

# Photon Energy NV

Netherlands | Utilities | MCap EUR 148.5m

10 November 2022

UPDATE



Excellent Q3;  
guidance confirmed;  
est. up; BUY

## What's it all about?

Photon Energy announced unaudited financial results for Q3 22. Revenues almost tripled yoy, driven by soaring prices in electricity generation and a very brisk trading business, especially for batteries. Margins in both of these core business units were up significantly yoy. Photon Energy confirmed its guidance for FY22, but given the very strong Q3 results, there could be some positive surprise potential, especially on profitability. We adjust FY22 estimates upwards and reiterate to BUY with PT EUR 4.20.

**BUY** (BUY)

<b>Target price</b>	<b>EUR 4.20 (4.20)</b>
Current price	EUR 2.73
Up/downside	53.7%

**ResearchHub**

**MAIN AUTHOR**

**Dr. Oliver Wojahn, CFA**

o.wojahn@alsterresearch.com  
+49 40 309 293-55

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Netherlands | Utilities | MCap EUR 148.5m | EV EUR 237.6m

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## Excellent Q3; guidance confirmed; est. up; BUY

**Q3 revenues more than tripling.** Photon Energy announced unaudited financial results for Q3 22. Revenues were up a staggering 247% yoy. As in Q2, the two main drivers were Electricity Generation ("Investments" segment) and Trading ("Technology" segment), which together contributed 94% of sales and almost all yoy growth in Q3. In Electricity Generation, growth of 136% yoy was driven almost exclusively by soaring electricity prices after switching to the merchant model, while production volumes only grew c. 7%, roughly in line with capacity. Revenues in Trading grew almost tenfold yoy, where solar components and especially batteries are in very high demand.

**Good profitability despite mix.** Gross and EBITDA margins in Q3 were down yoy, however, this is only a reflection of a greater weight of the lower margin trading business. Segment-wise, margins in both core business units were up: for 9M 22, the Trading business clocked an EBITDA margin of 13%, compared to below 1% in 9M 21, reflecting the pricing power in a seller's market. In Electricity Generation, the EBITDA margin increased from 78.3% to 81.5% over 9M, driven by electricity prices.

**Guidance confirmed.** On the back of the strong Q3 results, management confirmed its FY22 guidance of EUR 85m revenues and EBITDA of EUR 24m. The trailing twelve months figures are revenues of EUR 79.5m and EBITDA of EUR 23.9m. We believe that there is some upside surprise potential, especially on profitability, if trading activities can carry over some momentum into Q4.

**Strong operating cash flow.** Despite an increase in inventories and trade receivables associated with the growing business, Q3 operating cash flow of EUR 10.3m was almost sufficient to cover PPE investments of EUR 12.3m, mostly for construction of power plants in Romania. Currently, there are 28.3 MWp under construction in Romania, all of which should be connected to the grid in late 2022 or early 2023.

**Investment case intact, a good time to BUY.** Uncertainty regarding regulation and proposed price caps are still holding back the share price. AlsterResearch estimates already include a price cap of EUR 180/MWh from December until the end of June 23. We upgrade FY22 estimates, reflecting the strong Q3, and confirm the BUY rating with a PT of EUR 4.20, offering more than 50% upside.



Source: Company data, AlsterResearch

**High/low 52 weeks** 3.58 / 1.44  
**Price/Book Ratio** 2.9x

### Ticker / Symbols

ISIN NL0010391108  
WKN A1T9KW  
Bloomberg P7V:GR

### Changes in estimates

		Sales	EBIT	EPS
2022E	old	85,8	11,4	0,17
	Δ	0,0%	9,2%	8,1%
2023E	old	88,7	19,9	0,65
	Δ	0,0%	0,0%	0,0%
2024E	old	98,3	23,2	0,91
	Δ	0,0%	0,0%	0,0%

### Key share data

Number of shares: (in m pcs) 54.36  
Book value per share: (in EUR) 0.95  
Ø trading volume: (12 months) 1,000

### Major shareholders

Solar Future Cooperatief U.A. 36.3%  
Solar Power to the People Cooperatief U.A. 34.7%  
Treasury Shares 6.0%  
Free Float 23.0%

### 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.

Photon Energy NV	2019	2020	2021	2022E	2023E	2024E
Sales	30.2	28.3	36.4	85.8	88.7	98.3
<i>Growth yoy</i>	48.9%	-6.3%	28.7%	136.0%	3.4%	10.8%
EBITDA	7.9	8.4	9.6	24.6	36.5	48.8
EBIT	1.1	-0.1	-0.7	12.4	19.9	23.2
Net profit*	-0.7	2.1	2.1	9.9	35.3	49.3
Net debt (net cash)	67.3	84.5	89.1	93.9	160.9	317.9
Net debt/EBITDA	8.5x	10.0x	9.3x	3.8x	4.4x	6.5x
EPS reported*	-0.01	0.04	0.04	0.18	0.65	0.91
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	67.6%	83.6%	65.0%	56.6%	69.0%	78.7%
EBITDA margin	26.3%	29.9%	26.4%	28.7%	41.2%	49.7%
EBIT margin	3.5%	-0.5%	-2.0%	14.5%	22.4%	23.6%
ROCE	0.9%	-0.1%	-0.4%	5.6%	6.5%	4.6%
EV/EBITDA	27.2x	27.6x	24.8x	9.9x	8.5x	9.6x
EV/EBIT	204.5x	-1,641.2x	-334.2x	19.5x	15.6x	20.1x
PER	-192.5x	67.2x	70.9x	15.1x	4.2x	3.0x
FCF yield	0.5%	-0.8%	-1.6%	5.5%	1.8%	-0.5%

