2024-08-28

Zaptec ASA (ZAP)

Charged Up For International Expansion

Zaptec ASA (”Zaptec” or ”the Company”) is a leading provider of electric vehicle (“EV”) chargers in the Nordics, targeting both the commercial and residential market. The underlying market is expected to grow at a CAGR of 20.4% until 2030 driven by stringent regulations in Europe, shifting customer preferences, technological advancements, and further product launches. Zaptec is anticipated to capitalize on this market by leveraging the leading, and patented, technology by an initiated European expansion. Zaptec is estimated to grow revenue to NOK 2,422.2m in 2025, corresponding to a CAGR of 30.3% from 2023. In conjunction with the European expansion, EBITDA is estimated to reach NOK 221.3m in 2025 with an EBITDA margin of 9.1%. Analyst Group applies a 7.0x EV/EBITDA 2025 multiple, based on a Peer valuation complemented by a DCF valuation, justifying a potential share price of NOK 16.8 in a Base scenario.

- **Leading Position in an Attractive Market**

The market for alternating current (“AC”) chargers of EVs in Europe is estimated to be valued at NOK 19bn in 2023 and is expected to grow with a CAGR of 20.4%, culminating in a market value of NOK 69.9bn by 2030**.** The growth is strongly connected to the continuing shift towards an EV transition, driven by stringent European regulations, evolving customer preferences, technological innovations, and rollouts of new products. Zaptec has obtained a leading position in the Nordics with a 28.3% market share and is poised to capitalize on this robust underlying market growth. The Company is strategically expanding in Europe, which expands the addressable market by 4.4x, by utilizing the sales strategy, leading position, and technology, why Analyst Group estimates Zaptec to grow its revenue by a CAGR of 30.3% during 2023-2025.

- **Competitive Advantages**

Price and charging speed are crucial factors for end customers to decide on an EV charger. Zaptec’s products are price-positioned as competitors, however, the patented technology can reduce additional installation costs by up to 66% for commercial projects, giving it an advantage opposed to established competitors. Furthermore, Zaptec’s strong market position, evidenced by over 500k installations and partnerships with over 1.6k installers, enhances competitiveness against new entrants in the market. This is due to the distribution channel requiring electricians to install the chargers, indicating a network effect as the installers serve as intermediaries who influence the product offering toward the end customer.

- **Inventory Normalization Enhances Operational Efficiency**

Due to macroeconomic factors such as supply shortages, inflation, and rising interest rates, Zaptec experienced an inventory buildup in H2-2023. Analyst Group expects net working capital management to normalize inventories by 2025, which is estimated to enhance the operational efficiency of the capital-light adaptable business model by an anticipated ROIC expansion from 4.6% in 2023 to 18.8% in 2025.

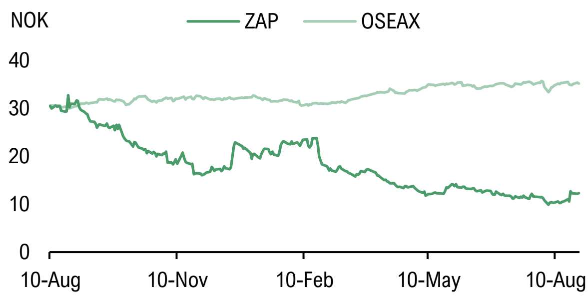
Valuation Range

Bear	Base	Bull
NOK 4.8	NOK 16.8	NOK 25.1

Key Information

Share Price (2024-08-27)	NOK 12.3
Shares Outstanding	87,520,790
Market Cap (NOKm)	1,079.1
Net cash(-)/debt(+) (NOKm)	98.7
Enterprise Value (NOKm)	1,177.8
List	Oslo Stock Exchange
Quarterly report 3 2024	2024-11-13

Share Price Development



Owners (Source: Bloomberg)

DNB ASA	13.1%
Validor AS	11.9%
Nordea Bank Abp	8.9%
Avanza Bank AB	7.1%
Danske Bank A/S	4.6%

Estimates (NOKm)	2024E	2025E	2026E	2027E
Revenue	2,060.6	2,422.2	2,868.8	3,299.1
COGS	-1,263.2	-1,480.0	-1,747.1	-2,012.5
Gross Profit	**797.5**	**942.2**	**1,121.7**	**1,286.7**
Gross Margin	38.7%	38.9%	39.1%	39.0%
Operating Costs	-636.7	-721.0	-829.7	-956.7
EBITDA	**160.7**	**221.3**	**292.0**	**329.9**
EBITDA Margin	7.8%	9.1%	10.2%	10.0%
P/S	0.5x	0.4x	0.4x	0.3x
EV/S	0.6x	0.5x	0.4x	0.4x
EV/EBITDA	7.3x	5.3x	4.0x	3.6x
EV/EBIT	14.3x	9.7x	6.5x	5.8x

Introduction

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About the Company

Zaptec is a Norwegian company offering AC charging systems for EVs, which are sold via multiple sales channels for both commercial (Zaptec Pro) and residential (Zaptec Go) use in 13 countries. The Company divides its business into two markets: the Nordics and Europe. Zaptec holds a 28.3% market share in the Nordics which accounts for 73.2% of the Company's sales. Zaptec utilizes procured components from suppliers, in-house R&D, and outsourced manufacturing at third-party production faculties in Norway and Germany which are owned by the strategic partners Westcontrol and Sanmina. The Company was founded in 2012 and has been listed on the Oslo Stock Exchange since 2021.

