

Photon Energy NV

Netherlands | Renewables | MCap EUR 37.1m

15 October 2025

UPDATE



A mixed September, Spec. BUY

What's it all about?

Photon Energy's September figures showed a 7.4% yoy decline in proprietary electricity generation to 13.6 GWh, mainly due to unusually cloudy weather across Central Europe and continued temporary plant shutdowns in Romania, compounded by the sale of Australian assets. Despite sequentially higher realized prices, the average electricity sale price fell 3.6% mom to EUR 161/MWh due to a less favorable country mix, as higher-priced markets saw sharper output drops. Year-to-date generation was broadly flat at 123.5 GWh (-0.7% yoy) but below internal targets. With Romania's licensing delays weighing on high-margin IPP earnings and leverage metrics, the short-term picture remains challenging; however, long-term opportunities in demand response, capacity markets, and emerging technologies support a Spec. BUY rating and a EUR 1.00 price target.

Spec. BUY (Spec. BUY)

Target price	EUR 1.00 (1.00)
Current price	EUR 0.61
Up/downside	65.0%



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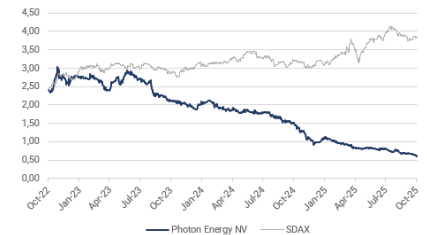
Production decline due to weather, Romania. Photon Energy's September report highlighted a notable 7.4% yoy decline in proprietary electricity generation, reaching 13.6 GWh. This performance was primarily driven by adverse weather conditions—characterized by numerous cloudy days—across core markets including the Czech Republic, Slovakia, and Romania. The shortfall was compounded by the ongoing operational impact of temporary shutdowns related to the licensing process in Romania, as well as the divestiture of the Australian assets.

Prices up sequentially but mix deteriorates. While Photon Energy realized sequentially stable or higher prices everywhere in September, the average realized electricity sale price still declined by 3.6% mom to 161 EUR/MWh (down 5.8% yoy). The reason is a product mix effect, as higher priced feed-in-tariff countries, especially Czech Republic and Slovakia, saw a higher-than-average production decline. The YTD generation stands at 123.5 GWh, which is broadly stable yoy (-0.7%) but remains significantly below internal expectations, predominantly attributable to the prolonged regulatory interruptions of the Romanian plants. Estimated revenues from electricity sales for the September totaled EUR 2.1m (-18% yoy).

Confirm PT EUR 1.00, Spec. BUY. The drawn-out licensing process in Romania has impacted high-margin IPP generation, adding to Photon Energy's short-term challenges, particularly with regard to high financial leverage and bond covenants. However, the company has substantial long-term potential in emerging technologies and markets, including demand response and capacity markets, as well as Raygen and PFAS remediation. We confirm our Spec. BUY rating for investors willing to take on short-term risks in order to benefit from long-term opportunities.

Photon Energy NV	2022	2023	2024	2025E	2026E	2027E
Sales	94.2	70.6	89.9	103.3	111.2	123.9
<i>Growth yoy</i>	159.1%	-25.0%	27.3%	14.9%	7.7%	11.4%
EBITDA	24.1	6.8	7.8	9.0	14.9	18.7
EBIT	14.5	-5.2	-2.8	-3.5	1.6	4.6
Net profit	4.3	-0.5	-9.4	-9.3	-8.1	-6.8
Net debt (net cash)	127.3	166.8	160.3	181.1	202.3	219.8
Net debt/EBITDA	5.3x	24.4x	20.5x	20.2x	13.6x	11.8x
EPS reported	0.07	-0.01	-0.15	-0.15	-0.13	-0.11
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%	57.8%	55.3%	64.7%	66.8%
EBITDA margin	25.5%	9.7%	8.7%	8.7%	13.4%	15.1%
EBIT margin	15.4%	-7.4%	-3.1%	-3.4%	1.4%	3.7%
ROCE	6.6%	-2.0%	-1.1%	-1.4%	0.6%	1.6%
EV/Sales	1.7x	2.9x	2.2x	2.1x	2.2x	2.1x
EV/EBITDA	6.8x	30.0x	25.3x	24.4x	16.1x	13.8x
EV/EBIT	11.3x	-39.4x	-71.9x	-63.1x	154.0x	56.0x
PER	8.7x	-80.9x	-3.9x	-4.0x	-4.6x	-5.4x

Source: Company data, mwb research



Source: Company data, mwb research

High/low 52 weeks 1.52 / 0.60
Price/Book Ratio 0.6x

Ticker / Symbols

ISIN NL0010391108
WKN A1T9KW
Bloomberg P7V:GR

Changes in estimates

		Sales	EBIT	EPS
2025E	old	103.3	-3.5	-0.15
	Δ	0.0%	na%	na%
2026E	old	111.2	1.6	-0.13
	Δ	0.0%	0.0%	na%
2027E	old	123.9	4.6	-0.11
	Δ	0.0%	0.0%	na%

Key share data

Number of shares: (in m pcs) 61.24
Book value per share: (in EUR) 0.99
Ø trading vol.: (12 months) 28,505

Major shareholders

Solar Future 33.7%
Solar Power to the People 32.2%
Solar Age Investments 1.8%
Free Float 30.6%

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.

