

# REMEDY

8/1/2025 9:05 am EEST

This is a translated version of " FBC: Firebreakin julkaisu polttopisteessä" report, published on 8/1/2025



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**COMPANY REPORT**



# Remedy Q2'25 preview: FBC: Firebreak release in focus

Remedy will report its Q2 results on Tuesday, August 12, at 9:00 am EEST. We will review the report afresh in Remedy earnings live starting at 8:55 am (in Finnish). The Q2 report is shaping up to be very interesting, as the release of FBC: Firebreak (June 17) will be reflected in the numbers for the first two weeks. The game's launch did not get off to the desired start, which has clearly increased uncertainty regarding the game's future revenue development. We will therefore particularly monitor in the report the information disclosed about the game as well as Remedy's future plans regarding its development. We will also review our estimates in connection with the Q2 report based on the latest information. However, we are downgrading our recommendation for the stock to Accumulate (was Buy) and simultaneously revising the target price to EUR 18.0 (was EUR 20.0). We see FBC: Firebreak's weak performance weighing down the share's valuation in the short term. Relative to Remedy's longer-term potential, we still see the stock as interesting.

## FBC: Firebreak release visible in revenue, but by how much?

We forecast Remedy's Q2 revenue to have grown by 65% to 17.1 MEUR, but visibility into revenue development is weak due to the release of FBC: Firebreak (June 17). Thus, the game's sales had time to impact the Q2 figures for about 2 weeks. In light of the game's initial reception and player statistics from the PC platform Steam, sales have been disappointing in the early stages, although there is no visibility for console platforms. Remedy stated on June 26 that over a million players had played the game, but presumably the majority of these have come through Game Pass and PS Plus services, where the game was available immediately on release day. We have assumed Remedy will receive a total of 10 MEUR from Sony and Microsoft for these during the first year, and we have allocated the sum evenly over the 12 months following the release. However, it is possible that revenue from these B2B agreements is weighted to some extent based on player

numbers, resulting in Remedy recognizing more revenue closer to the release. Thus, overall, considerable uncertainty is associated with our forecast Q2 revenue from FBC: Firebreak (4.9 MEUR). We would like to remind that FBC: Firebreak is Remedy's first self-published game, meaning that all of the game's sales are reflected in the company's revenue. After that, the distribution costs charged by the platforms (our assumption is 25%) are deducted, and in addition, Remedy is responsible for the game's marketing expenses. The situation is different for other royalties (Q2'25e 2.7 MEUR), of which we forecast the majority to have come from Alan Wake 2. In these, the aforementioned expenses have already been paid by the publishing partner, and revenue comes to Remedy at a very high margin.

We estimate that development fees accounted for around 9.6 MEUR of revenue in Q2, which would mean somewhat lower revenue than in Q1 (10.7 MEUR). We estimate that most of these are from the Max Payne subcontracting project currently in production. Control 2, which entered full production in February, has also generated development fees (Annapurna finances 50% of the estimated production budget of around 50 MEUR).

## We forecast that revenue growth will be visible in the earnings figures

We forecast Remedy's EBITDA to have increased in Q2 along with revenue growth to 4.1 MEUR (Q2'24: -2.4 MEUR). The evolution of Remedy's cost structure calmed down in 2024, as the investments in the implementation of the multi-project model were largely completed. With a predominantly fixed cost structure, the increase in revenue will therefore have a strong impact on profitability in the future. We also estimate the marketing investments made in FBC: Firebreak to have been fairly modest in connection with the release.

(Earnings preview continues on page 4)

## Recommendation

**Accumulate**

(was Buy)

## Target price:

**EUR 18.00**

(was EUR 20.00)

## Share price:

EUR 16.06

## Business risk



## Valuation risk



	2024	2025e	2026e	2027e
<b>Revenue</b>	50.7	69.7	71.5	113.3
<b>growth-%</b>	49%	38%	3%	59%
<b>EBIT adj.</b>	-4.3	7.9	4.1	13.4
<b>EBIT-% adj.</b>	-8.4 %	11.3 %	5.7 %	11.9 %
<b>Net Income</b>	-3.6	5.6	2.9	10.6
<b>EPS (adj.)</b>	-0.27	0.41	0.21	0.76
<b>P/E (adj.)</b>	neg.	39.0	76.6	21.0
<b>P/B</b>	2.8	2.8	2.6	2.2
<b>Dividend yield-%</b>	0.0 %	0.0 %	0.0 %	0.0 %
<b>EV/EBIT (adj.)</b>	neg.	24.7	47.4	13.2
<b>EV/EBITDA</b>	65.9	12.4	13.8	5.5
<b>EV/S</b>	3.3	2.8	2.7	1.6

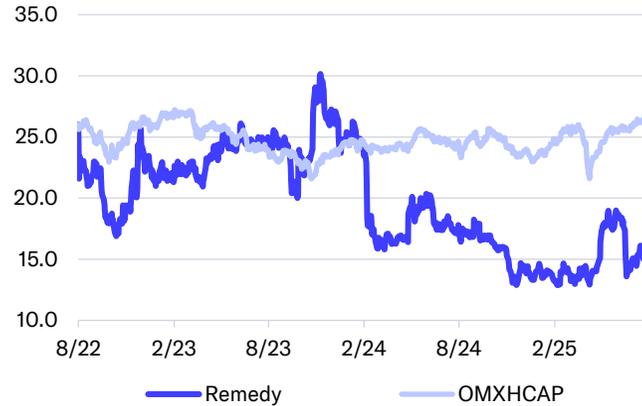
Source: Inderes

## Guidance

(Unchanged)

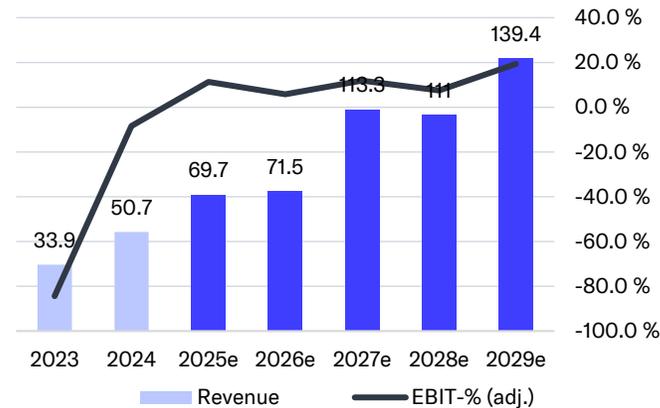
"Remedy expects its revenue and operating profit (EBIT) to increase from the previous year and operating profit (EBIT) to be positive."

