

# Revenio Group

## Company report

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This report is a summary translation of the report "Palaamme varovasti junan kyytiin" published on 10/22/2021 at 07:15 am

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# Cautiously re-boarding the train

We raise Revenio's recommendation to Accumulate (previously Reduce) but reduce our target price to EUR 58 (previously EUR 65) reflecting negative forecast changes. The forecasts were under pressure from weaker-than-expected short-term growth outlook of tonometers, and we had to take a breather with the expectations of the HOME2 product. Imaging devices retain their excellent outlook. Despite the decrease in share price, the valuation (2023e P/E 45x) is very high, but the multiples are gradually normalizing with strong earnings growth. Confidence in the company's value creation exceeds the concern about valuation risk, so we will return very cautiously to the company's growth story.

## Growth didn't meet our expectations, but the Q3 result was still strong

In Q3, Revenio's net sales increased by 22.7%, when sales for imaging devices such as DRSplus and EIDON Ultra-Widefield were very strong during the period. However, growth slowed down significantly in tonometers, which resulted in Revenio missing our 30% growth forecast. Q3 operating profit was EUR 5.9 million, which means that the operating profit margin was excellent 30.7% (30.0% forecast). The gross margin was almost 72%, reflecting the high share of the United States and software transactions. Otherwise, costs were under upward pressure driven by Oculo's growth investments, cost inflation and partial normalization of the cost structure after the pandemic. Earnings per share were EUR 0.175, compared to our forecast of EUR 0.18 and consensus of EUR 0.17. In other words, strong profitability compensated well for growth.

## Our growth forecasts for the next few years were too optimistic

Revenio's guidance remained unchanged, but the company indicated that the growth outlook for imaging devices is still strong and that, in turn, the comparison levels for tonometers will be very challenging in Q4. We decreased our 2021 estimates by about 5%, reflecting the Q3 figures and weaker-than-expected growth outlook. Furthermore, we decreased our growth forecasts for the next few years slightly more, because we have been too optimistic, especially in regard to the growth schedule for the HOME category. The prerequisites for a breakthrough exist and the product is in good condition with HOME2. However, a broader implementation may require further review of the business model. This will take time and will particularly weigh on the growth forecasts for next year, which will subsequently be visible in earnings forecasts. Therefore, we decreased our profit forecasts for 2022-2023 by about 10%, which is also reflected in the target price. We are very confident that strong performance growth will continue during the next few years. However, the growth rate is unclear and we now expect earnings per share to increase by about 29% in 2021-2024e (prev. 34%). The greatest uncertainty is related to the expected growth of HOME products, but also the development of Oculo remains a mystery in many respects.

## Not cheap by any measure, but we are cautiously re-boarding

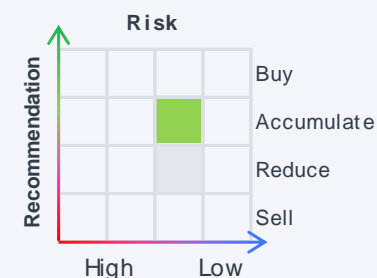
Revenio's share price has fallen well over 20% from its peak, bringing valuation and expectations down a step. The valuation remains very high by any measure, but for a strong value-creator this is expected. The 2022 multiples are very high (P/E about 60x and EV/EBIT 46x), but in regard to target price, the sights are already set on acceptable multiples of 2023 (P/E 45x and EV/EBIT 34x). If the very strong earnings growth we expect (EPS growth of about 29% 2021-2024e CAGR) is realized, we believe that investors' return expectations are good at the current level. The long-term PEG ratio is now about 2.3x (prev. update 2.5x), as we have moved a year forward in forecasts. At the present level, we are ready to bear the valuation risk in Revenio because we are confident that the company will be more valuable next year. However, the valuation requires a long-term approach and an owner's attitude.

