



RESULTS PREVIEW

Capital Goods

Fair value: SEK31.0–69.0

Share price: SEK24.4

PowerCell

Good momentum in new contracts – Q2 preview

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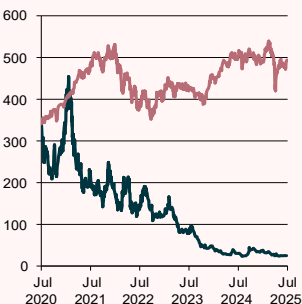
We expect a profitable quarter stemming from the sale of IP rights to Bosch. We adjust our fair value range to SEK31–69 (30–70).

The IP sale to Bosch will positively impact profitability. For Q2, we expect top-line growth of 101% Y/Y with sales at SEK133m (SEK66m). We estimate a gross margin of 63.8% (16.6% in Q2 2024). In Q2, Powercell announced the sale of IP rights to Bosch for around EUR6m, this will positively affect sales and drive up the margin (as it has 100% drop-through). We expect underlying sales growth to be 10% Y/Y and an underlying gross margin of 34%.

We have made changes to our numbers for 2025–27e, to include the EUR6m IP sale in 2025e, as well as some smaller adjustments to 2026e and 2027e.

Good momentum in OEM sales. PowerCell signed three major contracts in Q2: the IP sale to Bosch, the first commercial order for Hitachi Energy's HyFlex system, and a SEK44m order for its new marine system. We see this as a sign of growing market interest and continued commercial traction. It also supports our view that the company continues to evolve from small research projects to scalable partnerships with leading OEMs.

Change in fair value range. We use a DCF valuation approach and benchmark against a peer group of high-growth small/mid-cap capital goods names, driven by structural, global market trends. We conclude that a fair value range for PowerCell is SEK31–69 per share based on these two valuation methods and applying a WACC of 11–15%. We now think that PowerCell can reach EBITDA breakeven in 2025e, one year earlier than previously estimated, which would justify a lower WACC of around 12%. However, slower underlying sales growth implies a higher WACC, leading us to use a 12–14% range in our base valuation, and 11–15% in an extended range.

Changes in this report				Key figures (SEK)					Share price – 5-year				
	From	To	Chg		2024	2025e	2026e	2027e					
EPS adj. 2025e	-0.56	0.21	+138%	Sales (m)	334	453	505	654					
EPS adj. 2026e	0.14	0.08	-42%	EBITDA (m)	-35	34	27	64					
EPS adj. 2027e	0.55	0.53	-3%	EBIT (m)	-54	13	6	39					
Upcoming events				EPS	-0.85	0.21	0.08	0.53					
Q2 Report		17 Jul 2025		EPS adj.	-1.28	0.21	0.08	0.53					
Q3 Report		23 Oct 2025		DPS	0.00	0.00	0.00	0.00					
Q4 Report		12 Feb 2026		Sales growth Y/Y	8%	35%	12%	29%					
Key facts				EPS adj. growth Y/Y	-chg	+chg	-62%	548%					
No. shares (m)		58.3		EBIT margin	-16.1%	2.8%	1.2%	6.0%					
Market cap. (USDm)		149		P/E adj.	n.m.	>100	>100	45.8					
Market cap. (SEKm)		1,424		EV/EBIT	neg.	>100	>100	33.9					
Net IB Debt. (SEKm)		-111		EV/EBITA	neg.	>100	>100	33.9					
Adjustments (SEKm)		0		EV/EBITDA	neg.	38.6	49.5	20.9					
EV (2025e) (SEKm)		1,313		P/BV	3.4	3.3	3.3	3.1					
Free float		51.5%		Dividend yield	0.0%	0.0%	0.0%	0.0%					
Avg. daily vol. ('000)		201		FCF yield	-5.1%	-6.9%	-1.2%	0.3%					
BBG		PCELL SS		Equity/Total Assets	n.a.	n.a.	n.a.	n.a.					
Fiscal year end		December		ROCE	-13.9%	2.8%	1.3%	8.2%					
Share price as of (CET)	08 Jul 2025 17:29			ROE adj.	-20.5%	3.0%	1.1%	7.0%					
				Net IB debt/EBITDA	6.1	-3.3	-3.3	-1.5					

Source: DNB Carnegie (estimates), FactSet, Infront & company data

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Equity story

Near term: within 12M

PowerCell's sales process has changed from being primarily tech-exploration to market-driven demand from customers with commercial applications. This means that order values are increasing, and orders often relate to an OEM customer that is integrating PowerCell's products into an industrialised system, which creates a relatively sticky business model. In addition to this, the sales cycle has shortened, meaning the time from initial contact to delivery has decreased. In 2025, PowerCell should complete the delivery of a number of large project orders that will drive sales growth.

Long term outlook: 5Y+

With its products and solutions for zero-emission power, we believe the company is well positioned to experience the tailwinds generated from the demand for sustainable solutions stemming from net-zero emission goals. Even though PowerCell competes in a market with larger players, PowerCell has secured a good position. Its position is strengthened by: 1) an asset-light business model with Bosch as a contract manufacturer; 2) a broad product portfolio because of the company's development through an iterative process and its ability to change focus depending on potential in different customer segments and demand; and 3) market-leading contracts with the largest fuel cell marine applications and the first serial deliveries of stacks to the aviation industry.

Key risks:

- The risk of slower acceptance or weaker growth for hydrogen-electric technology could materially affect the company.
- A slow rollout of hydrogen infrastructure and a slowdown in government incentives could impede PowerCell's growth, as it is crucial for its customers.
- PowerCell faces high customer concentration risk, with two customers accounting for around 50% of sales in 2023.

Company description

PowerCell develops and produces fuel cell stacks and systems powered by hydrogen and produces electricity and heat with no emissions other than water. Carved out of Volvo in 2008, the company has built a solid presence in the sectors of transportation, aviation, marine, stationary power generation and reserve systems. In 2019 it entered into a contract with Bosch, licensing its S3 fuel cell stack for mass market commercialisation to the automotive industry. In 2023, PowerCell deepened its collaboration with Bosch and signed a contract for the production of the S3 stack for all customer segments. With the new deal, Bosch added PowerCell's volumes of the S3 stack to its existing production in Germany and China.

Key industry drivers

- The climate transition
- Transition to a long-term sustainable energy system
- Expectation of hydrogen in hard to decarbonise industries

Industry outlook

- We expect 2024–26 to mark the fuel cell industry's transition to broader acceptance, with greater adoption.
- We expect market conditions to normalise in 2027–28, with a focus on scaling and commercialisation

Largest shareholders, capital

Robert Bosch	11.2%
Norges Bank	5.0%
Avanza Pension	3.5%

Cyclicality

Cyclicality: N/A

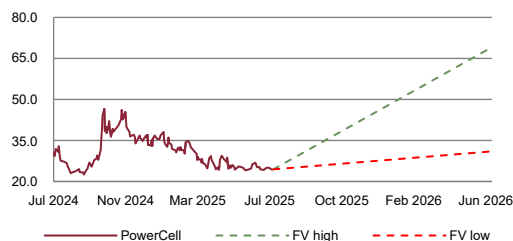
Key peers

We believe there are no direct peers to PowerCell. Many of the listed hydrogen companies differ quite significantly from PowerCell in several categories, such as products and services offering, position in the value chain, end customer segment exposure, geographical exposure, size and stage of maturity. We look at hydrogen companies like Ballard, Plug Power, NEL, Hexagon Purus.