## Share price



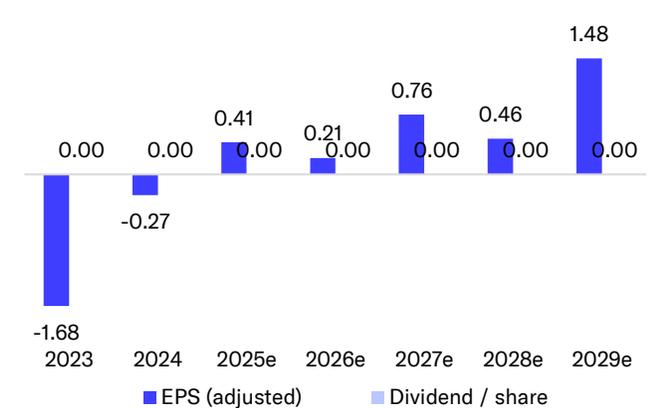
Source: Millstream Market Data AB

## Revenue and EBIT %



Source: Inderes

## EPS and dividend



Source: Inderes

## Value drivers

- Alan Wake 2 and FBC: Firebreak sales development
- Self-owned game brands (Alan Wake and Control)
- Multi-project model creates continuity and diversifies risks
- Strong track record of developing high-quality games
- Own game engine and game development tools create scalability and a competitive advantage
- Attractive position in value chain considering industry trends and consolidation

## Risk factors

- Commercial failure of future games
- Delays in game projects
- Dependency on publishing partners
- Fierce competition for top talent and players' time and money in the games industry
- Technology and market trends
- Changes in expectations for future games can cause significant volatility in the stock

Valuation	2025e	2026e	2027e
Share price	16.1	16.1	16.1
Number of shares, millions	13.7	13.8	13.9
Market cap	220	221	223
EV	195	195	178
P/E (adj.)	39.0	76.6	21.0
P/E	39.0	76.6	21.0
P/B	2.8	2.6	2.2
P/S	3.1	3.1	2.0
EV/Sales	2.8	2.7	1.6
EV/EBITDA	12.4	13.8	5.5
EV/EBIT (adj.)	24.7	47.4	13.2
Payout ratio (%)	0.0 %	0%	0.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

## FBC: Firebreak's weak start creates uncertainty about H2 revenue development

In its guidance, Remedy estimates revenue (2024: 50.7 MEUR) and EBIT (-4.3 MEUR) to increase compared to the previous year and that EBIT will be positive. The focus for growth is naturally on the release of FBC: Firebreak, but in addition, the royalties from Alan Wake 2 and other older games create a base for revenue on top of development fees. Our forecast for this year expects revenue of 69.7 MEUR (+38%) and EBIT of 7.9 MEUR. FBC: Firebreak's contribution to our current year's forecast is about 18.8 MEUR, of which agreements made with Sony and Microsoft account for just over 5 MEUR. The remainder should be covered by game sales, for which the risks have increased based on the game's initial reception. We will be particularly monitoring any data points (e.g. sales figures) that Remedy may disclose about the game in its Q2 report, as well as any further plans regarding the game's

development. In the big picture, Remedy's medium-term earnings expectations are weighted towards 2027, when Control 2 is very likely to be released.

### Remedy revealed FBC: Firebreak's next plans in a blog post

Remedy's [blog post](#) in July already revealed some of the future plans for FBC: Firebreak. The first major update to the game is coming in September, which will also bring one new job to the game, in addition to the current five. Changes are also being made to the game that will introduce new ways to play the jobs. This aims to improve replayability. The game's criticized initial experience will be improved to attract new players. This includes story-driven onboarding and a playable tutorial. Weapon feel will be improved, and players will be given more control over weapon development. The number of weapons will also be increased. The blog post also assures that the game will continue to be developed even after this major update,