## Recommendation

**Accumulate**  
(previous Reduce)

**EUR 58.00**  
(previous EUR 65.00)

**Share price:**  
55.40



## Key figures

	2020	2021e	2022e	2023e
<b>Net sales</b>	61	78	98	121
<b>growth %</b>	23%	27%	26%	24%
<b>EBIT adj.</b>	19.2	23.6	31.9	42.4
<b>EBIT % adj.</b>	31.4%	30.4%	32.7%	35.1%
<b>Net profit</b>	13.3	17.3	23.7	31.7
<b>EPS (adj.)</b>	0.58	0.71	0.93	1.23
<b>P/E (adj.)</b>	86.6	77.6	59.3	45.1
<b>P/B</b>	19.2	18.9	16.1	13.5
<b>Dividend yield %</b>	0.6%	0.7%	0.9%	1.1%
<b>EV/EBIT (adj.)</b>	69.5	62.6	46.0	34.1
<b>EV/EBITDA</b>	61.5	59.7	43.4	32.7
<b>EV/Sales</b>	21.9	19.0	15.0	12.0

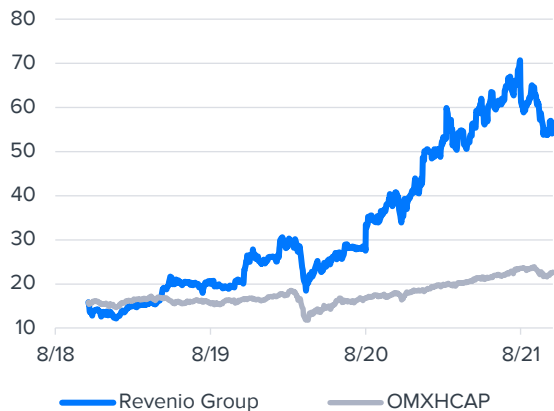
Source: Inderes

## Guidance

(Unchanged)

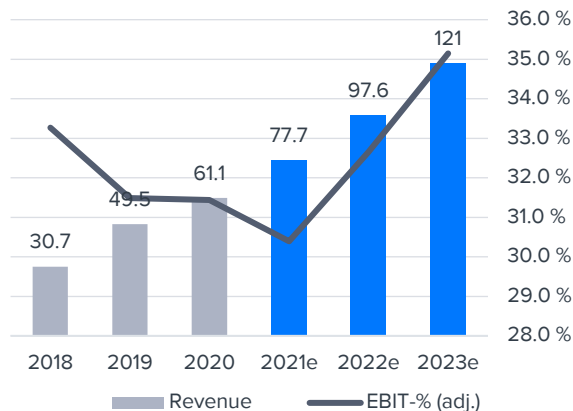
Revenio Group's exchange rate-adjusted net sales are estimated to grow very strongly from the previous year and profitability is to remain at a good level without non-recurring items. COVID-19 pandemic continues to cause uncertainty related to the markets.

### Share price



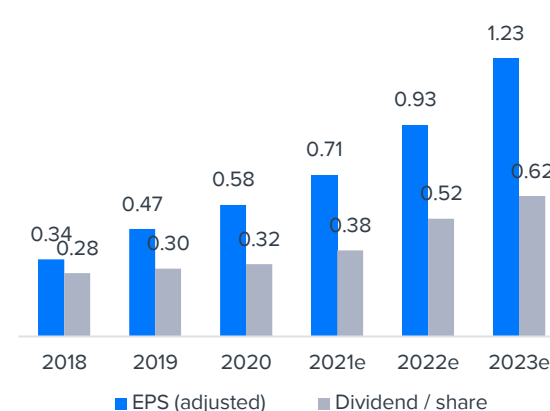
Source: Thomson Reuters

### Revenue and EBIT %



Source: Inderes

### EPS and dividend



Source: Inderes



### 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	2021e	2022e	2023e
Share price	55.4	55.4	55.4
Number of shares, millions	26.7	26.7	26.7
Market cap	1478	1478	1478
EV	1479	1465	1447
P/E (adj.)	77.6	59.3	45.1
P/E	85.6	62.3	46.6
P/FCF	>100	61.4	45.0
P/B	18.9	16.1	13.5
P/S	19.0	15.2	12.2
EV/Sales	19.0	15.0	12.0
EV/EBITDA	59.7	43.4	32.7
EV/EBIT (adj.)	62.6	46.0	34.1
Payout ratio (%)	58.7 %	58.5 %	52.2 %
Dividend yield-%	0.7 %	0.9 %	1.1 %

Source: Inderes

# Strong result was a little short of our expectations

## Strong growth in imaging devices

In Q3, Revenio's net sales were EUR 19.4 million, increasing by 22.7% from a reasonable comparison period. To our understanding, growth was at an excellent level of 40-50% in imaging devices but slowed significantly in tonometers (growth of 0-5%). We had forecast strong growth also in tonometers and generally a growth rate of almost 30%. Thus, net sales clearly missed our forecasts. However, it came close to consensus (EUR 19.6 million).