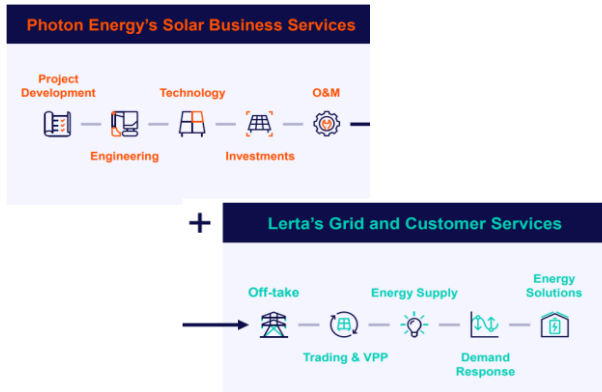
The following table displays the quarterly performance of **Photon Energy NV**:

P&L data	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025
Sales	19.2	11.2	17.4	23.9	22.9	25.1	22.0	25.7
yoy growth in %	-45.7%	-43.6%	-9.9%	14.1%	18.9%	124.1%	26.9%	7.5%
Gross profit	11.8	3.8	9.3	15.2	14.7	12.1	11.2	13.6
Gross margin in %	61.6%	72.4%	53.5%	63.4%	64.5%	48.1%	50.9%	53.0%
EBITDA	1.9	-1.0	0.8	5.3	3.8	-1.1	1.2	2.8
EBITDA margin in %	10.0%	2.4%	4.5%	22.1%	16.6%	-4.5%	5.5%	11.0%
EBIT	-1.0	-2.7	-1.4	2.3	0.4	-4.4	-0.8	-0.5
EBIT margin in %	-5.4%	-27.3%	-8.2%	9.5%	1.7%	-17.4%	-3.6%	-1.9%
EBT	-4.0	-5.3	-2.3	-2.6	-2.5	-7.0	-3.4	-3.5
taxes paid	-1.8	0.8	-1.0	0.2	0.5	-0.4	0.3	-0.2
tax rate in %	46.0%	-20.0%	43.0%	-6.2%	-20.7%	6.4%	-10.2%	6.3%
net profit	-2.1	-6.2	-1.3	-2.8	-3.0	-6.5	-3.7	-3.3
yoy growth in %	na%	na%	na%	-14.8%	37.6%	6.0%	180.5%	16.8%
EPS	-0.04	-0.10	-0.02	-0.05	-0.05	-0.11	-0.06	-0.05

Source: Company data; mwb research

Investment case in six charts

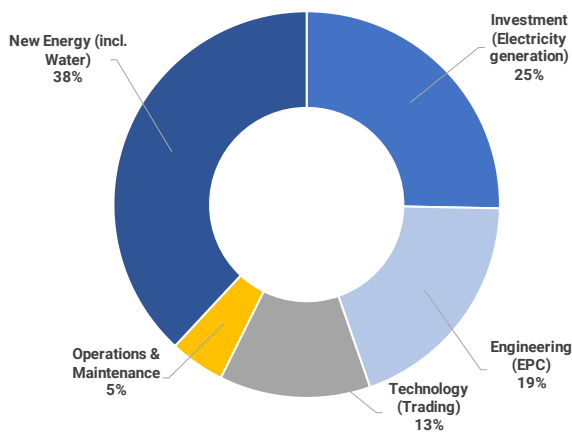
Business Model



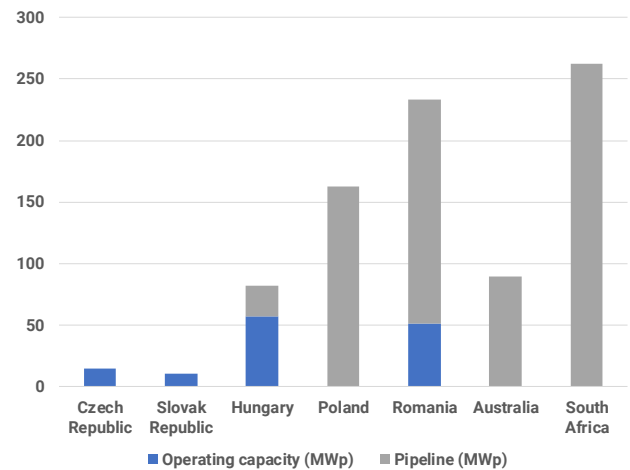
Geographical Presence



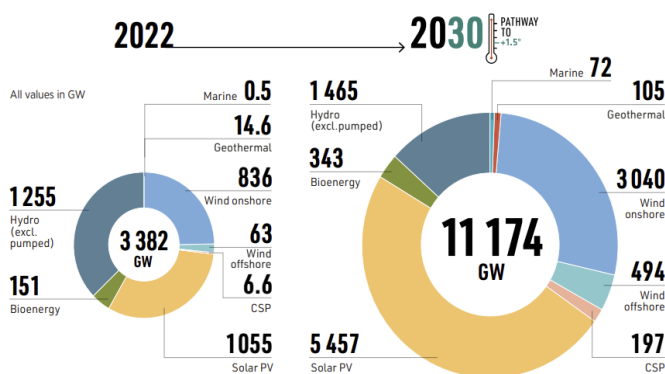
External Revenue Shares (2024)



