Revenio Group

Extensive report

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This report is a summary translation of the report "Ei mikään yhden tempun poni" published on 06/09/2021 at 6:34 am

Not a one-trick pony

Revenio is known as the global beacon of tonometers but these days the company is a noteworthy challenger in more extensive ophthalmic health technology. Imaging tools (previous CenterVue) play an increasing role in future growth and HOME products, as well as software business offer longer term growth promises. Business is growing very profitably, the market has sound growth drivers, and the products have strong competitive advantages. In addition, the company has an excellent track record of its ability to create value with investments in product development, structural reorganization, and new long-term growth templates. We reiterate our Accumulate recommendation with a EUR 65.0 target price.

Increasingly stronger global player in ophthalmic health technology

Revenio has renewed itself successfully from a niche player with one technology to a global supplier of ophthalmic devices and software solutions. iCare tonometers have become the market leaders in their segment thanks to their superior features, and the RBT technology patented by Revenio is becoming the industry standard superseding old technologies. With the excellent CenterVue acquisition, Revenio grew into a global player with a broader product portfolio in ophthalmic health technology, which launched a new stage on Revenio's story. This year the strategic renewal continued as the company made the first investments in the software business by acquiring the small but very promising Oculo. As a result of the company's successful renewal, Revenio's market cap has risen from EUR 300 million in 2019 to over EUR 1.5 billion.

Strong product portfolio contains several growth drivers both in the short and long term

Revenio's considerably expanded product portfolio has proved competitive. The growth of iCare tonometers continues but the HOME 2 product must slowly rise to become a driver to keep up the growth rate. Measuring at home has still not accelerated its popularity which is an uncertainty factor in our relatively aggressive estimates. On the other hand, imaging devices have proven highly competitive and the benefits of the acquisition for growth are in our opinion still widely unseen. A new cash cow has been found in the portfolio, DRSplus, which we expect to drive growth in coming years. In the long term, we expect the company will continue to try to strengthen its product portfolio within ophthalmopathy through own product development and acquisitions.

Moderate risk level and working moats

Revenio's renewed strategy focuses on markets with strong structural growth drivers in the long term. Growth is supported by deep competition moats related to technologies' high barrier to competition (like patents), the brand and reputation, a slow-moving industry, and high threshold to enter the market. The risk level of the business is moderate due to the defensiveness of the industry and the company's strong competitive advantages. We believe the key risks are related to Revenio gaining its first challenger for the RBT technology largely patented by iCare.

Valuation hurts

Revenio's valuation is very high with almost every indicator but justifiable with the earnings growth expectations. With 2021 estimates, the current P/E ratio of a painful 72x becomes reasonable when it is proportioned to the expected earnings growth speed (EPS growth 34% 2021-2024e CAGR). The long-term PEG multiple is around 2.1x which is reasonable and offers a sufficient return expectation for the Accumulate recommendation. Investors' biggest risks are related to whether earnings growth stays on the expected acceleration path and the extremely high valuation level is sustainable.

Recommendation

Accumulate
(previous Accumulate)

EUR 65.0
(previous EUR 65.0)

Share price:
59.20

Key indicators

	2020	2021e	2022e	2023e
Net sales	61	79	103	131
growth %	23 %	30 %	29 %	28 %
EBIT adjusted	19.2	27.2	37.1	50.3
EBIT % adjusted	31.4 %	34.3 %	36.2 %	38.3 %
Net profit	13.3	20.1	28.0	38.0
EPS (adjusted)	0.58	0.82	1.10	1.47
P/E (adjusted)	86.6	72.2	54.2	40.4
P/B	19.2	19.5	16.0	13.0
Dividend yield %	0.6 %	0.7 %	0.9 %	1.1 %
EV/EBIT (adjusted)	69.5	57.9	42.1	30.6
EV/EBITDA	61.5	56.0	40.4	29.6
EV/Sales	21.9	19.9	15.2	11.7

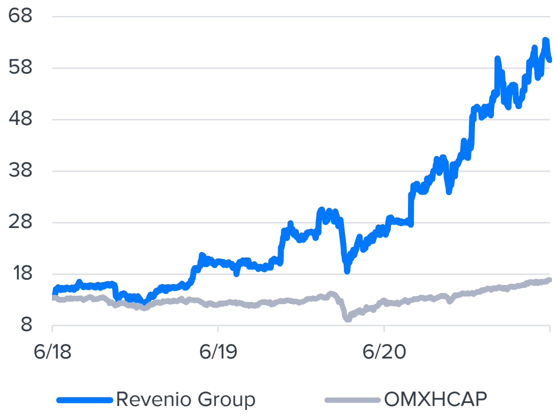
Source: Inderes

Guidance

(Unchanged)

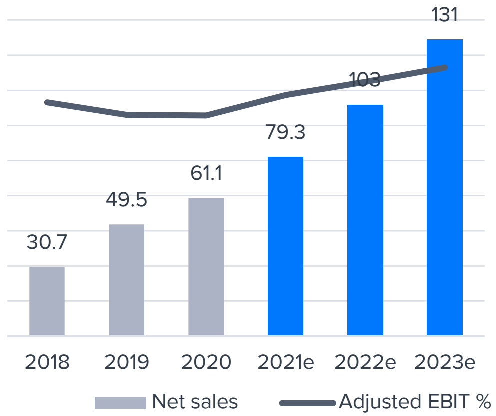
COVID-19 pandemic continues to cause uncertainty related to the markets. Revenio Group's exchange rate-adjusted net sales are estimated to grow strongly from the previous year and profitability is to remain at a good level without non-recurring items.

Share price



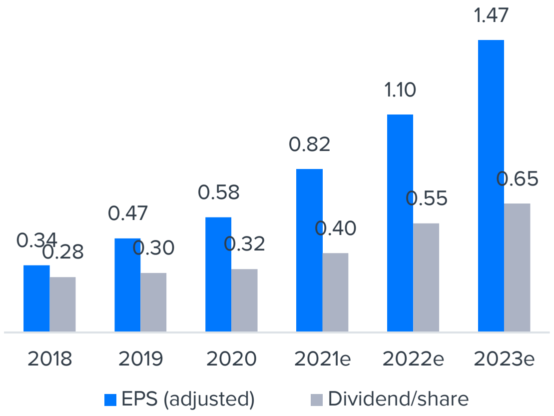
Source: Thomson Reuters

Net sales and EBIT %



Source: Inderes

EPS and dividend



Source: Inderes

MCAP
1581
EUR million

EV
1578
EUR million

EV/EBIT
42.1
2022e

P/E (adjusted)
54.2
2022e

Value drivers

- Strong earnings growth outlook in next few years
- Good predictability of the result and cash flow
- Strong competitive protection and growth drivers supporting
- Attractive long-term growth potential in new products
- Excellent track record of value creation

Risk factors

- Weakening of iCare's patent protection after 2023
- Speed and success of the HOME product's ramp-up
- Success in the strong growth of imaging devices
- Success of growth investments (new products)
- Extremely high valuation level of the share is a significant risk for investors

Valuation

- Strong earnings growth and good visibility justify the high valuation level
- Long-term growth story is very attractive
- The valuation is very high relative to the company's historic levels but justifiable with accelerating earnings growth

Contents

Revenio's business and strategy	5-10
Investment and risk profile	11-13
Tonometers	14-19
Imaging devices	20-25
Other businesses (Oculo, Ventica and Cutica)	26-28
Estimates	29-34
Value determination	35-40
Tables	41-42
Disclaimer and recommendation history	43

Revenio Group in brief

Revenio is a global leader in ophthalmic devices and software solutions that focuses on solutions for eye care.

2012-2015
Structural change from a conglomerate to a health technology company

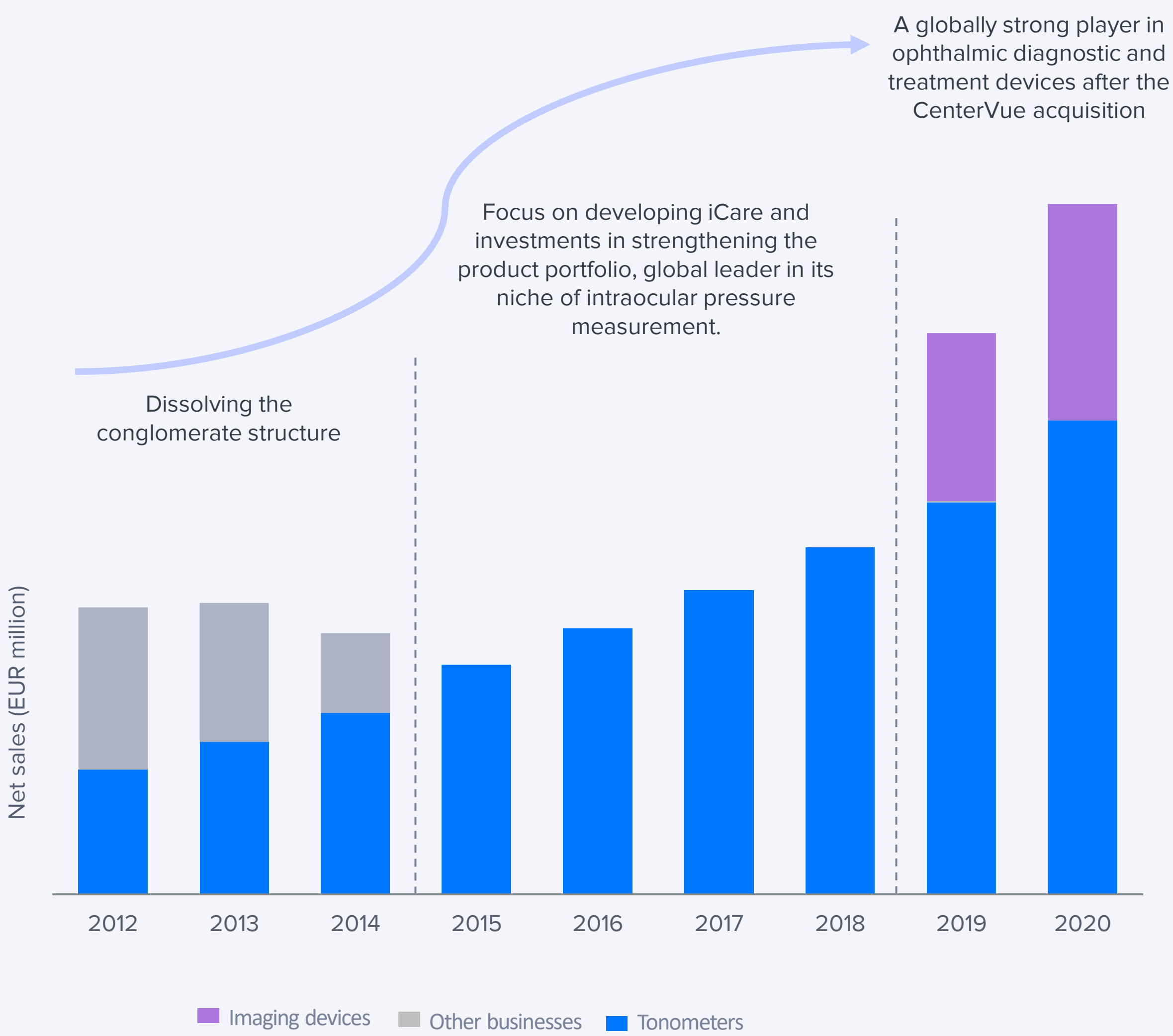
2015-2019
Investments in new product areas withing health technology and strengthening the iCare product portfolio

2019
CenterVue acquisition and strengthening of offering especially in glaucoma

2021
Oculo acquisition and expanding offering to software

EUR 61.1 million (+23.4% vs. 2019)
Net sales 2020

EUR 19.1 million (31.2% of net sales)
Adjusted operating profit 2020



Source: Revenio Group / Inderes

Company description and business model 1/2

Company description

Eye disease health technology company

Revenio is a leading Finnish company in ophthalmological devices and software solutions whose strengths lie especially in device technologies related to detection and treatment of eye diseases. The company's current offering covers all devices and software solutions needed for screening and treatment of glaucoma. The company's devices are also used to detect and treat diabetic retinopathy and macular degeneration. In its business, Revenio focuses on product development and sales and all manufacturing is outsourced.

Revenio has a long history as a conglomerate until the early 2010s. In 2012, the company launched a structural change from a conglomerate to a health technology company. The company divested its operations outside health technology and invested heavily in developing the iCare tonometers product portfolio and new development templates in screening for asthma and skin cancer. In connection with the 2020 strategy update, Revenio limited its focus purely to eye diseases, which put the above-mentioned development templates outside the core business. The company is seeking strategic alternatives concerning these.

In April 2019, a new chapter started in Revenio's story as the company grew from a niche player specialized in intraocular pressure measurement to a global player in eye diseases by acquiring the Italian CenterVue.

Revenio's extensive structural change was implemented successfully, and the company has a stable base om which to build future growth as a considerable player in the company's specialization area. During the structural change, the company's market cap has grown from a good EUR 39 million to over EUR 1.5 billion, which depicts the value creation of the restructuring and the company's expertise in allocating capital.

In 2020, Revenio Group's net sales was EUR 61.1 million and adjusted EBIT was EUR 19.1 million. The company employs over 140 people mainly in Finland, Italy, and the US. The company annually spends some 10% of its net sales on product development.

Product portfolio

Revenio can offer a one-stop solution for devices needed for eye disease screening and diagnostics and the company is one of the main global players in this area. As a rule, these products have strong competitive protection, which is based on patents, regulatory approval, known brands within eye diseases, and software and algorithms related to the products. Revenio's key product areas are:

- **iCare tonometers** and their probes are the cash cow of Revenio. The tonometers are based on an extensively patented rebound tonometer (RBT) technology, which is continuously gaining market share from outdated tonometry. Sensor sales for the devices brings solid and increasing income to the company.
- **HOME that is part of the iCare tonometer product family** is a tonometer intended for pressure measurement by the patient themselves, which creates a new market for iCare's RBT technology. The product is still in the initial stages of growth, and we estimate it will become an important growth driver for net sales in coming years.
- With the **CenterVue acquisition**, the product portfolio expanded to devices needed for imaging of the fundus and perimeter visual field testing that are used in the diagnostics and treatment of glaucoma, macular degeneration, and diabetic retinopathy. The strengths of the products now sold under the iCare brand lie especially in imaging technologies, the quality of images and ease of use.
- With the **Oculo acquisition**, Revenio's offering expanded to (separately sold) cloud-based software in March 2021. Oculo is an Australian software platform for eye care that combines clinical communication, telehealth, remote patient monitoring and data analytics capabilities. So far, Oculo's net sales is very low, but the company is quickly growing into new markets.
- **Ventica** developed for diagnosis and follow-up of asthma in children and the hyper-spectral camera **Cutica** that is an imaging technology licensed by Revenio for skin cancer screening **remained outside the new strategy**. Both are still in early stages, but Ventica is a ready medical device with a CE marking. The company is seeking commercial cooperation partners for Cutica and Ventica, but their value is small when considering the whole.

Partners

Device manufacturers and subcontractors

Inventors and universities

Doctors, key opinion leaders (KOL) and hospitals

Operations

Product development

Procurement, logistics, maintenance, customer support, quality assurance

Sales and Marketing

Developing and managing quality and responsibility

Resources

Software and algorithms

Patents, IP rights, regulatory approval

Reputation and brand in eye diseases

Business idea

Development and sales of easy-to-use and efficient screening and diagnostics devices and software solutions for eye diseases

REVENIO

- Extensive product offering in eye diseases
- Modern product portfolio with proven competitiveness
- Strongly growing markets

Own sellers (USA)

Country-specific resellers

Online store (iCare)

Customer segments

Ophthalmologists

Opticians and optometrists

First aid stations and health centers

Glaucoma patients

Products

iCare tonometers

HOME meters for home use

Disposable probes

Devices for fundus imaging

Perimeters

Oculo software platform

(Ventica asthma device)

(Cutica skin cancer device)

Costs

>140 employees (2020)
EUR > 39 million (2020)

Product development
~10% of net sales

Material and manufacturing costs
~30% of net sales

Sales and marketing

Administration

Income flow

Net sales EUR 61 mn
Adj. EBIT EUR 19 mn
(2020 actual)

Tonometers
~45% (2020 estimate)

Disposable probes
~23% (2020 estimate)

Imaging devices
~31% (2020 estimate)

Development subsidies (Ventica and Cutica)

Source: Inderes

Company description and business model 2/2

Strategy

Strong drivers and growth markets the basis for strategy

Revenio's strategy relies on a market that has underlying structural long-term growth drivers and based on the company's technological competitive advantage Revenio should have good preconditions to continue growing faster than the market. The main long-term growth driver is globally increasing eye diseases as the population ages. Key diseases for Revenio that become more common as the population ages are glaucoma, diabetic retinopathy, and macular degeneration. The market for ophthalmic diagnostics devices is around USD 3.3 billion globally and its device sales is estimated to grow by some 5-6% annually. The market for devices related to eye diseases thus grows faster than the market for other health technology devices.