According to Revenio, strong business development came particularly from very strong imaging device sales in Europe and North America. For sales mix, sales are particularly profitable in North America, where the company operates through its own sales organization, thereby saving in distributor margins. Demand was particularly strong for the iCare DRSpplus launched last year and the iCare EIDON Ultra-Widefield fundus imaging device launched earlier this year. It seems that good growth drivers have formed for Revenio for the future as well.

Tonometers' growth outlook is weighed down by a clear normalization of demand after the very strong

phase of 2020. As the number of devices in use grew significantly last year, it's our understanding that the sales of probes have increased significantly. Therefore, we believe that the weak growth in tonometers indicates that new device sales haven't in practice increased, although they have remained at a good level.

## Commendable profitability

In Q3, operating result was EUR 5.9 million, compared to EUR 6.1 million in our forecast. Profitability was still excellent in Q3, and the operating profit margin was commendable at 30.7% (30.0% forecast). In Q3, gross margin was almost 72%, which is a very good level for the company and reflects the high share of the United States and software transactions. Otherwise, costs were under upward pressure driven by Oculo's growth investments, cost inflation and partial normalization of the cost structure after the pandemic. The component shortage or increase in logistics costs didn't have a significant impact on the result, but the pressure from these is increasing.

From the comparison period (Q3'20: 3.6 MEUR) the

improvement was strong, but skin cancer camera Cutica's write-down of 1.9 MEUR weakened the operating profit of the comparison period significantly. Comparable operating result was EUR 5.6 million, from which the improvement was moderate and clearly below net sales growth. Earnings per share were EUR 0.175, compared to our forecast of EUR 0.18 and consensus of EUR 0.17.

## Cash flow at a good level despite growth in working capital

In Q3, Revenio's operational cash flow was EUR 5.8 million (Q3'20 EUR 6.5 million). The cash flow is weighed down by Oculo's development costs and changes in working capital. Although normally the increase in working capital and, for example, inventories is negative, due to weak component availability, we feel that in the current situation it's positive that Revenio has reacted in time. EUR 1.9 million of working capital has been committed during H1, but the increase in inventories could've been higher (+0.9 MEUR). In any case, Revenio's financial situation is very good.

Estimates MEUR / EUR	Q3'20	Q3'21	Q3'21e	Q3'21e	Consensus		Difference (%)	2021e
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. Inderes	Inderes
Revenue	15.8	19.4	20.4	19.6	19.3	20.4	-5%	77.7
EBIT (adj.)	5.8	6.2	6.4	5.9	5.1	6.7	-3%	23.6
EBIT	3.6	5.9	6.1	5.8	5.1	6.7	-3%	21.8
EPS (reported)	0.11	0.18	0.18	0.17	0.15	0.20	-3%	0.65
Revenue growth-%	10.3 %	22.7 %	29.6 %	24.5 %	22.4 %	29.3 %	-6.9 pp	27.3 %
EBIT-%	22.8 %	30.7 %	30.0 %	29.5 %	26.4 %	32.8 %	0.7 pp	28.1 %

Source: Inderes & Infront (consensus)

# Our growth forecasts were too optimistic

## Outlook for 2021 remain unchanged

Revenio reviewed its guidance before its Q2 report, and no changes have been made since then. The company estimated that its exchange rate-adjusted net sales will grow “very strongly” from the previous year and profitability will remain “at a good level” without non-recurring items. The reiteration of the guidance was expected, but our previous interpretation of “very strong” growth was likely too high. We also estimate that the current 27-28% growth would fit well into the “very strong” category, given the company’s historic growth. However, because of the guidance, we haven’t made any changes in the forecasts.

We decreased our 2021 estimates slightly, reflecting the Q3 figures and weaker-than-expected growth outlook of tonometers. The company emphasized the very challenging Q4 comparison level in its earnings call and indicated that from this level growth will be significantly more moderate than H1. It’s important to note that Revenio’s Q4’20 result included a non-recurring item of EUR +1 million related to not paying the additional purchase price of CenterVue deal. Thus, comparable operating profit of Q4’20 is closer to EUR 6.6 million than the

reported EUR 7.6 million. However, the changes to our Q4 forecasts were moderate.