CEO and Chair of the Board

CEO	Kurt Østrem
Chairperson	Ingelin Drøppig

Junior Analyst

Name	Edvin Asplund
Phone	+46 (0) 737 184 035
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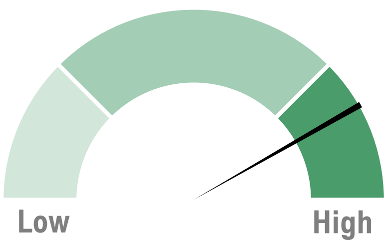
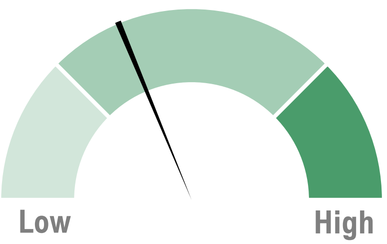
Value Drivers



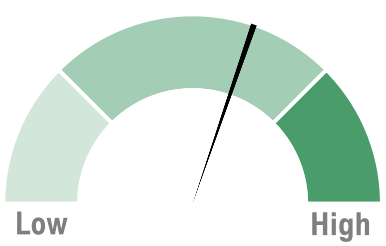
Zaptec holds a leading position in a market with robust underlying growth drivers and has shown successful growth in the initiated European expansion which is estimated to strengthen the Company's profitability. Furthermore, the business model is optimized to increase the production volume and as working capital normalizes from macroeconomic impacts, operational efficiency is estimated to be enhanced by a ROIC expansion.

Historical Profitability



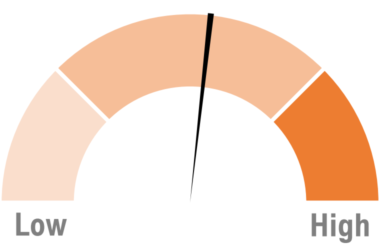
Zaptec has historically been profitable during 2018-2021, but experienced negative EBITDA results 2022 due to strategic investments to initiate the European expansion. Furthermore, the Company experienced negative operating cash flow during H2-2022 and 2023 as working capital increased because of built up inventories. The rating is solely based on the historical profitability of the Company.

Management & Board



The current CEO, Knut Østrem, who was the CFO since 2014, owns shares equivalent to 2.7x his annual total compensation, aligning his interests with those of the shareholders. Furthermore, the management and the board have solid experience in the industry and business management. The total insider ownership amounts to 1.6% of the shares outstanding.

Risk Profile



The underlying market holds low barriers to entry and is expected to grow at a CAGR of 20.4%. These market characteristics make the industry attractive for new actors and have led to fierce competition, which could impact Zaptec's position in the market and margins outlook, as the Company has a cost costume adapted for future growth. The financial risk is low due to an estimated 0.6x ND/EBITDA 2024, though 3.6x 2023.

Investment Thesis

Positioned to Capitalize on Robust Market Trends

Capitalizing On Market Tailwinds

The market for AC charging systems for EVs is expected to grow at a CAGR of 20.4% until 2030. This growth is strongly correlated to the ongoing EV transition, driven by stringent regulations[1], shifting customer preferences, technological advancements, and rollouts of new products. Zaptec is positioned to capitalize on these market tailwinds, which has historically been proven by a revenue CAGR of 69.3% 2020-2023. Currently, Zaptec has a leading position in the Nordics with a 28.3% market share by offering the Company's technology-intensive chargers at competitive pricing. Given the leading positioning and offering, Analyst Group estimates that Zaptec will be able to further capitalize on the robust underlying market growth at a revenue CAGR of 30.3% until 2025. This growth is driven by harnessing the competitive advantages in an initiated European expansion, thereby inferring the Company's market share in Europe from 7.4% in 2023 to 8.9% in 2025.

Margins are Expected to Grow From a Low Point

Cost Costume Enables Operating Leverage

The Company has expanded the addressable market by 4.4x by initiating product launches in seven European countries from 2022 to H1-2024. Zaptec is estimated to be competitive by utilizing the know-how from being an early mover in Norway, a market that has spearheaded the EV transition, while using the brand awareness from the Nordics to the sales strategy, which relies on distributors and partnerships with installers. Currently, Zaptec's OPEX structure is oversized and geared toward future growth, with approximately personnel of 65 working in the early-stage markets, which amounted to 8.4% of sales in 2023, equivalent to sales of NOK 1.8m per personnel. However, personnel of 118 in the Nordics generated NOK 11.9m in 2023. This disparity indicates that the Company already have made strategic investments to key personnel and could grow with less hiring outside of the Nordics over the coming years, as the expansion gains traction. For that reason, Analyst Group estimates personnel expenses to grow at 16.0% CAGR until 2025, compared to 45.3% CAGR 2021-2023. Consequently, as revenue is estimated to grow at 30.3% CAGR until 2025, operating leverage is estimated to drive an EBIT margin expansion from 1.6% in 2023 to 5.0% in 2025.