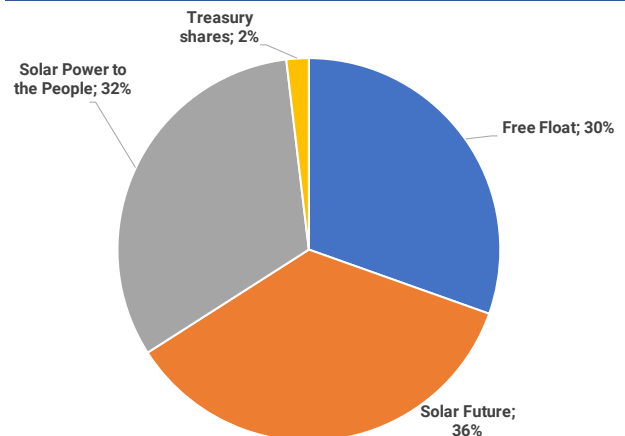
Capacity and Pipeline



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

DCF Model

Top-line growth: We expect Photon Energy NV to grow revenues at a CAGR of 4.6% between 2025E and 2032E. The long-term growth rate is set at 2.0%.

WACC. Starting point is a historical equity beta of 1.06. Unlevering and correcting for mean reversion yields an asset beta of 0.48. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 9.2%. With pre-tax cost of borrowing at 7.5%, a tax rate of 25.0% and target debt/equity of 2.0 this results in a long-term WACC of 6.8%.

DCF per share derived from	
Total present value	187.5
Mid-year adj. total present value	195.3
Net debt / cash at start of year	160.3
Financial assets	26.6
Provisions and off b/s debt	0.5
Equity value	61.0
No. of shares outstanding	61.2
Discounted cash flow / share upside/(downside)	1.00 64.4%
Share price	0.61

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2025E-2032E)	4.6%
Terminal value growth (2032E - infinity)	2.0%
Terminal year ROCE	7.5%
Terminal year WACC	6.8%
Terminal WACC derived from	
Cost of borrowing (before taxes)	7.5%
Long-term tax rate	25.0%
Equity beta	1.06
Unlevered beta (industry or company)	0.48
Target debt / equity	2.0
Relevered beta	1.20
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	9.2%

Change in WACC (%points)	Long term growth					Share of present value		
	1.0%	1.5%	2.0%	2.5%	3.0%			
	2.0%	-0.2	-0.1	0.0	0.2	0.3	2025E-2028E	2.2%
	1.0%	0.2	0.3	0.4	0.6	0.8	2029E-2032E	24.5%
	0.0%	0.6	0.8	1.0	1.3	1.6	terminal value	73.3%
	-1.0%	1.2	1.5	1.8	2.3	3.0		
	-2.0%	2.1	2.6	3.3	4.3	5.9		



ResearchHub

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 -2.59 per share based on 2025E and EUR -0.68 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
EBITDA	9.0	14.9	18.7	19.8	19.6
- Maintenance capex	10.0	10.7	11.3	11.3	11.3
- Minorities	0.0	0.0	0.0	0.0	0.0
- tax expenses	-0.8	-0.7	-0.7	-0.7	-0.3
= Adjusted FCF	-0.2	5.0	8.1	9.2	8.6
Actual Market Cap	37.1	37.1	37.1	37.1	37.1
+ Net debt (cash)	181.1	202.3	219.8	219.8	211.3
+ Pension provisions	0.6	0.7	0.7	0.8	0.8
+ Off B/S financing	0.0	0.0	0.0	0.0	0.0
- Financial assets	26.6	26.6	26.6	26.6	26.6
- Acc. dividend payments	0.0	0.0	0.0	0.0	0.0
<i>EV Reconciliations</i>	155.2	176.4	194.0	194.0	185.5
= Actual EV'	192.3	213.5	231.1	231.1	222.6
Adjusted FCF yield	-0.1%	2.3%	3.5%	4.0%	3.9%
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	-3.6	82.8	135.0	153.3	143.8
- <i>EV Reconciliations</i>	155.2	176.4	194.0	194.0	185.5
Fair Market Cap	-158.7	-93.7	-58.9	-40.7	-41.7
No. of shares (million)	61.2	61.2	61.2	61.2	61.2
Fair value per share in EUR	-2.59	-1.53	-0.96	-0.67	-0.68
Premium (-) / discount (+)	-527.7%	-352.4%	-258.8%	-209.8%	-212.4%

Sensitivity analysis FV						
Adjusted hurdle rate	4.0%	-2.6	-0.9	0.1	0.6	0.5
	5.0%	-2.6	-1.3	-0.5	-0.2	-0.2
	6.0%	-2.6	-1.5	-1.0	-0.7	-0.7
	7.0%	-2.6	-1.7	-1.3	-1.0	-1.0
	8.0%	-2.6	-1.9	-1.5	-1.3	-1.3