## Next year's growth forecasts decreased

We have revised the growth forecasts for next year downward, because we have been too optimistic, especially in regard to the growth schedule for the HOME category. Even if Revenio would receive FDA approval for the HOME2 product in Q1’22, we estimate that even in a positive scenario, the ramp-up would require longer than we had previously anticipated. The prerequisites for a breakthrough exist and the product is in good condition with HOME2. However, a broader implementation may require further review of the business model. This will take time and will particularly weigh on the growth forecasts for H1, which will be visible in earnings forecasts.

However, we remain confident that in imaging devices, Revenio will continue to grow very strongly and keep winning market shares in the future too. The main reason for this is the highly competitive product range and new star products (DRS+ and EIDON Ultra Widefield). In terms of profitability, we aren’t particularly concerned, but greater uncertainty

is related to growth forecasts. The fact that we are expecting significant price increases next year along with cost pressures also contributes to this dynamic.

## Earnings growth rate estimate adjusted down

Revenio's historic earnings growth story and strong earnings growth will continue in the next few years. However, the growth rate is unclear and after decreasing the growth forecasts our estimate is that earnings per share increase by about 29% in 2021-2024e (prev. 34%). Our previous forecast would’ve required a super-performance and our current forecasts also require excellent successes. Like before, the greatest uncertainty is related to the expected growth of HOME products, but also the development of Oculo remains a mystery in many respects.

In contrast, we are confident that Revenio will win the market shares in tonometers and especially in imaging devices. In addition, probe sales are inherently improving in a “belated” manner with the number of devices in use growing, so the groundwork for some growth has already been made. This will also provide significant support in the next few years.

Estimate revisions	2021e	2021e	Change	2022e	2022e	Change	2023e	2023e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	80.1	77.7	-3%	103	97.6	-6%	132	121	-9%
EBITDA	25.7	24.8	-3%	36.4	33.7	-7%	49.8	44.2	-11%
EBIT (exc. NRIs)	24.7	23.6	-5%	34.9	31.9	-9%	47.9	42.4	-11%
EBIT	22.9	21.8	-5%	33.7	30.7	-9%	46.7	41.4	-11%
PTP	22.8	21.7	-5%	33.1	30.1	-9%	46.0	40.7	-12%
EPS (excl. NRIs)	0.75	0.71	-4%	1.02	0.93	-9%	1.39	1.23	-12%
DPS	0.40	0.38	-5%	0.55	0.52	-5%	0.65	0.62	-5%

# Valuation just barely acceptable

## Traditional multiples decrease with earnings growth

Revenio's share price has fallen well over 20% from its peak, which has been reflected in the valuation despite the forecast changes. The valuation remains very high by any measure, but for a Helsinki Stock Exchange superstar and a strong value-creator this is expected. At the present level, we are ready to bear the valuation risk in Revenio because we are confident that the company will be more valuable next year. However, the risk/return ratio is still far from optimal.

Regarding valuation, 2021 is becoming history and the eyes are set on 2022 and in setting the target price to 2023. The multiples for 2022 are very high (P/E about 60x and EV/EBIT 46x), but for Revenio we will already rely on 2023. Then P/E is already reasonable 45x and EV/EBIT is in the ballpark of 34x. This is reasonable for a rapidly growing quality company, but much earnings growth will be required before then. If the earnings growth we expect (EPS growth of about 29% 2021-2024e CAGR) is realized, we believe that investors' return expectations are good at the current level. Even high multiples will decrease when strong earnings growth is accumulated, but this will require a long-term approach and an owner's attitude from investors.

## Valuation relative to earnings growth

We value Revenio partly 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 2023-2025 estimates and 2022e P/E ratio to calculate the PEG multiple, when the turn of the year is approaching. With this calculation method, Revenio's PEG multiple is now 2.3x, whereas in the previous update the multiple was 2.5x with the figures of last year. This

multiple is still high, but forecasts are now at least slightly more moderate and support from traditional multiples is stronger.

We feel the current valuation is bearable considering the excellent track-record, strong structural long-term growth drivers, and the company's deep moats (patents, brand, typically slow-moving industry, and high threshold for entering the industry). The risk level of the business is moderate due to the defensiveness of the industry and the company's strong competitive advantages. We also see as positive that Demant, the largest owner of the company, has increased its holding (12.3%) in the company, providing a certain backrest for the valuation. Investors still carry a considerable risk related to strong earnings growth estimates and high valuation multiples as Revenio's predictability also decreases when looking further than three years ahead. The estimate risk is significant especially for the iCare HOME 2 product.