Source: Company data, AlsterResearch; \* including OCI

## Quarterly performance table

P&L data	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
Sales	5.1	4.6	9.9	10.2	11.7	9.1	23.2	35.4
yoy growth in %	-34.2%	-14.0%	10.9%	13.8%	130.3%	99.9%	135.7%	247.2%
Gross profit	1.9	4.1	7.1	8.1	4.4	6.2	14.3	20.3
Gross margin in %	37.4%	88.9%	72.4%	79.0%	37.3%	67.5%	61.4%	57.4%
EBITDA	-1.1	0.2	4.0	4.4	0.9	2.0	8.1	12.7
EBITDA margin in %	-21.8%	3.7%	40.5%	43.5%	8.0%	22.2%	35.0%	35.9%
EBIT	-3.0	-1.5	1.0	0.4	-1.0	0.5	4.6	9.7
EBIT margin in %	-59.7%	-32.3%	9.8%	4.1%	-8.9%	5.8%	20.0%	27.5%
EBT	-4.2	-3.1	-0.6	-1.1	-1.2	-1.3	2.6	7.3
taxes paid	0.1	0.1	0.3	0.3	-0.2	-0.1	0.6	1.3
tax rate in %	-3.6%	-3.9%	-53.7%	-30.9%	20.0%	10.5%	22.5%	18.1%
net profit	-4.4	-3.1	-0.8	-1.4	-1.0	-1.4	2.0	6.0
yoy growth in %	na%	na%	na%	na%	na%	na%	na%	na%
<b>EPS</b>	<b>-0.08</b>	<b>-0.06</b>	<b>-0.02</b>	<b>-0.03</b>	<b>-0.02</b>	<b>-0.03</b>	<b>0.04</b>	<b>0.11</b>

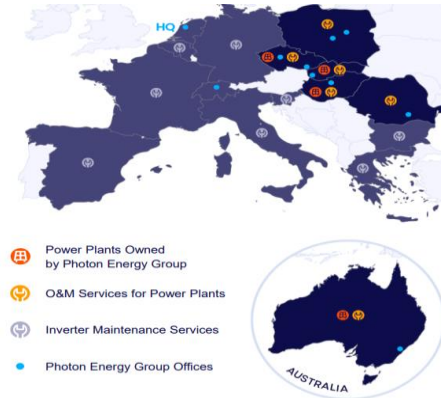
Source: Company data; AlsterResearch

# Investment case in six charts

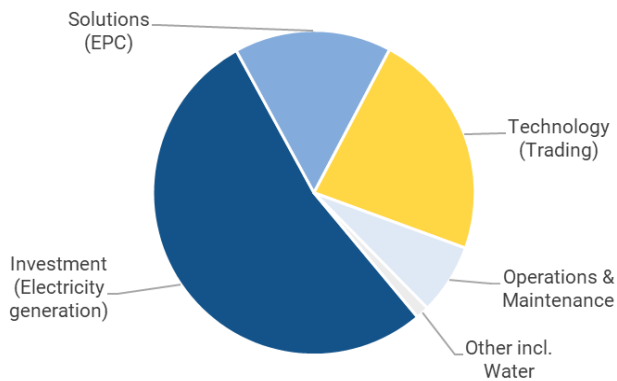
## Business Model



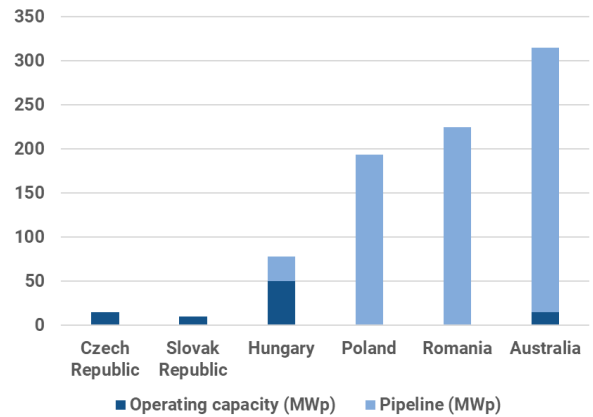
## Geographical Presence



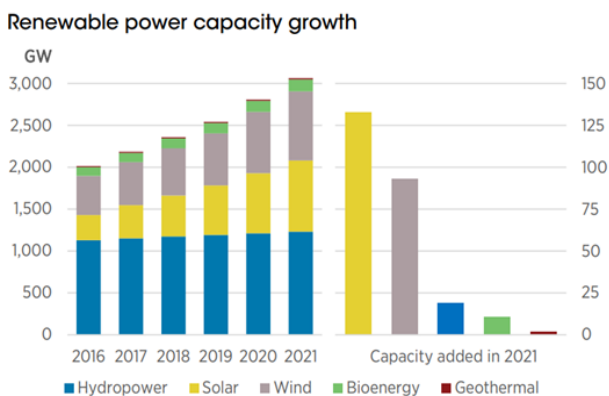
## External Revenue Shares (2021)