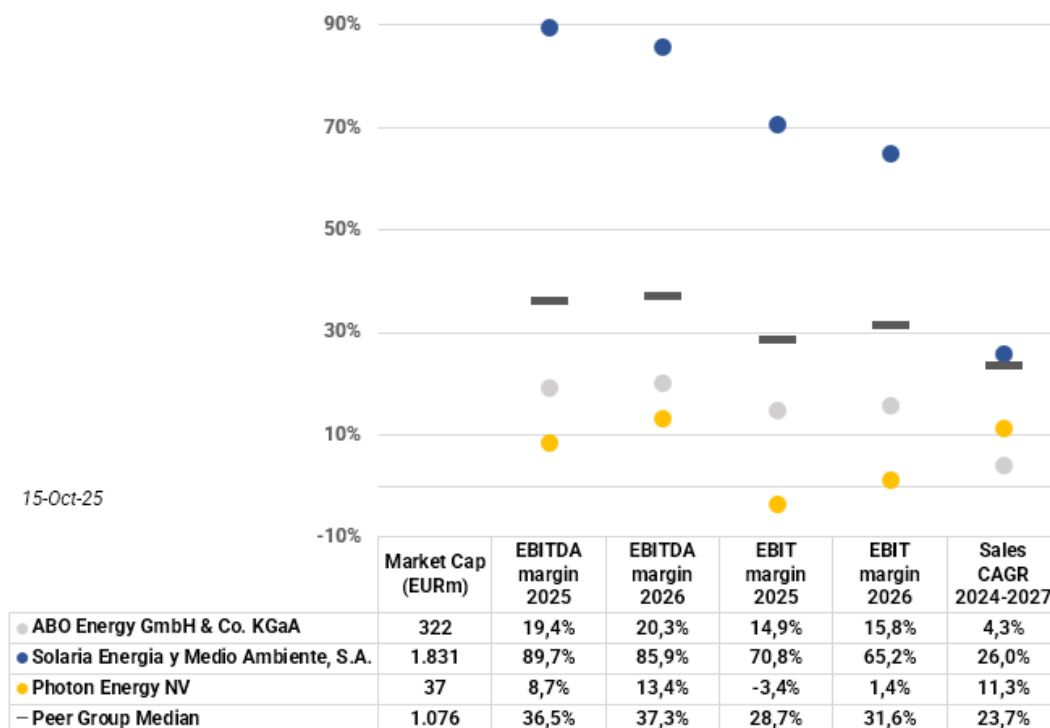
Source: Company data; mwb research

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 15 October 2025 the median market cap of the peer group was EUR 1,076.2m, compared to EUR 37.1m 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 higher for the peer group than for Photon Energy NV.

Peer Group – Key data

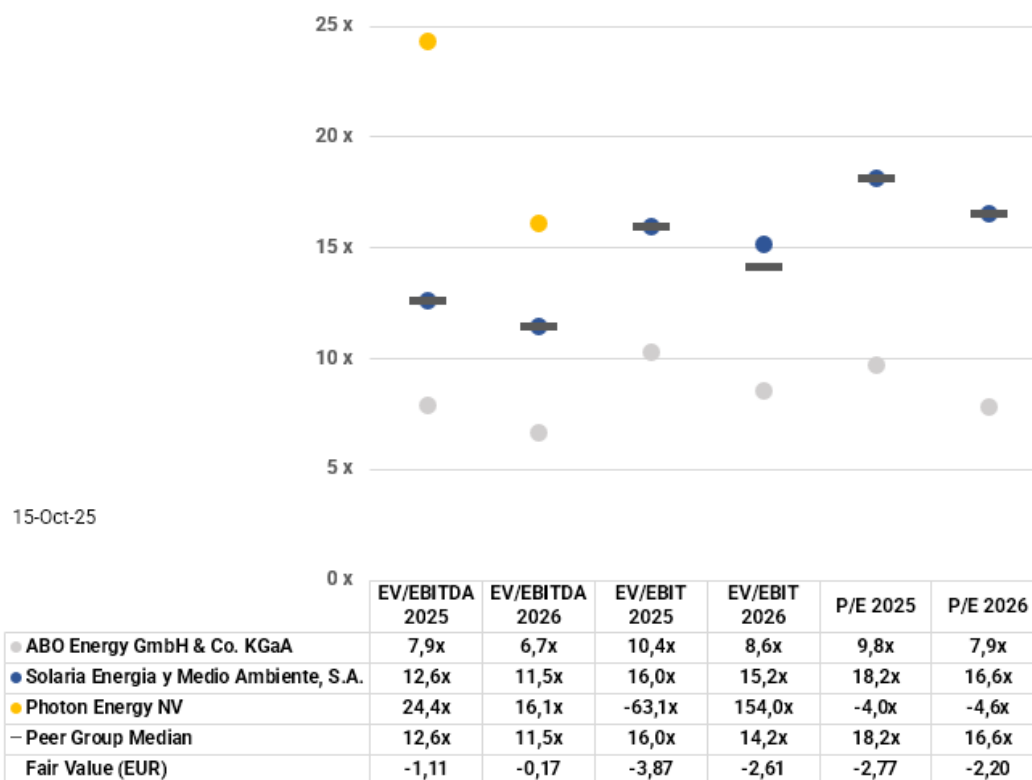


Source: FactSet, mwb research

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 -0.17.