## DCF calculation

Our DCF calculation gives Revenio's share a value of around EUR 61 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 (79%) is very high and emphasizes the high expectations loaded into the share in the long term.

In the DCF valuation we have used 6.4% as the cost of equity and WACC is 6.1%. Both are very low but justifiable for Revenio. At the current valuation level investors must, however, accept a very moderate return expectation as the return requirement is also low.

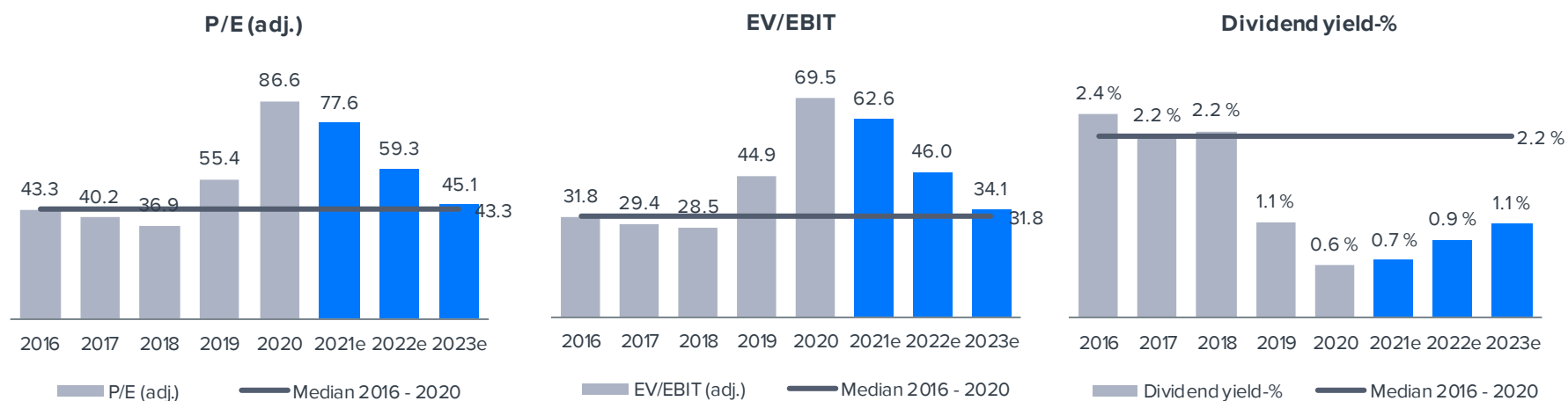
Valuation	2021e	2022e	2023e
Share price	55.4	55.4	55.4
Number of shares, million:	26.7	26.7	26.7
Market cap	1478	1478	1478
EV	1479	1465	1447
P/E (adj.)	77.6	59.3	45.1
P/E	85.6	62.3	46.6
P/FCF	>100	61.4	45.0
P/B	18.9	16.1	13.5
P/S	19.0	15.2	12.2
EV/Sales	19.0	15.0	12.0
EV/EBITDA	59.7	43.4	32.7
EV/EBIT (adj.)	62.6	46.0	34.1
Payout ratio (%)	58.7 %	58.5 %	52.2 %
Dividend yield-%	0.7 %	0.9 %	1.1 %

Source: Inderes

# Valuation table

Valuation	2016	2017	2018	2019	2020	2021e	2022e	2023e	2024e
Share price	10.2	12.0	12.6	26.3	50.3	55.4	55.4	55.4	55.4
Number of shares, millions	23.9	23.9	23.9	26.0	26.6	26.7	26.7	26.7	26.7
Market cap	243	287	301	697	1337	1478	1478	1478	1478
EV	224	279	290	700	1335	1479	1465	1447	1422
P/E (adj.)	43.3	40.2	36.9	55.4	86.6	77.6	59.3	45.1	35.9
P/E	43.3	42.0	36.9	73.0	>100	85.6	62.3	46.6	37.1
P/FCF	52.7	39.8	36.0	neg.	>100	>100	61.4	45.0	34.8
P/B	15.4	18.0	16.6	10.8	19.2	18.9	16.1	13.5	11.1
P/S	10.4	10.7	9.8	14.1	21.9	19.0	15.2	12.2	9.9
EV/Sales	9.6	10.4	9.5	14.1	21.9	19.0	15.0	12.0	9.6
EV/EBITDA	29.0	27.4	27.1	47.9	61.5	59.7	43.4	32.7	25.7
EV/EBIT (adj.)	31.8	29.4	28.5	44.9	69.5	62.6	46.0	34.1	26.6
Payout ratio (%)	105.1 %	90.9 %	82.3 %	85.1 %	63.7 %	58.7 %	58.5 %	52.2 %	60.0 %
Dividend yield-%	2.4 %	2.2 %	2.2 %	1.1 %	0.6 %	0.7 %	0.9 %	1.1 %	1.6 %

