<b>103.5</b>	<b>116.0</b>	<b>128.0</b>
Material expenses	44.1	36.9	38.0	30.0	31.3	32.7
<b>Gross profit</b>	<b>50.1</b>	<b>33.8</b>	<b>51.2</b>	<b>73.5</b>	<b>84.7</b>	<b>95.3</b>
Other operating income	0.6	4.1	2.7	5.9	6.6	7.3
Personnel expenses	9.5	18.5	17.5	47.9	59.1	65.1
Other operating expenses	17.0	12.5	27.6	18.6	15.1	16.6
<b>EBITDA</b>	<b>24.1</b>	<b>6.8</b>	<b>8.7</b>	<b>12.9</b>	<b>17.1</b>	<b>20.8</b>
Depreciation	9.0	12.0	11.9	12.5	13.3	14.1
EBITA	15.1	-5.2	-3.1	0.3	3.8	6.7
Amortisation of goodwill and intangible assets	0.6	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>14.5</b>	<b>-5.2</b>	<b>-3.1</b>	<b>0.3</b>	<b>3.8</b>	<b>6.7</b>
Financial result	-8.3	-11.1	-11.2	-11.9	-14.5	-14.5
Recurring pretax income from continuing operations	6.2	-16.3	-14.4	-11.6	-10.7	-7.8
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	6.2	-16.3	-14.4	-11.6	-10.7	-7.8
Taxes	3.5	-0.6	-0.8	-0.6	-0.6	-0.4
Net income from continuing operations	2.8	-15.8	-13.6	-11.0	-10.1	-7.4
Result from discontinued operations (net of tax)	1.5	15.3	3.7	6.7	7.5	7.5
<b>Net income</b>	<b>4.3</b>	<b>-0.5</b>	<b>-9.9</b>	<b>-4.3</b>	<b>-2.6</b>	<b>0.1</b>
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	4.3	-0.5	-9.9	-4.3	-2.6	0.1
Average number of shares	61.24	61.24	61.24	61.24	61.24	61.24
<b>EPS reported</b>	<b>0.07</b>	<b>-0.01</b>	<b>-0.16</b>	<b>-0.07</b>	<b>-0.04</b>	<b>0.00</b>

Profit and loss (common size)	2022	2023	2024	2025E	2026E	2027E
<b>Net sales</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Change in finished goods and work-in-process	0%	0%	0%	0%	0%	0%
<b>Total sales</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Material expenses	47%	52%	43%	29%	27%	26%
<b>Gross profit</b>	<b>53%</b>	<b>48%</b>	<b>57%</b>	<b>71%</b>	<b>73%</b>	<b>74%</b>
Other operating income	1%	6%	3%	6%	6%	6%
Personnel expenses	10%	26%	20%	46%	51%	51%
Other operating expenses	18%	18%	31%	18%	13%	13%
<b>EBITDA</b>	<b>26%</b>	<b>10%</b>	<b>10%</b>	<b>12%</b>	<b>15%</b>	<b>16%</b>
Depreciation	10%	17%	13%	12%	11%	11%
EBITA	16%	-7%	-4%	0%	3%	5%
Amortisation of goodwill and intangible assets	1%	0%	0%	0%	0%	0%
<b>EBIT</b>	<b>15%</b>	<b>-7%</b>	<b>-4%</b>	<b>0%</b>	<b>3%</b>	<b>5%</b>
Financial result	-9%	-16%	-13%	-12%	-13%	-11%
Recurring pretax income from continuing operations	7%	-23%	-16%	-11%	-9%	-6%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	7%	-23%	-16%	-11%	-9%	-6%
Taxes	4%	-1%	-1%	-1%	-0%	-0%
Net income from continuing operations	3%	-22%	-15%	-11%	-9%	-6%
Result from discontinued operations (net of tax)	2%	22%	4%	6%	6%	6%
<b>Net income</b>	<b>5%</b>	<b>-1%</b>	<b>-11%</b>	<b>-4%</b>	<b>-2%</b>	<b>0%</b>
Minority interest	0%	0%	0%	0%	0%	0%
<b>Net profit (reported)</b>	<b>5%</b>	<b>-1%</b>	<b>-11%</b>	<b>-4%</b>	<b>-2%</b>	<b>0%</b>