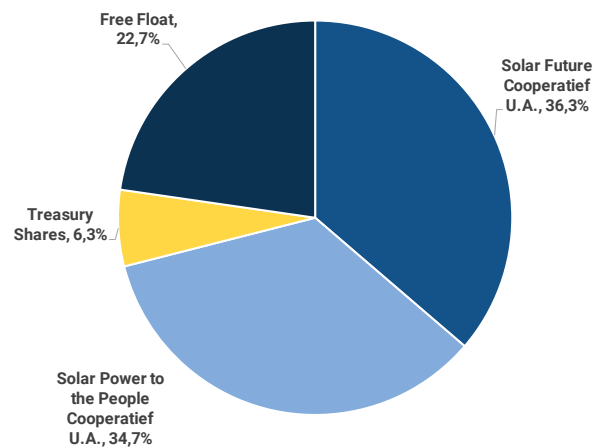
## Capacity and pipeline



## Fastest growing renewable energy



## Major shareholders



Source: Company data; AlsterResearch; 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
- visible growth trajectory with a growing share of recurring revenue
- strong ESG credentials translating into lower cost of capital (-> 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 (mitigated by Australian projects)
- 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

- fragmented competition in the 1 MWp – 20 MWp PV sweet spot
- 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
- increasing electricity prices combined with a shift to selling electricity at market prices
- high prices for fossil energy and geopolitical tailwinds
- increasing interest in behind-the-meter projects
- PFAS water remediation potentially huge market

## Threats

- water business line could distract focus
- volatile market prices and supply bottlenecks for solar panels
- 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

# Valuation

## DCF Model

The DCF model results in a **fair value of EUR 4.20 per share**. This includes the equity stakes in Raygen and Lerta only at book value, which could provide further upside.

**Top-line growth:** We expect Photon Energy NV to grow strongly, driven mostly by investments in electricity generation. Hence our growth estimates for 2022-29E is in the range of 13.8% p.a. The long-term growth rate is set at 2.0%.

**Cash Flows.** We expect Photon Energy to invest into growth over the whole planning period. In the normalized year, we set capex at the level of depreciation, leading to positive cash flows.

**WACC.** We set the historical equity beta to 0.90, leading to an unlevered beta of 0.69, roughly in line with the average 2017-2021 unlevered industry beta for Green & Renewable Energy in Western Europe. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 10.1%. With pre-tax cost of borrowing at 6.5%, a tax rate of 30.0% and target debt/equity of 1.3 this results in a long-term WACC of 6.9%.

DCF (EUR m) (except per share data and beta)	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	Terminal value
NOPAT	8.7	13.9	16.2	24.9	33.6	42.0	48.5	52.4	
Depreciation & amortization	12.2	16.6	25.6	35.9	45.3	52.2	58.4	61.6	
Change in working capital	-6.2	-1.6	-2.7	-6.1	-5.0	-4.5	-3.8	-2.4	
Chg. in long-term provisions	10.3	-3.7	-3.0	1.7	3.5	3.2	2.7	1.7	
Capex	-22.5	-82.9	-176.7	-199.6	-184.1	-133.4	-118.6	-61.6	
Cash flow	2.5	-57.6	-140.6	-143.2	-106.7	-40.5	-12.8	51.7	1,073.2
Present value	2.5	-53.4	-121.5	-115.2	-79.9	-28.3	-8.3	31.3	666.0
WACC	6.8%	6.9%	7.1%	7.2%	7.2%	7.2%	7.3%	7.3%	6.9%

DCF per share derived from	
Total present value	293.3
Mid-year adj. total present value	303.5
Net debt / cash at start of year	89.1
Financial assets	14.1
Provisions and off b/s debt	0.0
Equity value	228.5
No. of shares outstanding	54.4
<b>Discounted cash flow / share upside/(downside)</b>	<b>4.20 / 53.9%</b>

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2022E - 2029E)	13.8%
Terminal value growth (2029E - infinity)	2.0%
Terminal year ROCE	6.3%
Terminal year WACC	6.9%

Terminal WACC derived from	
Cost of borrowing (before taxes)	6.5%
Long-term tax rate	30.0%
Equity beta	0.90
Unlevered beta (industry or company)	0.69
Target debt / equity	1.3
Relevered beta	1.34
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	10.1%

<b>Share price</b>	<b>2.77</b>
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Sensitivity analysis DCF								
Change in WACC (%-points)		Long term growth					Share of present value	
		1.0%	1.5%	2.0%	2.5%	3.0%	2022E - 2025E	2026E - 2029E terminal value
2.0%		-1.3	-0.8	-0.2	0.4	1.2	-98.1%	
1.0%		0.1	0.7	1.6	2.5	3.7	-29.0%	
0.0%		2.0	3.0	4.2	5.7	7.6		227.1%
-1.0%		4.7	6.3	8.3	10.9	14.4		
-2.0%		9.1	11.8	15.5	20.7	28.5		

Source: AlsterResearch



## 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 3.87 per share based on 2022E and EUR 9.34 per share on 2026E estimates. Again, the equity stakes in Raygen and Lerta are included only at book value, which could provide further upside.