CenterVue acquisition started a new phase

Revenio was looking for an acquisition target in ophthalmopathy for several years with which to expand its offering in eye disease solutions where the company's core competence and strongest distribution channels are. The CenterVue acquisition completed in spring 2019 was thus a good fit for Revenio's strategic phase and the price was favorable. With the deal Revenio gained another strong pillar next to iCare tonometers, a more dispersed technology portfolio, and the company is also now able to offer all products for screening, diagnosing, and treating glaucoma. Packaging of various products is one competitive factor that Revenio has previously lacked compared to its larger competitors. Revenio also expects 5% synergy within 1-3 years from procurement, manufacturing, and sales.

Product portfolio is in good shape

In terms of investors, Revenio is in a favorable development stage. The company has recently renewed its product portfolio considerably and its technology has proven very competitive. Thus, the company can focus on organic growth with its current products for the next few years and investors do not have to bear significant product development risks. We expect product development to focus on developing the next generation versions of current products and to develop new solutions related to eye diseases.

Revenio's iCare has invested considerably in a new generation product portfolio in the past five years. With the newest IC100, IC200 and TONOVET Plus devices the company has a young product portfolio, and it does not have big pressure to increase investments. Renewing of the product portfolio and displacement of competing intraocular pressure measurement technologies have been visible in continued strong growth for iCare. iCare's next generation product portfolio is likely to take place in 2023 when the patent protection of iCare's key technologies weakens. By developing new features the company can, however, extend its competitive advantage. Currently iCare has no significant direct competitor in RBT technology but the first competitor is entering the market. Considering iCare's potential markets we estimate that it has goof preconditions to act as a strong cash flow product for Revenio at least for the next 5 years. The role of the HOME product as a growth engine becomes emphasized when iCare's basic models reach a mature development stage.

The product portfolio that came with CenterVue is in our opinion also competitive and on a strong base, proof of which is the company's growth in recent years, as well as 20 patents and 16 patent applications. In imaging the technology does, however, due to its rapid development age more quickly than for iCare where the lifespan of RBT technology is probably several decades long. In addition, there is clearly more competition on CentreVue's markets. Thus, maintaining a competitive advantage requires continuous investments in product development.

Developing the product portfolio in future

The clearest place to expand Revenio's product offering is in our opinion Optical Coherence Tomography, OCT that belongs to the imaging market. The share of this of the around USD 1.3 billion imaging market is around EUR 500 million and so far, Revenio has no offering in this segment. This would be a logical place for expansion, and we expect Revenio to expand into the area in the medium term either through own product development or an acquisition.

After the strategy renewal ,Revenio's focus is also officially on eye diseases, and we expect the company to divest the Cutica and Ventica templates or find a partner for them that could develop the products further with a license-based model. It is hard to evaluate products in an early development stage but the weight of these products in Revenio's market cap is low.

Evolution of Revenio's products

	Product area	Installed device portfolio	Pirce class (to customer)	Net sales 2020 estimate	Gross margin profile	Development stage	Weight in valuation
Core business	iCare tonometers	>80 000	3000-5000€	>23 MEUR	>80%	Growing	Very high
	iCare HOME	>5000	2000-2500€	>3 MEUR	>70%	Commercialization	High
	iCare probes	>20 mn units/ a (volume)	<1€	>13 MEUR	>60 %	Growth	High
	Imaging devices	>7000	12000-40000€	>18 MEUR	>70 %	Growth	Very high
Strategic examination	Ventica	-	>2000€	<0,5 MEUR	>70 %	Clincal proof	Very low
	Cutica	-	-	0€	-	Product development	Insignificant

All figures are based on Inderes' estimates and assessments

iCare IC100 and IC200

iCare HOME2

iCare probes

iCare DRSplus

iCare COMPASS

Revenio's products as part of eye diseases screening and treatment

- *iCare IC100*
  iCare DRS(plus)
- *iCare IC100*
  iCare IC200
  iCare COMPASS
  iCare EIDON, FA, AF
- *iCare IC100*
  iCare IC200
  iCare COMPASS
  iCare EIDON, FA, AF
  iCare MAIA
- *iCare HOME(2)*

Patient-led screening

Diagnosis

Intraocular pressure measurement
Fundus imaging
Perimeter visual field test

Treating a disease

Monitoring

Home care

Current main market
>200,000 ophthalmologists globally
>400 000 optometrists/opticians globally
- Extensive offering for eye disease diagnosis and treatment

New market
>75 million diagnosed patients
- Need for regular follow-up

Developing market
>150 million people suffering from glaucoma[1]
>150 million people suffering from diabetic retinopathy[2]
>170 million people suffering from macular degeneration[3]

- Screening becoming more common will create new demand
- Opticians, general practitioners and nurses as users

Source: Inderes, 1) Opthalmology, volume 121, Nov-14, 2) Pennington K. & DeAngelis M (2016) Epidemology of age- related macular degeneration, 3) IAPB Vision Atlas: Diabetic Retinopathy - silently blinding millions of people world-wide.

Investment profile

Investment profile

Revenio's investment profile is nearly flawless. The company is in excellent shape and with the CenterVue acquisition it quickly progressed in its strategy to a new stage where the company has several growth drivers in a more dispersed portfolio. The latest acquisition Oculo is still small, but we feel a very potential opening into the software business. Revenio has an excellent track record of implementing a growth strategy that creates shareholder value and the company's ability to allocate capital both to M&A transactions and own product development. Developing iCare into top form and creating a plausible strategy that focuses on eye diseases have created considerable shareholder value over the past decade.

Revenio's market is based on healthy underlying long-term growth drivers where the key factor is increasing eye diseases as the population ages. Device sales in the sector is expected to grow by 5-6% p.a. In our view, Revenio has the preconditions to grow clearly faster than the general target market in the long term due to the competitive advantages of the company's technologies. The historic development of iCare's tonometers and imaging devices support this view.

Revenio's investment profile is also supported by exceptionally deep moats against competition that are related to technologies' barrier to competition, brand and reputation, a generally slow-moving industry and high threshold to enter the market. iCare's RBT technology has extensive patent protection until 2023 and even after this newer generation products have patented features. The imaging device product portfolio also has patented products, but we cannot say the company has a similar dominating position as iCare in its own product category.

Competitive products are clearly visible in Revenio's financial development. Due to the company is highly profitability (2020 adjusted EBIT: 31%) and low investment need it generates swift and growing cash flow. The risk level is moderate due to the defensiveness of the industry and strong competitive advantages. The company continuously invests in product development to maintain its competitive advantages in the long term (product development investments around 10% of net sales).

In the long term, we find Revenio's ability to renew and build a comprehensive product offering that combines software and products within the target segment of eye diseases interesting. In the area of eye diseases the company is still a medium-weight challenger compared to the giants in the sector (like Carl Zeiss Meditec). The current strategy and product portfolio has good elements for iCare rising to a clearly bigger size class and become one of the more significant players in the sector over the next decade. This would require continuous product development investments and expansion into the OCT market that is lacking from the product palette at the moment through an acquisition.

Risk profile

Revenio's risk level is exceptionally low for a growth company. The rate of change in the industry is slow, demand is defensive, and the product portfolio is relatively dispersed. Net sales is quite dispersed geographically even though the weight of the US is high (>40%). Profitability is at an excellent level, the cost structure is efficient, and the business model does not tie up considerable amounts of capital. The company has reached a development stage where investors do not need to carry a considerable risk of the success of new products. We believe the main risks are related to the sustainability of the company's competitive advantages in the long term as patent protection weakens. In addition, with Revenio's current valuation relatively many expectations have been loaded into the HOME product, so a weaker success of the HOME product is a risk.

Issues to follow in the company strategy

In our opinion, the following matters are essential for the implementation of Revenio's strategy in the next couple of years are:

- In the short-term, key for Revenio's growth and profitability are the company's ability to maintain the growth in tonometer sales and the strong growth in imaging devices from the low comparison level due to COVID.
- The long-term growth of tonometers is defined by the ability of iCare's RBT technology to continue taking over market shares quickly and competitor's expansion into RBT products.
- A successful ramp-up of the iCare HOME product is essential so that the company can maintain iCare's growth in the medium term.
- Success of the Oculo acquisition, growth, and international expansion.
- Possible expansion into Optical Coherence Tomography, OCT technology in imaging devices in the medium term.

Investment profile

1. **Strong track record of creating shareholder value and ability to allocate capital**

2. **Strongly growing market with structural long-term growth drivers**

3. **Competitive products generate faster growth than general market growth**

4. **Strong moats as long-term barrier to competition**

5. **Strong cash flow enables investments in long-term growth**

Potential

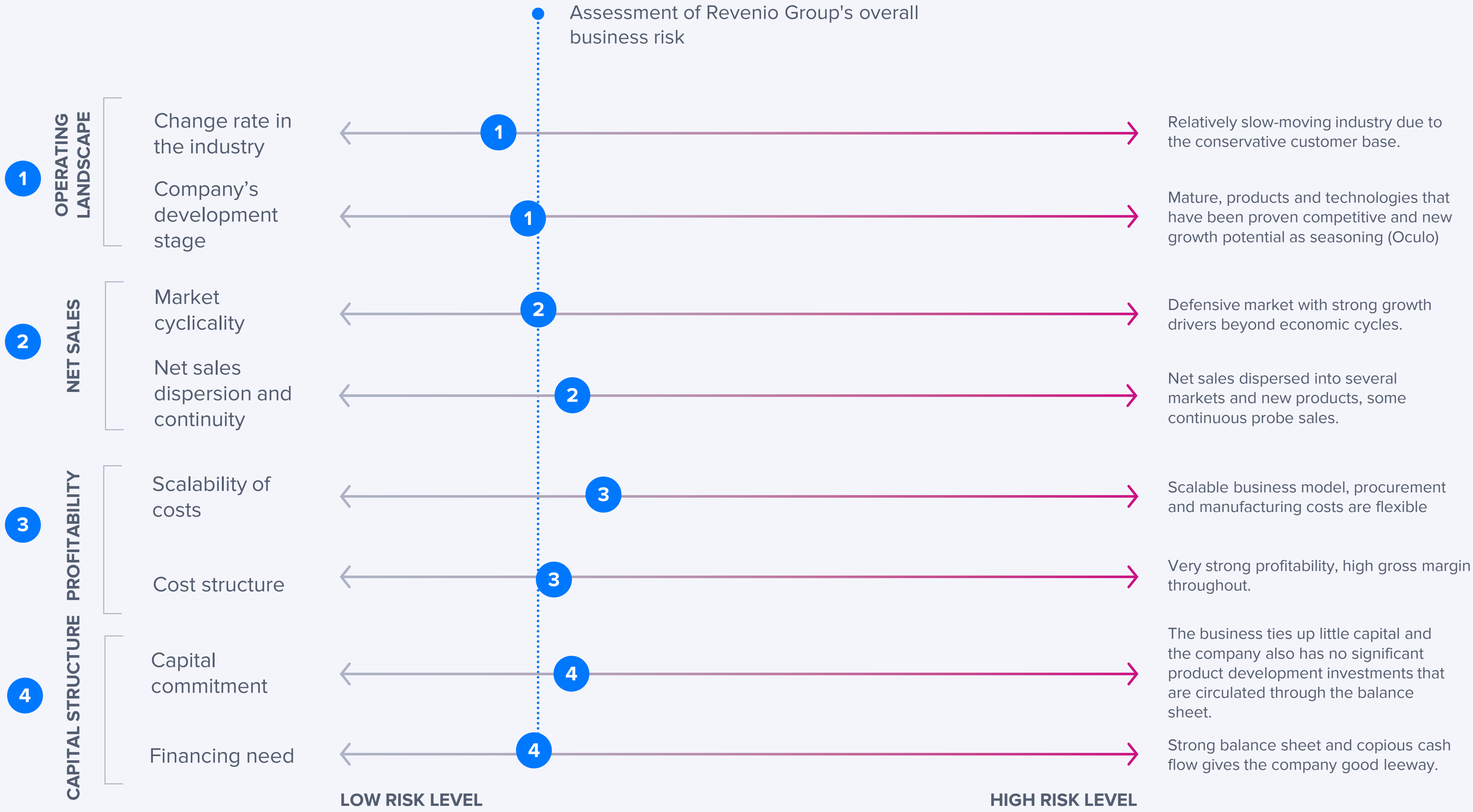
- iCare's RBT technology continues displacing old products, there is still growth potential left
- Strong growth in imaging devices especially from the comparison period weakened by COVID
- Success of the iCare HOME (2) product
- Success of the software strategy would strengthen competitive advantages and margins
- Expansion into new areas in the target market of eye diseases

Risks

- Competitors' expansion into RBT technology
- Weakening of the patent protection of products
- The volume of HOME product remaining low
- High expectations and valuation level currently creates the biggest risk for investors

Source: Inderes

Risk profile of the business model



Source: Inderes

Tonometers 1/ 5

Description of operations

Revenio's iCare sells and markets easy-to-use, handheld tonometers that are painless to the patient, and utilize the company's extensively patented rebound technology (RBT). The product and technology are based on MD, general practitioner Antti Kontiola's invention made in the 1990s. Descriptive for the industry is that it has taken 30 years for iCare technology to become an industry standard. Tonometers are used for the screening of glaucoma as part of its diagnosis as well as for its follow-up. iCare's growth has mainly been based on replacing old technologies (air-puff and applanation) in the use of ophthalmologists. In comparison to its competitors, iCare has been overwhelming in terms of accuracy, usability and cost. Nearly two-thirds of Revenio Group's net sales comes from tonometers.

Principal market

In addition to ophthalmologists, the users and customers of iCare products include opticians, optometrists, general practitioners, nurses and veterinarians. The company's new HOME2 product also makes the patients themselves a potential customer.

iCare's biggest market is the US that represents over 40% of the company's net sales. We estimate that the share of Europe is slightly below 30% and other markets over 30%. The company has reached an established market position in many western countries where growth has stabilized at around 10%. The company does, however, have many virgin markets where growth is only starting, and old competing technologies have a dominating market position.

Nearly 70% of iCare's net sales comes from device sales and the rest from disposable probe sales. The biggest volume comes from the IC100 basic device. We estimate that approximately one-tenth of the net sales is based on meters meant for veterinary and laboratory use (VET and LAB products). The iCare HOME product's share of sales is very small, our estimate is under 10%. From the viewpoint of margins, device sales (margins >80%) is more valuable than probe sales (margins >60%)

Glaucoma and intraocular pressure measurement

Glaucoma is a symptomless eye disease, which is often detected by accident in an ophthalmologist's examination. Elevated intraocular pressure will unnoticeably damage the optic nerve, eventually also damaging vision. Glaucoma is one of the most important preventable causes of blindness. A prerequisite for preventing the disease from progressing to blindness is its early detection, as well as careful treatment and follow-up, where intraocular pressure measurement plays an integral role. According to various estimates, there are some 75 million glaucoma patients worldwide. The number of undiagnosed people and those suffering from glaucoma without knowing it is estimated to be equal. The key driver for the number of glaucoma patients is the aging of the population. The average incidence of the disease in the population aged over 65 is 4% and this population is expected to double by 2050 which would mean 45 million new glaucoma patients. The intraocular pressure measurement method developed by iCare (RBT) will in future play an important role in screening, preventing and treatment of glaucoma.

Business model

iCare has a very scalable business model, which runs with a light organization. A considerable part of operations are generated by partners and the company focuses on core operations that are sales and product development. Continuity is brought into the business model by the sales of disposable probes.