Working Capital Management is Necessary to Show Operational Efficiency

Normalized Working Capital Dynamics Are Set to Increase ROIC to 18.8% by 2025

Due to the recent macroeconomic development consisting of post-pandemic supply shortages, inflation, and rising interest rates, Zaptec experienced an inventory build-up from 12.3% of sales in 2022 to 31.9% in 2023. Management has communicated adjustments to production quantity and Analyst Group estimates normalized working capital dynamics by 2025. In conjunction with normalized inventory, Zaptec has outsourced production amongst suppliers in Germany and Norway. This enables a capital-light conforming business model that can adapt more quickly to changes in volume compared to competitors who tend to exert in-house production or outsourced production in China, streamlined production is thus an operational competitive strength. Consequently, Zaptec's business requires low CAPEX to meet increased demand, allowing for low incremental invested capital while experiencing growth. Therefore, operational efficiency is expected to be enhanced by an estimated ROIC[2] expansion from 4.6% in 2023 to 18.8% in 2025.

Several Competitive Advantages

Competitive Advantages in a Tough Market

The Company's distribution channel requires electricians to install the chargers, as a result, the installers act as "middlemen" choosing the product offering to the end customer. Zaptec has established a robust market presence with over 500k installations and partnerships with over 1.6k installers, which creates a network effect built from the trust and familiarity developed with Zaptec's products. Once electricians have installed a Zaptec charger and experienced its reliability, ease of installation, and customer satisfaction, they are likely to continue installing the same brand, indicating a high retention rate among installers. This captivity is driven by the risk-averse desire to minimize installation issues and maintain a streamlined workflow. Consequently, this network effect bolsters a moat against new entrants in the market, making it challenging for new players to gain traction, and is estimated to reinforce Zaptec's leading position going forward. Furthermore, charging speed and price are important factors for the end customers in decision-making of an EV charger. The Company's patented charging technology features dynamic phase-balancing, optimizing power usage on all three phases at industry-standard charging efficiency. Zaptec's products are price-positioned as competitors, however, in commercial projects where electricity supply tends to be limited, the technology can eliminate the need for additional power grid installations, thereby reducing installation costs by up to 66%.

The Market is Characterized by Intensive Competition

The European AC charger market is characterized by low barriers to entry, a large TAM, and high growth rates driven by the EV transition mega-trend. The market is also quite young, making it fragmented and a subject of change. This has resulted in fierce competition, both from legacy electronic businesses and from various start-up companies, leading to price pressure. Although Analyst Group identifies competitive advantages, such market conditions could affect the growth and margin outlooks as there is no assurance that Zaptec will sustain the competitive edge over time.

[1] EU CO2 Emission Standards for Cars and Vans

[2] Invested capital is calculated as operating fixed assets + NWC

Market Analysis

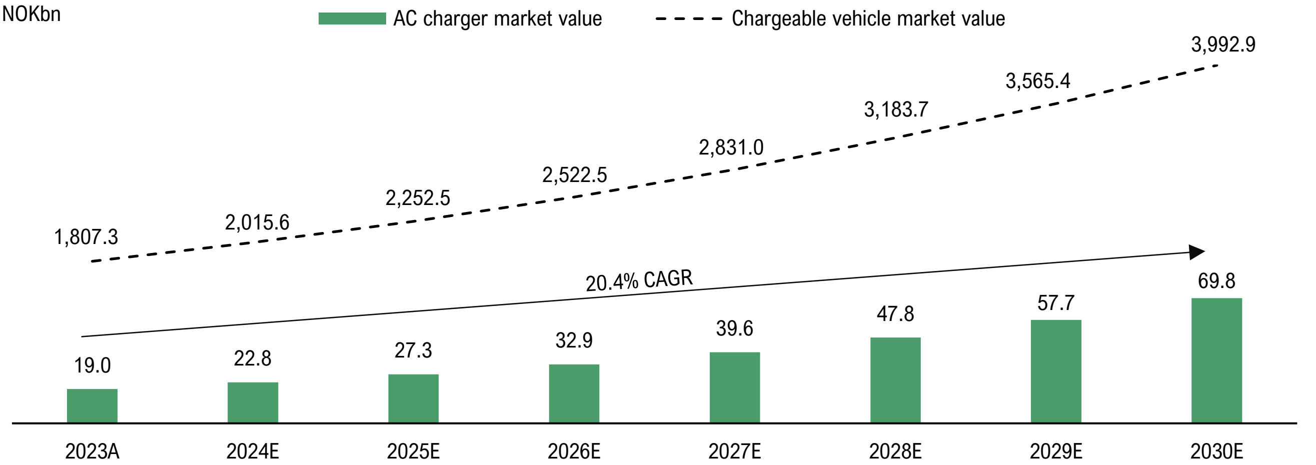
The Electric Vehicle Charging Market is Closely Correlated to the EV Transition

Strong Position in a Growing Market

EV charging can be categorized into two subcategories: AC and direct current ("DC"). Zaptec provides AC charging systems suitable for both residential (homes and private garages) and commercial purposes (parking lots at condominium associations, companies, and others). The AC charging offers a slower charging speed compared to the DC charging but has a significantly lower price tag. Currently, AC chargers is estimated to account for 89.7% of EV chargers in Europe. Analyst Group estimates that the European AC charger market is valued at NOK 19bn and is expected to grow at a CAGR of 20.4%, culminating in a market value of NOK 69.9bn by 2030. Zaptec is currently the third-largest player in the European market[3], with an estimated 7.4% market share in 2023. The market is fragmented and characterized by high growth driven by the green transition mega-trend and contains low barriers to entry. Analyst Group observes that there are many players in the EV charger market in Europe, where several companies hold strong market positions in their respective home countries and, like Zaptec, have begun geographical expansions. The growth of the AC charger market is directly correlated to the sales of new EVs, as charging infrastructure is essential to be able to drive EVs. Homes tend to install a charger when making their first EV purchase, though chargers for commercial use should rather be installed on an expectational basis. However, the demand for commercial AC chargers in Europe is expected to be strong over the coming years, as there are only 15x EVs per commercial AC charger in 2023. Consequently, AC chargers for commercial use are anticipated to contribute a significant portion of the market growth as the EV transition accelerates.