Peer Group – Multiples and valuation

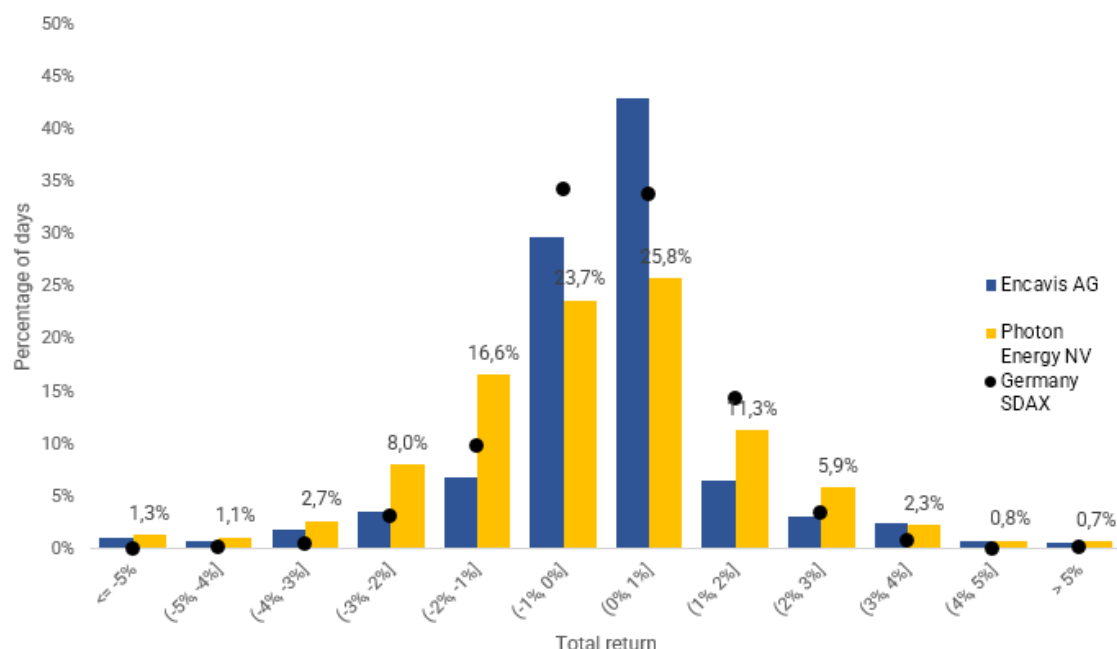


Source: FactSet, mwb research

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 19/11/2024 with a share price decline of -10.0%. The best day was 27/06/2025 when the share price increased by 8.5%.

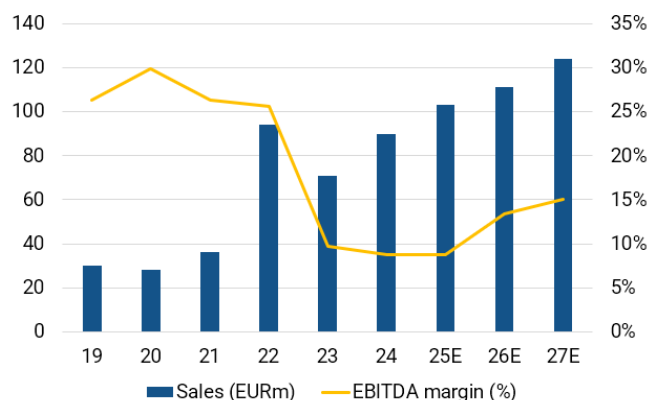
Risk – Daily Returns Distribution (trailing 3 years)