We estimate the total production cost of iCare tonometers to be a couple of hundred euros in total depending on the model (IC100, IC200, HOME). We believe, the production cost of probes is under EUR 0.2 with new efficient production lines. According to our estimate, the average sales price of a tonometer to a distribution channel is slightly over 2,000 euros and approximately 0.5 euros for probes. This is to say that the gross margin of the whole of iCare is somewhere in the 80% range. Very high distribution channel margins are typical for health care devices. Therefore, the average sales prices of iCare's devices for end customers have been in the range of 3,000 to 4,000 euros, and so the distributive trade margin is somewhere in the 40% to 50% range. There are, however, significant differences between countries and products. The high margin of the distributor is explained by the distributor's critical role in the sales chain and the small sales volumes of the devices.

Tonometers 2/5

Next to device sales, the sales of disposable probes used with the devices bring continuity to the business as they represent slightly over 30% of sales. According to our estimate, an average iCare device in customer use consumes more than 250 probes a year at the moment. Thus, a 10-year lifespan and a EUR 0.5 price per probe the sales of one device generates over EUR 1,200 in net sales for iCare through probe sales during the device's service life.

Production, distribution, and product development

The production of iCare's tonometers and probes has been outsourced to domestic subcontractors but the company owns part of the production equipment itself. iCare uses its own personnel for R&D and for managing the outsourced R&D service suppliers. With product development, the company tries to strengthen its product portfolio and patent new features for the devices, as well as chart new application areas for the RBT technology, for example, in the diagnostics of other eye diseases.

iCare's products typically have their own country-specific distributors for each target group. For human tonometers there is typically one distributor specialized in ophthalmologists and another in opticians. Tonometers for animals have their own distributors. In the US, iCare has built its own sales organization that is based on independent sellers and the company does not have distribution partners apart from the VET products. The aim is also to reach synergies in iCare and CenterVue distributors thanks to complementing sales channels.

Technology and competitors

The generally approved IOP measurement standard is based on Goldmann's applanation method developed in the 1950s. The weaknesses of the method are the need to use anesthesia for the eye, need of calibration (reliability dependent on the user) and the training required for using the devices. In addition to Goldmann's applanation, TonoPen based on applanation entered the market later on, which owing to its portability and small size competes with iCare. During its lifetime, iCare has won market share especially from TonoPen devices.

In technologies, another competitor of iCare is air-puff, an open technology which entered the market in the 1990s. The lifespan of air-puff as a technology seems to be short as it has not been successful in challenging iCare's RBT technology due to the size, precision, price, and patient experience of the device. After the COVID pandemic started air-puff also lost popularity due to the hygiene challenges of the device which iCare does not have (disposable probes). This further strengthened the competitive advantage of Revenio's RBT technology and we do not believe the situation will change once the COVID pandemic finally subsides.

Tonometers based on iCare's patented RBT technology and method are based on so-called rebound tonometry technology. In practice, in this method a very small and light-weight probe touches the cornea very quickly, during which the device analyses the deceleration of the probe and the speed of its rebounding from the cornea. The key benefits of the technology are 1) painless for the patient (no anesthesia), 2) quick measurement 3) ease of use and easy to learn to use (no calibration, easy to maintain), and 4) small size and portability of the device. iCare's technology has in several studies been found to achieve the accuracy of the standard of the field, the Goldmann method, or to be even more reliable. Ease of use and quick training is a central advantage when the meters are sold to customer groups other than ophthalmologists.

In the development curve of IOP measurement technologies, iCare is displacing methods based on applanation and air-puff in developed countries and is leaping straight ahead of applanation and air-puff in developing countries.

We believe iCare is now a market leader in the area with a market share of some 30%. iCare's key competitors are large device manufacturers typically with an extensive product offering in eye diseases. Individual players are, e.g., the US Reichert (owner Ametek, NYSE: AME), the British Keeler (owner Halma Plc. LSE: HLMA) and the Japanese Topcon (TSE: 7732). These manufacturers are making devices based on both applanation and air-puff. In the devices delivered by these competitors, IOP measurement may be one part of a wider device entity whose total price can be tens of thousands of euros. If the ophthalmologist has to use anesthesia for the eye in the examination in any case, the use of applanation is natural, and iCare's meter is not needed. Many ophthalmologists are, however, using iCare's easy-to-use and portable device next to the applanation method.

Intraocular pressure measurement technologies

Evolution of IOP measurement

iCare compared to other technologies

Features	iCare RBT	TonoPen applanation	Topcon air-puff	Reichert air-puff	Goldmann applanation	Reichert RBT** (for vets)
Price range	EUR 2,200-4,000	EUR 1,800-3,000	EUR 6,000-9,000	EUR 4,500-9,000	EUR 200-1,200	EUR 3,100-3,600
Accuracy*	+/-1.2-2.2	+/-1.8-3.1	+/-4	+/-4	0	+/-1.2-2.2
Portable	Yes	Yes	No	No	No	Yes
Calibration	No	Yes/No	Yes	Yes	Yes	No
User training	5-10 min	<30 min	<20 min	<20 min	> 2 weeks	<15 min
Patient's experience	Painless	Unpleasant (anesthesia)	Unpleasant (air-puff)	Unpleasant (air-puff)	Unpleasant (anesthesia)	Painless

*Compared to Goldman measurement **Reichert is the first that has launched a competitive device with RBT technology So far, the device is only for veterinarians but likely to be launched on a wider market later.

Source: iCare, Inderes

Tonometers 3/5

Patents and competitive protection

iCare's technology and products are protected by more than 20 patents related to method and mechanics. An important basic patent for iCare expired in the US in 2019, which has enabled a competing product that is similar to the company's original TA-01 product to enter the market. The first competitor to utilize RBT technology is Reichert that launched its Tono-Vera Vet product in February 2021 in the US for veterinarians. It is likely that product will later be launched to a wider market when Reichert receives necessary regulatory approvals. We believe Reichert's product is based on iCare's old RBT technology, which has weaker features than iCare's current models and the device is also priced higher than iCare's products. So far, the threat of the device for Revenio is small but it shows that challengers are entering the RBT market. This is both a threat and opportunity. It is positive that Revenio is no longer the only player that is driving the implementation of RBT technology and creating markets for the technology.

On other markets, iCare's patent protection will last until 2023-2025, which we find is the first realistic point in time for more extensive launch of competing RBT devices on the markets. iCare has, however, constantly strengthened its patent protection by patenting new features so expiring patents do not enable copying certain features of new generation products (IC100 and IC200). We expect that generation of competition in RBT technology is not likely to lead to significant price erosion. The price sensitivity of the customers is limited and developing the devices is rather expensive. In addition, RBT technology becoming more common would probably speed up the market moving away from air-puff and applanation, which could also support iCare as competitiveness remains strong.

Key factors protecting iCare from competition next to the patents are IPRs related to technology, reliability and the brand, quality, regulatory approvals, distribution channels and doctors' high threshold to adopt new methods. The calculation method of iCare's meter also involves iCare's own algorithm, which means full copying of the device in terms of measuring results is practically impossible also after patent protection ends. The company has built a strong reputation among ophthalmologists thanks to quality and reliability of its products and operations, as well as a distribution channel to customers which are important competitive factors. In addition, authorization processes are often slow and expensive.

We do not expect that a new competing technology generation will be created for the rebound technology over the next decade. It is much more likely that after iCare's patent protection expires, the company's current competitors that are specialized in eye diseases will launch competing products based on the rebound technology on the markets. Like iCare, these players would already have distribution channels they can utilize and a strong brand in the industry.

HOME products

Home measuring as a product category

The HOME product intended for self-measurement by the patient opens a new market for iCare that utilizes existing technology and customers. The device has been in the market since 2014, after which governmental permits have been applied for and recognition has been built for the product. The product received a sales permit in the US in early 2017. The new improved iCare HOME2 product was launched in spring 2021. The idea of the HOME product is based on the follow-up of intraocular pressure as a time series, which is based on measurements made by the patient at home. This provides a more accurate picture of variations in the intraocular pressure compared to individual doctor's visits and the doctor gains more insight into the effectiveness of medication.

In the HOME product concept the treating doctor loans the patient a device with which the patient can measure their own intraocular pressure at home. The results can be delivered to the treating doctor through Revenio's cloud service. With home measurement the patient's intraocular pressure can be monitored as a time series at different times of the day. The patient is also spared several expensive doctor's visits

We estimate that the sales volume of the HOME product initially was a few hundred devices per year because sales in the initial stages have mainly been delivery of individual devices for test use. Growth in recent years has been slower than we anticipated but we estimate that volumes have grown to a few thousand devices per year. Stronger growth still waits for home measuring becoming more popular when a single clinic could order devices in bulk. However, even during the COVID pandemic, home measuring has not gained significant popularity in the industry where changes typically are very slow. In the big picture, remote treatment concepts gaining popularity could also benefit HOME's growth. The change has been further slowed down by Revenio having to create the market almost by itself.

Tonometers 4/5

One milestone for the HOME product in the US was Medicare coverage granted in spring 2019, which gave home measurement insurance coverage.

HOME's growth drivers

The ramp-up of the HOME product was a several year process where iCare created the market for its product. The HOME product has significant long-term potential, and it can, in the best-case scenario, become bigger than the company's basic device business. HOME's growth drivers in the long term are:

- The sales potential of the devices per an ophthalmologist or clinic is manifold compared to iCare's basic devices because the devices ca be bought to be lent by patients. Instead of individual devices, the sales batches can be at least 5 to 10 items.
- In home use, the devices will break much more often, which also means greater sales volumes.
- Home measurement means more frequent measurements and thus a higher probe consumption.
- The communication between the patient and the doctor takes place through iCare's own cloud service, which strengthens competitive protection and customer loyalty. Utilizing the measurement data accumulated in the cloud service also opens new opportunities for glaucoma treatment and research for the company.
- The patients can also purchase the device themselves.

In the short term, we find it possible that the sales of the first-generation HOME product will decrease. Revenio launched an improved HOME 2 product in spring, which does not, however, yet have regulatory approval on the main market in the US (approval exists, e.g., in Europe) Some customers may decide to wait for HOME 2 products being launched on the market, which would cannibalize the sales of the first version.

HOME's competitors

Other players have also recognized the potential that lies in continuous IOP measurement This has generated at least two competing technologies that are trying to resolve the same problem as iCare but with a slightly different approach. According to our research, none of these have, however, been able to break through to the markets over several years.

One competitor is the Swiss Sensimed, whose tonometer Triggerfish is based on a contact lens, that constantly monitors intraocular pressure. In addition to the contact lens, a receiver is attached around the patient's eye and another device hangs on the neck. Sensimed's advantage compared to iCare is that it can monitor IOP as a continuous time series and in any posture by the patient. The results are analyzed in Sensimed's own software. The product has FDA approval (2016) in the US.

Sensimed's challenge compared to iCare is that it only measures change in IOP, but it doesn't determine the pressure in millimeters of mercury, which is the measurement standard. Thus, the results of the device cannot be compared, for example, with the industry standard Goldmann, which poses a challenge for the interpretation of the results. The expense of using the device is also high compared to iCare. Due to these reasons we believe that Sensimed has not been able to get a good start on the market. Sensimed has spent considerable resources on promoting research related to IOP monitoring, which has helped create market demand also in iCare's HOME clientele.

In addition, the German Implandata is developing an implant named EyeMate for IOP monitoring. The technology is based on a surgically placed implant in the eye, which makes it a very expensive and cumbersome solution. The product does not have an FDA approval but in spring 2019 the company gained CE marking for its newest generation product. In our view, EyeMate has not progressed much to commercialization either.

Market potential

Market potential of basic meters

The market potential of tonometers is based on the around 75 million people who are known to suffer from glaucoma and another 75 million people who suffer from the disease without knowing it. At the moment, iCare's growth is based on displacing competing technologies especially in ophthalmologists' use as part of glaucoma treatment, monitoring and diagnosis. The screening of glaucoma and emergence of screening mechanisms will introduce new, larger user groups for the devices in society, such as opticians, general practitioners and nurses. In glaucoma treatment, home care and IOP monitoring by self-measurement of the patient will also open up a fully new and significant market potential for iCare.

Tonometers 5/5

iCare's RBT technology has close to one-third of the USD 200 million tonometer market. In terms of the RBT technology, the market will, based on our estimate, grow dramatically over the next 5-10 years when the openness of the technology increases the offering, and the increasing importance of hygiene weakens the competitiveness of air-puff and applanation methods further. We especially expect that air-puff (estimated market USD >100 million) to lose significant shares to RBT technology as the gradually creeping market revolution over three decades, i.e., RBT's triumphant progress starts accelerating triggered by COVID.

The market share of practically 100% in rebound technology (RBT) enabled by iCare's patent protection will slowly start changing. In the long term, the market will be shared by other device manufacturers utilizing rebound technology. We estimate that iCare has as the category leader in RBT technology preconditions for a market share of clearly over 50% in the long run. Then tonometers alone would produce over triple the net sales than currently so there is still a lot of potential.

We estimate that the annual total market potential of iCare's rebound technology is EUR 100-200 million (excluding HOME products) in the long term (2020e net sales around EUR 42 million). According to our calculations iCare's sales per ophthalmologist on the mature Finnish market is around EUR 1,000 per year. The global number of ophthalmologists is around 200,000 and assuming a 50% penetration in ophthalmologists for RBT technology the potential is around EUR 100 million. According to our estimates other user groups (optometrists/opticians 400,000 and general practitioners) represent as large as market potential for iCare as ophthalmologists in the long term. This year we estimate that iCare's devices will be used to make some 33 million measurements (probe consumption 2021e). When this figure is compared to the number of glaucoma patients (75 million) and the global need for screening we can say that the company is only at the beginning of its journey on the global market. We emphasize that these are indicative calculations, rough estimates that mainly try to perceive the overall market.

Significant markets are still maturing

In some individual markets like the Nordic countries, iCare has taken possession of the entire market in glaucoma treatment from competing technologies. iCare still has a lot of growth potential based on replacing other technologies in the rest of the world. iCare's markets are roughly divided into three parts according to their development stage.

- In the more mature markets like the Nordic countries and Japan, the growth according to our understanding is at a single-digit level. In these markets, net sales is already strongly dependent on replacement device and probe sales.
- In many large countries (like in the US, France, Germany, the UK, South Korea, Russia and Australia) the company still has market to conquer before the market is saturated, and the growth is on a strong double-digit level.
- iCare also has several somewhat unexplored markets in developing countries, in which there is considerable potential for growth. These markets include China, Brazil and India, for example. In China, difficulties arise from authorizations that seem to take exceptionally long.

In growing and new markets, iCare's key growth driver is device sales. In mature, the growth driver is probe sales, which follows device base growth with a delay.

Market potential of home care devices

When diagnosed with glaucoma, the continuous follow-up of intraocular pressure as part of the patient's treatment is important in order to stop the progress of the and for correct medication can be prescribed. iCare HOME offers an easy and cost-efficient solution for the continuous monitoring of intraocular pressure.

In the business model of the HOME product, an ophthalmologist will purchase several HOME devices, which are lent to patients for home use. In practice one ophthalmologist may acquire several devices for themselves to be lent to patients. From this perspective, the device sales potential is manifold compared to iCare's basic models. The sales volume is, however, very dependent on how common a practice home use will become and how quickly.

It is very difficult to estimate the sales potential of HOME at this stage. All 75 million diagnosed patients are potential users, which means a market potential of tens of millions of euros for the probes alone. Due to HOME's early development stage we do not find it expedient to assess the market size at this stage but we can say that it is significant considering iCare's size class.

Imaging devices 1/ 4

Basics

CenterVue that Revenio acquired in April 2019 is an Italian company focusing on eye disease diagnosis and treatment and specializing in fundus imaging devices founded in 2008. Revenio's imaging devices are CenterVue's technology that now are found under the iCare brand. The devices use confocal imaging technology that, unlike conventional fundus imaging, generates a high-resolution color image of the ocular fundus. This helps make the correct diagnosis, in treatment and monitoring. Fundus imaging can be used to diagnose, manage, and prevent several eye diseases like diabetic retinopathy, glaucoma, and macular degeneration.