The electric vehicle AC charging market is estimated to grow at a CAGR of 20.4% until 2030 reaching NOK 69.8bn.

European Electric Vehicle AC Charging Market and European Chargeable Vehicle Market



Source: Zaptec Investor Relations, Statista Market Insights, Analyst Group Estimates

Strong Growth Outlooks in the European EV Market

EV Adoption is Driven by Regulatory Tailwinds

The chargeable vehicle fleet accounts for 5% of the vehicle fleet in Europe. The European chargeable vehicle market is valued at NOK 1,807.3bn and is expected to grow at a CAGR of 11.9% until 2030. The main drivers for the expected EV transition are regulations, shifting customer preferences, technology advancements, and expected rollouts of more affordable electric vehicles. The *European Climate Law* aims to achieve CO2 neutrality by 2055, and the European road transportation sector accounts for 18% of CO2 emissions, driving global warming because of the greenhouse effect. Since 2021, the *EU CO2 Emission Standards for Cars and Vans* mandated that new sales of vehicles in Europe are only allowed a CO2 release of 119g/km. This regulation is expected to become even stricter, targeting 100g/km by 2025, 53g/km by 2030, and a complete petrol and diesel vehicle sales ban by 2035. To achieve these targets, some European countries have implemented tax incentives, subsidies, and grants to promote EV adoption. Additionally, government investments are made towards public charging stations helping to alleviate range anxiety associated with EVs. Consequently, customer awareness of environmental concerns is accelerating, driving an even faster EV transition as more customers prioritize environmentally friendly transport options. The average price of an electric vehicle is NOK 645k in 2023, though 75% of the vehicles sold in Europe are more affordable. However, lower-priced EVs, such as the Fiat 500e, Volkswagen ID.2, Renault 5, and Audi A3 e-tron, will be launched 2024-2027, targeting a broader customer base and is estimated to furthering growth on the market. Furthermore, technological advancements, particularly in battery technologies, are improving EV performance and range. Consequently, the total cost of owning an EV is estimated to reach tipping points during 2022-2024 making EVs, on average, cheaper than internal combustion engine vehicles due to lower operating and maintenance costs[4], thus reducing the switching cost for customers.

[3]According to Zaptec Investor Relations

[4]According to Zaptec Investor Relations

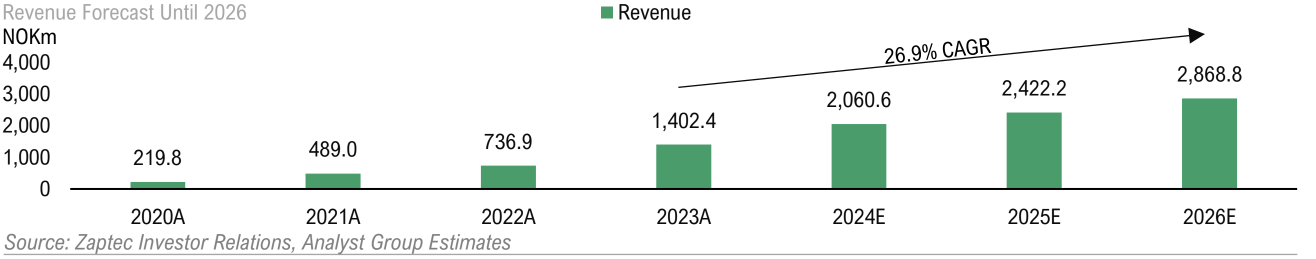
Financial Forecast

Revenue Forecast Until 2026

Net Sales Estimated to Grow at a CAGR of 26.9%

Zaptec's geographical revenue split was 73.2% from the Nordics and 26.8% from other European countries in 2023. The Company has grown its revenue by 66.8% LTM, and the main driver of future sales is estimated to be the geographical expansion and anticipated market growth of 20.4% CAGR due to the EV transition. Zaptec is projected to capitalize on this growth based on the Company's sales strategy, leading technology, and robust positioning contributing to a network effect. Zaptec's core market, the Nordics, is entering a more mature phase and is expected to grow at a CAGR of 8.3% until 2030. Analyst Group estimates that Zaptec will be able to increase its net sales at 9.8% CAGR until 2026 as Zaptec holds first mover advantage and as one of its largest competitors, Easee, received a temporary sales freeze in Norway and Sweden due to safety issues, shifting competition dynamics which enhances Zaptec's market share and positioning. Furthermore, the European market, excluding the Nordics, is still immature and expected to grow at a CAGR of 22.4% until 2030. Analyst Group estimates that Zaptec will be able to increase net sales outside of the core market at 33.6% CAGR until 2026 by utilizing its know-how sales strategy, brand awareness in the Nordics, and leading technology in the initiated European expansion, where demand is higher, yet competition is lower. Given the arguments above, the Company is estimated to reach net sales of NOK 2,868.8m in 2026, corresponding to a CAGR of 26.9%.

Revenue is estimated to grow at a CAGR of 26.9% 2023-2026.