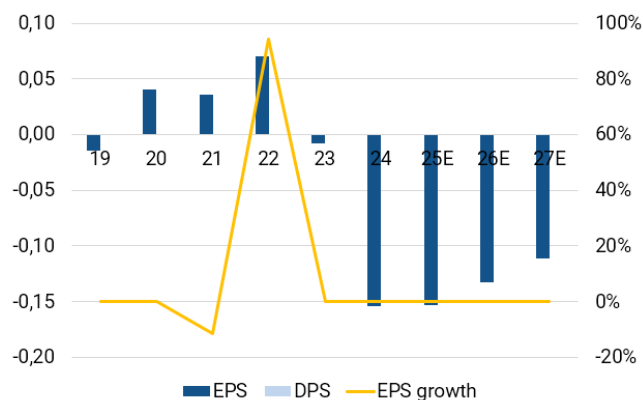
Source: FactSet, mwb research

Financials in six charts

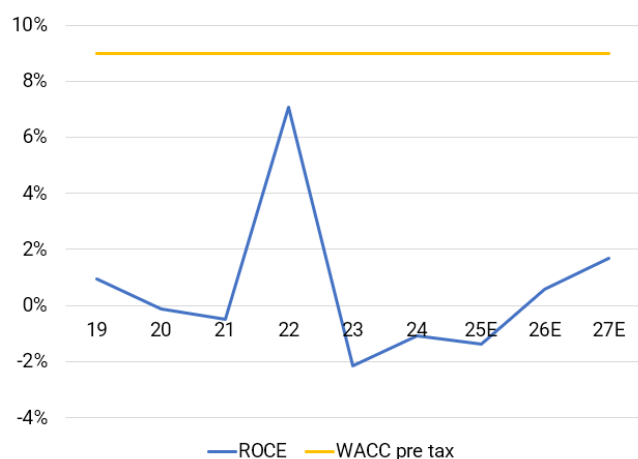
Sales vs. EBITDA margin development



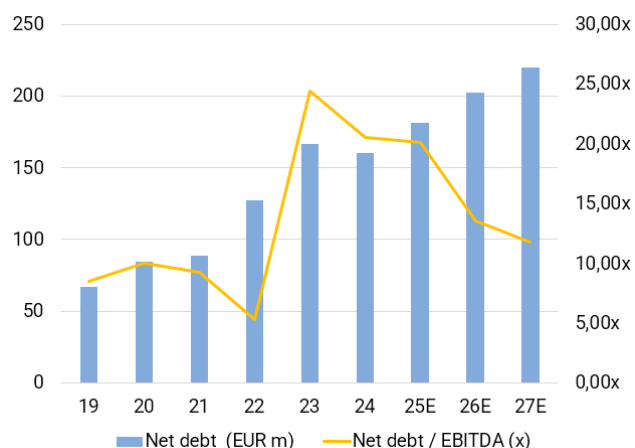
EPS, DPS in EUR & yoy EPS growth



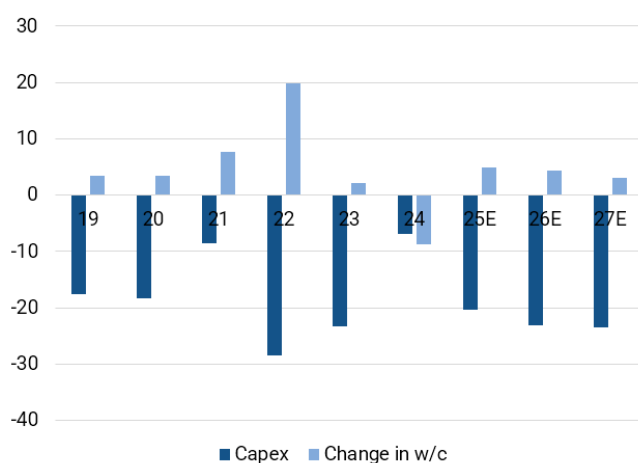
ROCE vs. WACC (pre tax)



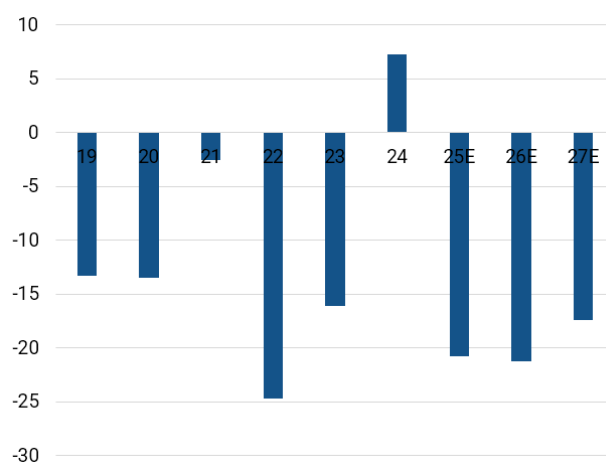
Net debt and net debt/EBITDA



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
Net sales	94.2	70.6	89.9	103.3	111.2	123.9
Sales growth	159.1%	-25.0%	27.3%	14.9%	7.7%	11.4%
Change in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	94.2	70.6	89.9	103.3	111.2	123.9
Material expenses	44.1	36.9	38.0	46.2	39.3	41.1
Gross profit	50.1	33.8	51.9	57.1	71.9	82.8
Other operating income	0.6	4.1	1.6	5.9	6.3	7.1
Personnel expenses	9.5	18.5	18.0	35.4	48.9	55.0
Other operating expenses	17.0	12.5	27.7	18.6	14.5	16.1
EBITDA	24.1	6.8	7.8	9.0	14.9	18.7
Depreciation	9.0	12.0	10.6	12.5	13.3	14.1
EBITA	15.1	-5.2	-2.8	-3.5	1.6	4.6
Amortisation of goodwill and intangible assets	0.6	0.0	0.0	0.0	0.0	0.0
EBIT	14.5	-5.2	-2.8	-3.5	1.6	4.6
Financial result	-8.3	-11.1	-11.1	-13.3	-17.9	-19.6
Recurring pretax income from continuing operations	6.2	-16.3	-13.8	-16.8	-16.3	-15.0
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	6.2	-16.3	-13.8	-16.8	-16.3	-15.0
Taxes	3.5	-0.6	-0.6	-0.8	-0.7	-0.7
Net income from continuing operations	2.8	-15.8	-13.2	-16.0	-15.6	-14.3
Result from discontinued operations (net of tax)	1.5	15.3	3.8	6.7	7.5	7.5
Net income	4.3	-0.5	-9.4	-9.3	-8.1	-6.8
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	4.3	-0.5	-9.4	-9.3	-8.1	-6.8
Average number of shares	61.24	61.24	61.24	61.24	61.24	61.24
EPS reported	0.07	-0.01	-0.15	-0.15	-0.13	-0.11