The imaging device product family covers four product areas: 1) glaucoma diagnosis, 2) diagnosis and monitoring of macular degeneration, 3) diagnosis and monitoring of diabetic retinopathy (DR), and 4) cataract diagnosis. Revenio's product offering that used to focus on glaucoma expanded into several eye diseases with the acquisition. Now Revenio has an extensive product portfolio and strong technology expertise in these eye disease areas.

In terms of the care pathway, the imaging device product family covers everything from patient-led screening to diagnosis and disease treatment. DRS products mainly act as helping devices in screening for opticians while the EIDON product family and COMPASS product that are slightly more expensive are used to help diagnosis and treatment among ophthalmologists. The MAIA product is mainly used to support disease treatment. Revenio's product portfolio extensively covers screening, diagnosis and treatment of eye diseases linked with aging. Especially in terms of glaucoma, the company can now offer a one-stop solution for its customers.

Business model

Imaging products are offered for opticians' screening use (basic products like DSRplus) and more sophisticated and clearly higher price class products are sold for ophthalmologist use. The end customer prices of the products vary between EUR 10,000 and 50,000. The company can deliver a maintenance package with the device entity but the share of continuous income of sales is low. The company's device portfolio is over 8,000 devices.

Next to conventional device sales, relatively many software licenses are sold on the imaging side where the share of the software of the order can be as much as 20%. This naturally raises the gross margins of the business. Revenio sells licenses with the devices with the help of which the images can be transferred directly to the patient management system. This makes the devices easier to use but the devices can also be used without a license. In addition, Revenio sells extended guarantees for the devices. However, the devices do not generate continuous net sales.

Production of imaging devices is outsourced just like that of tonometers and the aim of Revenio and CenterVue is to reach considerable costs synergies in production. CenterVue's gross margins were around 62% before the merger but have to our understanding risen close to 70% (the corresponding figure in tonometers is ~75%). The device market of fundus imaging is as a rule more competed, but Revenio has clearly been able to increase efficiency in production and raise software sales especially with the DRSplus device. These factors have clearly raised the gross margins.

CenterVue operates like Revenio in the US with its own sales organization and elsewhere through distributors. When the target groups are the same, we see considerable opportunities for synergies in sales and marketing.

We also find it positive that operations have been combined under the iCare brand. The reception of the iCare brand has to our understanding been very positive. With a more extensive offering, Revenio is an increasingly relevant customer also for big players, which supports both tonometers and imaging devices. Previously Revenio was able to offer an excellent solution for one rather small segment but now the company is a credible player in a wider area.

Market

The growth drivers in imaging devices are connected to glaucoma, macular degeneration, diabetic retinopathy, and to some extent cataract becoming more common. The combining factor in diseases becoming more common is the aging of the population. In glaucoma, the growth drivers for imaging devices are similar to tonometers.

Imaging devices 2/4

In terms of diabetic retinopathy growth is driven by diabetics need to have their eyes checked regularly which requires a huge research need. The driver is a strong increase in diabetes: 8.4%of adults suffered from diabetes in 2014 while the corresponding share in 1980 was 4.7%. Currently an estimated 422 million people are suffering from diabetes (source: WHO) of whom some 35% suffer from diabetic retinopathy. In 2040, the number of diabetics is estimated to grow to 642 million, which supports market growth.

Globally an estimated 196 million people suffer from macular degeneration and the number is expected to grow to 299 million by 2040. The driver again is the aging of the population.

The global market of imaging devices is around USD 1.3 billion of which Revenio's current product offering covers a share of some USD 800 million. Of this some USD 300 million is related to visual field testing (perimeter) and USD 500 million to fundus imaging. Optical coherence tomography (OCT) is outside the current offering whose market value is around USD 500 million. In our opinion this would be a logical expansion area for Revenio's product offering and we believe the company is looking into different opportunities (acquisition/product development) In the medium term, we believe Revenio will offer devices also in this segment.

The US is an important market, and its share of total sales is over 40%. The number of devices in the fundus imaging market is expected to grow by some 10% p.a. until 2022 (Market Scope). The long-term potential of imaging devices is increased by the fact that through fundus imaging other diseases can probably be detected as the technology develops but here the market is still in its early stages.

The key customer segments for imaging devices are ophthalmologists, optometrists, and opticians. The customer base focuses on ophthalmologists just like in tonometers. In addition, imaging devices have considerable potential in pharmaceutical companies that need new research equipment for clinical research required by authorities. Possible agreements with pharmaceutical companies could be significant especially for the MAIA product.

Technology

iCare's technology leadership in, e.g., confocal imaging devices is protected by over 20 patents and the company has filed several patent applications. Like Revenio, the company has spent some 10% of its net sales of product development and currently the ratio is possibly even higher in imaging devices.

iCare's key strengths in imaging technology is linked to the ease of use of the devices ("auto focus"), the precision of imaging, clearer colors ("True-color"), and speed. The products stand out especially in the level of automation and image quality. The driver of the customer's purchasing decision is often the fact that old devices are difficult to use, and their image quality is not sufficient.

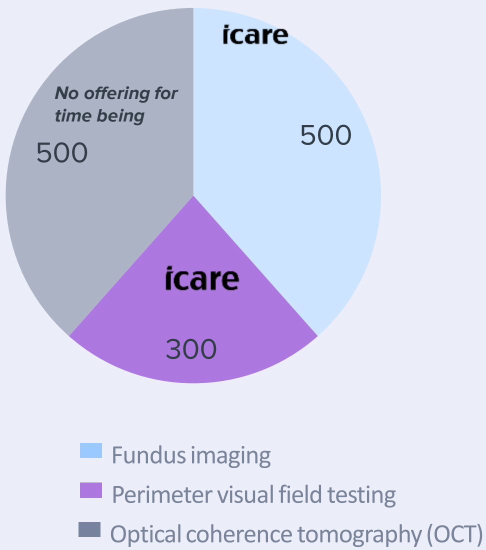
In imaging the competing devices are primarily laser-based devices which results in reddish images. iCare's True-color confocal technology that shows the actual colors inside the ocular fundus has no direct competitors. Confocal technology can separate the ocular fundus clearly better than competing solutions. iCare DRSplus is a confocal imaging system for the fundus that uses white LED light to generate true-color images with high details. This practically brings a new standard to an efficient and working image of the ocular fundus. In addition, the imaged pupil can be smaller than before, which means the image can be taken from all patients. DRSplus is fast and fully automated, which makes the product attractive.

Main products

In imaging devices, Revenio's cash cow at the moment is iCare DRSplus that has received extremely positive feedback on the market. The product that belongs to the affordable price class has received a lot of praise for its features and quality, and according to the company the demand for the product is lively across the world. Right now it is easy to predict great success for the product because its target group is also more extensive than usual (opticians, general practitioners, pharmacies, etc.). The previous version, CenterVue DRS launched in 2011 has been the company's most important product historically and the renewed DRSplus has preconditions for even better success.

Imaging market and Revenio's imaging products

Distribution of the imaging market (MUSD)



Main use purposes:
1) glaucoma diagnosis, 2) diagnosis and monitoring of macular degeneration, 3) diagnosis and monitoring of diabetic retinopathy (DR), and 4) cataract diagnosis.

Fundus imaging

Price range EUR 10,000-15,000

iCare DRS+ (and DRS)

Price range EUR 30,000-40,000

iCare EIDON

Confocal imaging technology that enables true colors and easy-to-use automation.

+ perimeter visual field testing

Price range EUR 30,000-40,000

iCare COMPASS

Price range EUR 40,000-50,000

iCare MAIA

iCare EIDON and MAIA products combine fundus imaging and automated perimeter visual field testing.

Source: Revenio / Inderes. Price classes are Inderes' estimates for new devices including taxes. Prices can vary considerably in different areas.

Imaging devices 3/4

Revenio has not published the division of its imaging devices' net sales into different product families, but we estimate that the iCare DRS product family is the largest with a share of some 40% of net sales. The second most important according to our estimate is the iCare EIDON product family (around 35%) after which comes iCare COMPASS (estimated ~15%) and iCare MAIA (estimated ~10%). The figures are rough estimates based on assumptions of delivery volumes, average prices, and division of the device portfolio.

Competitive situation and market shares

Revenio has a market share of under 5% in imaging devices, which in our opinion is low relative to the quality of the products. To our understanding the strengths of the acquired CenterVue was found more in product development than in commercialization of the technology, which we believe Revenio will bring a lot of support to. Revenio's aim is to grow clearly faster than the market (growth ~5%) in imaging devices.

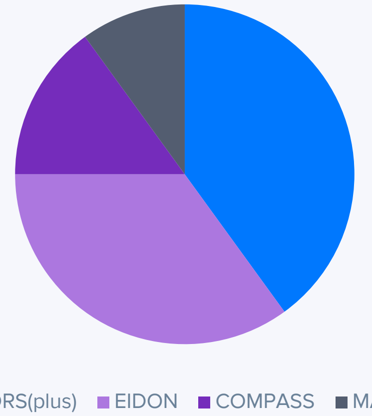
In general, the market for imaging devices is fragmented and there is no superior player on the market. The biggest is Carl Zeiss Meditec whose market share is possibly around 20%. Important players are Optos, the Japanese NIDEK and Kowa, as well as Topcon, Canon, and Heidelberg Engineering. We should also mention Optovue in OCT technology and the Finnish Optomed who is the market leader in handheld ocular fundus cameras. Despite the low market share, iCare belongs to the top ten players on the imaging markets.

The competitive situation varies considerably in the different segments of the market. The key difference is in perimeter visual field testing where Zeiss dominates the market with a 50% market share. In our view, the iCare COMPASS product could have considerable market potential in this segment because the product would have a clear competitive edge compared to other devices due the technology related to following the eye. This is, however, a very conservative market, and Zeiss defends its market position aggressively. To our understanding Revenio's market share has remained extremely low in this segment. The sales of the iCare COMPASS product has so far been low especially considering the excellent features relative to its price class.

We believe the biggest players in fundus imaging are Optos and Topcon with market shares of around 20-30%. Zeiss, NIDEK and Heidelberg are also important players. The competitive market has many of the same features as that of tonometers where Revenio is slowly becoming the technology leader with its solutions. In imaging, the company is in any case clearly a challenger.

We estimate that imaging device products are currently very competitive, which enables Revenio to grow clearly faster than the market over the next couple of years. Revenio's competitive advantages are, however, weaker in imaging devices than in tonometers and winning over market shares requires continuous improvement.

Inderes' estimate of the division of iCare imaging devices net sates into different product families



Source: Inderes Revenio has not reported net sales division between the product families, so the figures are only indicative at best.

Imaging devices 4/4

Due to the relatively fast development of imaging technology and market competition, maintaining competitiveness constantly requires better quality, cheaper prices, and more efficient manufacturing.

Revenio’s competitive advantage is not as strong or long lasting in imaging devices as in tonometers even though we believe they are very strong at the moment. For example, the age of the iCare DRS product is 10 years and the life cycle of the product is typically 7-10 years. The development of a new product takes at least three years considering regulatory approvals so new challengers are not expected at least right away. The industry is generally very slow moving and even a superior new technology easily requires a decade to reach a market share of over 50%.

Considerable synergies

The CenterVue acquisition was excellent for Revenio, but we also see that the company has very good possibilities to take the imaging device business to a new level in the medium term. The main factors in our view are:

- CenterVue's product portfolio is competitive, but the company’s market position is still weak. We believe that Revenio can support the company in sales and marketing and the one iCare brand will become even stronger. A wider offering also enables negotiations with larger customers, which still emphasizes the cross-selling potential.
- Growth in the fundus imaging device portfolio is fast and synergies achieved with iCare enable bigger investments both in sales and product development where the companies complement each other well. This further supports expanding the offering in future.
- Revenio brings expertise to imaging devices in component procurement and improving production efficiency, which in our opinion is already visible in gross margins.

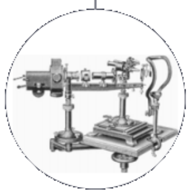
Technological development of fundus imaging

Evolution of fundus imaging

centervue

1860 | 1900 | 1930 | 1950 | 1990 | 2000 | 2010 | 2014

The retina of a living person is scanned (William Jackman and J.D. Webster)



First commercial fundus camera (Johan Nordenson and Zeiss Camera)

Fundus angiography

First confocal ophthalmoscope (Roedenstock)

First digital fundus camera

First automated fundus camera

First true-color confocal technology imaging device

Biggest competitors in imaging devices

ZEISS CARL ZEISS MEDITEC

optos®

TOPCON

HAAG-STREIT

NIDEK

HEIDELBERG

oculus

Source: Inderes, Revenio CMD

Oculo 1/2

Software platform for eye care

Revenio launched its software strategy in March 2021 with the Oculo acquisition. Earlier in its CMD Revenio presented its software strategy where Oculo seems to be an excellent fit. Oculo specializes in developing software designed to share clinical imaging, referrals, and other clinical correspondence securely and instantly between health care professionals. This is a long-term strategic investment whose success we believe will be seen in 5-10 years.

Oculo is an Australian software platform for eye care that combines clinical communication, telehealth, remote patient monitoring and data analytics capabilities. The Oculo cloud-based software platform is transforming eye care by enabling and enhancing clinical collaboration, bridging disconnected data silos for sharing data and images and facilitating better and more cost-effective patient care in the eye care market. The Oculo software platform has already over 3,300 optometrists and 800 ophthalmologist users in Australia and over one million patients are processed with the software platform. The company has succeeded in rather quickly building a respectable number of users for the application in a conservative clientele.

Established in 2016, Oculo's net sales in 2020 was good EUR 1 million (excluding grant income) and the EBITDA approximately EUR -860,000. The company is in an acceleration phase and focuses strongly on growth, software development, and increasing the number of users. The loss-making is planned so to speak and invoicing has been very low as the company has tried so far to simply expand its network. The platform business does, however, scale well with growth.

Business and earnings model

Oculo's business is based on a scalable software platform and invoicing is continuous monthly billing in line with SaaS. Oculo's software platform combines the parties involved in eye care. The challenge has been that, e.g., optometrists and ophthalmologists are siloed in their own systems, and, for example, eye images are distributed by fax or mail. This means breaks in communication and poor-quality images that have caused extra friction in the clinical pathway. Oculo has created an easy-to-use and efficient software platform that digitizes the referrals and images in the process.

Using Oculo offers considerable benefits for all parties, and both opticians (optometrists) and ophthalmologists pay for using the platform. The system makes customer acquisition easier and lowers costs somewhat, e.g., in sending images. By using the system opticians get aggregated data, can standardize clinical processes, and thus negotiate better reimbursements easily. Ophthalmologists gain new customers and earnings through relevant referrals. Ophthalmologists benefit more from referrals than opticians, so their charge is higher. The platform also invoices small sums for data and analytics services. Patients do not pay for the system, but their treatment becomes more efficient and safer when data flows accurately and the clinical pathway is optimized.

Network effects arise from the fact that system users can easily invite others to the system. Implementation is easy and benefits clear especially if the system is widely used. This enables very fast growth when the system "gets an in" on the market. So far, the churn rate has been below 1%, which tells a lot about the benefits and feature of the solution.

In future, new parts and features can be added to the platform, which may offer a possibility of a more extensive solution. The platform also offers an interesting opportunity to develop AI, e.g., for interpreting images and diagnosis. The platform is technology and device independent and will be so also under Revenio. The platform offers possibilities especially for Revenio's HOME product family.

Growth strategy and competition

Oculo has quickly achieved a good market position in Australia with the help of large key customers (e.g. Specsavers). There is a lot of market potential left also in Australia that the company has used as a test market for its concept. The company has begun internationalization and expanded, for example, to New Zealand successfully. Business has also already been launched in the US.

When expanding to new markets, the company's strategy depends on the special features of the market. Focus is placed on the group that benefits most from the system. Key challenges are typically the same but, for example, in the US focus lies on clinics and ophthalmologists, while in Australia the spearhead is large opticians' chains. The role of opticians in eye care also varies by country. The platform does not require much localization.

Oculo 2/2

We believe Oculo has no direct competitors at the moment - otherwise fax distribution would have already become history also among ophthalmologists. The challengers are for the time being smaller companies the Oculo. On the other hand, e.g., NewMedica funded by the NHS in Great Britain has developed a system to respond to the challenge, but this is NHS's own tool (only services funded by the NHS are included in the network). At least currently it would seem that Oculo has extensive market potential with limited competition.