Valuation and methodology

We believe PowerCell is a high growth company and will be so for many years ahead given the underlying global, structural market trends. We base our fair value range on a DCF and a peer group of companies that have similar characteristics to PowerCell, i.e. high growth capital goods small- and mid-cap companies that are also driven by underlying global structural trends.

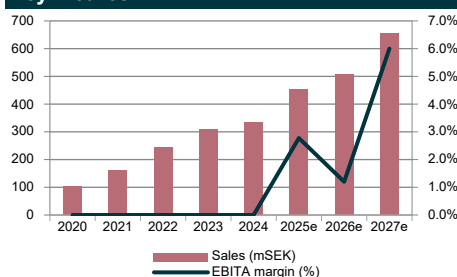
Fair value range 12M



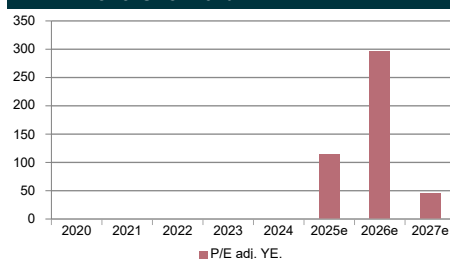
High end: If the Q/Q improvements over time are better than we expect and indicate that EBITDA breakeven is reachable earlier than we envisioned, and we therefore get more comfort in PowerCell's long-term sustainable earnings, then a WACC of 12% would be more relevant, in our view.

Low end: If we start to see that Q/Q improvements are progressing more slowly than we have assumed in our estimates, we would consequently be less confident in PowerCell's ability to maintain its pace of sales growth. If we see indications that EBITDA breakeven will be delayed a WACC of 15% would be applicable, in our view.

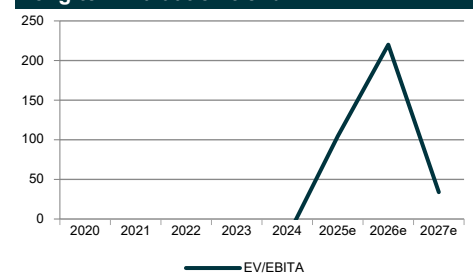
Key metrics



PE 12-months forward



Long-term valuation trend

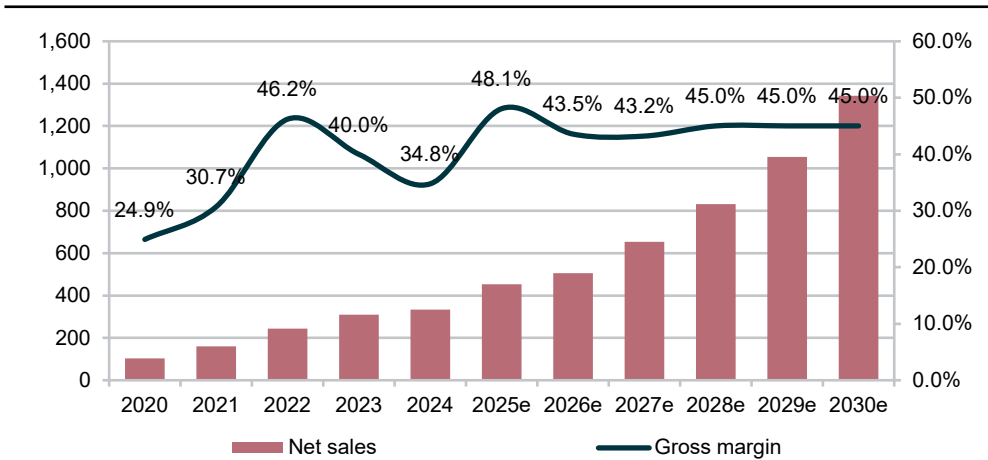


Source: DNB Carnegie (estimates) & company data

PowerCell in key charts

We expect sales to grow to SEK450m in FY 2025, before rising more steeply to around SEK1,400m by 2030e

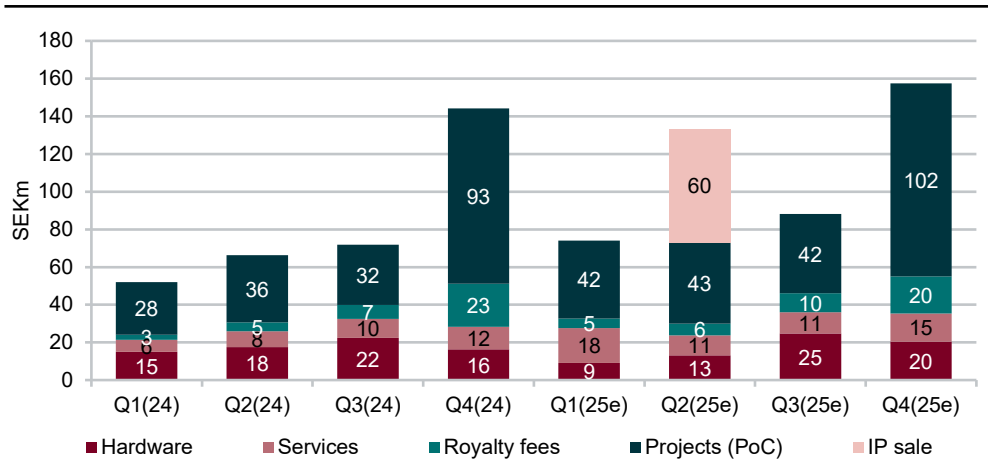
Powercell: Net sales (SEKm) and gross margin



Source: DNB Carnegie, Powercell

For 2025e, we expect projects (marine) to remain the largest segment, contributing to over 50% of sales

Powercell: Net sales by revenue stream



Source: DNB Carnegie (estimates), PowerCell

Communicated orders support over 60% of our estimates for 2025

The ZeroAvia order was originally planned for 2025–29 but is contingent on ZeroAvia getting the right certifications. As ZeroAvia has not yet attained certification, we expect this timeline to be pushed.