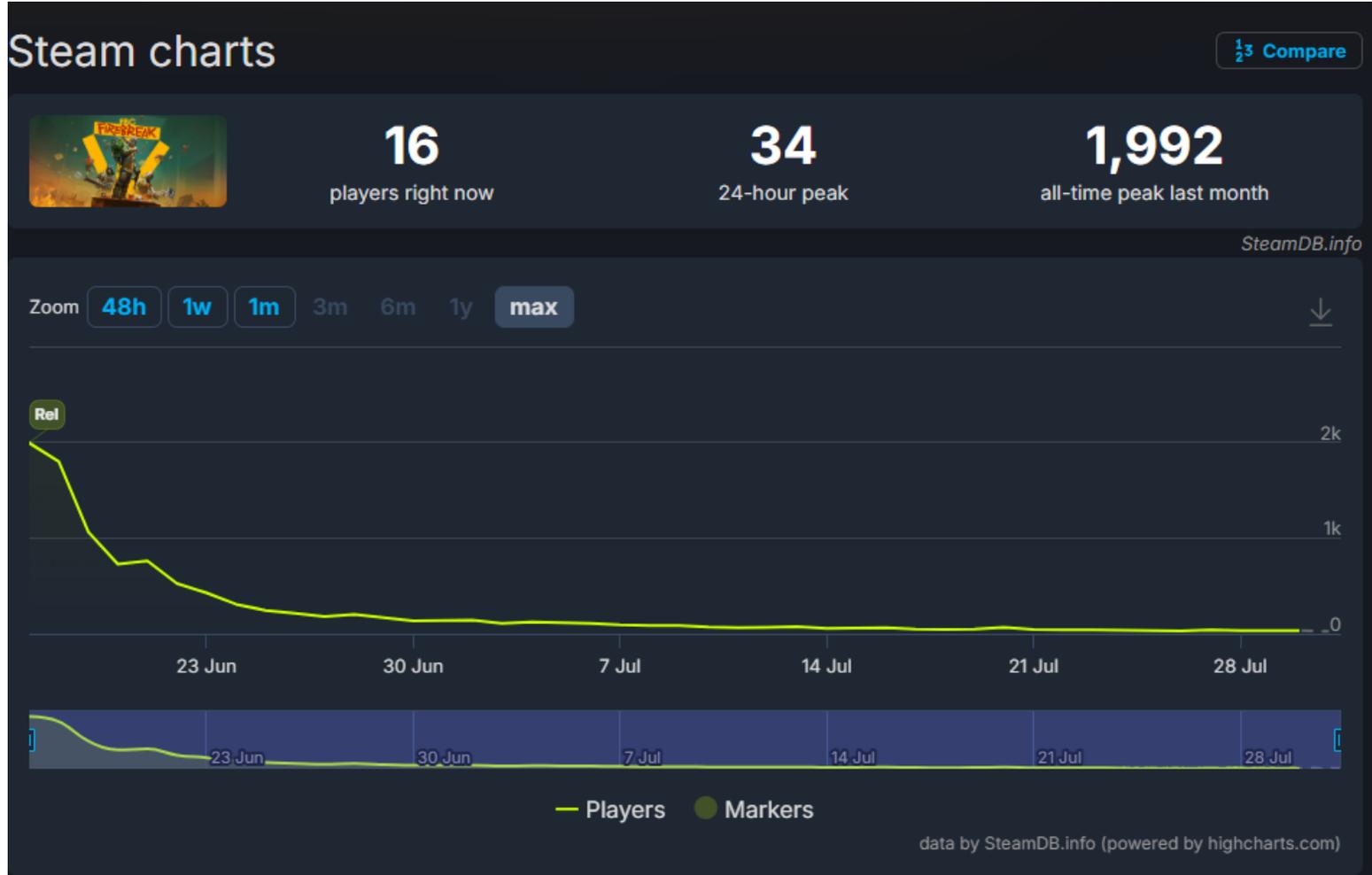
based on player feedback.

Overall, after a weak start, attracting players back to the game is very challenging. For Remedy, the agreements made with Microsoft and Sony provide a short-term buffer to improve weak performance. If the game's trajectory cannot be reversed within the first 12 months, we believe the company must seriously consider whether to continue developing the game or to focus all development efforts on future single-player projects. However, these are Remedy's bread and butter and key for the company's value creation potential.

Estimates MEUR / EUR	Q2'24	Q2'25	Q2'25e	Q2'25e	Consensus		2025e
	Comparison	Actualized	Inderes	Consensus	Low	High	Inderes
Revenue	10.3		17.1				69.7
EBITDA	-2.4		4.1				15.7
EBIT (adj.)	-3.2		2.7				7.9
EPS (reported)	-0.16		0.15				0.41
Revenue growth-%	16.2 %		65.3 %				37.6 %
EBIT-% (adj.)	-31.0 %		15.6 %				11.3 %

Source: Inderes

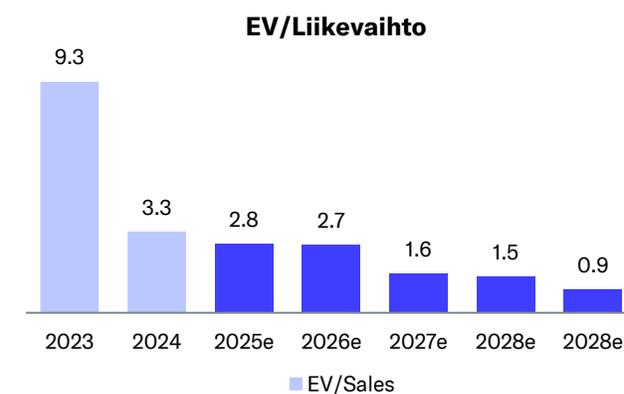
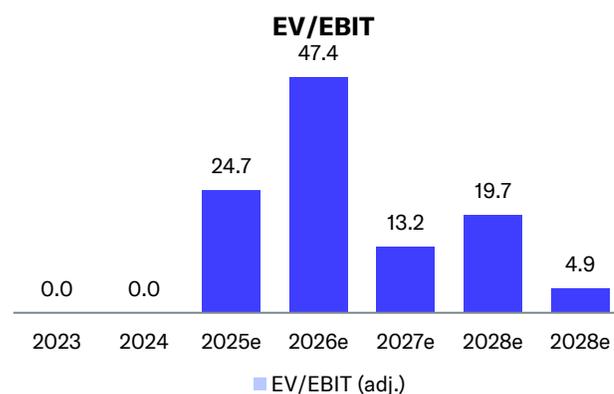
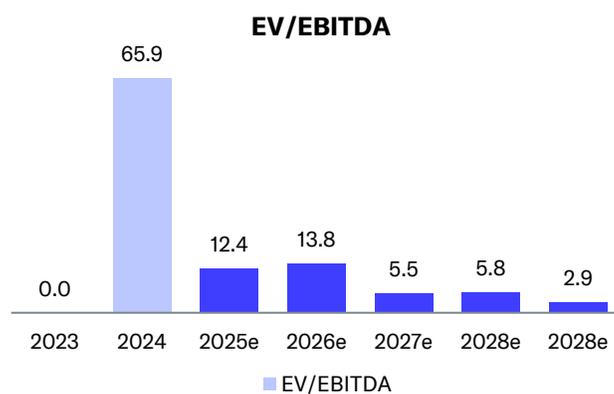
# FBC: Firebreak's daily concurrent players on the Steam platform are only a few dozen at the moment