Markets and market potential

It is hard to estimate Oculo's market potential because the company's earnings potential is still a mystery even in Australia where the company has come the furthest. It is, however, clear that the market size will not limit the growth possibilities of the still very small Oculo in the next 10 years. It is more a question of how the company succeeds in opening new markets, achieves virality through the network effect, and how much the company is prepared to invest in growth. So the biggest effect will in practice come from how aggressively Revenio is prepared to invest in Oculo's growth (i.e. to accept losses).

Future growth drivers are practically the same as for Revenio in general to which we can add inevitable arrival of digitalization in eye care as well. Digital ophthalmological technology contributes increasingly to patients' diagnosis, treatment, and follow-up so the importance of software and connectivity increases in improving the quality, reasonable pricing, and availability of the clinical pathway of eye care. With the help of the software industry, clinical pathways can be made more efficient as health care personnel alone is not enough to respond to the number of increasing diseases as the population ages.

Future estimates and potential

Revenio commented on the financial impact of the Oculo acquisition saying that the relative investment level in R&D and sales and marketing will be on a somewhat higher level during 2021 and 2022 than during 2020. Oculo has no variable costs which is expected to improve the groups gross margin going forward. Thus, the company expects that Oculo would reach a break-even result already in 2023. This is likely to be possible but considering the growth potential clearly bigger growth investments could in our opinion be justified.

In our estimates we expect Oculo's net sales growth to be very strong at least over the next five years: average growth estimate for 2020-2024e is 63% (CAGR %). It is important to remember the low starting level. On the other hand, we assume that Oculo is clearly loss-making in the next couple of years and will achieve sufficient scale for break even in around 2023-2024. So far, we do not have an exact forecast model for the company, but Oculo's potential is considerable.

In future, Oculo offers Revenio entrance into the critical medical device software market into which the company's competitors have invested heavily for years. Oculo's approach is, however, different and enables entrance with smaller investments. Oculo also offers more extensive solutions for ophthalmologists to utilize the iCare HOME tonometer, which can support the growth of the home measurement market.

Oculo software platform network

Key benefits of the Oculo acquisition:

- Revenio takes a significant step towards software connected eye care, improving the productivity and quality of eye care
- Revenio gains access to ophthalmology related clinical communication, telehealth, remote patient monitoring and data capabilities
- Revenio further strengthens its position as one of the leading global players in ophthalmic diagnostic devices solutions

Asthma device Ventica and skin cancer device Cutica

Asthma device Ventica and skin cancer device Cutica were dropped from Revenio's 2021 strategy update, which means that the company is actively seeking ownership options for these products. Revenio's R&D investments will in future focus on iCare, which makes the entity clearer. Ventica and Cutica are a marginal part of Revenio's current market cap of over EUR 1.5 billion, so we only discuss them briefly. Those who are interested can read more about these devices in our previous extensive report.

Asthma device Ventica

Ventica is a portfolio expansion made by Revenio in 2015 into diagnosis of asthma in children. Ventica's idea is to introduce an accurate, easy-to-use and portable device which makes the screening, diagnosis and follow-up of asthma in infants and small children considerably easier. With Ventica, chronic obstructive pulmonary disease (COPD) is measured during the child's sleep by measuring the respiratory flow profile. Ventica is based on a wholly new concept, which cannot be directly compared with any existing measurement method.

Ventica's business model is based on device and disposable components sales. The measurement software and algorithm play a central role in the product. We believe the biggest R&D investments required by Ventica have been made. The technology and method have extensive patent protection until 2032–2033.

Clinical evidence is being built for Ventica with which a scientific base is being built for the product as well as sales arguments and reference values for how to interpret measuring results. The product received European sales permit or a CE marking in 2017 after which clinical tests have been expanded.

The speed and success of sales ramp-up will depend on how quickly the new concept will be adopted among doctors. Commercialization has progressed in Europe thanks to the CE marking. After this Ventica will probably move to the US market where registration is a heavier process. The company has to create its own market, which will make commercialization of the technology more challenging.

The closest comparison for Ventica is spirometry, which is generally used for measuring the functioning of the lung. There are plenty of devices in the market for the purpose. Spirometry, however, is not suitable for the measurement of young children or infants. The primary application area for the technology is small children where the clearest need for the product exists.

Asthma is the most common chronic disease in children. Approximately 335 million people around the world suffer from asthma. The disease typically begins in childhood, which creates the need for a product like Ventica. About 20% of children suffer from asthma symptoms, and 8% of children under school age suffer from asthma (source: Revenio/Ventica). Therefore, the market potential in Europe and in the US is tens of thousands of devices. Asthma is a global problem meaning that Ventica's market is also global.

At this development stage it is extremely hard to estimate and evaluate Ventica. Ventica has not, however, made any considerable development strides recently and we reiterate our previous estimate of the possible value: around EUR 18 million with a EUR 6-36 million range. The estimate can be clearly off but on Revenio's EUR 1.5 billion market Ventica's value is still only a rounding error.

Skin cancer device Cutica

In early 2015 Revenio expanded its portfolio by making a license agreement on developing hyper-spectral camera (HSC) technology for the diagnosis of skin cancer. The technology it uses has been developed by VTT, for which VTT grants licenses for various purposes. Revenio has licensed the technology for the diagnosis of skin cancer.

Cutica's idea is to bring a quick, easy-to-use and portable screening device to help detect skin cancers and their premalignant lesions to the market. The first commercial version of Cutica has been launched and the product is used for test measurements, but no regulatory approvals have been applied for yet.

The potential market of skin cancer devices is even markedly larger than that of iCare or Ventica. The market potential is increased by the fact that melanoma is a lethal disease and rapidly becoming more common.

Revenio made a EUR 1.9 million write-down in its Q3'20 interim report related to Cutica's capitalized product development costs due to weakened outlook of future return expectation. According to the company it will take longer than originally estimated to launch Cutica on the market, but validation of the product continues. We value Cutica at EUR 2 million which corresponds with the sum of previous development capitalization. Thus, Cutica's importance for Revenio is marginal.

Estimates 1/4

Tonometers

Growth estimates

We are using three parameters to forecast tonometer sales: basic device sales, HOME sales, and probe sales. Device sales are evaluated through the sales volume and average prices (the sales price to the distribution channel). Probe sales are estimated based on the size of the device base, loss and average probe consumption. The estimate model is based on a whole collected based on individual data reveled by the company, which is increasingly hard to maintain as the company's offering expands. So there are rough and uncertain assumptions in the background, which is why we are not publishing separate estimate models for the different businesses.

In our estimates we expect that the volume growth of iCare's conventional tonometer sales to be around 17% in 2021-2023 (CAGR %). Next to general market growth, device sales is driven by activating replacement device sales through IC100, IC200 sales and gaining market shares especially from air-puff. iCare technology will continue taking over market shares from older technologies and we believe this is the decade for RBT technology. Competing technologies suffered from the COVID pandemic, but Revenio's RBT technology ended up on the side of the winners. We expect the average price of devices (EUR 2,050) to remain stable over the next few years as the threat of price erosion is small due to patent protection.

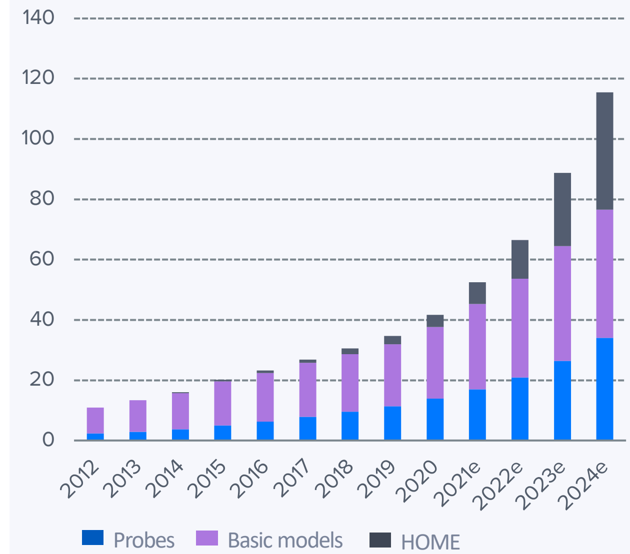
Currently the biggest uncertainty is related to the development of the Chinese market. Revenio has been seeking regulatory approval for its products for a long time in China, but the process has kept getting prolonged. China tends to protect the local market and try to strengthen the abilities of the country's own technologies, which means there is uncertainty connected with the approval process in our opinion. If Revenio does not get access to the Chinese market, there may be pressure in long-term growth estimates.

iCare's probe sales is a derivate of the growth of the device base. Probe sales has been growing faster than the device sales for a long time due to former device sales and increased use of the devices. Our estimate is that currently one device in the device portfolio utilizes an average of over 250 probes per year, which means that iCare's devices are used for 33 million measurements this year. We estimate that the average price of probes is a stable EUR 0.5 even though the company probably has the potential to move the focus of margins from devices to probes. We estimate that probe net sales growth will be around 24% in 2021-2023 (CAGR %), which is based on growth in the device portfolio, the impact of the growth in the HOME device portfolio, and probe use becoming more common. We partially also expect normal recovery after the COVID pandemic because during the pandemic the focus of health care naturally laid elsewhere.

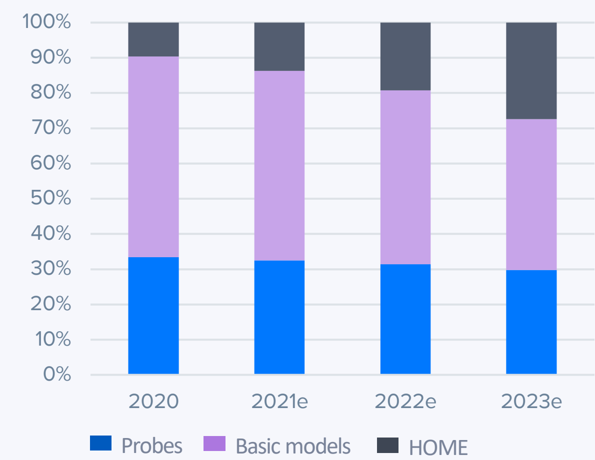
Home care devices

HOME is the most challenging part of iCare's forecasts, as it is difficult to estimate the speed of the ramp-up of a relatively new product and concept. So far, the net sales from the product has been relatively low (2020 estimate: EUR 4 million) but the interest the product has gained in the industry is encouraging, the need for home measuring is clear, and the new HOME 2 product can accelerate growth in coming years.

Tonometer net sales (EUR million)



Net sales distribution of tonometers (%)



Estimates 2/4

We estimate that HOME will sell some 4,500 devices this year and sales to grow clearly in 2022 to 8,000 devices when HOME 2 starts gaining foothold also in the US. In 2024, we estimate that the volume will rise to 24,000 devices which corresponds with EUR 39 million in net sales and one-third of iCare's sales. We estimate the average price of the device to be EUR 1,600. Our estimates and assumptions concerning HOME involve a lot of uncertainty and development has been slower than we have anticipated in recent years.

Key figures for tonometers

Based on the combination of device sales, HOME, and probe sales we estimate that iCare's net sales will grow by 25%, 27% and 33% in 2021-2023. Accelerated growth is based especially on HOME's strong growth and the effect of probe sales as we expect volume growth of basic devices to be 16% in 2023. In the forecast, iCare reaches a net sales of EUR 89 million in 2023, where the share of basic devices in 43% (estimate 2020: 57%), probes 30% (2020: 33%), and HOME 27% (2020: 10%). In tonometers the growth cape is again fitted on HOME.

iCare's profitability (EBIT %) has according to our estimates climbed close to 50% over the past few years. Thanks to the company's scalable business model we estimate that profitability will improve further in coming years but normalize to around 40-45% as the barrier to competition weakens after 2023. Profitability will, however, remain on an excellent level while the company produces abundant cash flow thanks to its business model that ties up only little capital.

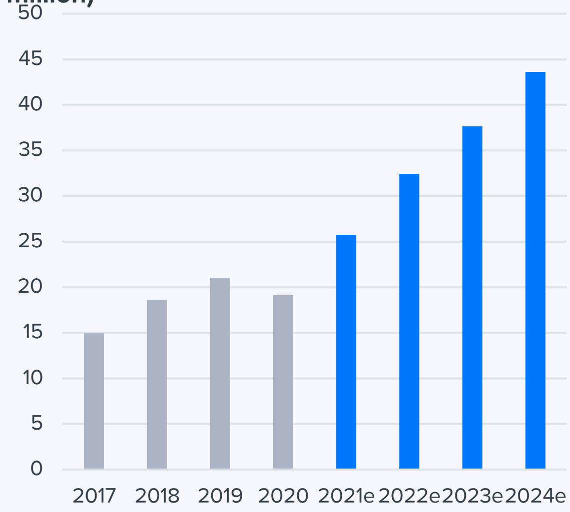
Imaging devices

Growth estimates

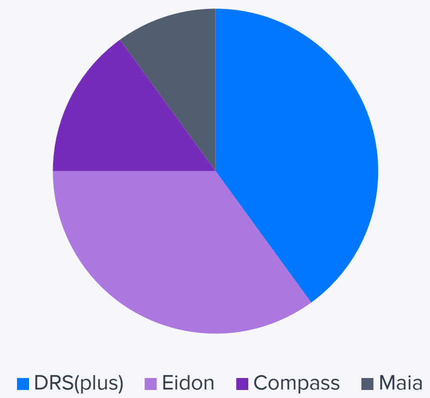
Revenio has not opened the net sales distribution of CenterVue's or Revenio's imaging devices in more detail, but we have tried to perceive the net sales distribution to different product families, products' sales volumes, and device portfolios. Based on these rough estimates we have also created an estimate model for imaging devices whose accuracy is still a mystery. We have had to make many different significant assumptions and even at best the model is only indicative.

We believe the main product in imaging devices especially based on sales volumes has historically been DRS and now the cash cow is the new generation DRSplus. We estimate that the price of new devices is around EUR 6,500-7,500 to distributors, and we estimate that they correspond with around 40% of imaging devices' net sales. We estimate that the gross margin of the DSRplus product is especially good when the customers also include the software package in their order (as much as 20% of the deal price). Currently the demand situation is excellent to our understanding and the outlook is also good. DRSplus offers a very attractive growth outlook for imaging devices in the next few years because currently it seems very competitive. This also supports the company's pricing power.

Net sales of imaging devices (estimate, EUR million)



Net sales distribution of imaging devices (estimate)



Estimates 3/4

The next most significant product family is EIDON, which we estimate brings 35% of imaging devices' net sales. We estimate that the average price of the products for distributors is around EUR 19,000 which makes volumes reasonable. We expect the sales of the EIDON product family to grow roughly in line with the general development of Revenio's imaging devices.

The remaining some 25% of imaging devices' net sales is to our understanding distributed relatively evenly between the COMPASS and MAIA products. COMPASS has not yet been able to break through clearly in its own product segment, but we believe both have significant potential. Considering its features, COMPASS is attractively priced, and we estimate the average price for distributors is also around EUR 19,000. MAIA represents the highest price class (EUR 40-50,000, possibly even 60,000) and the volumes are usually limited. For example, drug development companies could, however, make significant one-off orders in MAIA products and their size class could be significant for Revenio.

Profitable growth expected in imaging devices

Imaging devices is a very profitable and rapidly growing business which, however, suffered considerably from the COVID pandemic in 2020. This year, business growth will be exceptionally strong because pent-up demand is expected to dissolve and, in addition, the company's DRSplus has had an exceptional reception on the market. We find it possible that the demand for the product will be limited by capacity this year. We also estimate that with the support of Revenio and the iCare brand the imaging device business has clearly better chances of success than before.

In 2014-2018, CenterVue's net sales grew by an average of 26% p.a. In 2018, net sales was EUR 18.6 million and EBIT was EUR 3.9 million, which means a good profitability of 21%. This was the last year as an independent company before Revenio's acquisition. The company has not previously capitalized development costs and the company's renewed product portfolio is very competitive.

We estimate that imaging devices' (previous CenterVue) 2020 net sales was EUR 19.1 million, which was especially weakened by the COVID pandemic in early 2020. We estimate that profitability has remained good, and the gross margins of products have risen under Revenio's management. This year we expect the net sales of imaging devices to rise to around 35% and growth to be especially strong as the pent-up demand from the start of the year caused by COVID dissolves. In the next few years we estimate the net sales growth of imaging devices to be around 19% (2021-2024 CAGR %), which would mean clearly faster growth than the market growth, i.e. gaining market shares- At the end of the period the growth is around 16%.