Communicated orders with deliveries 2025-2029

Application/Customer	Segment	Description	MW	Units	Order value	Order time
Australian aviation company (VTOL)	Aviation	Services	-	-	SEK7m	
Zero Avia	Aviation	Services/Hardware	500	1600	SEK1.51bn	2026-2029
SEAM	Marine	Project	13	65	SEK218m (EUR19.2)	2023-2025
Italian marine OEM*	Marine	Project/Hardware	12.7	56	SEK165m	H2 2025
O.S Energy	Marine	Project	0.2	2	-	2024/2025
European marine OEM*	Marine	Project/Hardware	1.1	5	SEK16.5m	H1 2025
European marine OEM*	Marine	Project/Hardware	3.2	14	SEK41.8m	2025
European Shipyard	Marine	Projects	2.0	-	SEK150m	2025-2029
Japanese company	Aviation	Hardware and Services	-	-	SEK13m (EUR1.15m)	Q4 2024-Q1 2026
Hitachi Energy	Power Generation	Hardware	0.45	2	-	2025
Italian marine OEM*	Marine	Project	-	-	SEK44m	2025-2028
Vantastec	Power Generation	Hardware	2	400	SEK35m	2024-2025

Source: DNB Carnegie, PowerCell. * PowerCell has not announced the company

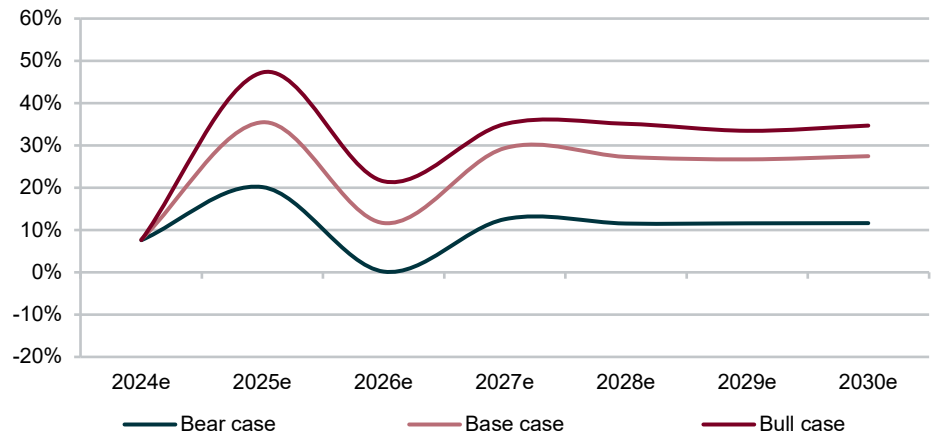
Due to the uncertainty around disruptive technology, we include both bullish and bearish sales scenarios.

By 2030e, we expect net sales of SEK1,343m in our base case (26% CAGR 2024–30e). In the bull case, net sales could reach SEK1,958m (34% CAGR), while in the bear case, SEK627m (11% CAGR)

Important to note is the IP sale of EUR6m that impacts sales growth in 2025e

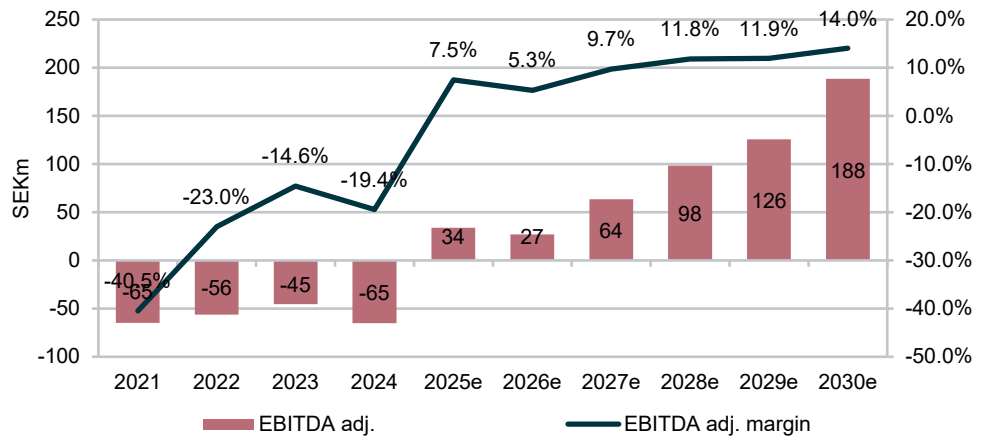
We expect PowerCell to reach EBITDA break-even in 2025e, bringing the full-year 2025e EBITDA margin to 7.5%

DCARe: Sales growth for Bear, Base and Bull cases



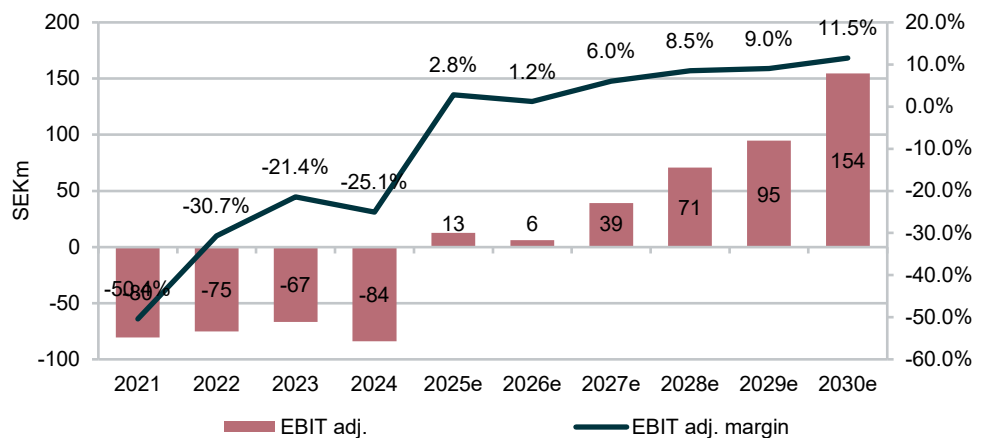
Source: DNB Carnegie, Powercell

Powercell: adj. EBITDA and adj. EBITDA margin



Source: DNB Carnegie, Powercell

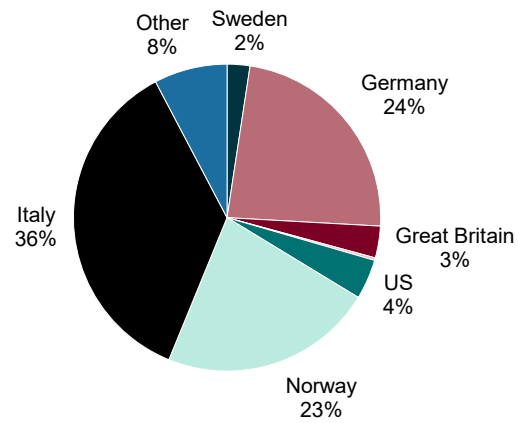
Powercell: adj. EBIT and adj. EBIT margin



Source: DNB Carnegie, Powercell

Strongest footprint is in Europe, with 88% of sales, compared with 4% in the US and 8% elsewhere

Revenue split by country, R12M



Source: DNB Carnegie, Powercell

Valuation and risks

We base our valuation on a DCF valuation, benchmarked with a peer group valuation. Based on our estimates, we arrive at a fair value range of SEK31–69 (30–70).

Assumptions

Our valuation of PowerCell is primarily based on a DCF model, with relatively detailed forecasts extending to 2030 and more high-level assumptions for 2031–44. We expect strong long-term growth with a sales CAGR of 26% until 2035, and project the EBITDA margin to reach about 17% as volumes increase and the product mix improves. Given the anticipated market development and PowerCell's growth trajectory we start from a WACC of 14%, which we argue is a good starting point in determining a WACC that reflects the risk related to PowerCell's current position, experience and performance, as well as future potential. See discussion of our WACC sensitivity range below.