# Valuation table

Valuation	2021	2022	2023	2024	2025e	2026e	2027e	2028e	2029e
Share price	39.7	21.9	25.4	14.1	16.1	16.1	16.1	16.1	16.1
Number of shares, millions	13.1	13.4	13.5	13.5	13.7	13.8	13.9	14.0	14.9
Market cap	528	294	343	191	220	221	223	224	239
EV	473	241	316	166	195	195	178	162	131
P/E (adj.)	59.0	neg.	neg.	neg.	39.0	76.6	21.0	35.3	10.8
P/E	59.0	neg.	neg.	neg.	39.0	76.6	21.0	35.3	10.8
P/B	6.0	3.3	5.1	2.8	2.8	2.6	2.2	2.1	1.6
P/S	11.8	6.7	10.1	3.8	3.1	3.1	2.0	2.0	1.7
EV/Sales	10.6	5.5	9.3	3.3	2.8	2.7	1.6	1.5	0.9
EV/EBITDA	32.8	>100	neg.	65.9	12.4	13.8	5.5	5.8	2.9
EV/EBIT (adj.)	41.5	neg.	neg.	neg.	24.7	47.4	13.2	19.7	4.9
Payout ratio (%)	25.7 %	neg.	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Dividend yield-%	0.4 %	0.5 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

Source: Inderes



# Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		Lv:n kasvu-%		EBIT-%	
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e
Frontier Developments	163	155	15.5	25.2	3.9	4.5	1.5	1.5	2%	2%	10%	6%
Embracer	1957	1538	4.7	6.6	2.8	2.7	0.7	0.8	-40%	-16%	14%	12%
Starbreeze	29	12	6.7		1.3	0.8	0.5	0.4	37%	52%	8%	-21%
CD Projekt	5947	5677	77.7	98.0	55.7	72.0	26.5	31.6	1%	-16%	34%	32%
Paradox Interactive	1601	1471	20.8	15.6	10.3	9.2	6.6	6.2	19%	7%	32%	39%
Playway	429	378	9.6	9.0	9.5	8.9	4.9	4.7	5%	4%	51%	52%
11 Bit Studios	106	91	4.5	5.1	3.3	5.8	2.1	2.7	27%	-22%	47%	54%
Enad Global 7	101	85	4.0	3.7	2.3	2.0	0.5	0.5	13%	5%	12%	12%
Thunderful Group	1	6			3.5	1.7	0.2	0.2	-2%	5%	-43%	-13%
Tinybuild	30	27				10.3	0.9	0.8	0%	6%	-8%	-2%
CI Games	129	133		6.4		6.4	9.3	2.3	-27%	313%	-15%	35%
Electronic Arts	34203	34424	19.0	15.6	16.4	14.0	5.5	5.0	-5%	10%	29%	32%
Take-Two Interactive	35964	37864	69.4	63.8	55.9	49.6	7.7	7.2	6%	7%	11%	11%
Ubisoft	1209	2387			3.1	3.6	1.3	1.3	-14%	-4%	-2%	-2%
<b>Remedy (Inderes)</b>	<b>220</b>	<b>195</b>	<b>24.7</b>	<b>47.4</b>	<b>12.4</b>	<b>13.8</b>	<b>2.8</b>	<b>2.7</b>	<b>38%</b>	<b>3%</b>	<b>11%</b>	<b>6%</b>
<b>Average</b>			<b>23.2</b>	<b>24.9</b>	<b>14.0</b>	<b>13.7</b>	<b>4.9</b>	<b>4.7</b>	<b>2%</b>	<b>25%</b>	<b>13%</b>	<b>18%</b>
<b>Median</b>			<b>12.5</b>	<b>12.3</b>	<b>3.7</b>	<b>6.1</b>	<b>1.8</b>	<b>1.9</b>	<b>2%</b>	<b>5%</b>	<b>12%</b>	<b>12%</b>
<b>Diff-% to median</b>			<b>97%</b>	<b>285%</b>	<b>236%</b>	<b>127%</b>	<b>55%</b>	<b>47%</b>				