Profit and loss (common size)	2022	2023	2024	2025E	2026E	2027E
Net sales	100%	100%	100%	100%	100%	100%
Change in finished goods and work-in-process	0%	0%	0%	0%	0%	0%
Total sales	100%	100%	100%	100%	100%	100%
Material expenses	47%	52%	42%	45%	35%	33%
Gross profit	53%	48%	58%	55%	65%	67%
Other operating income	1%	6%	2%	6%	6%	6%
Personnel expenses	10%	26%	20%	34%	44%	44%
Other operating expenses	18%	18%	31%	18%	13%	13%
EBITDA	26%	10%	9%	9%	13%	15%
Depreciation	10%	17%	12%	12%	12%	11%
EBITA	16%	-7%	-3%	-3%	1%	4%
Amortisation of goodwill and intangible assets	1%	0%	0%	0%	0%	0%
EBIT	15%	-7%	-3%	-3%	1%	4%
Financial result	-9%	-16%	-12%	-13%	-16%	-16%
Recurring pretax income from continuing operations	7%	-23%	-15%	-16%	-15%	-12%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	7%	-23%	-15%	-16%	-15%	-12%
Taxes	4%	-1%	-1%	-1%	-1%	-1%
Net income from continuing operations	3%	-22%	-15%	-16%	-14%	-12%
Result from discontinued operations (net of tax)	2%	22%	4%	6%	7%	6%
Net income	5%	-1%	-10%	-9%	-7%	-6%
Minority interest	0%	0%	0%	0%	0%	0%
Net profit (reported)	5%	-1%	-10%	-9%	-7%	-6%

Source: Company data; mwb research

Balance sheet (EURm)	2022	2023	2024	2025E	2026E	2027E
Intangible assets (exl. Goodwill)	13.0	8.1	10.6	10.6	10.6	10.6
Goodwill	0.0	15.3	15.3	15.3	15.3	15.3
Property, plant and equipment	145.3	177.5	164.4	172.3	182.1	191.4
Financial assets	12.8	24.2	26.6	26.6	26.6	26.6
FIXED ASSETS	171.2	225.0	216.9	224.8	234.6	243.9
Inventories	15.8	14.1	6.7	12.7	10.8	11.3
Accounts receivable	27.8	17.0	26.9	30.9	33.3	37.0
Other current assets	3.2	7.1	6.7	6.7	6.7	6.7
Liquid assets	21.4	13.0	14.4	8.9	7.7	10.2
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	1.6	1.8
CURRENT ASSETS	69.1	52.4	55.9	60.6	60.0	67.0
TOTAL ASSETS	240.2	277.4	272.8	285.4	294.5	310.9
SHAREHOLDERS EQUITY	60.7	69.8	60.4	51.1	43.0	36.1
MINORITY INTEREST	-0.2	-0.3	-0.3	-0.3	-0.3	-0.3
Long-term debt	138.2	164.8	155.0	155.0	155.0	155.0
Provisions for pensions and similar obligations	0.0	0.6	0.5	0.6	0.7	0.7
Other provisions	12.0	13.0	12.1	13.4	14.5	16.1
Non-current liabilities	150.2	178.3	167.7	169.1	170.1	171.9
short-term liabilities to banks	10.4	15.0	19.7	35.0	55.0	75.0
Accounts payable	12.4	14.6	22.3	27.1	23.0	24.1
Advance payments received on orders	0.0	0.0	2.6	3.0	3.2	3.6
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	0.6	0.6	0.6	0.6
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	29.5	29.6	45.1	65.6	81.8	103.2
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	240.2	277.4	272.8	285.4	294.5	310.9

Balance sheet (common size)	2022	2023	2024	2025E	2026E	2027E
Intangible assets (excl. Goodwill)	5%	3%	4%	4%	4%	3%
Goodwill	0%	6%	6%	5%	5%	5%
Property, plant and equipment	60%	64%	60%	60%	62%	62%
Financial assets	5%	9%	10%	9%	9%	9%
FIXED ASSETS	71%	81%	79%	79%	80%	78%
Inventories	7%	5%	2%	4%	4%	4%
Accounts receivable	12%	6%	10%	11%	11%	12%
Other current assets	1%	3%	2%	2%	2%	2%
Liquid assets	9%	5%	5%	3%	3%	3%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	0%	0%	0%	1%	1%	1%
CURRENT ASSETS	29%	19%	21%	21%	20%	22%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	25%	25%	22%	18%	15%	12%
MINORITY INTEREST	-0%	-0%	-0%	-0%	-0%	-0%
Long-term debt	58%	59%	57%	54%	53%	50%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	5%	5%	4%	5%	5%	5%
Non-current liabilities	63%	64%	61%	59%	58%	55%
short-term liabilities to banks	4%	5%	7%	12%	19%	24%
Accounts payable	5%	5%	8%	9%	8%	8%
Advance payments received on orders	0%	0%	1%	1%	1%	1%
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%
Current liabilities	12%	11%	17%	23%	28%	33%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100%	100%	100%	100%	100%	100%