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	2022E	2023E	2024E	2025E	2026E
<b>EBITDA</b>	<b>24.6</b>	<b>36.5</b>	<b>48.8</b>	<b>71.5</b>	<b>93.2</b>
- Maintenance capex	9.5	13.2	20.4	28.6	36.2
- Minorities	0.0	0.0	0.0	0.0	0.0
- tax expenses	0.6	2.0	-0.1	0.2	1.2
<b>= Adjusted FCF</b>	<b>14.5</b>	<b>21.4</b>	<b>28.5</b>	<b>42.6</b>	<b>55.8</b>
<b>Actual Market Cap</b>	<b>150.6</b>	<b>150.6</b>	<b>150.6</b>	<b>150.6</b>	<b>150.6</b>
+ Net debt (cash)	93.9	160.9	317.9	485.5	622.9
+ 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	14.1	14.1	14.1	14.1	14.1
- Acc. dividend payments	0.0	0.0	0.0	0.0	0.0
<i>EV Reconciliations</i>	79.8	146.8	303.8	471.4	608.8
<b>= Actual EV'</b>	<b>230.4</b>	<b>297.4</b>	<b>454.4</b>	<b>622.0</b>	<b>759.4</b>
<b>Adjusted FCF yield</b>	<b>6.3%</b>	<b>7.2%</b>	<b>6.3%</b>	<b>6.8%</b>	<b>7.4%</b>
base hurdle rate	6.0%	6.0%	6.0%	6.0%	6.0%
ESG adjustment	1.0%	1.0%	1.0%	1.0%	1.0%
adjusted hurdle rate	5.0%	5.0%	5.0%	5.0%	5.0%
<b>Fair EV</b>	<b>290.2</b>	<b>428.2</b>	<b>569.5</b>	<b>851.9</b>	<b>1,116.7</b>
- <i>EV Reconciliations</i>	79.8	146.8	303.8	471.4	608.8
<b>Fair Market Cap</b>	<b>210.4</b>	<b>281.4</b>	<b>265.7</b>	<b>380.5</b>	<b>507.9</b>
No. of shares (million)	54.4	54.4	54.4	54.4	54.4
<b>Fair value per share in EUR</b>	<b>3.87</b>	<b>5.18</b>	<b>4.89</b>	<b>7.00</b>	<b>9.34</b>
<b>Premium (-) / discount (+)</b>	<b>41.7%</b>	<b>89.5%</b>	<b>78.9%</b>	<b>156.2%</b>	<b>242.0%</b>

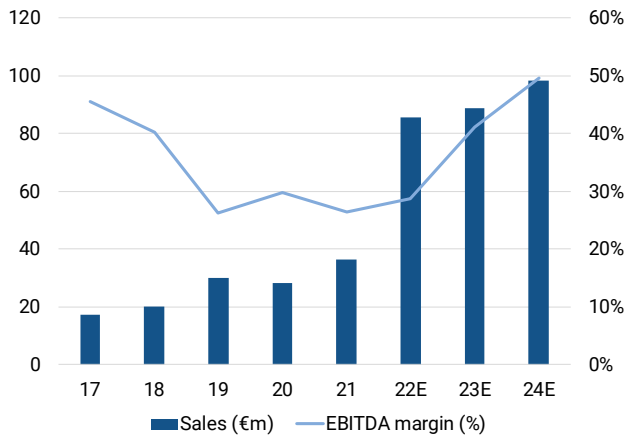
Sensitivity analysis FV						
	3.0%	7.4	10.4	11.9	17.4	23.0
<b>Adjusted hurdle rate</b>	4.0%	5.2	7.1	7.5	10.9	14.5
	<b>5.0%</b>	<b>3.9</b>	<b>5.2</b>	<b>4.9</b>	<b>7.0</b>	<b>9.3</b>
	6.0%	3.0	3.9	3.1	4.4	5.9
	7.0%	2.3	2.9	1.9	2.5	3.5

Source: Company data; AlsterResearch

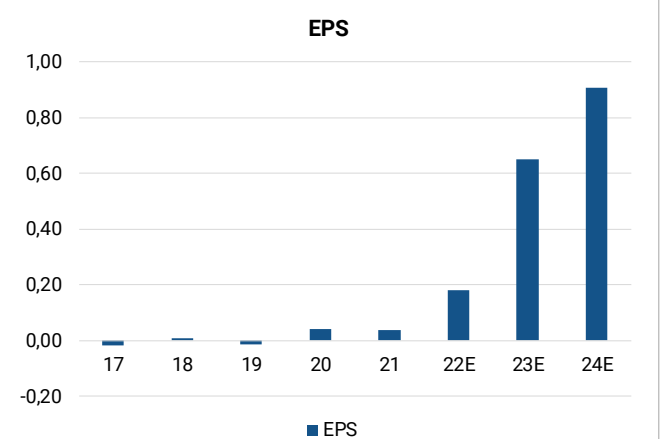
Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 6.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments might be applicable, based on the overall Leeway ESG Score. 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.**