Source: Company data; mwb research

Balance sheet (EURm)	2022	2023	2024	2025E	2026E	2027E
<b>Intangible assets (excl. Goodwill)</b>	<b>13.0</b>	<b>8.1</b>	<b>11.2</b>	<b>0.3</b>	<b>-11.8</b>	<b>-25.2</b>
Goodwill	0.0	15.3	15.3	15.3	15.3	15.3
Property, plant and equipment	145.3	177.5	164.6	172.4	182.2	191.5
Financial assets	12.8	24.2	24.5	24.5	24.5	24.5
<b>FIXED ASSETS</b>	<b>171.2</b>	<b>225.0</b>	<b>215.5</b>	<b>212.5</b>	<b>210.1</b>	<b>206.0</b>
Inventories	15.8	14.1	6.4	8.1	8.4	8.8
Accounts receivable	27.8	17.0	24.8	28.7	32.2	35.5
Other current assets	3.2	7.1	6.4	6.4	6.4	6.4
Liquid assets	21.4	13.0	14.4	1.6	-0.1	2.7
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.9	1.3	1.3	1.5	1.7	1.8
<b>CURRENT ASSETS</b>	<b>69.1</b>	<b>52.4</b>	<b>53.2</b>	<b>46.3</b>	<b>48.6</b>	<b>55.3</b>
<b>TOTAL ASSETS</b>	<b>240.2</b>	<b>277.4</b>	<b>268.7</b>	<b>258.7</b>	<b>258.7</b>	<b>261.4</b>
<b>SHAREHOLDERS EQUITY</b>	<b>60.7</b>	<b>69.8</b>	<b>59.9</b>	<b>55.6</b>	<b>53.0</b>	<b>53.1</b>
MINORITY INTEREST	-0.2	-0.3	-0.3	-0.3	-0.3	-0.3
Long-term debt	138.2	164.8	152.7	155.0	155.0	155.0
Provisions for pensions and similar obligations	0.0	0.6	0.5	0.6	0.7	0.8
Other provisions	12.0	13.0	12.0	13.5	15.1	16.6
<b>Non-current liabilities</b>	<b>150.2</b>	<b>178.3</b>	<b>165.3</b>	<b>169.1</b>	<b>170.8</b>	<b>172.4</b>
short-term liabilities to banks	10.4	15.0	19.4	15.0	15.0	15.0
Accounts payable	12.4	14.6	23.9	18.9	19.7	20.6
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	4.4	0.0	0.0	0.0	0.0	0.0
Deferred taxes	2.3	0.0	0.5	0.5	0.5	0.5
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0
<b>Current liabilities</b>	<b>29.5</b>	<b>29.6</b>	<b>43.8</b>	<b>34.4</b>	<b>35.2</b>	<b>36.1</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>240.2</b>	<b>277.4</b>	<b>268.7</b>	<b>258.7</b>	<b>258.7</b>	<b>261.4</b>