We only estimate profitability at Group level, but we estimate the profitability of imaging devices is extremely good and gross margins (65-70%) are in the same ballpark with tonometers (around 75%). In terms of imaging devices, the estimates involve much more uncertainty than for tonometers due to weaker transparency.

Revenio Group

Growth estimates

By combining the net sales estimates of tonometers and imaging devices, as well as Oculo's net sales estimate we reach Revenio's Group level estimates. In 2021, we estimate that net sales will grow by 30% to EUR 79.3 million. Revenio's net sales growth in Q1 was 41% and currency adjusted as much as 44.5% but the rate is likely to slow down towards the end of the year as the comparison level improve. On the other hand, the Oculo acquisition will act as a small growth driver towards the end of the year. We expect Oculo's contribution to be EUR 0.9 million in 2021 where one should note that Oculo became part of Revenio Group starting from April 1, 2021.

In 2022, we estimate that net sales growth will remain at an excellent 29% level as all businesses are likely to continue growing strongly. After this, we expect the growth curve to stabilize a bit but still remain at a very high level, In 2023, we expect 28% growth and 26% growth still in 2024. At this stage growth expectations have shifted heavily to the HOME product family which still involves a lot of uncertainty. It is also important to monitor how Revenio progresses in China which could be a considerable growth opportunity for the company.

Estimates 4/4

Profitability and earnings estimates

The profitability of Revenio's business scales significantly which is why we expect the 2021 adjusted EBIT to rise to EUR 27.2 million (2020: EUR 19.2 million). This would mean an excellent around 34% EBIT margin (2020: 31.4%), adjusted for non-recurring items and PPA. According to our estimates, the biggest earnings growth comes from imaging where growth is strong, and profitability has improved. Our earnings estimate for the next few years rose by 4-5% in connection with our extensive report update especially due to gross margins and even better scalability of profitability than anticipated.

This is partly also affected by synergies from the CenterVue acquisition which Revenio expects as much as 5% synergy in procurement, manufacturing, and sales within 1-3 years. We do, however, find it possible that this year the synergies will slip to rising cost inflation that also plagues Revenio. We also expect Oculo's result to be clearly in red which dilutes the profitability of the device business.

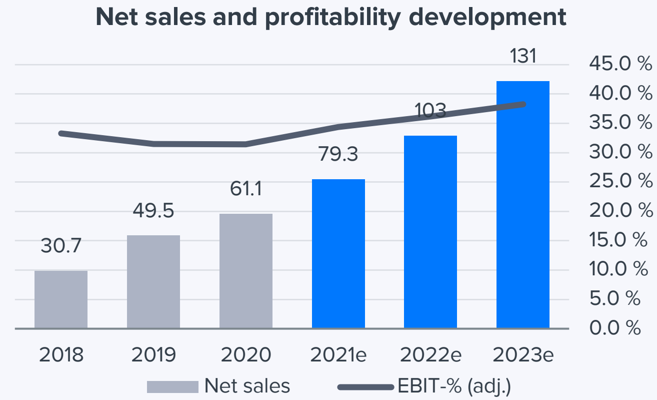
In the next few years we expect the EBIT margin adjusted for GWA to remain on a growth curve supported by high gross margins (65-80%) and strong net sales growth. Profitability scales despite us expecting considerable cost increases in our model. In 2022-2024 we expect the adjusted EBIT margin to be on average above 38%. Towards the end we also expect Oculo to support the company's earnings development and in 2024 Revenio's adjusted EBIT exceeds 40% in our model. After this we expect profitability to make a downturn and end up at 33% in 2030.

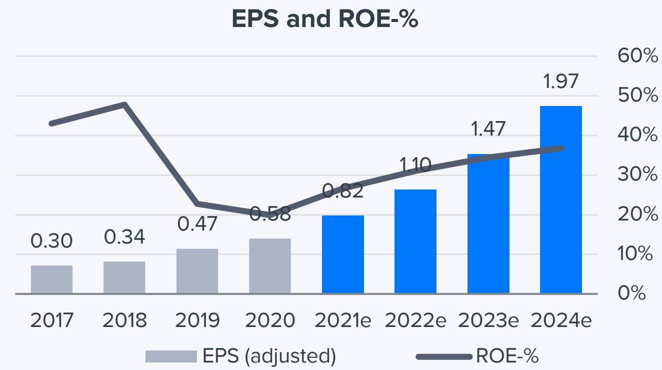
We expect Revenio's adjusted EPS to be EUR 0.82 this year (2020: EUR 0.58) and to rise further to EUR 1.10 in 2022. Our estimates correspond with whopping 42% and 33% earnings growths. In the 2020-2024e period we expect the adjusted EPS to grow by an average of 36% p.a. (CAGR %). Our long-term estimates for Revenio are also very challenging at the moment and we expect some 8% earnings growth also in 2025-2030e.

Balance sheet and cash flow

Revenio's balance sheet is very strong. The company's equity ratio at the end of Q1'21 was 60% and gearing was only 6.5%. The Oculo acquisition deal price of some EUR 11,7 million will disappear from the cash but there is still a lot of leeway. With the CenterVue acquisition the company generated some EUR 50 million goodwill in the balance sheet and some EUR 14 million in intangible assets, but the acquisition has been a success. The Oculo acquisition now generates new goodwill but in general Revenio's balance sheet is still clean. The company has not capitalized much development costs and the Cutica write-down showed that the balance sheet items are also critically inspected.

Revenio's cash flow has traditionally been comparable with the company's reported operating profit because the business only ties up a little capital and the investment needs (excl. acquisitions) are low. R&D investments are made constantly but these are capitalized to a limited degree. Thus, the business generates a lot of cash flow, which the management has been allocating excellently in the past.



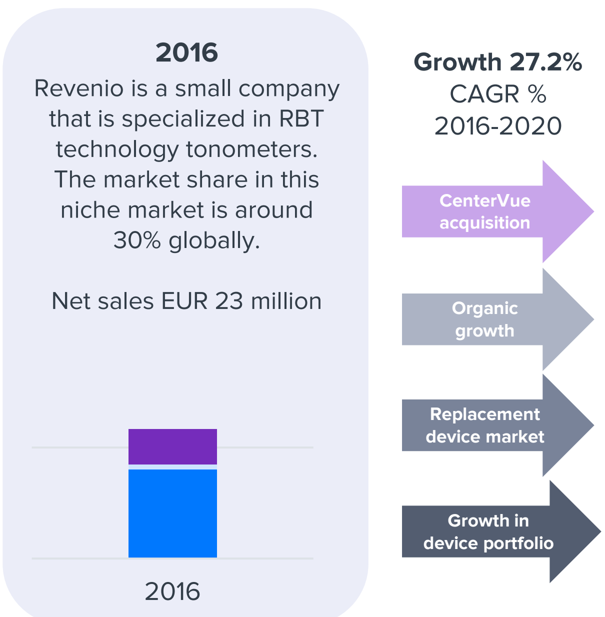


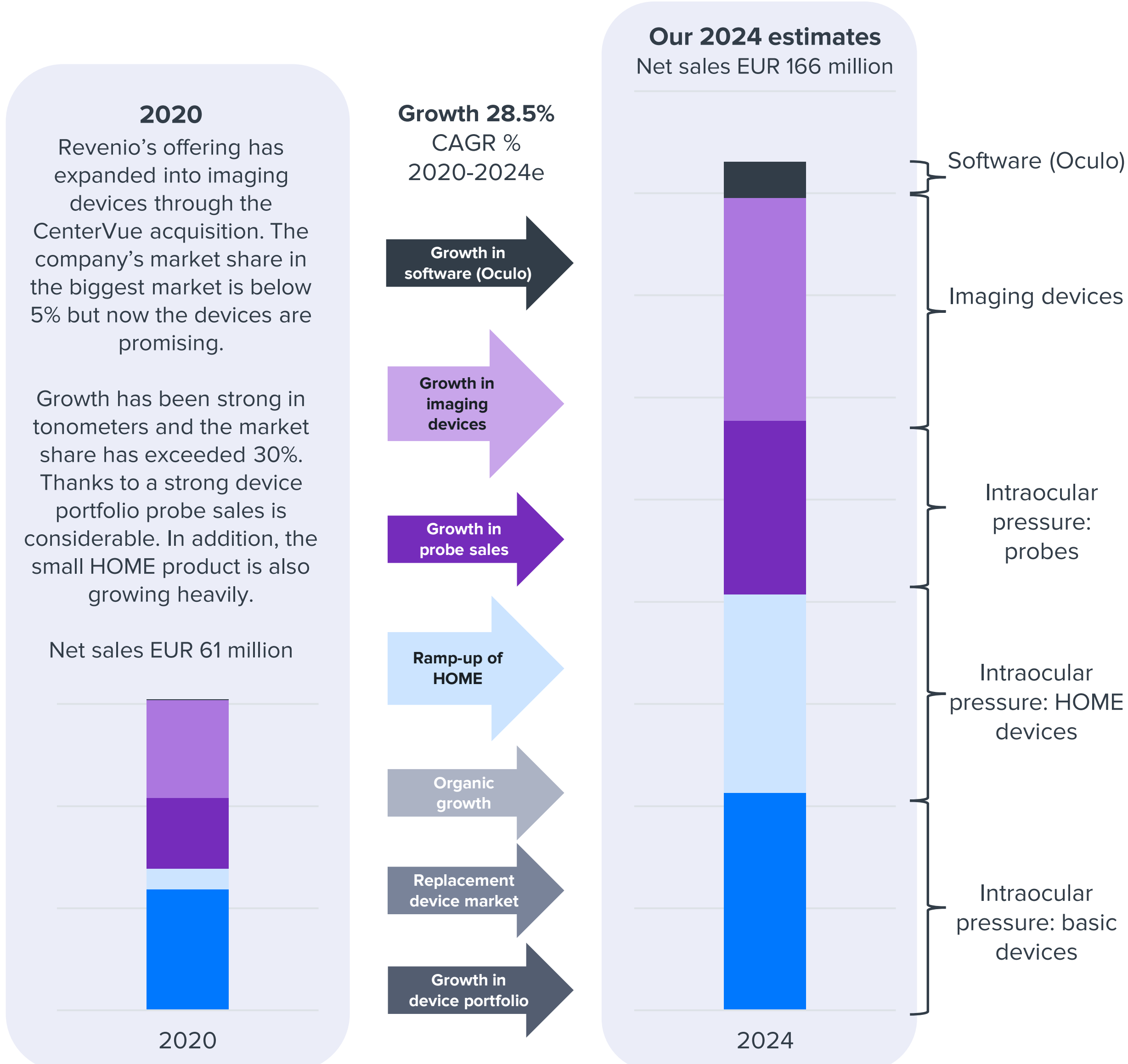
Growth drivers of Revenio's product areas and structural change

Growth drivers and structure transforming

Revenio has grown strongly in the past driven by iCare tonometers. In 2021, the company has several other growth drivers of which key are growth in imaging devices and the assumed shift in HOME to an acceleration phase.

In addition, the company has a new opportunity of scalable growth in the software business (Oculo). Growth in tonometers continues but the importance of probe sales will increase further as the device portfolio grows. Increased scale also supports the global business.





Source: Inderes Revenio has not reported detailed net sales distribution so historic data on various product areas are also Inderes' estimates.

Estimates and estimate revisions

Income statement	2018	2019	Q1'20	Q2'20	Q3'20	Q4'20	2020	Q1'21	Q2'21e	Q3'21e	Q4'21e	2021e	2022e	2023e	2024e
Revenue	**30.7**	**49.5**	**11.9**	**13.7**	**15.8**	**19.7**	**61.1**	**16.8**	**18.4**	**20.0**	**24.2**	**79.3**	**103**	**131**	**166**
Tonometers (estimate)	30.6	34.5	8.6	10.0	10.2	12.9	41.8	11.8	12.9	12.4	15.3	52.4	66.5	88.8	116
Imaging devices (estimate)	0.0	14.8	3.3	3.5	5.5	6.8	19.1	4.9	5.3	7.2	8.4	25.7	32.4	37.6	43.6
Oculo (estimate)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.3	0.4	0.9	3.0	5.0	7.0
Other products (estimate)	0.1	0.1	0.0	0.1	0.1	0.0	0.2	0.1	0.1	0.1	0.1	0.4	0.6	0.0	0.0
EBIT (Group)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	**10.7**	**14.6**	**3.0**	**4.1**	**6.2**	**8.3**	**21.7**	**5.3**	**6.2**	**7.6**	**9.1**	**28.2**	**38.6**	**51.8**	**69.1**
Depreciation	-0.5	-2.0	-0.6	-0.7	-2.6	-0.7	-4.6	-0.7	-0.7	-0.7	-0.7	-2.7	-2.7	-2.7	-3.1
EBIT (excl. NRI)	**10.2**	**15.6**	**2.7**	**3.7**	**5.8**	**6.9**	**19.2**	**5.5**	**5.8**	**7.2**	**8.7**	**27.2**	**37.1**	**50.3**	**67.3**
EBIT	**10.2**	**12.6**	**2.4**	**3.4**	**3.6**	**7.6**	**17.1**	**4.6**	**5.5**	**6.9**	**8.4**	**25.4**	**35.9**	**49.1**	**66.0**
Net financial items	0.1	-0.3	0.0	-0.1	0.0	-0.3	-0.4	0.1	-0.1	-0.1	-0.1	-0.1	-0.5	-0.4	-0.5
PTP	**10.3**	**12.3**	**2.4**	**3.3**	**3.6**	**7.3**	**16.7**	**4.7**	**5.5**	**6.9**	**8.4**	**25.4**	**35.5**	**48.7**	**65.5**
Taxes	-2.1	-2.9	-0.4	-0.8	-0.7	-1.5	-3.4	-1.0	-1.2	-1.4	-1.8	-5.3	-7.5	-10.7	-14.4
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	**8.1**	**9.4**	**2.0**	**2.6**	**2.9**	**5.9**	**13.3**	**3.7**	**4.3**	**5.4**	**6.6**	**20.1**	**28.0**	**38.0**	**51.1**
EPS (adj.)	**0.34**	**0.47**	**0.09**	**0.11**	**0.19**	**0.20**	**0.58**	**0.17**	**0.17**	**0.21**	**0.26**	**0.82**	**1.10**	**1.47**	**1.97**
EPS (rep.)	**0.34**	**0.36**	**0.07**	**0.10**	**0.11**	**0.22**	**0.50**	**0.14**	**0.16**	**0.20**	**0.25**	**0.756**	**1.05**	**1.43**	**1.92**

Key figures	2018	2019	Q1'20	Q2'20	Q3'20	Q4'20	2020	Q1'21	Q2'21e	Q3'21e	Q4'21e	2021e	2022e	2023e	2024e
Revenue growth-%	14.6 %	61.4 %	41.5 %	15.7 %	10.5 %	31.7 %	23.4 %	40.9 %	34.9 %	26.5 %	22.6 %	29.9 %	29.2 %	28.2 %	26.4 %
Adjusted EBIT growth-%		52.7 %	-4.0 %	38.1 %	18.4 %	35.0 %	23.2 %	102.2 %	56.4 %	24.2 %	25.4 %	41.9 %	36.2 %	35.5 %	34.0 %
EBITDA-%	35.0 %	29.5 %	25.4 %	30.3 %	39.2 %	42.3 %	35.5 %	31.5 %	33.8 %	37.9 %	37.6 %	35.5 %	37.7 %	39.5 %	41.6 %
Adjusted EBIT-%	33.3 %	31.5 %	22.9 %	27.4 %	36.7 %	35.2 %	31.4 %	32.8 %	31.7 %	36.0 %	36.0 %	34.3 %	36.2 %	38.3 %	40.5 %
Net earnings-%	26.6 %	18.9 %	16.7 %	18.8 %	18.4 %	29.9 %	21.9 %	22.3 %	23.6 %	27.1 %	27.3 %	25.3 %	27.3 %	28.9 %	30.8 %

Estimate revisions	2021e	2021e	Change	2022e	2022e	Change	2023e	2023e	Change
MEUR / EUR	**Old**	**New**	**%**	**Old**	**New**	**%**	**Old**	**New**	**%**
Revenue	79.3	79.3	0%	102	103	0%	132	131	-1%
EBITDA	28.4	28.2	-1%	37.0	38.6	4%	49.8	51.8	4%
EBIT (exc. NRIs)	27.5	27.2	-1%	35.5	37.1	4%	48.2	50.3	4%
EBIT	25.7	25.4	-1%	34.3	35.9	5%	47.0	49.1	4%
PTP	25.7	25.4	-1%	33.9	35.5	5%	46.7	48.7	4%
EPS (excl. NRIs)	0.83	0.82	-1%	1.04	1.10	6%	1.42	1.47	4%
DPS	0.40	0.40	0%	0.55	0.55	0%	0.65	0.65	0%

Source: Inderes

Valuation 1/3

Basis of valuation

Revenio is one of the biggest success stories on the Helsinki stock exchange of the past decade. As a result of the hugely successful strategy renewal, Revenio's market cap has risen from EUR 30 million in 2012 to over EUR 1.5 billion during the structural change. Historical earnings do naturally not ensure anything about the future but evidence of creating shareholder value is reflected in the acceptable valuation.