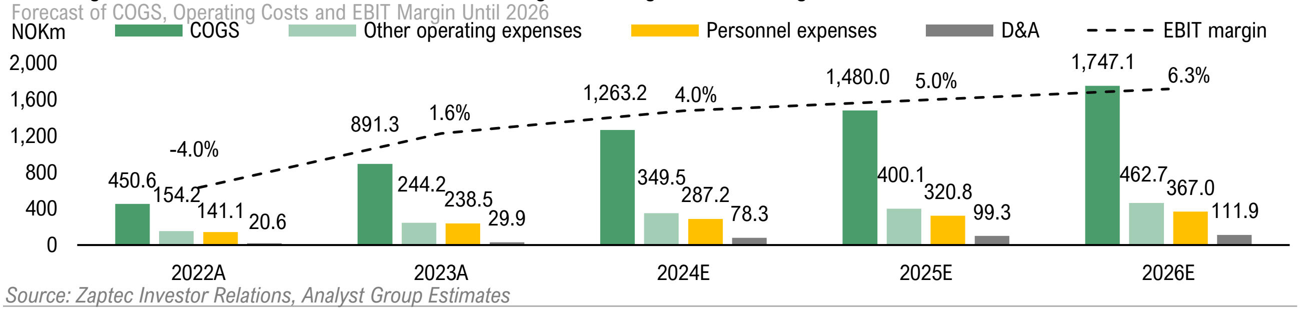
Source: Zaptec Investor Relations, Analyst Group Estimates

Cost Forecast Until 2026

Operational Cost Structure Adapted to Larger Sales Volumes

Costs of goods sold are the main cost driver in the cost base. The gross margin is expected to expand from 38% LTM to 39.1% in 2026 driven by a favorable product mix towards commercial sales, cost awareness efforts of key input components in the supply chain, and benefits of scale. Zaptec did major investments during 2022 and 2023 to initiate the European expansion, with expenses primarily in R&D for product launches and personnel. The total personnel count is projected to increase from 183 in 2023 to 268 in 2026, due to necessary recruitment mainly in the Nordics as the organization grows, given that key personnel already have been recruited to gain short-term traction in the early-stage European markets. The increase is estimated to lead to a rise in personnel expenses from NOK 238.5m in 2023 to NOK 367m in 2026. Despite the increase in absolute terms, the estimates translate to growth at 8.8% incremental personnel expenses, meaning personnel expenses are estimated to decrease from 18.4% of sales LTM (17% in 2023) to 12.8% of sales in 2026. Furthermore, marketing expenses, the largest cost driver in the other operating expenses item, are expected to increase in conjunction with the European expansion. Additionally, the business is R&D-intensive due to the competitive landscape, why other operating expenses are estimated to grow at a 23.7% CAGR, culminating in an increase from NOK 243.5 LTM to NOK 462.7m in 2026. The improved gross margin and semi-fixed OPEX structure are expected to drive an EBITDA margin expansion from 3.8% in 2023 to 10.2% in 2026. D&A is estimated to be in the range of 3.5-4.5% of sales by primarily CAPEX of intangible assets due to the R&D-intensive nature of the business and some expected product launches. Therefore, EBIT is estimated to reach NOK 180.1m in 2026, equivalent to a 6.3% EBIT margin.

EBIT margin is estimated to reach 7.0% in 2026 due to stronger revenue growth than cost growth.



Source: Zaptec Investor Relations, Analyst Group Estimates

Valuation

Peer Valuation

Peers' Trade at a Median Multiple of 7.8x EV/EBITDA 2025

The peer group comprises of publicly traded companies that provide EV chargers, offering AC and DC systems to various customers. These companies utilize similar business approach and are all exposed to the EV transition. Analyst Group employs a forward-looking EV/EBITDA multiple to evaluate Zaptec on a relative basis to account for differences in capital structure and leasing, as all peer companies are anticipated to achieve EBITDA profitability in 2025. Which equates to a target multiple of 7.8x, given that the median of the peer group's enterprise value is more comparable to the enterprise value of Zaptec, and to address the protruding valuation of Kempower Oy.

Zaptec is valued at a discount compared to the peer median.

Comparable Companies' Valuation

Peer table	MCAP	EV	Revenue CAGR	EBITDA margin	EV/EBITDA
Comapany name	NOKm	NOKm	2023A-2026E	2025E	2025E
Kempower Oy	14,844.5	14,170.0	29.5%	12.9%	19.5x
Alfen NV	4,406.8	5,038.8	13.7%	10.4%	6.8x
Wallbox	2,656.7	2,854.1	51.7%	13.1%	5.8x
CTEK	1,635.6	1,928.1	8.0%	20.9%	7.8x
GARO	1,323.1	1,603.8	2.6%	13.3%	8.8x
Average	**4,973.3**	**5,119.0**	**21.1%**	**14.1%**	**9.7x**
Median	**2,656.7**	**2,854.1**	**13.7%**	**13.1%**	**7.8x**
Zaptec	1,079.1	1,177.8	26.9%	9.1%	5.3x