DCF assumptions - Summary	2025e	2026e	2027e	4-5	Average year			Terminal period
Total sales growth	35%	12%	29%	27%	28%	21%	14%	3%
EBITDA margin	7.5%	5.3%	9.7%	11.9%	15.8%	17.0%	17.0%	17.0%
Depreciation % of sales	-5%	-4%	-4%	-3%	-4%	-3%	-3%	-3%
EBITA margin	2.8%	1.2%	6.0%	8.8%	12.2%	13.9%	14.0%	14.0%
Amortisations % of sales	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBIT margin	2.8%	1.2%	6.0%	8.8%	12.2%	13.9%	14.0%	14.0%
Capex % of sales	-11.1%	-6.3%	-3.7%	-3.1%	-3.6%	-3.4%	-3.0%	-3.0%
Paid tax rate	-2.5%	-20.6%	-20.6%	-20.6%	-20.6%	-20.6%	-20.6%	-20.6%
NWC to sales	37.1%	34.1%	29.1%	20.9%	25.8%	30.0%	26.0%	25.0%
Sales	453	505	654	943	2,320	6,751	14,792	18,036
EBITDA	34	27	64	112	375	1,150	2,520	3,073
Capex	-50	-32	-24	-29	-87	-221	-444	-541
Taxes	0	-1	-8	-17	-59	-194	-428	522
Other	-99	-25	-42	-31	-182	-351	-315	13,405
Free cash flow	-115	-31	-11	35	47	385	1,333	16,458
Discounted FCF	-108	-26	-8	20	16	71	132	1,283
Share of total discounted FCF	-5%	-1%	0%	2%	3%	16%	29%	56%

Valuation	SEKm	Per share	WACC assumptions	
EV (discounted FCF)	2,274	39.3	Risk-free rate	4.0%
- Net debt (2024)	213	3.7	Market risk premium	4.0%
+ Associates	0	0.0	Adjusted Beta	1.65
- Minority interest	0	0.0	Country risk premium	0.0%
- Outstanding warrants	0	0.0	Liquidity risk premium	3.4%
Other debt adjustments	0	0.0	ESG risk (-1% to +1%)	0.0%
Equity value at YE (25)	2,488	43.0	Cost of equity	14.0%
Time adjustment	173	3.0	Risk-free rate	4.0%
Dividend	0	0.0	Credit spread	1.6%
Current equity value	2,661	46.0	Cost of debt (Rf + credit spread)	5.6%
			Taxes	20.6%
			After-tax cost of debt	4.4%
			Equity weight	100.0%
			WACC	14.0%

Source: DNB Carnegie

WACC DCAR reasoning - What could have an impact on applicable WACC in the near-term

WACC	Likelihood	Comment
18%	Very low	There are indications of complications in the test projects that would indicate a much slower growth pace than expected as well as a much later EBITDA-breakeven date
17%	Low	Given improvements over time Q/Q but at a significantly slower pace than DCARe, we get less comfort in Powercell's ability to maintain its sales growth pace and see indications that EBITDA-breakeven will occur later than expected
16%	Low	Given improvements over time Q/Q but at a significantly slower pace than DCARe, we get less comfort in Powercell's ability to maintain its sales growth pace and see indications that EBITDA-breakeven will occur later than expected
15%	Neutral	Given improvements over time Q/Q but at a slower pace than DCARe, we get less comfort in Powercell's ability to maintain its sales growth pace and see indications that EBITDA-breakeven will occur later than expected
14%	High	Given Powercell's current position, experience and performance, as well as future potential, we believe 13-14% WACC is relevant to look at
13%	High	Given improvements over time Q/Q, we gain more comfort in Powercell's ability to maintain its sales growth pace and see indications that EBITDA-breakeven as forecasted is reachable.
12%	High	Given improvements over time Q/Q indicating that EBITDA-breakeven is reachable faster than expected, we get even more comfort in a long-term sustainable earnings
11%	Neutral	Given improvements over time Q/Q indicating that EBITDA-breakeven is reachable faster than expected, we get more comfort in a long-term sustainable earnings
10%	Low	Companies with proven business models, slightly higher estimated risk
9%	Low	Companies with proven business models
8%	Very low	Companies with proven business models, with overall low risk and/or decreasing interest rates

Source: DNB Carnegie

Positioning PowerCell against high-growth capital goods peers

In our capital goods universe, we have screened for manufacturing companies driven by structural, global market trends, with a similar financial profile in 2024–26e as DCAR uses for PowerCell 2028–30e. See the characteristics we used in our screening below.

Positioning PowerCell vs high-growth capital goods peers

High growth capital goods peers	Key characteristics
High growth capital goods small-/mid-cap companies, driven by structural, global market trends, with similar financial profile 2024e-26e as DCARe for Powercell 2028e-30e	<ul style="list-style-type: none"> + Similar financial profile (high sales growth potential, margin profile might be too high compared to DCARe at 2029e-31e, but in line post 2030e) + Sales supported by structural global market trends + Product offering and several with relatively high aftermarket/services sales + 'Asset-light' business model, more assembly than production/processing - End-market exposure - Geographical exposure - Differences in business models and product offering

Source: DNB Carnegie

For this peer group, the median 2025e EV/adj. EBITA is 23.0x (excluding Kempower as it is an outlier), varies between 15.0x and 66.3x within the group. 2025e adj. P/E is ~34x (excluding Kempower). In terms of capital structure, net debt/EBITDA is relatively low; the peer-group average for 2025e is 0.9x.

High growth capital goods peers related	EV/Sales			EV/EBITDA adj.			P/E adj.			ND/EBITDA		
	2024	2025	2026	2024	2025	2026	2024	2025	2026	2024	2025	2026
PowerCell	3.6x	2.9x	2.6x	-14.4x	103.8x	218.7x	-19.0x	113.1x	295.0x	6.1x	-3.3x	-3.3x
AutoStore	3.9x	6.0x	4.3x	8.9x	22.4x	12.2x	12.2x	32.7x	15.8x	0.6x	1.2x	0.5x
Engcon	8.8x	7.3x	6.1x	49.2x	36.5x	27.6x	66.9x	49.2x	35.6x	0.0x	0.2x	0.0x
Envipco	3.6x	3.3x	2.1x	-120.0x	66.3x	15.4x	-46.6x	112.1x	17.3x	-0.4x	2.5x	1.7x
Epiroc	4.3x	4.2x	3.9x	20.0x	19.3x	17.0x	29.0x	28.5x	25.0x	0.9x	0.5x	0.2x
INVISIO	9.4x	8.1x	6.6x	44.4x	32.0x	24.1x	58.3x	42.9x	33.1x	-0.5x	-0.8x	-1.1x
Kempower	3.0x	2.8x	2.2x	-25.7x	-74.3x	55.8x	-33.8x	-66.9x	105.4x	1.3x	-2.4x	-0.8x
Munters	2.0x	2.0x	1.8x	13.0x	15.0x	13.1x	18.6x	24.6x	20.3x	2.5x	2.4x	2.0x
Nibe	2.6x	2.5x	2.4x	29.2x	23.0x	18.6x	51.2x	34.0x	26.4x	3.9x	2.7x	1.9x
Tomra	3.3x	3.2x	2.6x	28.7x	26.2x	18.6x	42.7x	36.0x	24.0x	1.6x	1.6x	1.2x
Troax	3.0x	3.1x	2.8x	17.3x	18.0x	14.3x	22.7x	23.8x	18.5x	0.8x	1.0x	0.6x
Average	4.4x	4.2x	3.5x	10.1x	28.8x	21.7x	28.3x	42.6x	32.1x	1.1x	0.9x	0.6x
Median	3.5x	3.2x	2.7x	20.0x	23.0x	17.8x	29.0x	34.0x	24.5x	0.9x	1.1x	0.5x