Source: Refinitiv / Inderes

# Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
<b>Revenue</b>	<b>33.9</b>	<b>10.8</b>	<b>10.3</b>	<b>17.9</b>	<b>11.7</b>	<b>50.7</b>	<b>13.4</b>	<b>17.1</b>	<b>18.1</b>	<b>21.1</b>	<b>69.7</b>	<b>71.5</b>	<b>113</b>	<b>111</b>
Development fees	28.8	9.0	9.4	17.0	10.2	45.6	10.7	9.6	9.5	9.3	39.1	36.2	21.5	20.0
Royalties	5.2	1.8	0.9	0.8	1.5	5.1	2.6	2.7	2.3	4.2	11.7	12.4	12.3	10.3
Own game sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.9	6.3	7.7	18.8	22.9	79.5	82.3
<b>EBITDA</b>	<b>-17.0</b>	<b>-1.2</b>	<b>-2.4</b>	<b>6.7</b>	<b>-0.6</b>	<b>2.5</b>	<b>2.6</b>	<b>4.1</b>	<b>3.3</b>	<b>5.7</b>	<b>15.7</b>	<b>14.1</b>	<b>32.6</b>	<b>28.0</b>
Depreciation	-11.7	-0.9	-0.9	-4.3	-0.8	-6.8	-1.3	-1.4	-2.5	-2.6	-7.8	-10.0	-19.1	-19.7
<b>EBIT (excl. NRI)</b>	<b>-28.6</b>	<b>-2.1</b>	<b>-3.2</b>	<b>2.4</b>	<b>-1.4</b>	<b>-4.3</b>	<b>1.3</b>	<b>2.7</b>	<b>0.8</b>	<b>3.1</b>	<b>7.9</b>	<b>4.1</b>	<b>13.4</b>	<b>8.3</b>
<b>EBIT</b>	<b>-28.6</b>	<b>-2.1</b>	<b>-3.2</b>	<b>2.4</b>	<b>-1.4</b>	<b>-4.3</b>	<b>1.3</b>	<b>2.7</b>	<b>0.8</b>	<b>3.1</b>	<b>7.9</b>	<b>4.1</b>	<b>13.4</b>	<b>8.3</b>
Net financial items	1.1	0.1	0.3	0.0	0.1	0.5	-0.2	-0.1	-0.1	-0.1	-0.5	-0.5	-0.5	-0.5
<b>PTP</b>	<b>-27.5</b>	<b>-2.0</b>	<b>-2.9</b>	<b>2.4</b>	<b>-1.3</b>	<b>-3.8</b>	<b>1.1</b>	<b>2.6</b>	<b>0.7</b>	<b>3.0</b>	<b>7.4</b>	<b>3.6</b>	<b>12.9</b>	<b>7.8</b>
Taxes	4.9	0.0	0.7	-0.5	0.0	0.2	-0.5	-0.5	-0.1	-0.6	-1.8	-0.7	-2.3	-1.4
<b>Net earnings</b>	<b>-22.7</b>	<b>-2.0</b>	<b>-2.2</b>	<b>1.9</b>	<b>-1.3</b>	<b>-3.6</b>	<b>0.6</b>	<b>2.1</b>	<b>0.6</b>	<b>2.4</b>	<b>5.6</b>	<b>2.9</b>	<b>10.6</b>	<b>6.4</b>
<b>EPS (adj.)</b>	<b>-1.68</b>	<b>-0.15</b>	<b>-0.16</b>	<b>0.14</b>	<b>-0.09</b>	<b>-0.27</b>	<b>0.04</b>	<b>0.15</b>	<b>0.04</b>	<b>0.18</b>	<b>0.41</b>	<b>0.21</b>	<b>0.76</b>	<b>0.46</b>
<b>EPS (rep.)</b>	<b>-1.68</b>	<b>-0.15</b>	<b>-0.16</b>	<b>0.14</b>	<b>-0.09</b>	<b>-0.27</b>	<b>0.04</b>	<b>0.15</b>	<b>0.04</b>	<b>0.18</b>	<b>0.41</b>	<b>0.21</b>	<b>0.76</b>	<b>0.46</b>

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
<b>Revenue growth-%</b>	-22.2 %	56.2 %	16.2 %	128.5 %	13.1 %	49.3 %	24.1 %	65.3 %	1.2 %	81.3 %	37.6 %	2.5 %	58.5 %	-2.4 %
<b>EBITDA-%</b>	-50.0 %	-11.2 %	-22.7 %	37.3 %	-5.0 %	5.0 %	19.3 %	24.0 %	18.5 %	26.8 %	22.5 %	19.7 %	28.7 %	25.3 %
<b>Adjusted EBIT-%</b>	-84.4 %	-19.3 %	-31.0 %	13.4 %	-11.8 %	-8.4 %	9.7 %	15.6 %	4.5 %	14.7 %	11.3 %	5.7 %	11.9 %	7.5 %
<b>Net earnings-%</b>	-66.8 %	-18.5 %	-21.4 %	10.6 %	-10.9 %	-7.1 %	4.4 %	12.0 %	3.2 %	11.4 %	8.1 %	4.0 %	9.4 %	5.7 %

Source: Inderes

# Balance sheet

Assets	2023	2024	2025e	2026e	2027e
<b>Non-current assets</b>	<b>35.8</b>	<b>45.1</b>	<b>49.1</b>	<b>52.2</b>	<b>55.2</b>
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	23.3	32.9	37.8	41.9	45.5
Tangible assets	6.5	5.8	4.9	4.0	3.4
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	1.0	1.0	1.0	1.0	1.0
Deferred tax assets	5.0	5.4	5.4	5.4	5.4
<b>Current assets</b>	<b>47.4</b>	<b>47.3</b>	<b>53.3</b>	<b>54.5</b>	<b>78.2</b>
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	17.0	6.2	12.5	12.1	17.0
Cash and equivalents	30.4	41.1	40.7	42.3	61.2
<b>Balance sheet total</b>	<b>79.3</b>	<b>99.3</b>	<b>109</b>	<b>114</b>	<b>131</b>

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
<b>Equity</b>	<b>67.8</b>	<b>68.5</b>	<b>78.0</b>	<b>84.7</b>	<b>99.2</b>
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	9.8	10.1	19.5	26.3	40.7
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	57.8	58.3	58.3	58.3	58.3
Minorities	0.0	0.0	0.0	0.0	0.0
<b>Non-current liabilities</b>	<b>1.5</b>	<b>14.6</b>	<b>15.1</b>	<b>15.1</b>	<b>16.0</b>
Deferred tax liabilities	0.1	0.1	0.1	0.1	0.1
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	1.4	14.5	15.0	15.0	15.9
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	0.0	0.0	0.0	0.0
<b>Current liabilities</b>	<b>10.0</b>	<b>16.2</b>	<b>16.3</b>	<b>13.9</b>	<b>16.1</b>
Interest bearing debt	2.2	1.4	1.0	1.0	0.2
Payables	7.8	14.8	15.3	12.9	15.9
Other current liabilities	0.0	0.0	0.0	0.0	0.0
<b>Balance sheet total</b>	<b>79.3</b>	<b>99.3</b>	<b>109</b>	<b>114</b>	<b>131</b>