Balance sheet (common size)	2022	2023	2024	2025E	2026E	2027E
<b>Intangible assets (excl. Goodwill)</b>	<b>5%</b>	<b>3%</b>	<b>4%</b>	<b>0%</b>	<b>-5%</b>	<b>-10%</b>
Goodwill	0%	6%	6%	6%	6%	6%
Property, plant and equipment	60%	64%	61%	67%	70%	73%
Financial assets	5%	9%	9%	9%	9%	9%
<b>FIXED ASSETS</b>	<b>71%</b>	<b>81%</b>	<b>80%</b>	<b>82%</b>	<b>81%</b>	<b>79%</b>
Inventories	7%	5%	2%	3%	3%	3%
Accounts receivable	12%	6%	9%	11%	12%	14%
Other current assets	1%	3%	2%	2%	2%	2%
Liquid assets	9%	5%	5%	1%	-0%	1%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	0%	0%	0%	1%	1%	1%
<b>CURRENT ASSETS</b>	<b>29%</b>	<b>19%</b>	<b>20%</b>	<b>18%</b>	<b>19%</b>	<b>21%</b>
<b>TOTAL ASSETS</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>SHAREHOLDERS EQUITY</b>	<b>25%</b>	<b>25%</b>	<b>22%</b>	<b>21%</b>	<b>20%</b>	<b>20%</b>
MINORITY INTEREST	-0%	-0%	-0%	-0%	-0%	-0%
Long-term debt	58%	59%	57%	60%	60%	59%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	5%	5%	4%	5%	6%	6%
<b>Non-current liabilities</b>	<b>63%</b>	<b>64%</b>	<b>62%</b>	<b>65%</b>	<b>66%</b>	<b>66%</b>
short-term liabilities to banks	4%	5%	7%	6%	6%	6%
Accounts payable	5%	5%	9%	7%	8%	8%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	2%	0%	0%	0%	0%	0%
Deferred taxes	1%	0%	0%	0%	0%	0%
Deferred income	0%	0%	0%	0%	0%	0%
<b>Current liabilities</b>	<b>12%</b>	<b>11%</b>	<b>16%</b>	<b>13%</b>	<b>14%</b>	<b>14%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Company data; mwb research

Cash flow statement (EURm)	2022	2023	2024	2025E	2026E	2027E
Net profit/loss	6.2	-16.3	-9.9	-4.3	-2.6	0.1
Depreciation of fixed assets (incl. leases)	8.9	11.9	11.9	12.5	13.3	14.1
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.7	0.0	0.0	0.0	0.0	0.0
Others	7.8	13.7	6.7	1.5	1.7	1.6
Cash flow from operations before changes in w/c	23.6	9.3	8.7	9.8	12.4	15.9
Increase/decrease in inventory	-13.4	5.9	7.7	-1.7	-0.4	-0.4
Increase/decrease in accounts receivable	-10.9	1.5	-7.8	-4.0	-3.5	-3.3
Increase/decrease in accounts payable	5.0	-4.0	9.4	-5.1	0.9	0.9
Increase/decrease in other w/c positions	-0.5	-5.4	1.2	-0.2	-0.2	-0.2
Increase/decrease in working capital	-19.9	-2.1	10.5	-10.9	-3.2	-3.0
<b>Cash flow from operating activities</b>	<b>3.7</b>	<b>7.2</b>	<b>19.2</b>	<b>-1.1</b>	<b>9.2</b>	<b>12.9</b>
CAPEX	-28.4	-23.3	-7.9	-9.5	-11.0	-10.0
Payments for acquisitions	-6.2	-3.4	-0.4	0.0	0.0	0.0
Financial investments	0.4	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	6.0	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-34.3</b>	<b>-26.7</b>	<b>-2.3</b>	<b>-9.5</b>	<b>-11.0</b>	<b>-10.0</b>
Cash flow before financing	-30.6	-19.5	16.8	-10.7	-1.7	2.9
Increase/decrease in debt position	18.0	14.1	-7.7	-2.1	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Others	-8.7	0.0	-7.3	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
<b>Cash flow from financing activities</b>	<b>9.3</b>	<b>14.1</b>	<b>-15.0</b>	<b>-2.1</b>	<b>0.0</b>	<b>0.0</b>
Increase/decrease in liquid assets	-21.2	-5.4	1.8	-12.8	-1.7	2.9
<b>Liquid assets at end of period</b>	<b>11.3</b>	<b>5.8</b>	<b>7.6</b>	<b>-5.1</b>	<b>-6.8</b>	<b>-4.0</b>

Source: Company data; mwb research

Regional sales split (EURm)	2022	2023	2024	2025E	2026E	2027E
Domestic	0.0	0.0	0.0	0.0	0.0	0.0
Europe (ex domestic)	89.1	68.9	89.2	103.5	116.0	128.0
The Americas	0.0	0.0	0.0	0.0	0.0	0.0
Asia	0.0	0.0	0.0	0.0	0.0	0.0
Rest of World	5.1	1.7	0.0	0.0	0.0	0.0
<b>Total sales</b>	<b>94.2</b>	<b>70.6</b>	<b>89.2</b>	<b>103.5</b>	<b>116.0</b>	<b>128.0</b>