Source: DNB Carnegie 09/07/2025

Since we believe high-growth capital goods peers will be a valid peer group for PowerCell when the company reaches more 'steady-state' financials, we apply an EV/EBITA multiple of ~22x to PowerCell's 2030e EBIT of SEK154m. We forecast 2030 net debt of SEK-300m; as a result, our estimated market cap for 2030e is SEK3,697m, which would indicate a value of SEK63 per share. Discounting that value with a WACC of 14% would result in a discounted fair value of SEK35, see table below.

Financial summary peer group and PowerCell 2030e, 2033e and 2035e (SEKm)				Financial summary peer group and PowerCell 2030e, 2033e and 2035e (SEKm)			
	Peer group		PowerCell 2030e		PowerCell 2033e		PowerCell 2035e
Net sales (average 2025e)	13,641	Net sales 2030e	1,343	Net sales 2033e	2,792	Net sales 2035e	4,536
EBITA (average 2025e)	2,240	EBIT 2030e	154	EBIT 2033e	366	EBIT 2035e	594
Sales CAGR(2024e-26e)	11%	Sales CAGR2029e-31e	28%	Sales CAGR2032e-34e	27%	Sales CAGR2034e-36e	24%
EBITA CAGR(2024e-26e)	14%	EBIT CAGR2029e-31e	45%	EBIT CAGR2032e-34e	35%	EBIT CAGR2034e-36e	28%
EBITA margin (average 2025e)	15.1%	EBIT margin 2030e	11.5%	EBIT margin 2033e	13.1%	EBIT margin 2035e	13.1%

Source: DNB Carnegie

Valuation peer group and PowerCell based on peer exit-multiple for EBIT 2030e, 2033e and 2035e							
	Peer group		PowerCell 2030e		PowerCell 2033e		PowerCell 2035e
EV/Sales(25e)	4.3x	EV	3,397		8,045		13,074
EV/EBITA adj. (25e)	22.0x	Net debt	-300		428		696
P/E adj. (25e)	42.2x	MCAP (SEK)	3,697		7,617		12,378
NB/EBITDA(25e)	0.9x	Fair price SEK	63		131		212
FCF yield(25e)	0.8%	Discounted fair price	35		49		61
		Discount time factor	0.56		0.38		0.29

Source: DNB Carnegie

When we apply the same exercise for 2033e and 2035e – i.e. when we expect PowerCell to also have reached a more long-term EBIT margin of ~13%, more in line with the peer group – the indicative discounted fair values would instead be SEK49 and SEK61, respectively.

WACC sensitivity analysis

In determining a fair valuation range, we look at the risks related to PowerCell's current position and future potential to determine a WACC to apply in our models. We believe a WACC of 14% would be justified if we see consistent quarter-by-quarter improvements and gain increasing confidence in PowerCell's ability to maintain its pace of sales growth and achieve EBITDA breakeven as forecasted. Should these improvements exceed expectations, a lower WACC of 12% may be justified. Conversely, if progress were to slow, we would be less confident in PowerCell's ability to maintain its pace of sales growth and EBITDA breakeven might be deferred, in which case a WACC of 15% would be applicable, in our view.

The EUR6m IP sale to Bosch in Q2 and the fact that it has 100% drop-through will, in our estimates, make PowerCell EBITDA break-even in 2025e, one year earlier than we originally expected, pointing to a decreased WACC of around 12%. On the other side, we see that the underlying sales growth (excluding the IP sale) has slowed compared to our estimates, which points to a higher WACC. We therefore change our WACC assumptions and use a range of 12–14% in our high-likelihood scenario and 11–15% as an extended range to capture what we believe to include WACCs with neutral likelihood.

Given the above, we believe the most relevant range to look at in terms of valuation is a WACC of between 12% and 14%, which in our DCF model indicates a fair value range of SEK46–69.

Sensitivity analysis DCF valuation

		18.0%	17.0%	16.0%	15.0%	14.0%	13.0%	12.0%	11.0%	10.0%	9.0%	8.0%
Growth *	2.0%	23	27	32	38	45	55	67	83	99	127	169
	2.5%	23	27	32	38	46	56	69	85	108	139	186
	3.0%	24	28	33	39	47	57	70	88	107	140	191

Source: DNB Carnegie, * to perpetuity

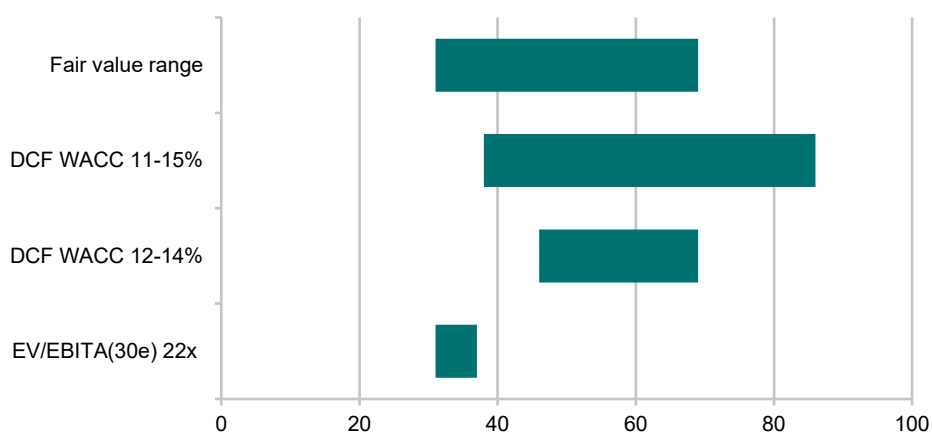
We apply the same WACC sensitivity analysis to our peer group approach, we reach a discounted fair value range of SEK31–36 at a WACC of 11–15%. The bottom end of the valuation range from this approach and the top end from the DCF gives us our fair value range of SEK31–69.