# Financials in six charts

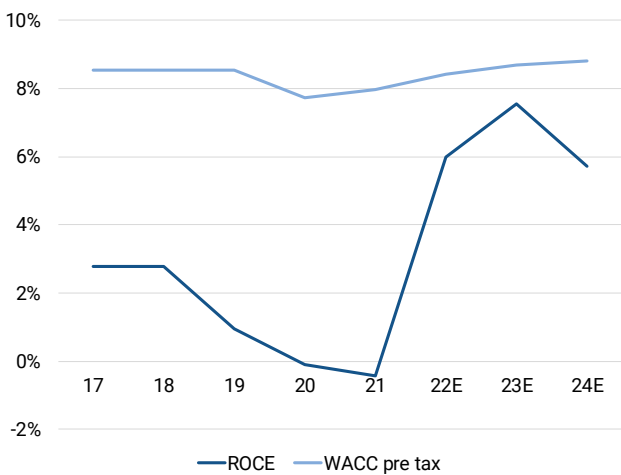
**Sales vs. EBITDA margin development**



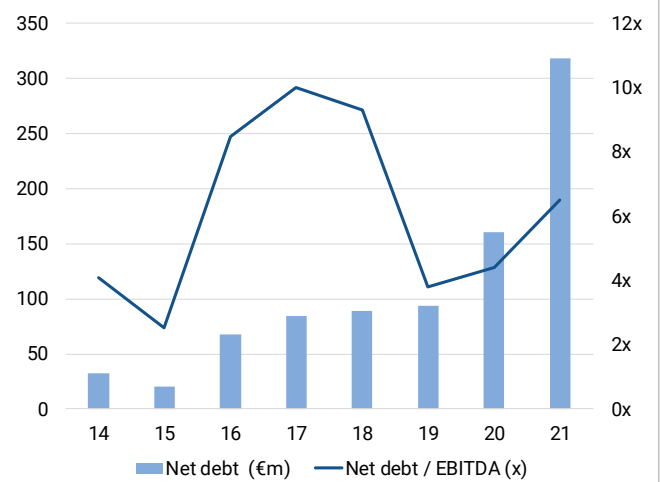
**EPS, DPS in EUR & yoy EPS growth**



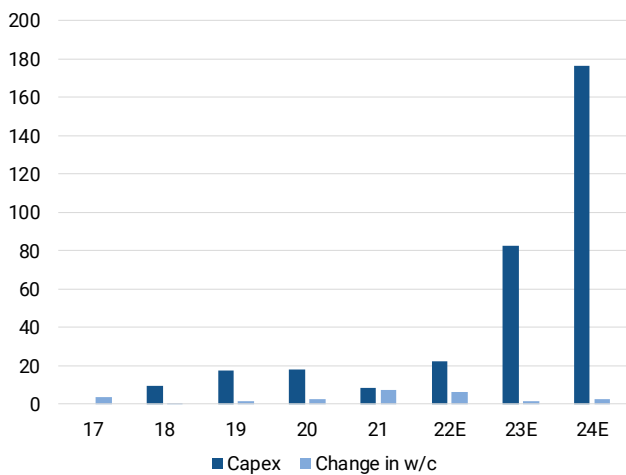
**ROCE vs. WACC (pre tax)**



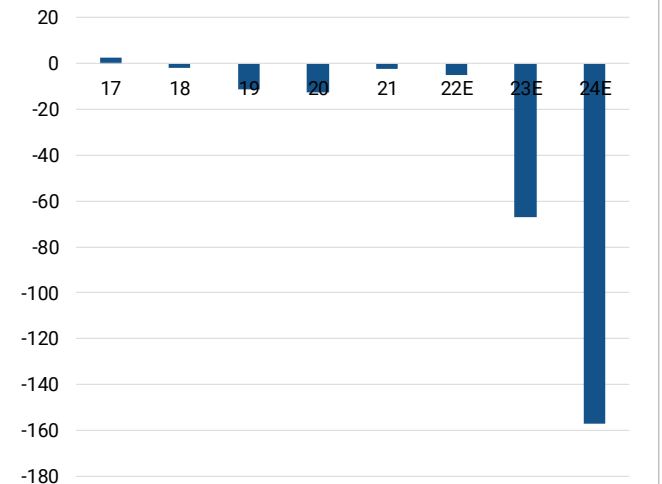
**Net debt and net debt/EBITDA**



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



**Free Cash Flow in EURm**



Source: Company data; AlsterResearch



## Financials

Profit and loss (EUR m)	2019	2020	2021	2022E	2023E	2024E
<b>Net sales</b>	<b>30.2</b>	<b>28.3</b>	<b>36.4</b>	<b>85.8</b>	<b>88.7</b>	<b>98.3</b>
Sales growth	48.9%	-6.3%	28.7%	136.0%	3.4%	10.8%
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>30.2</b>	<b>28.3</b>	<b>36.4</b>	<b>85.8</b>	<b>88.7</b>	<b>98.3</b>
Material expenses	9.8	4.6	12.7	37.3	27.5	20.9
<b>Gross profit</b>	<b>20.4</b>	<b>23.6</b>	<b>23.6</b>	<b>48.5</b>	<b>61.2</b>	<b>77.4</b>
Other operating income	0.2	0.4	0.6	0.9	0.9	1.0
Personnel expenses	4.6	5.8	6.7	9.3	11.4	14.8
Other operating expenses	8.0	9.7	7.7	15.4	14.2	14.7
<b>EBITDA</b>	<b>7.9</b>	<b>8.4</b>	<b>9.6</b>	<b>24.6</b>	<b>36.5</b>	<b>48.8</b>
Depreciation	6.8	8.3	10.7	11.9	16.5	25.5
EBITA	1.1	0.1	-0.9	12.7	20.1	23.3
Amortisation of goodwill and intangible assets	0.1	0.3	-0.2	0.3	0.2	0.1
<b>EBIT</b>	<b>1.1</b>	<b>-0.1</b>	<b>-0.7</b>	<b>12.4</b>	<b>19.9</b>	<b>23.2</b>
Financial result	-4.4	-6.4	-5.2	-10.5	-13.3	-23.4
Recurring pretax income from continuing operations	-3.3	-6.5	-5.9	1.9	6.5	-0.3
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-3.3	-6.5	-5.9	1.9	6.5	-0.3
Taxes	1.7	2.2	0.5	0.6	2.0	-0.1
Net income from continuing operations	-5.1	-8.7	-6.4	1.3	4.6	-0.2
Result from discontinued operations (net of tax)	4.3	10.8	8.5	8.5	30.8	49.5
<b>Net income</b>	<b>-0.7</b>	<b>2.1</b>	<b>2.1</b>	<b>9.9</b>	<b>35.3</b>	<b>49.3</b>
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	-0.7	2.1	2.1	9.9	35.3	49.3
Average number of shares	51.17	51.20	54.36	54.36	54.36	54.36
<b>EPS reported</b>	<b>-0.01</b>	<b>0.04</b>	<b>0.04</b>	<b>0.18</b>	<b>0.65</b>	<b>0.91</b>