Regional sales split (common size)	2022	2023	2024	2025E	2026E	2027E
Domestic	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Europe (ex domestic)	94.6%	97.6%	100.0%	100.0%	100.0%	100.0%
The Americas	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Asia	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rest of World	5.4%	2.4%	0.0%	0.0%	0.0%	0.0%
<b>Total sales</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Company data; mwb research

Ratios	2022	2023	2024	2025E	2026E	2027E
<b>Per share data</b>						
Earnings per share reported	0.07	-0.01	-0.16	-0.07	-0.04	0.00
Cash flow per share	0.06	0.12	0.31	-0.18	-0.02	0.03
Book value per share	0.99	1.14	0.98	0.91	0.87	0.87
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
<b>Valuation</b>						
P/E	13.4x	-124.9x	-5.8x	-13.4x	-21.8x	401.9x
P/CF	15.4x	7.9x	3.0x	-5.1x	-40.1x	35.5x
P/BV	0.9x	0.8x	1.0x	1.0x	1.1x	1.1x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	6.5%	12.6%	33.4%	-19.5%	-2.5%	2.8%
EV/Sales	2.0x	3.2x	2.4x	2.2x	2.0x	1.8x
EV/EBITDA	7.7x	32.9x	24.7x	17.6x	13.3x	10.8x
EV/EBIT	12.7x	-43.2x	-68.8x	664.0x	59.9x	33.4x
<b>Income statement (EURm)</b>						
Sales	94.2	70.6	89.2	103.5	116.0	128.0
yoy chg in %	159.1%	-25.0%	26.3%	16.0%	12.1%	10.3%
Gross profit	50.1	33.8	51.2	73.5	84.7	95.3
Gross margin in %	53.1%	47.8%	57.4%	71.1%	73.0%	74.4%
EBITDA	24.1	6.8	8.7	12.9	17.1	20.8
EBITDA margin in %	25.5%	9.7%	9.8%	12.4%	14.8%	16.3%
EBIT	14.5	-5.2	-3.1	0.3	3.8	6.7
EBIT margin in %	15.4%	-7.4%	-3.5%	0.3%	3.3%	5.3%
Net profit	4.3	-0.5	-9.9	-4.3	-2.6	0.1
<b>Cash flow statement (EURm)</b>						
CF from operations	3.7	7.2	19.2	-1.1	9.2	12.9
Capex	-28.4	-23.3	-7.9	-9.5	-11.0	-10.0
Maintenance Capex	0.0	0.0	0.0	10.0	10.6	11.3
Free cash flow	-24.7	-16.1	11.2	-10.7	-1.7	2.9
<b>Balance sheet (EURm)</b>						
Intangible assets	13.0	23.3	26.4	15.6	3.4	-10.0
Tangible assets	145.3	177.5	164.6	172.4	182.2	191.5
Shareholders' equity	60.7	69.8	59.9	55.6	53.0	53.1
Pension provisions	0.0	0.6	0.5	0.6	0.7	0.8
Liabilities and provisions	160.6	193.4	184.7	184.1	185.8	187.4
Net financial debt	127.3	166.8	157.7	168.4	170.2	167.3
w/c requirements	31.2	16.5	7.2	17.9	20.9	23.7
<b>Ratios</b>						
ROE	7.0%	-0.7%	-16.6%	-7.7%	-5.0%	0.3%
ROCE	6.6%	-2.0%	-1.3%	0.1%	1.6%	2.8%
Net gearing	209.6%	239.1%	263.3%	302.8%	321.0%	314.8%
Net debt / EBITDA	5.3x	24.4x	18.1x	13.1x	9.9x	8.0x

Source: Company data; mwb research

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Company	Disclosure
Photon Energy NV	2, 8

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