Sensitivity analysis WACC and exit-multiple expansion
PowerCell 2030e

Sensitivity analysis WACC and exit-multiple expansion												
PowerCell 2030e				WACC								
Multiple		18%	17%	16%	15%	14%	13%	12%	11%	10%	9%	8%
	20.0x	28	29	30	31	32	34	35	36	38	40	41
	22.0x	28	29	30	31	32	34	35	36	38	40	41
	24.0x	30	31	33	34	35	37	38	40	41	43	45

Source: DNB Carnegie

Valuation summary



Source: DNB Carnegie

Risks

The fuel cell industry is experiencing a technical shift characterised by growing acceptance of hydrogen-electric solutions in commercial applications, an increase in production capacity, and strong growth. The risk of slower acceptance or weaker growth for hydrogen-electric technology could materially affect the company.

Government policies and incentives, like the Alternative Fuel Infrastructure Regulation (AFIR), support hydrogen production and infrastructure, requiring hydrogen refuelling stations in all large cities and one every 200 km along the Trans-European Transport Network (TEN-T) by 2030. A slow rollout of this infrastructure could impede PowerCell's growth, as it is crucial for its customers.

PowerCell faces high customer concentration risk, with two customers making up over 20% of sales each, totalling around 50%. Although common in the industry, this concentration poses a risk. As the hydrogen market grows and more projects are commercialised, PowerCell expects a shift towards a more diverse customer base.

There is a societal fear surrounding hydrogen, despite all fuels having inherent risks. Some hydrogen properties make it safer to handle and use than other fuels commonly used today. For example, hydrogen is non-toxic and much lighter than air, making it dissipate rapidly when released, allowing for relatively rapid dispersal of the fuel in case of a leak, whereas liquid fuels like gasoline or diesel can accumulate on the ground into flammable or combustible pools. For hydrogen to gain social acceptance, its safety must be demonstrated.

There is a risk of larger competitors with more financial resources developing and marketing more effective, sustainable and cheaper substitutes, as well as that competitors adapt more quickly to the technical shift and/or make technical breakthroughs. We consider this risk to be medium; although it could significantly impact PowerCell, the company has a strong product in terms of energy density (energy/weight), along with patents and substantial R&D investments.

There is a risk that other net-zero emission solutions will take larger market shares as they are produced more efficiently with less energy loss. We consider this risk to be medium; it would affect the company materially, but we believe there will be many zero-emission technologies in the future energy mix that will work in different segments and applications depending on size, range, etc.

Supply chain risks could result in long lead times or missed deliveries. To mitigate this risk, PowerCell stocks critical components to ensure prompt delivery to customers, leading to a large inventory. As the value chain matures, we expect its inventory and inventory days to decrease.

High dependence on Bosch. PowerCell's agreement with its partner Bosch is formulated in a way that the partner holds exclusive rights to commission the PowerCell stack S3 to the automotive segment. We therefore note a risk that PowerCell is dependent on Bosch being able to achieve its intended sales targets in this segment. The production agreement adds another layer to the dependency, since Bosch produces the stacks for PowerCell's products sold to the other segments as well.

Interim figures

PowerCell (SEKm)	New est			Old est.			Abs. Change			% change		
	2025e	2026e	2027e	2025e	2026e	2027e	2025e	2026e	2027e	2025e	2026e	2027e
Net sales	453	505	654	405	523	673	48	(18)	(19)	12%	-3%	-3%
COGS	(235)	(285)	(371)	(238)	(296)	(369)	3	11	(2)	-1%	-4%	1%
Gross profit	218	220	282	167	227	304	51	(7)	(22)	30%	-3%	-7%
Gross margin	48.1%	43.5%	43.2%	41.2%	43.4%	45.2%	0	0	(0)	680bps	10bps	-200bps
Selling and administrative costs	(122)	(135)	(156)	(122)	(142)	(162)	1	7	7	0%	-5%	-4%
R&D costs	(119)	(120)	(131)	(118)	(111)	(135)	(2)	(10)	4	1%	9%	-3%
Other operating income	61	70	88	66	72	92	(5)	(1)	(4)	-8%	-2%	-4%
Other operating cost	(25)	(29)	(45)	(26)	(36)	(59)	1	7	14	-4%	-21%	-24%
share in associates' operations and JV's	-	-	-	-	-	-	-	-	-			
Adjusted EBIT	13	6	39	(33)	10	40	46	(4)	(1)	-138%	-42%	-3%
Adj. EBIT margin	3%	1%	6%	-8%	2%	6%	11%	-1%	0%	1100bps	-80bps	0bps
Items affecting comparability	-	-	-	-	-	-	-	-	-			
EBIT	13	6	39	(33)	10	40	46	(4)	(1)	-138%	-42%	-3%
Net financials	(0.1)	(0.0)	(0.0)	(0)	(0)	(0)	-	-	-	0%	0%	0%
Pre-tax profit	12.5	6.0	39.2	(33)	10	40	46	(4)	(1)	-137%	-42%	-3%
Tax	0	(1)	(8)	1	(2)	(8)	(0)	1	0	-88%	-42%	-3%
Net result	13	5	31	(33)	8	32	45	(3)	(1)	-138%	-42%	-3%
EPS	0.21	0.08	0.53	(0.56)	0.14	0.55	1	(0)	(0)	-138%	-42%	-3%
EPS adj.	0.21	0.08	0.53	(0.56)	0.14	0.55	1	(0)	(0)	-138%	-42%	-3%
P&L - KPI's and ratios												
Net sales	453	505	654	405	523	673	48	(18)	(19)	12%	-3%	-3%
Net sales growth Y/Y	35%	12%	29%	21%	29%	29%	0	(0)	0	1430bps	-1770bps	70bps
Gross margin	48%	44%	43%	41%	43%	45%	0	0	(0)	680bps	10bps	-200bps
EBITDA adj.	34	27	64	(12)	35	69	46	(8)	(5)	-384%	-22%	-8%
EBITDA adj. margin	8%	5%	10%	-3%	7%	10%	0	(0)	(0)	1050bps	-130bps	-50bps
R12M OPEX to sales, %	45%	42%	37%	49%	41%	39%	(0)	0	(0)	-420bps	90bps	-200bps
EBIT adj.	13	6	39	(33)	10	40	46	(4)	(1)	-138%	-42%	-3%
EBIT adj. margin	3%	1%	6%	-8%	2%	6%	0	(0)	-	1100bps	-80bps	0bps
Net sales from contracts with customers												
Hardware	68	98	147	68	109	158	(1)	(11)	(11)	-1%	-10%	-7%
Services	55	66	79	56	67	81	(1)	(1)	(1)	-2%	-2%	-2%
Royalty fees	41	59	89	41	59	89	-	-	-	0%	0%	0%
Projects (PoC)	229	282	338	240	288	345	(11)	(6)	(7)	-4%	-2%	-2%
Total	453	505	654	405	523	673	48	(18)	(19)	12%	-3%	-3%