More relevant than the history is that Revenio has all preconditions to continue its excellent development also in future. iCare tonometers will continue growing strongly but other significant growth drivers have emerged. Imaging tools (previous CenterVue) play an increasingly large role, and the HOME product as well as software business offer longer term growth promises. Revenio's outlook is bright both in the medium and long term. We currently expect that the company's 2020-2024 earnings growth is as much as 35.7% (adjusted EPS, CAGR %) which is at least among the highest on the Helsinki stock exchange.

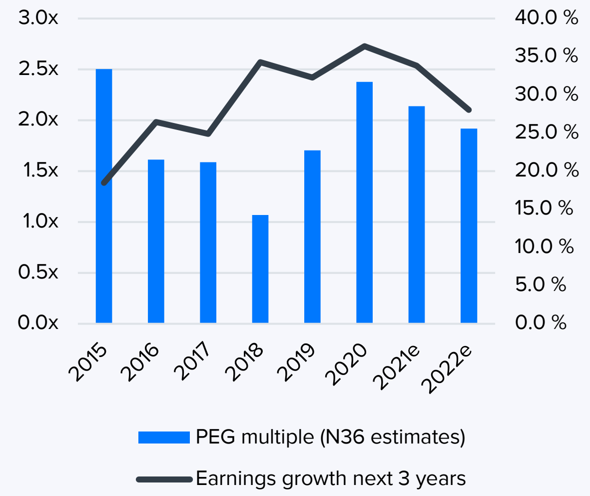
The valuation multiples must be proportioned to the company's exceptionally strong earnings growth that is expected to last so the importance of the PEG multiple is emphasized in the valuation next to more conventional multiples (P/E and EV/EBIT) and the cash flow model. We do not apply the previously relevant sum-of-parts calculation because Revenio is now a highly integrated company. The value partially lies in the more extensive overall offering and the change into a serious global player in the industry.

Next to extremely fast earnings growth the acceptable valuation is raised by an excellent track record in generating shareholder value, exceptionally good predictability, and a generally low risk profile. The biggest risks are related to the weakening RBT technology patent protection after 2023 and very high expectations, which is visible both in the earnings estimates and extremely high valuation levels. For investors, the biggest realistic risk would be a drop in earnings estimates which would also depress the share's acceptable valuation level. A rise in interest rates in the US is also a considerable risk which would in general depress the valuation of companies like Revenio.

Valuation relative to earnings growth

We value Revenio primarily based on the PEG multiple that is suitable for companies with very strong profitable growth. We apply the PEG multiple to the estimated earnings growth of the next three years, which gives a stabler result. We use the 2022-2024 estimates and 2021e P/E ratio to calculate the PEG multiple at this point. With this calculation method, Revenio's PEG multiple is now 2.1x. The outcome would be nearly the same, 2.2x, using only the 2022e EPS profitability estimate and the 2021e P/E ratio. We feel the level is reasonable relative to companies with similar investment profiles on the Helsinki stock exchange and if the earnings growth materializes Revenio's return expectation would still be quite good. We would like to point out that the companies in the table are not Revenio's peers in terms of business operations.

PEG with earnings growth estimated for the next 3 years and earnings growth estimate (%)



Source: Inderes Some of the figures are actual figures and some of the old figures are still estimates.

Company	Earnings growth*	P/E 2021e	PEG**
Revenio	33.8 %	72.2	2.1
Admicom	21.9 %	49.2	2.2
Remedy	23.7 %	50.5	2.1
Qt	51.5 %	110.3	2.1
Talenom	24.7 %	50.2	2.0
Harvia	12.0 %	29.6	2.5
Gofore	9.2 %	22.3	2.4
Group median	23.7 %	50.2	2.1

* Estimated EPS growth (2021-2024e, CAGR)
** PEG calculated using 2021-2024e earnings growth and 2021e P/E

Source Inderes, data collected on June 8, 2021. Figures are adjusted.

Valuation 2/3

Relative to the earnings growth speed Revenio's valuation still seems reasonable even though the 2021 P/E ratio is a whopping 72x and the historic level has typically been lower. There is no safety margin left for the investor, however. Investors carry a considerable risk related to very strong earnings growth estimates as Revenio's predictability also starts decreasing when looking further than three years ahead. The estimate risk is significant especially for the iCare HOME 2 product. Historically, Revenio has, however, mainly reached the expectations or exceeded them.

Conventionally valuation multiples are painfully high

Of the more conventional valuation multiples, more relevant for Revenio are P/E and especially EV/EBIT that also considers the company's strong balance sheet. For Revenio the focus of the market has already shifted to 2022 when the multiples are on a bearable level: P/E around 54x and EV/EBIT 42x. For a normal listed company, the multiples are outrageous, and they are also close to Revenio's tolerance level.

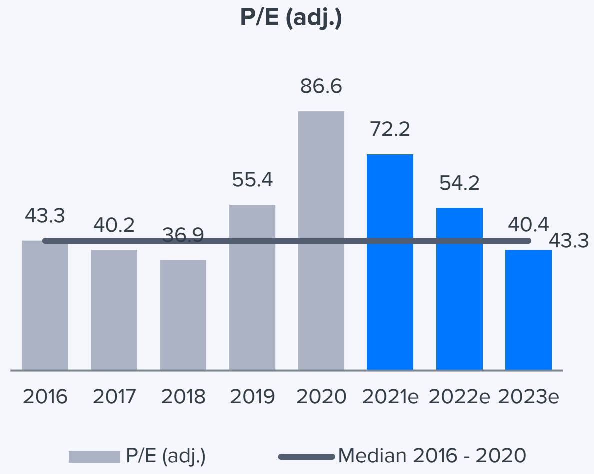
We do not see any upside in valuation multiples unless the company's earnings growth potential and profile changes significantly. By contrast, we find it likely that most of the strong earnings growth over the next few years will be spent trying to catch up with the stretched valuation. This development has already been seen in recent years especially as highly valued technology stocks in the US have dropped clearly despite very strong earnings development. The biggest reason for this is concerns of inflation which hits the more highly valued companies hardest, the majority of whose value is based on cash flows far in the future. Revenio definitely belongs to this group as in our cash flow model 77% of the value is formed in the terminal assumption.

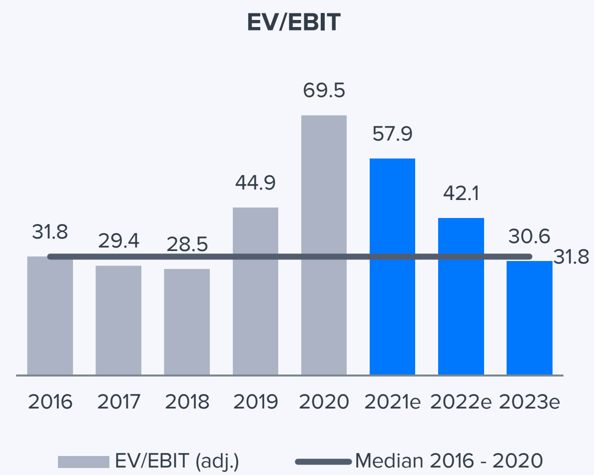
Peer group does not offer much support

Many of Revenio's competitors are listed but primarily they are part of a large group. Reichert owned by Ametek group and Keeler's Halam group are both listed companies that are large investment companies/conglomerates. Also in the Topcon group the business relative to Revenio is a relatively small share of the group. The best peer is Carl Zeiss Medtech that focuses on the same sector. Zeiss' business is, however, clearly more extensive than Revenio's and the size class is clearly bigger. Zeiss also stands out from the peer group due to its high valuation level: 2022e P/E 60x and EV/EBIT 41x (estimates: Refinitiv's consensus) that are in the same size class as Revenio.

An interesting name in the peer group is also the Danish Demant whose main owner is the same as Revenio's. William Demant Invest A/S owns 58% of Demant and 10.9% of Revenio. Otherwise the peer group consists of companies that are linked to the industry but are not actual peers. Cooper specializes in contact lenses and eye surgeries, and EssilorLuxottica is a giant in lenses, as well as eye and sunglasses. In addition, Medtronic is one of the largest companies in health care technology that also has solutions related to eye diseases (mainly other, however).

Conventional valuation multiples are high





Value determination 3/3

Ambu, in turn, is a small but growing health technology company specialized in endoscopy. The only thing it has in common with Revenio is in practice the investment profile. In addition, the Finnish Opotmed could possibly be a relevant peer for Revenio but at the moment the company is loss-making and no multiples that are relevant for Revenio are available. Optomed's net sales is also in a smaller size class. Revenio's peer group includes many interesting companies but truly only Carl Zeiss Medtech is a relatively good peer. Thus, the role of the peers is small in the valuation.

DCF calculation

Our DCF calculation gives Revenio's share a value of around EUR 66 with aggressive assumptions. The DCF value is driven especially by high assumptions of long-term growth and profitability and even if the visibility is exceptionally good for Revenio there is naturally a lot of uncertainty related to the estimates reaching past 10 years. The weight of the terminal period (77%) is very high and emphasizes the high expectations loaded into the share in the long term.

In the DCF valuation we have used 6.3% as the cost of equity and WACC is 6.0%. Both are very low but justifiable for Revenio in the current situation. At the valuation level in line with the target price investors must, however, accept a low return expectation as the return requirement is also low. Revenio's DCF model is susceptible to changes in key assumptions and, for example, using the still relatively low 7% WACC would depress the value indicated by DCF to around EUR 50. This depicts the sensitivity of the DCF model to changes in the return requirement as well as the risk carried by investors of acceptable valuation multiples dropping.

We have set the growth expectation of the terminal period to 2.5% and set the EBIT margin at 33% (2021e: 32.1%). For Revenio profitability is heavily scaled so that the profitability assumption in the terminal period is actually quite modest compared to the estimated net sales level. Still, for example, the competitive field can change considerably in ten years. Our entire DCF model is presented in the appendices.

Revenio belongs to the value creator category

Revenio has been one of the decades best value creators and it is likely that the company will continue on this path. For the company in the value creator's category the question in our opinion is 1) how long into the future investors are willing to price the company's earnings growth ("confidence level"), and 2) what is the investors' return requirement which ultimately defines the acceptable valuation level ("requirement level"). If we assume that Revenio's acceptable P/E ratio is around 40x after a period of strong earnings growth, we believe the next three years of Revenio's earnings growth is now priced in the share. After this, investors would receive the return expectation in line with earnings growth and dividends that naturally support the return during "the waiting period" to some extent. At the same time, investors carry a considerable risk that valuation multiples decrease at some point.

On the other hand, if the valuation multiples remain unchanged investors can still enjoy a value increase from very high earnings growth. Currently we find this unlikely and assume that valuation multiples normalize in the medium term but in the positive scenario the earnings growth level pertains. So far market potential does not place limitations on Revenio. The development of the valuation level is naturally also affected by the general valuation level of the stock market and, e.g., how sustainable zero interest levels are.

Summary

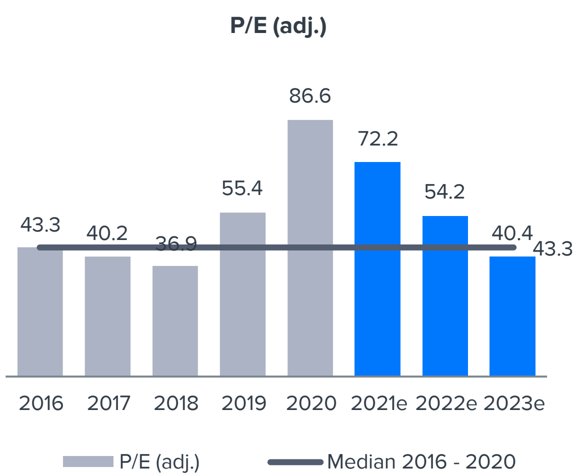
The valuation level of the share is very high with almost every indicator but justifiable with the extremely high earnings growth expectations. With the 2021 estimates, the current P/E ratio of a painful 72x becomes reasonable when it is proportioned to the expected earnings growth speed (EPS growth 34% 2021-2024e CAGR). Thus, the long-term PEG multiple is around 2.1x which is reasonable and offers a sufficient return expectation for the Accumulate recommendation.

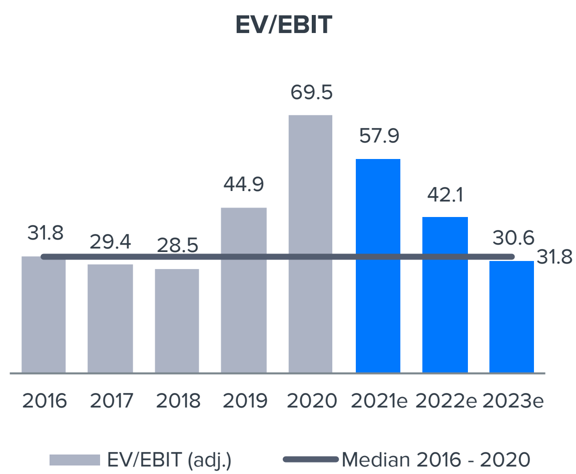
We believe the risk profile of Revenio's business is exceptionally low as the industry is defensive and the company's competitive advantages are unusually strong. The company will create a lot of shareholder value also in future. The biggest risks for investors are related to whether the company's earnings growth remain on the expected acceleration curve and whether the share's valuation level is sustainable also in future.