Source: Inderes



# Peer group valuation

Peer group valuation Company	Share price	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%	
				2021e	2022e	2021e	2022e	2021e	2022e	2021e	2022e	2021e	2022e
Revenio (consensus)	55.40	1501	1516	71.1	53.0	62.5	48.7	19.5	16.3	88.0	67.1	0.6	0.7
Cooper Companies	410.50	17378	18673	30.4	26.9	22.2	20.5	7.5	7.0	30.8	28.0	0.0	0.0
Ametek	129.34	25859	28067	25.8	23.0	21.0	18.8	6.0	5.5	28.0	25.1	0.6	0.6
Halma	2956.00	13029	13361	41.1	36.7	34.5	30.9	8.5	7.6	50.8	47.0	0.6	0.6
Topcon	1948.00	1583	1794			19.9	11.5	1.8	1.5	215.2	30.5	0.3	1.0
Medtronic	121.63	140704	154050	25.3	19.6	22.2	17.7	6.0	5.4	28.1	21.3	1.9	2.0
EssilorLuxottica SA	169.70	74517	77135	24.9	22.6	17.3	14.7	4.1	3.6	35.5	29.5	1.5	1.6
Carl Zeiss Meditec	170.05	15004	15236	40.5	39.9	35.3	34.6	9.3	8.5	60.0	57.4	0.5	0.6
Ambu	186.20	5529	5623	102.3	71.7	67.9	49.6	10.3	8.5	160.2	103.1	0.2	0.3
Demand	304.90	9685	10984	24.8	22.7	18.9	17.4	4.4	4.1	29.5	26.1		
Optomed	10.20	145	145					9.6	8.2				
<b>Revenio Group (Inderes)</b>	<b>55.40</b>	<b>1478</b>	<b>1479</b>	<b>62.6</b>	<b>46.0</b>	<b>59.7</b>	<b>43.4</b>	<b>19.0</b>	<b>15.0</b>	<b>77.6</b>	<b>59.3</b>	<b>0.7</b>	<b>0.9</b>
<b>Average</b>				<b>42.9</b>	<b>35.1</b>	<b>32.2</b>	<b>26.4</b>	<b>7.9</b>	<b>6.9</b>	<b>72.6</b>	<b>43.5</b>	<b>0.7</b>	<b>0.8</b>
<b>Median</b>				<b>30.4</b>	<b>26.9</b>	<b>22.2</b>	<b>19.6</b>	<b>7.5</b>	<b>7.0</b>	<b>43.1</b>	<b>30.0</b>	<b>0.6</b>	<b>0.6</b>
<b>Diff-% to median</b>				<b>106%</b>	<b>71%</b>	<b>169%</b>	<b>121%</b>	<b>155%</b>	<b>114%</b>	<b>80%</b>	<b>98%</b>	<b>16%</b>	<b>45%</b>

Source: Thomson Reuters / Inderes. NB: The market cap Inderes uses does not consider own shares held by the company.