Profit and loss (common size)	2019	2020	2021	2022E	2023E	2024E
<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	32%	16%	35%	43%	31%	21%
<b>Gross profit</b>	<b>68%</b>	<b>84%</b>	<b>65%</b>	<b>57%</b>	<b>69%</b>	<b>79%</b>
Other operating income	1%	1%	2%	1%	1%	1%
Personnel expenses	15%	21%	19%	11%	13%	15%
Other operating expenses	27%	34%	21%	18%	16%	15%
<b>EBITDA</b>	<b>26%</b>	<b>30%</b>	<b>26%</b>	<b>29%</b>	<b>41%</b>	<b>50%</b>
Depreciation	23%	29%	29%	14%	19%	26%
EBITA	4%	0%	-3%	15%	23%	24%
Amortisation of goodwill and intangible assets	0%	1%	-1%	0%	0%	0%
<b>EBIT</b>	<b>3%</b>	<b>-1%</b>	<b>-2%</b>	<b>14%</b>	<b>22%</b>	<b>24%</b>
Financial result	-15%	-23%	-14%	-12%	-15%	-24%
Recurring pretax income from continuing operations	-11%	-23%	-16%	2%	7%	-0%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	-11%	-23%	-16%	2%	7%	-0%
Taxes	6%	8%	1%	1%	2%	-0%
Net income from continuing operations	-17%	-31%	-18%	2%	5%	-0%
Result from discontinued operations (net of tax)	14%	38%	23%	10%	35%	50%
<b>Net income</b>	<b>-2%</b>	<b>7%</b>	<b>6%</b>	<b>11%</b>	<b>40%</b>	<b>50%</b>
Minority interest	0%	0%	0%	0%	0%	0%
<b>Net profit (reported)</b>	<b>-2%</b>	<b>7%</b>	<b>6%</b>	<b>11%</b>	<b>40%</b>	<b>50%</b>

Source: Company data; AlsterResearch

Balance sheet (EUR m)	2019	2020	2021	2022E	2023E	2024E
<b>Intangible assets (excl. Goodwill)</b>	<b>0.9</b>	<b>1.3</b>	<b>0.8</b>	<b>0.5</b>	<b>0.4</b>	<b>0.2</b>
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	102.0	126.3	127.5	146.6	243.8	444.5
Financial assets	5.7	7.5	14.1	14.1	14.1	14.1
<b>FIXED ASSETS</b>	<b>108.7</b>	<b>135.1</b>	<b>142.5</b>	<b>161.3</b>	<b>258.3</b>	<b>458.9</b>
Inventories	1.2	1.0	2.2	8.2	6.0	4.6
Accounts receivable	5.6	6.1	9.1	21.2	21.9	24.2
Other current assets	6.5	2.2	2.9	2.9	2.9	2.9
Liquid assets	15.1	14.3	39.4	46.1	29.1	27.1
Deferred taxes	0.0	0.0	0.3	0.3	0.3	0.3
Deferred charges and prepaid expenses	0.0	0.3	0.3	0.7	0.7	0.8
<b>CURRENT ASSETS</b>	<b>28.4</b>	<b>23.9</b>	<b>54.2</b>	<b>79.3</b>	<b>61.0</b>	<b>60.0</b>
<b>TOTAL ASSETS</b>	<b>137.0</b>	<b>158.9</b>	<b>196.6</b>	<b>240.6</b>	<b>319.2</b>	<b>518.9</b>
<b>SHAREHOLDERS EQUITY</b>	<b>37.9</b>	<b>40.2</b>	<b>51.7</b>	<b>61.5</b>	<b>96.9</b>	<b>146.2</b>
MINORITY INTEREST	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Long-term debt	78.7	92.8	100.0	130.0	180.0	335.0
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	1.1	10.8	11.1	21.4	17.7	14.7
<b>Non-current liabilities</b>	<b>79.8</b>	<b>103.6</b>	<b>111.1</b>	<b>151.4</b>	<b>197.7</b>	<b>349.7</b>
short-term liabilities to banks	3.7	6.0	28.5	10.0	10.0	10.0
Accounts payable	3.5	3.7	2.3	9.2	6.8	5.2
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)	4.7	4.9	3.2	8.6	8.0	7.9
Deferred taxes	7.4	0.6	0.0	0.0	0.0	0.0
Deferred income	0.1	0.0	0.0	0.0	0.0	0.0
<b>Current liabilities</b>	<b>19.4</b>	<b>15.2</b>	<b>34.0</b>	<b>27.8</b>	<b>24.8</b>	<b>23.0</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>137.0</b>	<b>158.9</b>	<b>196.6</b>	<b>240.6</b>	<b>319.2</b>	<b>518.9</b>