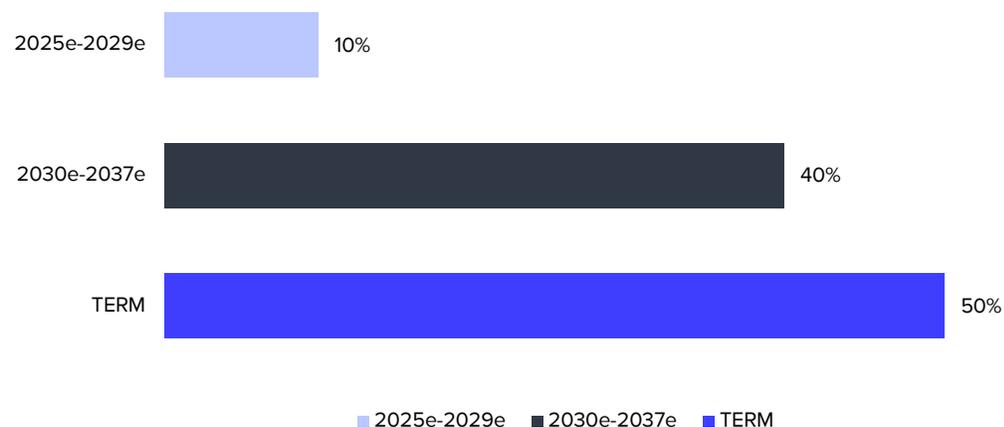
# DCF-calculation

DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e	2037e	TERM
Revenue growth-%	49.3 %	37.6 %	2.5 %	58.5 %	-2.4 %	26.0 %	35.4 %	20.0 %	-36.6 %	12.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %
EBIT-%	-8.4 %	11.3 %	5.7 %	11.9 %	7.5 %	19.3 %	25.4 %	33.1 %	18.7 %	25.0 %	26.0 %	26.0 %	26.0 %	25.5 %	25.5 %
<b>EBIT (operating profit)</b>	<b>-4.3</b>	<b>7.9</b>	<b>4.1</b>	<b>13.4</b>	<b>8.3</b>	<b>27.0</b>	<b>48.0</b>	<b>74.9</b>	<b>26.8</b>	<b>40.2</b>	<b>43.1</b>	<b>44.4</b>	<b>45.7</b>	<b>46.2</b>	
+ Depreciation	6.8	7.8	10.0	19.1	19.7	19.0	16.7	14.9	13.9	13.5	13.2	13.1	13.1	13.0	
- Paid taxes	-0.1	-1.8	-0.7	-2.3	-1.4	-4.8	-8.6	-13.5	-4.8	-7.2	-7.7	-8.0	-8.2	-8.3	
- Tax, financial expenses	0.0	-0.1	-0.1	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
+ 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	0.0	0.0	0.0	
- Change in working capital	17.8	-5.8	-2.1	-1.8	0.0	-1.0	-1.7	-0.8	1.7	-0.3	-0.1	-0.1	-0.1	-0.1	
<b>Operating cash flow</b>	<b>20.3</b>	<b>8.0</b>	<b>11.2</b>	<b>28.3</b>	<b>26.5</b>	<b>40.1</b>	<b>54.4</b>	<b>75.6</b>	<b>37.6</b>	<b>46.1</b>	<b>48.5</b>	<b>49.4</b>	<b>50.4</b>	<b>50.8</b>	
+ 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	0.0	0.0	0.0	0.0	
- Gross CAPEX	-26.6	-12.0	-13.0	-13.0	-13.0	-13.0	-13.0	-13.0	-13.0	-13.0	-13.0	-13.0	-13.0	-13.0	
<b>Free operating cash flow</b>	<b>-6.3</b>	<b>-4.0</b>	<b>-1.8</b>	<b>15.3</b>	<b>13.5</b>	<b>27.1</b>	<b>41.4</b>	<b>62.6</b>	<b>24.6</b>	<b>33.1</b>	<b>35.5</b>	<b>36.4</b>	<b>37.4</b>	<b>37.8</b>	
+/- Other	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-1.3	-4.0	-1.8	15.3	13.5	27.1	41.4	62.6	24.6	33.1	35.5	36.4	37.4	37.8	
<b>Discounted FCFF</b>		<b>-3.9</b>	<b>-1.6</b>	<b>12.2</b>	<b>9.8</b>	<b>17.9</b>	<b>24.8</b>	<b>34.1</b>	<b>12.2</b>	<b>15.0</b>	<b>14.6</b>	<b>13.6</b>	<b>12.7</b>	<b>11.7</b>	<b>175</b>
Sum of FCFF present value		348	352	353	341	331	313	289	254	242	227	213	199	186	175
<b>Enterprise value DCF</b>		<b>348</b>													
- Interest bearing debt		-15.8													
+ Cash and cash equivalents		41.1													
-Minorities		0.0													
-Dividend/capital return		0.0													
<b>Equity value DCF</b>		<b>373</b>													
<b>Equity value DCF per share</b>		<b>27.3</b>													

WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	0.0 %
Cost of debt	5.0 %
Equity Beta	1.20
Market risk premium	4.75%
Liquidity premium	1.70%
Risk free interest rate	2.5 %
<b>Cost of equity</b>	<b>9.9 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>9.9 %</b>