Source: Company data; mwb research

Cash flow statement (EURm)	2022	2023	2024	2025E	2026E	2027E
Net profit/loss	6.2	-16.3	-9.4	-9.3	-8.1	-6.8
Depreciation of fixed assets (incl. leases)	8.9	11.9	10.6	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	4.4	1.4	1.1	1.7
Cash flow from operations before changes in w/c	23.6	9.3	5.6	4.5	6.3	9.0
Increase/decrease in inventory	-13.4	5.9	7.3	-5.9	1.9	-0.5
Increase/decrease in accounts receivable	-10.9	1.5	-9.9	-4.0	-2.4	-3.8
Increase/decrease in accounts payable	5.0	-4.0	7.7	4.8	-4.1	1.1
Increase/decrease in other w/c positions	-0.5	-5.4	3.6	0.2	0.1	0.2
Increase/decrease in working capital	-19.9	-2.1	8.7	-4.9	-4.4	-3.0
Cash flow from operating activities	3.7	7.2	14.3	-0.4	1.9	6.0
CAPEX	-28.4	-23.3	-7.0	-20.4	-23.1	-23.4
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
Cash flow from investing activities	-34.3	-26.7	-1.4	-20.4	-23.1	-23.4
Cash flow before financing	-30.6	-19.5	12.9	-20.8	-21.2	-17.5
Increase/decrease in debt position	18.0	14.1	-5.1	15.3	20.0	20.0
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	-5.2	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	9.3	14.1	-10.3	15.3	20.0	20.0
Increase/decrease in liquid assets	-21.2	-5.4	2.5	-5.5	-1.2	2.5
Liquid assets at end of period	11.3	5.8	8.4	2.9	1.7	4.2

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	89.9	103.3	111.2	123.9
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
Total sales	94.2	70.6	89.9	103.3	111.2	123.9

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%
Total sales	100%	100%	100%	100%	100%	100%

Source: Company data; mwb research

Ratios	2022	2023	2024	2025E	2026E	2027E
Per share data						
Earnings per share reported	0.07	-0.01	-0.15	-0.15	-0.13	-0.11
Cash flow per share	-0.06	-0.04	0.10	-0.17	-0.14	-0.09
Book value per share	0.99	1.14	0.99	0.83	0.70	0.59
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
Valuation						
P/E	8.7x	-80.9x	-3.9x	-4.0x	-4.6x	-5.4x
P/CF	-10.8x	-15.4x	6.4x	-3.6x	-4.2x	-7.0x
P/BV	0.6x	0.5x	0.6x	0.7x	0.9x	1.0x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	-9.3%	-6.5%	15.7%	-27.9%	-23.6%	-14.3%
EV/Sales	1.7x	2.9x	2.2x	2.1x	2.2x	2.1x
EV/EBITDA	6.8x	30.0x	25.3x	24.4x	16.1x	13.8x
EV/EBIT	11.3x	-39.4x	-71.9x	-63.1x	154.0x	56.0x
Income statement (EURm)						
Sales	94.2	70.6	89.9	103.3	111.2	123.9
yoy chg in %	159.1%	-25.0%	27.3%	14.9%	7.7%	11.4%
Gross profit	50.1	33.8	51.9	57.1	71.9	82.8
Gross margin in %	53.1%	47.8%	57.8%	55.3%	64.7%	66.8%
EBITDA	24.1	6.8	7.8	9.0	14.9	18.7
EBITDA margin in %	25.5%	9.7%	8.7%	8.7%	13.4%	15.1%
EBIT	14.5	-5.2	-2.8	-3.5	1.6	4.6
EBIT margin in %	15.4%	-7.4%	-3.1%	-3.4%	1.4%	3.7%
Net profit	4.3	-0.5	-9.4	-9.3	-8.1	-6.8
Cash flow statement (EURm)						
CF from operations	3.7	7.2	14.3	-0.4	1.9	6.0
Capex	-28.4	-23.3	-7.0	-20.4	-23.1	-23.4
Maintenance Capex	7.2	9.6	8.5	10.0	10.7	11.3
Free cash flow	-24.7	-16.1	7.3	-20.8	-21.2	-17.5
Balance sheet (EURm)						
Intangible assets	13.0	23.3	25.9	25.9	25.9	25.9
Tangible assets	145.3	177.5	164.4	172.3	182.1	191.4
Shareholders' equity	60.7	69.8	60.4	51.1	43.0	36.1
Pension provisions	0.0	0.6	0.5	0.6	0.7	0.7
Liabilities and provisions	160.6	193.4	187.3	204.1	225.1	246.9
Net financial debt	127.3	166.8	160.3	181.1	202.3	219.8
w/c requirements	31.2	16.5	8.8	13.5	17.8	20.7
Ratios						
ROE	7.0%	-0.7%	-15.6%	-18.3%	-18.9%	-18.9%
ROCE	6.6%	-2.0%	-1.1%	-1.4%	0.6%	1.6%
Net gearing	209.6%	239.1%	265.4%	354.7%	471.0%	608.4%
Net debt / EBITDA	5.3x	24.4x	20.5x	20.2x	13.6x	11.8x

Source: Company data; mwb research

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