Source: DNB Carnegie (estimates) & company

Interim figures

PowerCell SEKm	2024				2025								
	Q1	Q2	Q3	Q4	Q1	Q2e	Q3e	Q4e	2023	2024	2025e	2026e	2027e
Net sales	52	66	72	137	74	133	88	157	310	334	453	505	654
COGS	-28	-55	-49	-86	-47	-48	-51	-89	-186	-218	-235	-285	-371
Gross profit	25	11	23	51	28	85	37	68	124	116	218	220	282
Gross margin	47.2%	16.6%	32.1%	37.3%	37.1%	63.8%	41.6%	43.5%	40.0%	34.8%	48.1%	43.5%	43.2%
Selling and administrative costs	-29	-32	-23	-28	-30	-32	-27	-32	-106	-113	-122	-135	-156
R&D costs	-23	-37	-30	-41	-28	-38	-25	-28	-114	-111	-119	-120	-131
Other operating income	7	23	11	23	24	15	12	9	55	49	61	70	88
Other operating costs	-9	-5	-5	-9	-5	-5	-6	-8	-25	-25	-25	-29	-45
share in associates' operations and JVs	-	-	0	0	0	0	0	0	0	0	0	0	0
Adjusted EBIT	-29	-39	-16	-3	-11	24	-10	9	-67	-84	13	6	39
Adj. EBIT margin	-56.3%	-59.5%	-21.8%	-2.0%	-15.2%	18.1%	-11.0%	6.0%	-21.4%	-25.1%	2.8%	1.2%	6.0%
Items affecting comparability	0	30	0	0	0	0	0	0	-6	30	0	0	0
EBIT	-29	-9	-16	-3	-11	24	-10	9	-73	-54	13	6	39
Net financials	4	1	0	-4	-4	1	-2	5	10	6	0	0	0
Pre-tax profit	-25	-9	-16	-7	-16	25	-12	15	-63	-48	12	6	39
Tax	0	0	0	0	0	0	0	0	0	0	0	-1	-8
Net result	-25	-9	-16	-7	-16	25	-12	15	-63	-47	13	5	31
EPS	-0.45	-0.15	-0.29	-0.13	-0.27	0.43	-0.20	0.26	-1.20	-0.85	0.21	0.08	0.53
EPS adj.	-0.45	-0.58	-0.29	-0.13	-0.27	0.43	-0.20	0.26	-1.11	-1.28	0.21	0.08	0.53
P&L - KPI's and ratios	Q1(24)	Q2(24)	Q3(24)	Q4(24)	Q1(25)	Q2(25e)	Q3(25e)	Q4(25e)	2023	2024e	2025e	2026e	2027e
Net sales	52	66	72	137	74	133	88	157	310	334	453	505	654
Net sales growth Y/Y	3%	6%	3%	7%	42%	101%	23%	9%	27%	8%	35%	12%	29%
Gross margin	47.2%	16.6%	32.1%	37.3%	37.1%	63.8%	41.6%	43.5%	40.0%	34.8%	48.1%	43.5%	43.2%
EBITDA adj.	-24	-35	-11	3	-6	29	-4	15	-45	-65	34	27	64
EBITDA adj. margin	-45.6%	-52.4%	-15.3%	2.3%	-8.0%	22.1%	-4.9%	9.4%	-14.6%	-19.4%	7.5%	5.3%	9.7%
R12M OPEX to sales, %	64%	62%	61%	60%	52%	46%	46%	45%	61%	60%	45%	42%	37%
EBIT adj.	-29.3	-39.5	-15.7	-2.7	-11.3	24.1	-9.7	9.4	-67	-84	13	6	39
EBIT adj. margin	-56.3%	-59.5%	-21.8%	-2.0%	-15%	18.1%	-11.0%	6.0%	-21.4%	-25.1%	2.8%	1.2%	6.0%
Net sales from contracts with customers	Q1(24)	Q2(24)	Q3(24)	Q4(24)	Q1(25)	Q2(25e)	Q3(25e)	Q4(25e)	2023	2024e	2025e	2026e	2027e
Hardware	15	18	22	16	9	13	25	20	92	71	68	98	147
Services	6	8	10	29	18	11	11	15	66	37	55	66	79
Royalty fees	3	5	7	5	5	6	10	20	19	38	41	59	89
Projects (PoC)	28	36	32	86	42	43	42	102	134	188	229	282	338
Total	52	66	72	137	74	133	88	157	310	334	453	505	654

Source: DNB Carnegie, PowerCell

Financial statements

Profit & loss (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Sales	61	67	104	160	245	310	334	453	505	654
COGS	-37	-46	-78	-111	-132	-186	-218	-235	-285	-371
Gross profit	23	21	26	49	113	124	116	218	220	282
Other income & costs	-76	445	-115	-115	-169	-175	-151	-184	-193	-219
Share in ass. operations and JV	-1	-1	-1	0	0	0	0	0	0	0
EBITDA	-54	464	-90	-66	-56	-51	-35	34	27	64
Depreciation PPE	-7	-9	-5	-8	-10	-12	-11	-13	-13	-15
Depreciation lease assets	0	-6	-7	-7	-7	-6	-5	-5	-5	-6
Amortisation development costs	0	0	0	0	0	0	0	0	0	0
Amortisation other intangibles	0	-1	-1	-1	-2	-2	-3	-3	-3	-4
Impairments / writedowns	0	0	0	0	0	0	0	0	0	0
EBITA	-61	449	-103	-82	-75	-73	-54	13	6	39
Amortization acquisition related	0	0	0	0	0	0	0	0	0	0
Impairment acquisition related	0	0	0	0	0	0	0	0	0	0
EBIT	-61	449	-103	-82	-75	-73	-54	13	6	39
Share in ass. operations and JV	0	0	0	0	0	0	0	0	0	0
Net financial items	-1	-10	-13	7	17	10	6	0	0	0
of which interest income/expenses	-1	-10	-13	7	17	10	6	0	0	0
of which interest on lease liabilities	0	0	0	0	0	0	0	0	0	0
of which other items	0	0	0	0	0	0	0	0	0	0
Pre-tax profit	-62	438	-117	-75	-58	-63	-48	12	6	39
Taxes	0	0	0	0	0	0	0	0	-1	-8
Post-tax minorities interest	0	0	0	0	0	0	0	0	0	0
Discontinued operations	0	0	0	0	0	0	0	0	0	0
Net profit	-62	438	-117	-75	-58	-63	-47	13	5	31
Adjusted EBITDA	-54	-64	-85	-65	-56	-45	-65	34	27	64
Adjusted EBITA	-61	-80	-98	-80	-75	-67	-84	13	6	39
Adjusted EBIT	-61	-80	-98	-80	-75	-67	-84	13	6	39
Adjusted net profit	-62	-90	-112	-74	-58	-58	-71	13	5	31
Sales growth Y/Y	64.7%	10.5%	54.9%	54.3%	53.2%	26.8%	7.7%	35.5%	11.6%	29.3%
EBITDA growth Y/Y	+chg	+chg	-chg	+chg	+chg	+chg	+chg	+chg	+chg	+chg
EBITA growth Y/Y	+chg	+chg	-chg	+chg	+chg	+chg	+chg	+chg	+chg	+chg
EBIT growth Y/Y	+chg	+chg	-chg	+chg	+chg	+chg	+chg	+chg	+chg	+chg
EBITDA margin	-86.7%	696.0%	-86.3%	-41.2%	-23.0%	-16.5%	-10.5%	7.5%	5.3%	9.7%
EBITA margin	nm	672.3%	nm	nm	nm	nm	nm	2.8%	1.2%	6.0%
EBIT margin	-100.6%	670.9%	-99.9%	-51.2%	-30.7%	-23.4%	-16.1%	2.8%	1.2%	6.0%
Tax rate	-0.2%	0.0%	-0.1%	0.0%	0.1%	0.0%	0.6%	-0.5%	20.6%	20.6%
Cash flow (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
EBITDA	-54	464	-90	-66	-56	-51	-35	34	27	64
Paid taxes	0	0	0	0	0	0	0	0	-1	-8
Change in NWC	-54	-108	76	-30	-102	-70	16	-99	-25	-42
Interests paid	-1	-1	-1	-1	-1	3	-1	4	0	0
Actual lease payments	-2	-6	-7	-8	-8	-9	-7	-10	-11	-14
Non cash adjustments	9	14	11	30	38	22	2	18	21	24
Discontinued operations	0	0	0	0	0	0	0	0	0	0
Total operating activities	-102	363	-10	-74	-129	-104	-26	-53	10	23
Capex tangible assets	-17	-2	-11	-18	-18	-28	-47	-45	-27	-18
Capitalised development costs	0	0	0	0	0	0	0	0	0	0
Capex - other intangible assets	0	0	0	0	0	0	0	0	0	0
Total investing activities	-19	-2	-11	-18	-24	-28	-47	-45	-27	-18
Share issues & buybacks	0	0	9	0	0	0	182	0	0	0
Change in bank debt	0	-10	0	0	0	0	50	0	0	0
Total financing activities	0	-10	9	0	0	0	232	0	0	0
Operating cash flow	-102	363	-10	-74	-129	-104	-26	-53	10	23
Free cash flow	-119	362	-21	-92	-147	-133	-72	-98	-16	5
Net cash flow	-120	352	-12	-92	-153	-133	160	-98	-16	5
Change in net IB debt	-115	353	-24	-84	-121	-124	119	-98	-10	13
Capex / Sales	28.3%	2.5%	10.1%	11.2%	7.2%	9.1%	13.9%	9.9%	5.3%	2.8%
NWC / Sales	17.8%	121.8%	81.7%	25.7%	31.6%	46.5%	39.0%	28.0%	33.6%	27.7%