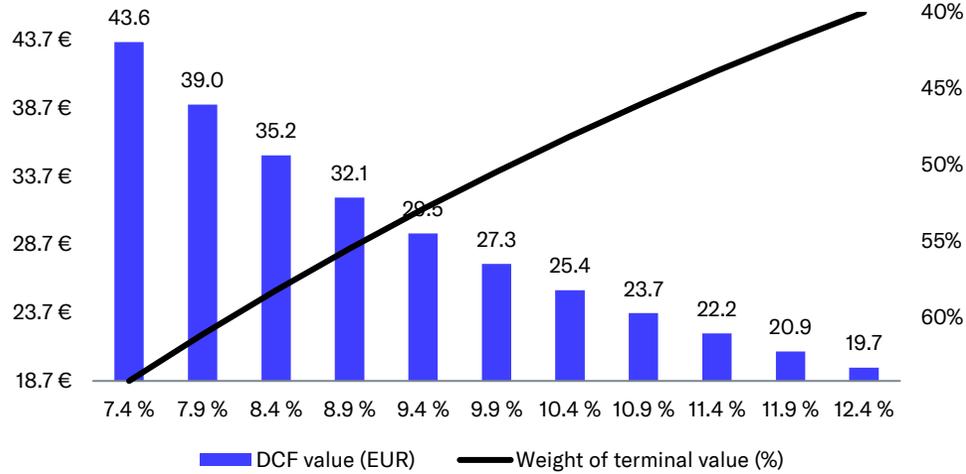
Source: Inderes

Cash flow distribution

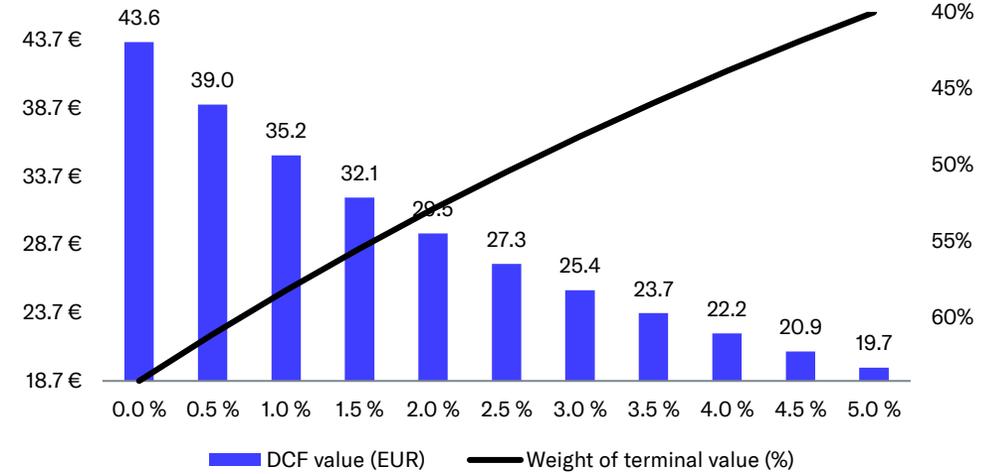


# DCF sensitivity calculations and key assumptions in graphs

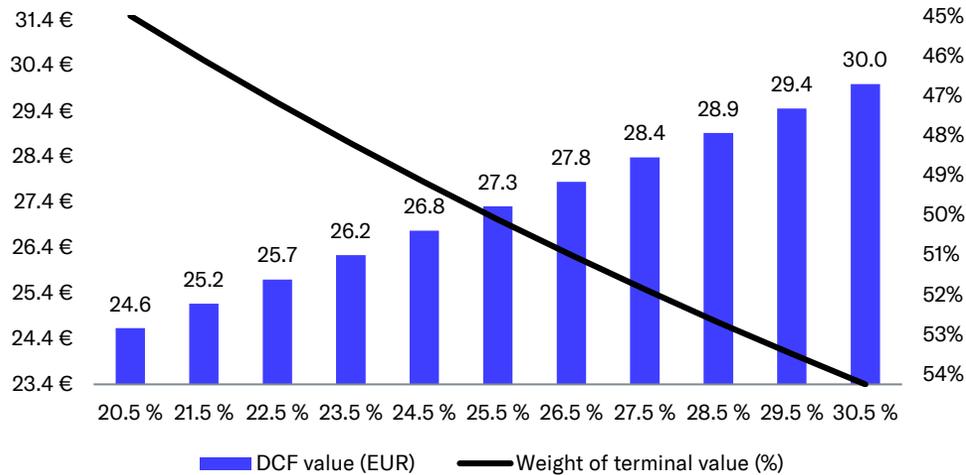
Sensitivity of DCF to changes in the WACC-%



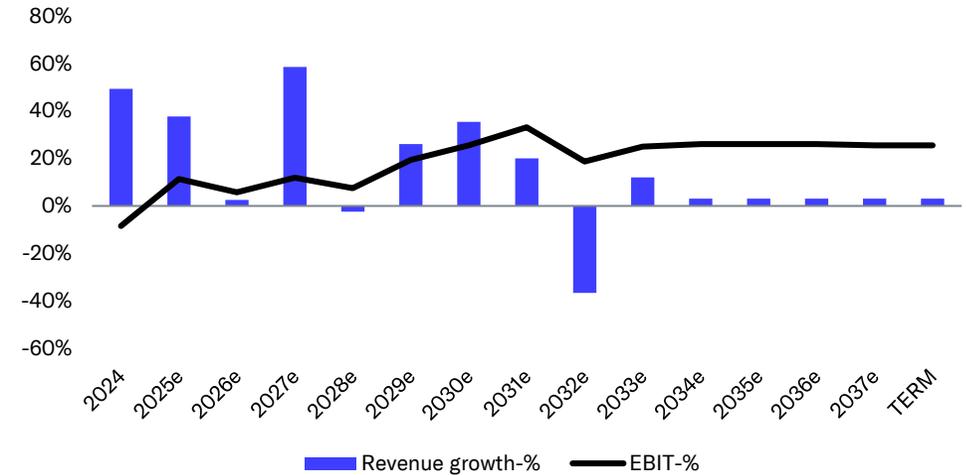
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



Source: Inderes. Note that the weight of the terminal value (%) is shown on an inverse scale for clarity.