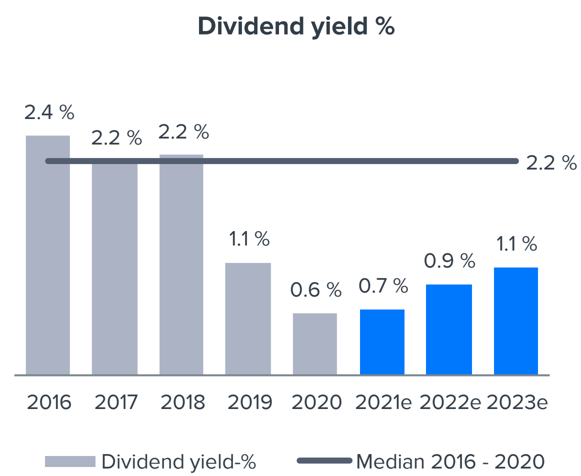
Valuation table

Valuation	2016	2017	2018	2019	2020	2021e	2022e	2023e	2024e
Share price	10.2	12.0	12.6	26.3	50.3	**59.5**	**59.5**	**59.5**	**59.5**
Number of shares, millions	23.9	23.9	23.9	26.0	26.6	**26.6**	**26.6**	**26.6**	**26.6**
Market cap	243	287	301	697	1337	**1581**	**1581**	**1581**	**1581**
EV	224	279	290	700	1335	**1578**	**1560**	**1537**	**1503**
P/E (adj.)	43.3	40.2	36.9	55.4	86.6	**72.2**	**54.2**	**40.4**	**30.2**
P/E	43.3	42.0	36.9	73.0	>100	**78.7**	**56.6**	**41.6**	**30.9**
P/FCF	52.7	39.8	36.0	neg.	>100	**>100**	**55.3**	**40.8**	**30.6**
P/B	15.4	18.0	16.6	10.8	19.2	**19.5**	**16.0**	**13.0**	**10.2**
P/S	10.4	10.7	9.8	14.1	21.9	**19.9**	**15.4**	**12.0**	**9.5**
EV/Sales	9.6	10.4	9.5	14.1	21.9	**19.9**	**15.2**	**11.7**	**9.0**
EV/EBITDA	29.0	27.4	27.1	47.9	61.5	**56.0**	**40.4**	**29.6**	**21.7**
EV/EBIT (adj.)	31.8	29.4	28.5	44.9	69.5	**57.9**	**42.1**	**30.6**	**22.3**
Payout ratio (%)	105.1 %	90.9 %	82.3 %	85.1 %	63.7 %	**52.9 %**	**52.3 %**	**45.5 %**	**65.0 %**
Dividend yield-%	2.4 %	2.2 %	2.2 %	1.1 %	0.6 %	**0.7 %**	**0.9 %**	**1.1 %**	**2.1 %**

Source: Inderes



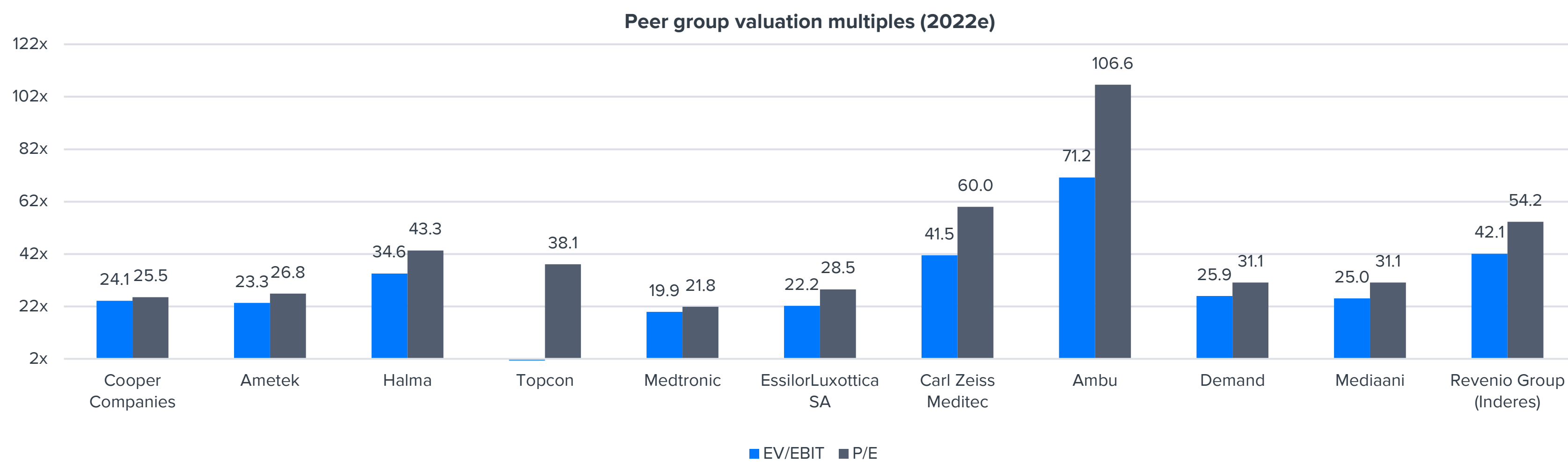




Peer group valuation

Peer group valuation	Share price	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%	
Company		MEUR	MEUR	2021e	2022e	2021e	2022e	2021e	2022e	2021e	2022e	2021e	2022e
Cooper Companies	372.11	15127	16466	26.9	24.1	20.8	18.6	7.0	6.6	28.1	25.5	0.0	0.0
Ametek	137.11	25894	26901	26.4	23.3	21.6	19.2	6.1	5.6	30.0	26.8	0.6	0.6
Halma	2677.00	11775	12141	38.1	34.6	32.0	29.3	7.9	7.4	47.9	43.3	0.6	0.7
Topcon	1852.00	1504	1755			19.5	12.3	1.8	1.6	204.6	38.1	0.3	1.0
Medtronic	121.74	137096	150015	25.8	19.9	22.6	18.0	6.1	5.5	28.6	21.8	1.8	1.9
EssilorLuxottica SA	146.96	63788	67456	24.7	22.2	16.5	15.0	3.8	3.5	33.1	28.5	1.4	1.7
Carl Zeiss Meditec	150.30	13390	13627	44.7	41.5	38.0	35.4	8.6	7.9	66.0	60.0	0.5	0.6
Ambu	235.30	6993	7068	107.9	71.2	74.7	52.6	12.7	10.4	173.0	106.6	0.2	0.3
Demand	348.60	11238	12325	28.9	25.9	22.0	20.4	5.1	4.7	35.8	31.1		
Optomed	12.90	181	179				169.8	11.5	10.0				
Revenio Group (Inderes)	**59.50**	**1581**	**1578**	**57.9**	**42.1**	**56.0**	**40.4**	**19.9**	**15.2**	**72.2**	**54.2**	**0.7**	**0.9**
Average				**40.4**	**32.8**	**29.7**	**39.1**	**7.1**	**6.3**	**71.9**	**42.4**	**0.7**	**0.9**
Median				**27.9**	**25.0**	**22.0**	**19.8**	**6.6**	**6.1**	**35.8**	**31.1**	**0.5**	**0.7**
Diff-% to median				***107%***	***68%***	***155%***	***104%***	***203%***	***150%***	***102%***	***74%***	***27%***	***40%***

Source: Thomson Reuters / Inderes NB! The market value used by Inderes does not take into consideration treasury shares.

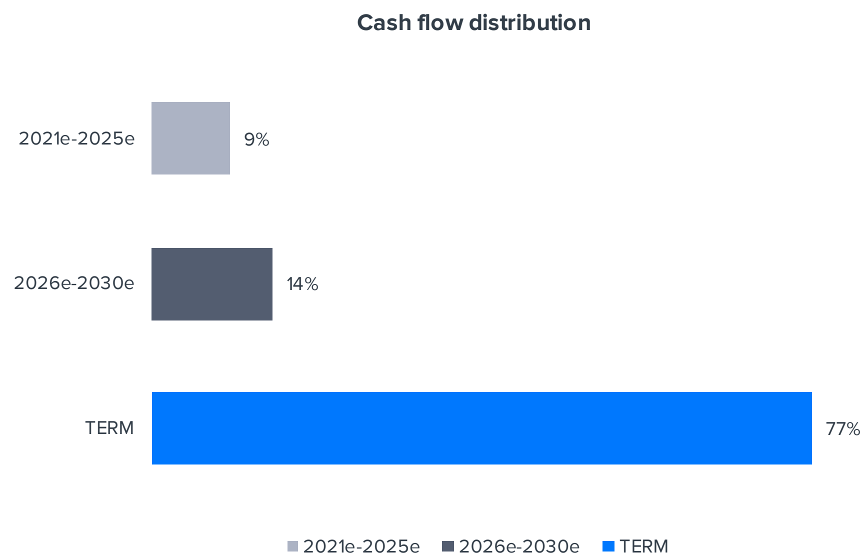


DCF calculation

DCF model	2020	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	TERM
EBIT (operating profit)	**17.1**	**25.4**	**35.9**	**49.1**	**66.0**	**79.0**	**89.3**	**97.4**	**99.5**	**104**	**104**	
+ Depreciation	4.6	2.7	2.7	2.7	3.1	3.2	3.4	3.6	3.8	4.0	4.1	
- Paid taxes	-3.8	-5.9	-7.7	-10.7	-14.4	-17.3	-19.5	-21.3	-21.8	-22.8	-22.7	
- Tax, financial expenses	-0.1	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	-2.1	0.7	-0.6	-0.3	-0.3	-0.4	-0.3	-0.3	-0.2	-0.2	-0.1	
Operating cash flow	**15.8**	**23.0**	**30.2**	**40.7**	**54.2**	**64.5**	**72.7**	**79.3**	**81.2**	**85.2**	**85.1**	
+ Change in other long-term liabilities	-0.1	-0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-2.5	-12.6	-1.6	-2.0	-2.5	-3.0	-3.8	-4.0	-4.0	-4.4	-3.9	
Free operating cash flow	**13.2**	**10.0**	**28.6**	**38.7**	**51.7**	**61.5**	**68.9**	**75.3**	**77.2**	**80.8**	**81.1**	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	13.2	10.0	28.6	38.7	51.7	61.5	68.9	75.3	77.2	80.8	81.1	2357
Discounted FCFF		**9.7**	**26.2**	**33.4**	**42.1**	**47.2**	**49.9**	**51.4**	**49.8**	**49.2**	**46.6**	**1353**
Sum of FCFF present value		1758	1749	1723	1689	1647	1600	1550	1498	1449	1400	1353
Enterprise value DCF		**1758**										
- Interesting bearing debt		-27.0										
+ Cash and cash equivalents		28.9										
-Minorities		0.0										
-Dividend/capital return		-8.5										
Equity value DCF		**1752**										
Equity value DCF per share		**65.9**										

Wacc	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E)	7.5 %
Cost of debt	3.0 %
Equity Beta	0.90
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.0 %
Cost of equity	**6.3 %**
Weighted average cost of capital (WACC)	**6.0 %**

Source: Inderes



Balance sheet

Assets	2019	2020	2021e	2022e	2023e
Non-current assets	**59.0**	**58.3**	**69.4**	**69.4**	**69.9**
Goodwill	50.4	50.4	60.4	60.4	60.4
Intangible assets	5.2	3.9	5.0	4.5	4.2
Tangible assets	1.8	2.0	2.0	2.6	3.3
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.8	1.0	1.0	1.0	1.0
Deferred tax assets	0.8	1.0	1.0	1.0	1.0
Current assets	**36.6**	**43.1**	**39.2**	**51.5**	**81.0**
Inventories	3.5	4.9	5.6	7.2	9.2
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	6.4	9.3	10.3	13.3	17.1
Cash and equivalents	26.7	28.9	23.3	31.0	54.8
Balance sheet total	**110**	**114**	**120**	**131**	**160**

Source: Inderes

Liabilities & equity	2019	2020	2021e	2022e	2023e
Equity	**64.3**	**69.7**	**81.3**	**98.6**	**122**
Share capital	5.3	5.3	5.3	5.3	5.3
Retained earnings	8.3	14.0	25.6	42.9	66.3
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	50.7	50.4	50.4	50.4	50.4
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	**30.3**	**27.0**	**18.6**	**13.4**	**13.4**
Deferred tax liabilities	4.1	3.9	3.3	3.1	3.1
Provisions	0.4	0.3	0.3	0.3	0.3
Long term debt	25.4	22.4	15.0	10.0	10.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.4	0.4	0.0	0.0	0.0
Current liabilities	**15.2**	**17.7**	**20.5**	**19.5**	**25.0**
Short term debt	4.3	4.6	5.0	0.0	0.0
Payables	10.9	13.1	15.5	19.5	25.0
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	**110**	**114**	**120**	**131**	**160**

Summary

Income statement	2018	2019	2020	2021e	2022e
Revenue	30.7	49.5	61.1	**79.3**	**102.5**
EBITDA	10.7	14.6	21.7	**28.2**	**38.6**
EBIT	10.2	12.6	17.1	**25.4**	**35.9**
PTP	10.3	12.3	16.7	**25.4**	**35.5**
Net Income	8.1	9.4	13.3	**20.1**	**28.0**
Extraordinary items	0.0	-3.0	-2.1	**-1.8**	**-1.2**

Balance sheet	2018	2019	2020	2021e	2022e
Balance sheet total	22.1	109.8	114.4	**120.4**	**131.5**
Equity capital	18.1	64.3	69.7	**81.3**	**98.6**
Goodwill	1.2	50.4	50.4	**60.4**	**60.4**
Net debt	-10.1	3.0	-1.9	**-3.3**	**-21.0**

Cash flow	2018	2019	2020	2021e	2022e
EBITDA	10.7	14.6	21.7	**28.2**	**38.6**
Change in working capital	1.0	2.3	-2.1	**0.7**	**-0.6**
Operating cash flow	10.2	17.5	15.8	**23.0**	**30.2**
CAPEX	-1.9	-68.0	-2.5	**-12.6**	**-1.6**
Free cash flow	8.3	-8.5	13.2	**10.0**	**28.6**

Per share data	2018	2019	2020	2021e	2022e
EPS (reported)	0.34	0.36	0.50	**0.76**	**1.05**
EPS (adj.)	0.34	0.47	0.58	**0.82**	**1.10**
OCF / share	0.43	0.67	0.59	**0.86**	**1.14**
FCF / share	0.35	-0.33	0.50	**0.38**	**1.08**
Book value / share	0.76	2.47	2.62	**3.06**	**3.71**
Dividend / share	0.28	0.30	0.32	**0.40**	**0.55**

Growth and profitability	2018	2019	2020	2021e	2022e
Revenue growth-%	15%	61%	23%	**30%**	**29%**
EBITDA growth-%	5%	36%	49%	**30%**	**37%**
EBIT (adj.) growth-%	7%	53%	23%	**42%**	**36%**
EPS (adj.) growth-%	14%	39%	23%	**42%**	**33%**
EBITDA-%	35.0 %	29.5 %	35.5 %	**35.5 %**	**37.7 %**
EBIT (adj.)-%	33.3 %	31.5 %	31.4 %	**34.3 %**	**36.2 %**
EBIT-%	33.3 %	25.5 %	28.0 %	**32.1 %**	**35.0 %**
ROE-%	47.8 %	22.7 %	19.9 %	**26.6 %**	**31.1 %**
ROI-%	58.8 %	22.4 %	17.9 %	**25.7 %**	**34.2 %**
Equity ratio	81.9 %	58.6 %	60.9 %	**67.5 %**	**75.0 %**
Gearing	-55.8 %	4.7 %	-2.7 %	**-4.1 %**	**-21.3 %**

Largest shareholders	% of shares
William Demant Invest	10.2 %
Capital Group	5.3 %
SEB rahastot	4.5 %
Lannebo rahastot	3.8 %
Keskinäinen Eläkevakuutusyhtiö Ilmarinen	2.5 %

Omistajatiedot: Holdins.se

Valuation multiples	2018	2019	2020	2021e	2022e
EV/S	9.5	14.1	21.9	**19.9**	**15.2**
EV/EBITDA (adj.)	27.1	47.9	61.5	**56.0**	**40.4**
EV/EBIT (adj.)	28.5	44.9	69.5	**57.9**	**42.1**
P/E (adj.)	36.9	55.4	86.6	**72.2**	**54.2**
P/E	16.6	10.8	19.2	**19.5**	**16.0**
Dividend-%	2.2 %	1.1 %	0.6 %	**0.7 %**	**0.9 %**

Source: Inderes

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Reduce — The 12-month risk-adjusted expected shareholder return of the share is weak

Sell — The 12-month risk-adjusted expected shareholder return of the share is very weak

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Recommendation history (>12 mo)

Date	Recommendation	Target price	Share price
18-09-17	Accumulate	12.33 €	11.58 €
26-10-17	Accumulate	12.67 €	11.89 €
16-02-18	Accumulate	13.33 €	12.07 €
23-04-18	Reduce	14.20 €	14.18 €
07-08-18	Reduce	15.80 €	16.48 €
26-10-18	Accumulate	14.50 €	13.76 €
15-02-19	Accumulate	16.50 €	15.46 €
16-04-19	Accumulate	21.00 €	18.80 €
26-04-19	Accumulate	21.00 €	19.10 €
16-08-19	Accumulate	21.00 €	19.40 €
02-10-19	Accumulate	21.00 €	19.22 €
25-10-19	Accumulate	24.50 €	23.20 €
26-11-19	Reduce	24.50 €	25.55 €
21-02-20	Accumulate	31.00 €	28.85 €
19-03-20	Buy	24.00 €	18.48 €
23-04-20	Accumulate	25.00 €	22.75 €
07-08-20	Reduce	34.00 €	33.50 €
23-10-20	Reduce	36.00 €	38.05 €
21-12-20	Reduce	44.00 €	48.65 €
12-02-21	Accumulate	60.00 €	53.00 €
26-04-21	Accumulate	65.00 €	59.20 €
Analyst change			
09-06-21	Accumulate	65.00 €	59.50 €

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