# Income statement

Income statement	2018	2019	Q1'20	Q2'20	Q3'20	Q4'20	2020	Q1'21	Q2'21	Q3'21	Q4'21e	2021e	2022e	2023e	2024e
<b>Revenue</b>	<b>30.7</b>	<b>49.5</b>	<b>11.9</b>	<b>13.7</b>	<b>15.8</b>	<b>19.7</b>	<b>61.1</b>	<b>16.7</b>	<b>18.9</b>	<b>19.4</b>	<b>22.7</b>	<b>77.7</b>	<b>97.6</b>	<b>121</b>	<b>149</b>
Tonometers (estimate)	30.6	34.5	8.6	10.1	10.2	12.9	41.8	11.8	13.0	10.8	13.7	49.2	59.8	76.2	95.7
Imaging devices (estimate)	0.0	14.8	3.3	3.5	5.5	6.8	19.1	4.9	5.5	8.2	8.5	27.1	34.1	39.6	45.9
Oculo (estimate)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.3	0.4	1.0	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	0.2	0.1	0.4	0.6	0.0	0.0
<b>EBITDA</b>	<b>10.7</b>	<b>14.6</b>	<b>3.0</b>	<b>4.1</b>	<b>6.2</b>	<b>8.3</b>	<b>21.7</b>	<b>5.3</b>	<b>5.1</b>	<b>6.8</b>	<b>7.6</b>	<b>24.8</b>	<b>33.7</b>	<b>44.2</b>	<b>55.3</b>
Depreciation	-0.5	-2.0	-0.6	-0.7	-2.6	-0.7	-4.6	-0.7	-0.7	-0.8	-0.8	-3.0	-3.1	-2.9	-3.3
<b>EBIT (excl. NRI)</b>	<b>10.2</b>	<b>15.6</b>	<b>2.7</b>	<b>3.7</b>	<b>5.8</b>	<b>6.9</b>	<b>19.2</b>	<b>5.5</b>	<b>4.7</b>	<b>6.2</b>	<b>7.2</b>	<b>23.6</b>	<b>31.9</b>	<b>42.4</b>	<b>53.4</b>
<b>EBIT</b>	<b>10.2</b>	<b>12.6</b>	<b>2.4</b>	<b>3.4</b>	<b>3.6</b>	<b>7.6</b>	<b>17.1</b>	<b>4.6</b>	<b>4.4</b>	<b>5.9</b>	<b>6.9</b>	<b>21.8</b>	<b>30.7</b>	<b>41.4</b>	<b>52.0</b>
Net financial items	0.1	-0.3	0.0	-0.1	0.0	-0.3	-0.4	0.1	-0.1	0.0	-0.1	-0.1	-0.5	-0.7	-0.9
<b>PTP</b>	<b>10.3</b>	<b>12.3</b>	<b>2.4</b>	<b>3.3</b>	<b>3.6</b>	<b>7.3</b>	<b>16.7</b>	<b>4.7</b>	<b>4.3</b>	<b>5.9</b>	<b>6.8</b>	<b>21.7</b>	<b>30.1</b>	<b>40.7</b>	<b>51.1</b>
Taxes	-2.1	-2.9	-0.4	-0.8	-0.7	-1.5	-3.4	-1.0	-0.9	-1.2	-1.4	-4.5	-6.4	-8.9	-11.2
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
<b>Net earnings</b>	<b>8.1</b>	<b>9.4</b>	<b>2.0</b>	<b>2.6</b>	<b>2.9</b>	<b>5.9</b>	<b>13.3</b>	<b>3.7</b>	<b>3.4</b>	<b>4.7</b>	<b>5.4</b>	<b>17.3</b>	<b>23.7</b>	<b>31.7</b>	<b>39.9</b>
<b>EPS (adj.)</b>	<b>0.34</b>	<b>0.47</b>	<b>0.09</b>	<b>0.11</b>	<b>0.19</b>	<b>0.20</b>	<b>0.58</b>	<b>0.17</b>	<b>0.14</b>	<b>0.19</b>	<b>0.21</b>	<b>0.71</b>	<b>0.93</b>	<b>1.23</b>	<b>1.54</b>
<b>EPS (rep.)</b>	<b>0.34</b>	<b>0.36</b>	<b>0.07</b>	<b>0.10</b>	<b>0.11</b>	<b>0.22</b>	<b>0.50</b>	<b>0.14</b>	<b>0.13</b>	<b>0.18</b>	<b>0.20</b>	<b>0.65</b>	<b>0.89</b>	<b>1.19</b>	<b>1.49</b>
<b>Key figures</b>	<b>2018</b>	<b>2019</b>	<b>Q1'20</b>	<b>Q2'20</b>	<b>Q3'20</b>	<b>Q4'20</b>	<b>2020</b>	<b>Q1'21</b>	<b>Q2'21</b>	<b>Q3'21</b>	<b>Q4'21e</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>	<b>2024e</b>
<b>Revenue growth-%</b>	14.6 %	61.4 %	41.5 %	15.9 %	10.3 %	31.7 %	23.4 %	40.8 %	37.9 %	23.2 %	15.1 %	27.3 %	25.5 %	23.8 %	23.1 %
<b>Adjusted EBIT growth-%</b>		52.7 %	-4.0 %	38.1 %	18.4 %	35.0 %	23.2 %	102.2 %	26.1 %	7.6 %	3.3 %	23.1 %	34.9 %	33.2 %	25.7 %
<b>EBITDA-%</b>	35.0 %	29.5 %	25.4 %	30.2 %	39.3 %	42.3 %	35.5 %	31.5 %	27.0 %	34.9 %	33.7 %	31.9 %	34.6 %	36.6 %	37.2 %
<b>Adjusted EBIT-%</b>	33.3 %	31.5 %	22.9 %	27.3 %	36.8 %	35.2 %	31.4 %	32.9 %	25.0 %	32.1 %	31.6 %	30.4 %	32.7 %	35.1 %	35.9 %
<b>Net earnings-%</b>	26.6 %	18.9 %	16.7 %	18.8 %	18.4 %	29.9 %	21.9 %	22.1 %	18.3 %	24.3 %	23.8 %	22.2 %	24.3 %	26.3 %	26.8 %