# Summary

Income statement	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	43.6	33.9	50.7	<b>69.7</b>	<b>71.5</b>	EPS (reported)	-0.13	-1.68	-0.27	<b>0.41</b>	<b>0.21</b>
EBITDA	1.9	-17.0	2.5	<b>15.7</b>	<b>14.1</b>	EPS (adj.)	-0.13	-1.68	-0.27	<b>0.41</b>	<b>0.21</b>
EBIT	-0.6	-28.6	-4.3	<b>7.9</b>	<b>4.1</b>	OCF / share	0.51	-1.40	1.50	<b>0.58</b>	<b>0.81</b>
PTP	-1.2	-27.5	-3.8	<b>7.4</b>	<b>3.6</b>	OFCF / share	-0.29	-2.15	-0.10	<b>-0.29</b>	<b>-0.13</b>
Net Income	-1.7	-22.7	-3.6	<b>5.6</b>	<b>2.9</b>	Book value / share	6.57	5.02	5.06	<b>5.71</b>	<b>6.15</b>
Extraordinary items	0.0	0.0	0.0	<b>0.0</b>	<b>0.0</b>	Dividend / share	0.10	0.00	0.00	<b>0.00</b>	<b>0.00</b>
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	99.6	79.3	99.3	<b>109.5</b>	<b>113.7</b>	Revenue growth-%	-3%	-22%	49%	<b>38%</b>	<b>3%</b>
Equity capital	88.4	67.8	68.5	<b>78.0</b>	<b>84.7</b>	EBITDA growth-%	-87%	-990%	-115%	<b>525%</b>	<b>-10%</b>
Goodwill	0.0	0.0	0.0	<b>0.0</b>	<b>0.0</b>	EBIT (adj.) growth-%	-105%	4985%	-85%	<b>-284%</b>	<b>-48%</b>
Net debt	-52.9	-26.8	-25.3	<b>-24.7</b>	<b>-26.3</b>	EPS (adj.) growth-%	-119%	1209%	-84%	<b>-255%</b>	<b>-49%</b>
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	4.4 %	-50.0 %	5.0 %	<b>22.5 %</b>	<b>19.7 %</b>
EBITDA	1.9	-17.0	2.5	<b>15.7</b>	<b>14.1</b>	EBIT (adj.)-%	-1.3 %	-84.4 %	-8.4 %	<b>11.3 %</b>	<b>5.7 %</b>
Change in working capital	5.6	-2.1	17.8	<b>-5.8</b>	<b>-2.1</b>	EBIT-%	-1.3 %	-84.4 %	-8.4 %	<b>11.3 %</b>	<b>5.7 %</b>
Operating cash flow	6.8	-18.9	20.3	<b>8.0</b>	<b>11.2</b>	ROE-%	-2.0 %	-29.0 %	-5.3 %	<b>7.7 %</b>	<b>3.5 %</b>
CAPEX	-10.8	-10.1	-26.6	<b>-12.0</b>	<b>-13.0</b>	ROI-%	-0.6 %	-35.2 %	-5.5 %	<b>8.8 %</b>	<b>4.2 %</b>
Free cash flow	-4.0	-29.0	-1.3	<b>-4.0</b>	<b>-1.8</b>	Equity ratio	88.8 %	85.5 %	70.9 %	<b>71.3 %</b>	<b>74.5 %</b>
Valuation multiples	2022	2023	2024	2025e	2026e	Gearing	-59.8 %	-39.5 %	-36.9 %	<b>-31.7 %</b>	<b>-31.1 %</b>
EV/S	5.5	9.3	3.3	<b>2.8</b>	<b>2.7</b>						
EV/EBITDA	>100	neg.	65.9	<b>12.4</b>	<b>13.8</b>						
EV/EBIT (adj.)	neg.	neg.	neg.	<b>24.7</b>	<b>47.4</b>						
P/E (adj.)	neg.	neg.	neg.	<b>39.0</b>	<b>76.6</b>						
P/B	3.3	5.1	2.8	<b>2.8</b>	<b>2.6</b>						
Dividend-%	0.5 %	0.0 %	0.0 %	<b>0.0 %</b>	<b>0.0 %</b>						

Source: Inderes

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Buy	The 12-month risk-adjusted expected shareholder return of the share is very attractive
Accumulate	The 12-month risk-adjusted expected shareholder return of the share is attractive
Reduce	The 12-month risk-adjusted expected shareholder return of the share is weak
Sell	The 12-month risk-adjusted expected shareholder return of the share is very weak

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## Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
8/15/2022	Accumulate	26.00 €	22.15 €
10/31/2022	Buy	25.00 €	18.14 €
12/27/2022	Accumulate	25.00 €	21.50 €
2/13/2023	Accumulate	25.00 €	22.70 €
4/19/2023	Accumulate	25.00 €	24.20 €
4/27/2023	Accumulate	25.00 €	23.10 €
6/12/2023	Reduce	25.00 €	26.10 €
8/14/2023	Reduce	25.00 €	25.55 €
9/14/2023	Reduce	24.00 €	22.50 €
10/27/2023	Accumulate	30.00 €	27.00 €
11/1/2023	Accumulate	30.00 €	27.95 €
11/16/2023	Reduce	29.00 €	28.85 €
2/7/2024	Reduce	21.00 €	21.60 €
2/13/2024	Accumulate	21.00 €	17.62 €
2/19/2024	Accumulate	19.00 €	17.02 €
3/21/2024	Accumulate	19.00 €	16.70 €
4/30/2024	Accumulate	20.00 €	19.20 €
8/12/2024	Accumulate	20.00 €	17.20 €
9/5/2024	Accumulate	21.00 €	17.50 €
11/4/2024	Accumulate	19.00 €	15.32 €
11/20/2024	Buy	19.00 €	12.90 €
12/18/2024	Buy	19.00 €	14.00 €
2/13/2025	Buy	19.00 €	13.98 €
5/2/2025	Buy	20.00 €	16.42 €
8/1/2025	Accumulate	18.00 €	16.06 €



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