Balance sheet (common size)	2019	2020	2021	2022E	2023E	2024E
<b>Intangible assets (excl. Goodwill)</b>	<b>1%</b>	<b>1%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
Goodwill	0%	0%	0%	0%	0%	0%
Property, plant and equipment	74%	80%	65%	61%	76%	86%
Financial assets	4%	5%	7%	6%	4%	3%
<b>FIXED ASSETS</b>	<b>79%</b>	<b>85%</b>	<b>72%</b>	<b>67%</b>	<b>81%</b>	<b>88%</b>
Inventories	1%	1%	1%	3%	2%	1%
Accounts receivable	4%	4%	5%	9%	7%	5%
Other current assets	5%	1%	1%	1%	1%	1%
Liquid assets	11%	9%	20%	19%	9%	5%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	0%	0%	0%	0%	0%	0%
<b>CURRENT ASSETS</b>	<b>21%</b>	<b>15%</b>	<b>28%</b>	<b>33%</b>	<b>19%</b>	<b>12%</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>28%</b>	<b>25%</b>	<b>26%</b>	<b>26%</b>	<b>30%</b>	<b>28%</b>
MINORITY INTEREST	-0%	-0%	-0%	-0%	-0%	-0%
Long-term debt	57%	58%	51%	54%	56%	65%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	1%	7%	6%	9%	6%	3%
<b>Non-current liabilities</b>	<b>58%</b>	<b>65%</b>	<b>57%</b>	<b>63%</b>	<b>62%</b>	<b>67%</b>
short-term liabilities to banks	3%	4%	14%	4%	3%	2%
Accounts payable	3%	2%	1%	4%	2%	1%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	3%	3%	2%	4%	3%	2%
Deferred taxes	5%	0%	0%	0%	0%	0%
Deferred income	0%	0%	0%	0%	0%	0%
<b>Current liabilities</b>	<b>14%</b>	<b>10%</b>	<b>17%</b>	<b>12%</b>	<b>8%</b>	<b>4%</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; AlsterResearch

Cash flow statement (EUR m)	2019	2020	2021	2022E	2023E	2024E
Net profit/loss	1.0	-6.5	-5.9	1.3	4.6	-0.2
Depreciation of fixed assets (incl. leases)	6.8	8.3	10.7	11.9	16.5	25.5
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	0.3	0.2	0.1
Others	-0.1	6.4	9.0	10.3	-3.7	-3.0
Cash flow from operations before changes in w/c	7.7	8.2	13.7	23.9	17.5	22.5
Increase/decrease in inventory	-0.1	0.1	-1.2	-6.0	2.1	1.4
Increase/decrease in accounts receivable	-3.5	-1.1	-1.5	-12.1	-0.7	-2.4
Increase/decrease in accounts payable	4.2	-1.6	-2.4	6.9	-2.4	-1.6
Increase/decrease in other w/c positions	-2.2	-0.1	-2.5	4.9	-0.6	-0.2
Increase/decrease in working capital	-1.5	-2.6	-7.5	-6.2	-1.6	-2.7
<b>Cash flow from operating activities</b>	<b>6.2</b>	<b>5.6</b>	<b>6.2</b>	<b>17.7</b>	<b>15.9</b>	<b>19.7</b>
CAPEX	-17.5	-18.3	-8.6	-22.5	-82.9	-176.7
Payments for acquisitions	-2.1	-0.0	-4.3	0.0	0.0	0.0
Financial investments	5.3	-1.9	-2.8	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	1.6	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-14.4</b>	<b>-20.2</b>	<b>-14.2</b>	<b>-22.5</b>	<b>-82.9</b>	<b>-176.7</b>
Cash flow before financing	-8.2	-14.6	-8.0	-4.8	-67.0	-157.0
Increase/decrease in debt position	15.4	18.6	28.9	11.5	50.0	155.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.2	7.8	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Others	-3.7	-6.7	-6.1	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>11.7</b>	<b>12.1</b>	<b>30.6</b>	<b>11.5</b>	<b>50.0</b>	<b>155.0</b>
Increase/decrease in liquid assets	3.5	-2.5	22.6	6.7	-17.0	-2.0
<b>Liquid assets at end of period</b>	<b>12.4</b>	<b>9.9</b>	<b>32.5</b>	<b>39.2</b>	<b>22.3</b>	<b>20.3</b>

Source: Company data; AlsterResearch

Regional sales split (EURm)	2019	2020	2021	2022E	2023E	2024E
Domestic	0.0	0.0	0.0	0.0	0.0	0.0
Europe (ex domestic)	24.9	22.8	29.3	69.1	71.5	79.2
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	5.2	5.5	7.1	16.7	17.2	19.1
<b>Total sales</b>	<b>30.2</b>	<b>28.3</b>	<b>36.4</b>	<b>85.8</b>	<b>88.7</b>	<b>98.3</b>

Regional sales split (common size)	2019	2020	2021	2022E	2023E	2024E
Domestic	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Europe (ex domestic)	82.6%	80.6%	80.6%	80.6%	80.6%	80.6%
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	17.4%	19.4%	19.4%	19.4%	19.4%	19.4%
<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; AlsterResearch