Source: DNB Carnegie (estimates) & company data

Financial statements, cont.

Balance sheet (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Acquired intangible assets	0	0	0	0	0	0	0	0	0	0
Other fixed intangible assets	1	2	1	1	8	22	63	74	75	74
Capitalised development	0	0	0	0	0	0	0	0	0	0
Tangible assets	41	22	27	36	35	33	25	44	54	55
Lease assets	0	50	45	40	35	32	26	30	40	49
Fixed assets	44	75	73	77	85	88	115	148	170	179
Inventories (2)	33	43	40	38	75	117	144	169	179	205
Receivables (2)	42	124	35	74	117	149	166	203	207	248
Prepaid exp. & other NWC items (2)	0	0	0	0	0	0	0	0	0	0
Cash & cash equivalents (1)	98	441	417	333	197	71	237	135	119	124
Current assets	173	609	492	444	389	337	547	508	504	577
Total assets	217	683	565	521	474	425	662	656	674	755
Shareholders' equity	127	565	458	383	333	275	414	427	432	463
Total equity	127	565	458	383	333	275	414	427	432	463
Deferred tax	0	0	0	0	0	0	0	0	0	0
LT IB debt (1)	40	30	30	31	31	31	0	0	0	0
Lease liabilities	6	41	35	29	24	22	17	16	21	22
LT liabilities	47	72	66	60	55	52	18	17	21	22
ST IB debt (1)	0	0	0	0	0	0	0	0	0	0
Payables (2)	41	39	34	70	79	91	225	205	213	263
Accrued exp. & other NWC items (2)	0	0	0	0	0	0	0	0	0	0
Current liabilities	43	46	42	78	86	98	231	212	221	270
Total equity and liabilities	217	683	565	521	474	425	662	656	674	755
Net IB debt (=1)	-49	-362	-344	-265	-135	-12	-213	-111	-90	-95
Net working capital (NWC) (=2)	34	128	41	41	113	175	86	168	172	190
Capital employed (CE)	176	644	530	451	395	334	438	451	460	492
Capital invested (CI)	77	202	114	119	191	263	200	316	341	368
Net IB debt / EBITDA	0.9	-0.8	3.8	4.0	2.4	0.2	6.1	-3.3	-3.3	-1.5
Per share data (SEK)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Adj. no. of shares in issue YE (m)	51.87	51.87	52.14	52.14	52.14	52.14	57.89	57.89	57.89	57.89
Diluted no. of Shares YE (m)	51.87	51.87	52.14	52.14	52.14	52.53	58.28	58.28	58.28	58.28
EPS	-1.19	8.45	-2.24	-1.44	-1.12	-1.20	-0.85	0.21	0.08	0.53
EPS adj.	-1.19	-1.74	-2.16	-1.42	-1.12	-1.11	-1.28	0.21	0.08	0.53
CEPS	-1.06	8.65	-2.10	-1.28	-0.92	-0.96	-0.65	0.41	0.25	0.71
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BVPS	2.45	10.9	8.78	7.35	6.38	5.28	7.15	7.38	7.46	8.00
Performance measures	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
ROE	-39.2%	126.5%	-22.8%	-17.9%	-16.2%	-20.7%	-13.7%	3.0%	1.1%	7.0%
Adj. ROCE pre-tax	-29.8%	-19.5%	-16.6%	-16.4%	-17.7%	-18.3%	-21.7%	2.8%	1.3%	8.2%
Adj. ROIC after-tax	-137.2%	-57.2%	-61.9%	-69.3%	-48.4%	-29.3%	-35.9%	4.9%	1.5%	8.8%
Valuation	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
FCF yield	-8.3%	25.4%	-1.5%	-6.4%	-10.3%	-9.3%	-5.1%	-6.9%	-1.2%	0.3%
Dividend yield YE	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Dividend payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Dividend + buy backs yield YE	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EV/Sales YE	29.34	>50	>50	>50	24.82	7.79	5.54	2.90	2.64	2.03
EV/EBITDA YE	neg.	16.4	neg.	neg.	neg.	neg.	neg.	38.6	49.5	20.9
EV/EBITA YE	neg.	17.0	neg.	neg.	neg.	neg.	neg.	>50	>50	33.9
EV/EBITA adj. YE	neg.	neg.	neg.	neg.	neg.	neg.	neg.	>50	>50	33.9
EV/EBIT YE	neg.	17.0	neg.	neg.	neg.	neg.	neg.	>50	>50	33.9
P/E YE	nm	18.3	nm	nm	nm	nm	nm	>50	>50	45.8
P/E adj. YE	nm	nm	nm	nm	nm	nm	nm	>50	>50	45.8
P/BV YE	14.34	14.15	37.06	25.17	18.65	8.76	4.96	3.31	3.27	3.05
Share price YE (SEK)	35.2	154	325	185	119	46.3	35.5	24.4		

Source: DNB Carnegie (estimates) & company data

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