Source: Bloomberg, Analyst Group Estimates

Discounted Cash Flow Valuation

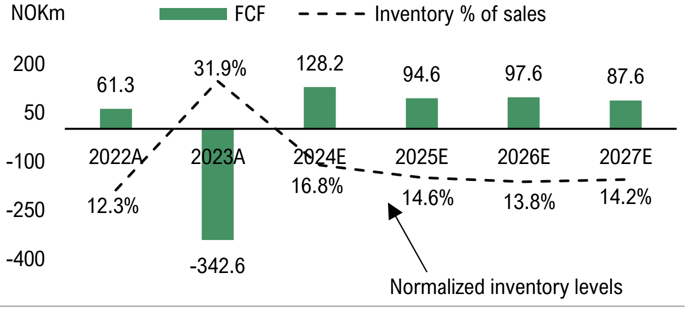
DCF Model Justifies 7.1x EV/EBITDA 2025

The relative valuation is supplemented by an absolute valuation using a discounted cash flow model ("DCF") with a perpetuity growth rate approach. The DCF comprises an explicit forecast period between 2024-2026, a normalized period between 2026-2033, and a terminal period. During the explicit period, the Company is expected to grow its revenue at a 26.9% CAGR and expand its EBIT margin from 1.6% in 2023 to 6.3% in 2026. For the normalized period, Analyst Group estimates a revenue CAGR of 11.2%, reflecting reverted growth, and a conservative average EBIT margin of 5.7%, signifying price pressure from increased competition as the market matures. Analyst Group uses a 2.0% perpetual growth rate in the terminal period and applies a WACC discount rate of 11.1%, based on a capital structure comprising 74% equity financing at 13.5% cost of equity and 26% debt financing at 4.1% after-tax cost of debt. The DCF model justifies a target multiple of 7.1x EV/EBITDA 2025, implying a share price of NOK 16.9.

Normalized inventory levels is estimated to drive free cash flow in 2024 and 2025.

Sensitivity Table of the DCF Model and Free Cash Flow Forecast Until 2027

WACC \ Prepetrual Growth Rate	0.0%	1.0%	2.0%	3.0%	4.0%
9.1%	19.4	20.9	22.9	25.5	29.1
10.1%	17.0	18.1	19.5	21.3	23.7
11.1%	15.0	15.9	16.9	18.2	19.9
12.1%	13.4	14.0	14.8	15.8	17.0
13.1%	12.0	12.6	13.2	13.9	14.8



Source: Analyst Group Estimates

Base Scenario Valuation

NOK 16.8 Base Scenario

To account for divergences in capital structure and leasing of the comparable companies is an EV/EBITDA multiple utilized to evaluate Zaptec on a relative basis. Zaptec is estimated to experience faster revenue growth than the peer group, however, the Company's is estimated to reach a slightly lower EBITDA margin. Given these conditions, Analyst Group applies a discount of 10% to account for Zaptec's smaller size, implying a target multiple of 7x EV/EBITDA 2025, which aligns with the complementary intrinsic valuation. Upon multiplying the target multiple of 7x to the 2025 EBITDA of NOK 221.3m, a justified enterprise value of NOK 1549m is derived, indicating a potential share price of NOK 16.8.

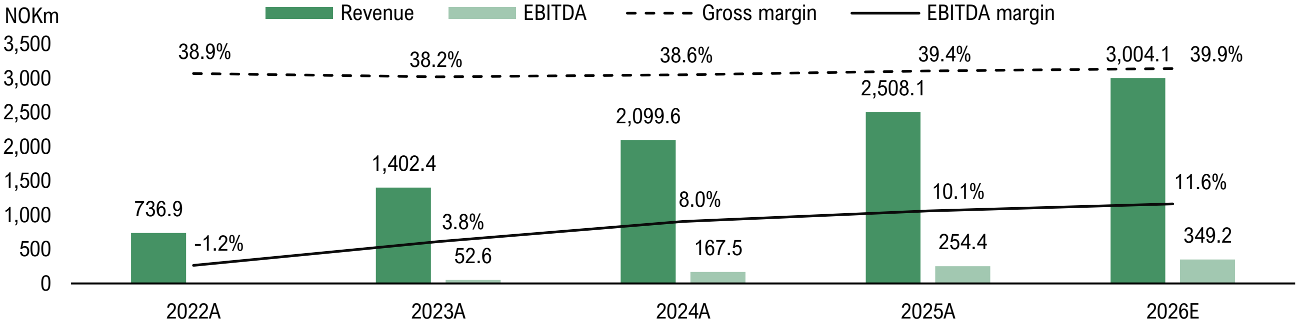
Bull & Bear

Bull Scenario

NOK 25.1
Bull Scenario

In a Bull scenario, Zaptec's competitive positioning strengthens the network effect, accelerating revenue growth in the Nordics. Effective marketing and strong leverage of the Company's positioning, network effect, and technology drives faster penetration in Europe. Additionally, increased tax incentives, grants, and subsidies for EV infrastructure in European countries further boost EV adoption. Given these factors, Zaptec's revenue is projected to grow at a CAGR of 33.7% until 2025, expanding the market share in Europe from 7.4% to 9.2%. The benefits of scale, efficient cost control, and a favorable product mix toward commercial sales, are expected to improve gross margins to 39.4% by 2025. The estimated revenue growth will substantially boost Zaptac's earnings with OPEX accounting for 29.3% of sales in 2025. Therefore, EBITDA is projected to increase to NOK 254.4m in 2025, corresponding to an EBITDA margin of 10.1%, and contributing to an EBIT margin 6.0% in 2025, witnessing an EBIT growth of 72.9% 2024-2025. Given the value drivers in the Bull scenario, an intrinsic target multiple of 9.0x EV/EBITDA 2025 is justified, indicating a potential share price of NOK 25.1.