Ratios	2019	2020	2021	2022E	2023E	2024E
<b>Per share data</b>						
Earnings per share reported	-0.01	0.04	0.04	0.18	0.65	0.91
Cash flow per share	0.01	-0.02	-0.04	0.15	0.05	-0.01
Book value per share	0.74	0.79	0.95	1.13	1.78	2.69
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
<b>Valuation</b>						
P/E	-192.5x	67.2x	70.9x	15.1x	4.2x	3.0x
P/CF	192.0x	-128.7x	-64.2x	18.2x	54.1x	-216.0x
P/BV	3.7x	3.5x	2.9x	2.4x	1.5x	1.0x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	0.5%	-0.8%	-1.6%	5.5%	1.8%	-0.5%
EV/Sales	7.2x	8.2x	6.5x	2.8x	3.5x	4.7x
EV/EBITDA	27.2x	27.6x	24.8x	9.9x	8.5x	9.6x
EV/EBIT	204.5x	-1,641.2x	-334.2x	19.5x	15.6x	20.1x
<b>Income statement (EURm)</b>						
Sales	30.2	28.3	36.4	85.8	88.7	98.3
yoy chg in %	48.9%	-6.3%	28.7%	136.0%	3.4%	10.8%
Gross profit	20.4	23.6	23.6	48.5	61.2	77.4
Gross margin in %	67.6%	83.6%	65.0%	56.6%	69.0%	78.7%
EBITDA	7.9	8.4	9.6	24.6	36.5	48.8
EBITDA margin in %	26.3%	29.9%	26.4%	28.7%	41.2%	49.7%
EBIT	1.1	-0.1	-0.7	12.4	19.9	23.2
EBIT margin in %	3.5%	-0.5%	-2.0%	14.5%	22.4%	23.6%
Net profit	-0.7	2.1	2.1	9.9	35.3	49.3
<b>Cash flow statement (EURm)</b>						
CF from operations	6.2	5.6	6.2	17.7	15.9	19.7
Capex	-17.5	-18.3	-8.6	-22.5	-82.9	-176.7
Maintenance Capex	5.4	6.6	8.5	9.5	13.2	20.4
Free cash flow	-11.4	-12.7	-2.4	-4.8	-67.0	-157.0
<b>Balance sheet (EURm)</b>						
Intangible assets	0.9	1.3	0.8	0.5	0.4	0.2
Tangible assets	102.0	126.3	127.5	146.6	243.8	444.5
Shareholders' equity	37.9	40.2	51.7	61.5	96.9	146.2
Pension provisions	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities and provisions	83.5	109.6	139.6	161.4	207.7	359.7
Net financial debt	67.3	84.5	89.1	93.9	160.9	317.9
w/c requirements	3.3	3.5	9.0	20.1	21.1	23.7
<b>Ratios</b>						
ROE	-1.9%	5.2%	4.1%	16.0%	36.5%	33.7%
ROCE	0.9%	-0.1%	-0.4%	5.6%	6.5%	4.6%
Net gearing	177.4%	210.3%	172.4%	152.6%	166.0%	217.4%
Net debt / EBITDA	8.5x	10.0x	9.3x	3.8x	4.4x	6.5x

Source: Company data; AlsterResearch

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Company	Disclosure
Photon Energy NV	2, 8

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## Contacts

SRH AlsterResearch AG  
Himmelstr. 9  
22299 Hamburg

Tel: +49 40 309 293-52  
E-Mail: [info@alsterresearch.com](mailto:info@alsterresearch.com)

### Sales

**MARKUS KÖNIG-WEISS**  
Head of Sales  
Tel: +49 40 309 293-52  
E-Mail: [mkw@alsterresearch.com](mailto:mkw@alsterresearch.com)

### Team Assistant

**HANNAH GABERT**  
Team Assistant  
Tel: +49 40 309 293-53  
E-Mail: [h.gabert@alsterresearch.com](mailto:h.gabert@alsterresearch.com)

mwb fairtrade Wertpapierhandelsbank AG  
Rottenbacher Straße 28  
82166 Gräfelfing

Tel: +49 89 85852-0  
Fax: +49 89 85852-505  
E-Mail: [info@mwbfairtrade.com](mailto:info@mwbfairtrade.com)

Our research can be found under

### Research

**HARALD HOF**  
Senior Analyst  
Tel: +49 40 309 293-52  
E-Mail: [h.hof@alsterresearch.com](mailto:h.hof@alsterresearch.com)

**LEVENT YILMAZ**  
Senior Analyst  
Tel: +49 40 309 293-52  
E-Mail: [l.yilmaz@alsterresearch.com](mailto:l.yilmaz@alsterresearch.com)

**KATHARINA SCHLÖTER**  
Analyst  
Tel: +49 40 309 293-52  
E-Mail: [k.schloeter@alsterresearch.com](mailto:k.schloeter@alsterresearch.com)

**THOMAS WISSLER**  
Senior Analyst  
Tel: +49 40 309 293-58  
E-Mail: [t.wissler@alsterresearch.com](mailto:t.wissler@alsterresearch.com)

**DR. OLIVER WOJAHN, CFA**  
Senior Analyst  
Tel: +49 40 309 293-55  
E-Mail: [o.wojahn@alsterresearch.com](mailto:o.wojahn@alsterresearch.com)

**ALEXANDER ZIENKOWICZ**  
Senior Analyst  
Tel: +49 40 309 293-56  
E-Mail: [a.zienkowicz@alsterresearch.com](mailto:a.zienkowicz@alsterresearch.com)

### Equity Capital Markets / Trading

**KAI JORDAN**  
Member of the Board  
Tel: +49 40 36 0995-22  
E-Mail: [kjordan@mwbfairtrade.com](mailto:kjordan@mwbfairtrade.com)

**ALEXANDER DEUSS**  
Head of Institutional Sales  
Tel: +49 40 36 0995- 22  
E-Mail: [adeuss@mwbfairtrade.com](mailto:adeuss@mwbfairtrade.com)

**SASCHA GUENON**  
Head of Designated Sponsoring  
Tel: +49 40 360 995 - 23  
E-Mail: [sguenon@mwbfairtrade.com](mailto:sguenon@mwbfairtrade.com)



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