Zaptec is estimated to reach an EBITDA of 231.1 in 2026 with an EBITDA margin of 11.6% in a Bull scenario.
Estimated Revenue, EBITDA, Gross Margin and EBITDA Margin During 2024-2026 in a Bull scenario



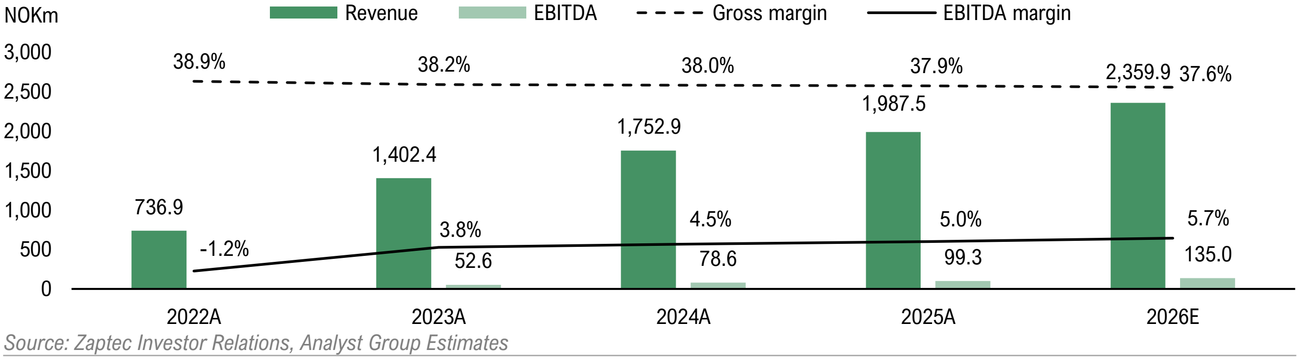
Source: Zaptec Investor Relations, Analyst Group Estimates

Bear Scenario

NOK 4.8
Bear Scenario

In a Bear scenario, Zaptec's competitive positioning in the Nordics weakens due to a mature market with high competition. Similarly, in Europe, the competitive landscape is intense leading to Zaptec's marketing efforts failing to establish the products and leverage the competitive advantages. Consequently, Zaptec's revenue is projected to grow at a CAGR of 18.0% until 2025, with a market share contraction from 7.4% to 7.3%. The significant competition leads to price pressure in both the Nordic and European markets, which impacts Zaptec's profitability. This intensive price competition, combined with a heavy emphasis on residential sales, is estimated to reduce gross margins to 37.9% in 2025. As a result, the Company's OPEX is estimated to remain at high levels accounting for 32.9% of sales in 2025, contributing to an EBITDA of NOK 99.3m in 2025 and an EBITDA margin of 5.0%, with an EBIT margin of 0.9% in 2025. Additionally, production adjustments take longer than expected, leading to normalized inventories amounting to 15% of sales by 2026, impacting operating cash flow. Given these events, an intrinsic target multiple of 5.1x EV/EBITDA 2025 is justified, suggesting a potential share price of NOK 4.8.

Zaptec is estimated to reach an EBITDA of 135.0m in 2026 with an EBITDA margin of 5.7% in a Bear scenario.
Estimated Revenue, EBITDA, Gross Margin and EBITDA Margin During 2024-2026 in a Bear scenario



Source: Zaptec Investor Relations, Analyst Group Estimates

Appendix

Base scenario (NOKm)	2021A	2022A	2023A	2024E	2025E	2026E
Net sales	489.0	736.9	1,402.4	2,060.6	2,422.2	2,868.8
Other operating income	0.0	0.0	24.2	0.0	0.0	0.0
Revenue	**489.0**	**736.9**	**1,426.6**	**2,060.6**	**2,422.2**	**2,868.8**
Cost of goods sold	-273.8	-450.6	-891.3	-1,263.2	-1,480.0	-1,747.1
Gross profit	**215.2**	**286.3**	**535.3**	**797.5**	**942.2**	**1,121.7**
Gross margin (adj.)	*44.0%*	*38.9%*	*38.2%*	*38.7%*	*38.9%*	*39.1%*
Personnel expenses (adj.)	-112.9	-141.1	-238.5	-287.2	-320.8	-367.0
Other operating expenses	-61.8	-154.2	-244.2	-349.5	-400.1	-462.7
EBITDA (adj.)	**40.5**	**-9.0**	**52.6**	**160.7**	**221.3**	**292.0**
EBITDA margin (adj.)	*8.3%*	*-1.2%*	*3.8%*	*7.8%*	*9.1%*	*10.2%*
D&A	-12.9	-20.6	-29.9	-78.3	-99.3	-111.9
EBIT (adj.)	**27.6**	**-29.6**	**22.7**	**82.4**	**122.0**	**180.1**
EBIT margin (adj.)	*5.6%*	*-4.0%*	*1.6%*	*4.0%*	*5.0%*	*6.3%*
Net financials	-0.1	-7.4	-10.8	-14.4	-17.0	-20.1
EBT (adj.)	**27.5**	**-37.0**	**11.9**	**68.0**	**105.0**	**160.1**
Tax	-17.1	-4.4	-1.8	-15.0	-23.1	-35.2
Net income (adj.)	**10.4**	**-41.4**	**10.1**	**53.1**	**81.9**	**124.8**
Net margin (adj.)	*2.1%*	*-5.6%*	*0.7%*	*2.6%*	*3.4%*	*4.4%*

Base scenario key metrics	2021A	2022A	2023A	2024E	2025E	2026E
EV/S	9.1x	2.4x	1.5x	0.6x	0.5x	0.4x
EV/EBITDA	109.5x	Neg.	39.2x	7.3x	5.3x	4.0x
EV/EBIT	160.8x	Neg.	90.7x	14.3x	9.7x	6.5x
P/E	427.8x	Neg.	188.0x	20.3x	13.2x	8.6x

Appendix

Bull scenario (NOKm)	2021A	2022A	2023A	2024E	2025E	2026E
Net sales	489.0	736.9	1,402.4	2,099.6	2,508.1	3,004.1
Other operating income	0.0	0.0	24.2	0.0	0.0	0.0
Revenue	**489.0**	**736.9**	**1,426.6**	**2,099.6**	**2,508.1**	**3,004.1**
Cost of goods sold	-273.8	-450.6	-891.3	-1,289.1	-1,519.9	-1,805.5
Gross profit	**215.2**	**286.3**	**535.3**	**810.4**	**988.2**	**1,198.6**
Gross margin (adj.)	*44.0%*	*38.9%*	*38.2%*	*38.6%*	*39.4%*	*39.9%*
Personnel expenses (adj.)	-112.9	-141.1	-238.5	-287.2	-320.8	-367.0
Other operating expenses	-61.8	-154.2	-244.2	-355.7	-412.9	-482.4
EBITDA (adj.)	**40.5**	**-9.0**	**52.6**	**167.5**	**254.4**	**349.2**
EBITDA margin (adj.)	*8.3%*	*-1.2%*	*3.8%*	*8.0%*	*10.1%*	*11.6%*
D&A	-12.9	-20.6	-29.9	-79.8	-102.8	-117.2
EBIT (adj.)	**27.6**	**-29.6**	**22.7**	**87.7**	**151.6**	**232.1**
EBIT margin (adj.)	*5.6%*	*-4.0%*	*1.6%*	*4.2%*	*6.0%*	*7.7%*
Net financials	-0.1	-7.4	-10.8	-14.7	-17.6	-21.0
EBT (adj.)	**27.5**	**-37.0**	**11.9**	**73.0**	**134.0**	**211.0**
Tax	-17.1	-4.4	-1.8	-16.1	-29.5	-46.4
Net income (adj.)	**10.4**	**-41.4**	**10.1**	**56.9**	**104.6**	**164.6**
Net margin (adj.)	*2.1%*	*-5.6%*	*0.7%*	*2.7%*	*4.2%*	*5.5%*

Bull scenario key metrics	2021A	2022A	2023A	2024E	2025E	2026E
EV/S	9.1x	2.4x	1.5x	0.6x	0.5x	0.4x
EV/EBITDA	109.5x	Neg.	39.2x	7.0x	4.6x	3.4x
EV/EBIT	160.8x	Neg.	90.7x	13.4x	7.8x	5.1x
P/E	427.8x	Neg.	188.0x	19.0x	10.3x	6.6x

Appendix

Bear scenario (NOKm)	2021A	2022A	2023A	2024E	2025E	2026E
Net sales	489.0	736.9	1,402.4	1,752.9	1,987.5	2,359.9
Other operating income	0.0	0.0	24.2	0.0	0.0	0.0
Revenue	**489.0**	**736.9**	**1,426.6**	**1,752.9**	**1,987.5**	**2,359.9**
Cost of goods sold	-273.8	-450.6	-891.3	-1,086.8	-1,234.2	-1,472.6
Gross profit	**215.2**	**286.3**	**535.3**	**666.1**	**753.3**	**887.3**
Gross margin (adj.)	*44.0%*	*38.9%*	*38.2%*	*38.0%*	*37.9%*	*37.6%*
Personnel expenses (adj.)	-112.9	-141.1	-238.5	-287.2	-320.8	-367.0
Other operating expenses	-61.8	-154.2	-244.2	-300.3	-333.1	-385.3
EBITDA (adj.)	**40.5**	**-9.0**	**52.6**	**78.6**	**99.3**	**135.0**
EBITDA margin (adj.)	*8.3%*	*-1.2%*	*3.8%*	*4.5%*	*5.0%*	*5.7%*
D&A	-12.9	-20.6	-29.9	-66.6	-81.5	-92.0
EBIT (adj.)	**27.6**	**-29.6**	**22.7**	**12.0**	**17.8**	**43.0**
EBIT margin (adj.)	*5.6%*	*-4.0%*	*1.6%*	*0.7%*	*0.9%*	*1.8%*
Net financials	-0.1	-7.4	-10.8	-12.3	-13.9	-16.5
EBT (adj.)	**27.5**	**-37.0**	**11.9**	**-0.3**	**3.9**	**26.5**
Tax	-17.1	-4.4	-1.8	0.1	-0.9	-5.8
Net income (adj.)	**10.4**	**-41.4**	**10.1**	**-0.2**	**3.1**	**20.7**
Net margin (adj.)	*2.1%*	*-5.6%*	*0.7%*	*0.0%*	*0.2%*	*0.9%*

Bear scenario key metrics	2021A	2022A	2023A	2024E	2025E	2026E
EV/S	9.1x	2.4x	1.5x	0.7x	0.6x	0.5x
EV/EBITDA	109.5x	Neg.	39.2x	15.0x	11.9x	8.7x
EV/EBIT	160.8x	Neg.	90.7x	98.1x	66.0x	27.4x
P/E	427.8x	Neg.	188.0x	Neg.	352.7x	52.2x

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