Source: Inderes

# Balance sheet

Assets	2019	2020	2021e	2022e	2023e
<b>Non-current assets</b>	<b>59.0</b>	<b>58.3</b>	<b>70.1</b>	<b>70.3</b>	<b>70.3</b>
Goodwill	50.4	50.4	59.7	59.7	59.7
Intangible assets	5.2	3.9	6.8	6.2	5.6
Tangible assets	1.8	2.0	2.1	2.4	3.0
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	0.5	1.0	1.0
<b>Current assets</b>	<b>36.6</b>	<b>43.1</b>	<b>33.5</b>	<b>51.2</b>	<b>74.4</b>
Inventories	3.5	4.9	6.2	7.8	9.7
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	6.4	9.3	10.1	12.7	15.7
Cash and equivalents	26.7	28.9	17.2	30.7	49.1
<b>Balance sheet total</b>	<b>110</b>	<b>114</b>	<b>115</b>	<b>132</b>	<b>154</b>

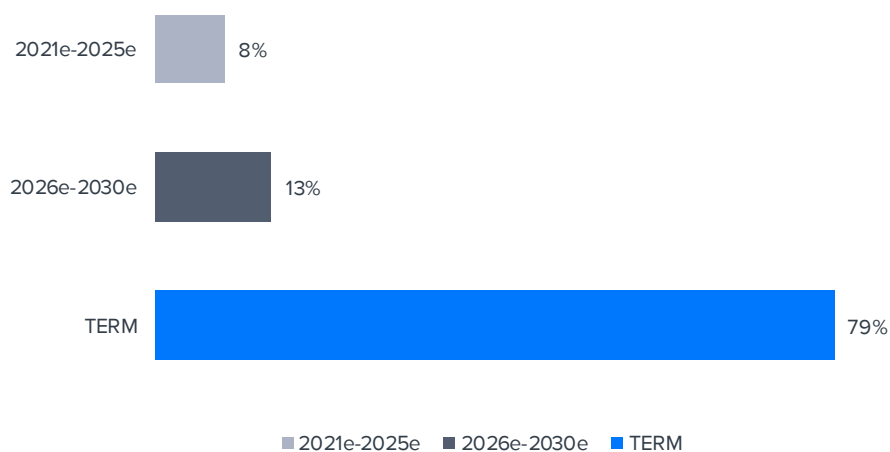
Source: Inderes

Liabilities & equity	2019	2020	2021e	2022e	2023e
<b>Equity</b>	<b>64.3</b>	<b>69.7</b>	<b>78.1</b>	<b>91.6</b>	<b>109</b>
Share capital	5.3	5.3	5.3	5.3	5.3
Retained earnings	8.3	14.0	22.8	36.3	54.2
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	50.0	50.0	50.0
Minorities	0.0	0.0	0.0	0.0	0.0
<b>Non-current liabilities</b>	<b>30.3</b>	<b>27.0</b>	<b>19.6</b>	<b>18.9</b>	<b>18.9</b>
Deferred tax liabilities	4.1	3.9	3.8	3.1	3.1
Provisions	0.4	0.3	0.4	0.4	0.4
Long term debt	25.4	22.4	15.0	15.0	15.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.4	0.4	0.4	0.4	0.4
<b>Current liabilities</b>	<b>15.2</b>	<b>17.7</b>	<b>17.8</b>	<b>21.5</b>	<b>25.9</b>
Short term debt	4.3	4.6	3.0	3.0	3.0
Payables	10.9	13.1	14.8	18.5	22.9
Other current liabilities	0.0	0.0	0.0	0.0	0.0
<b>Balance sheet total</b>	<b>110</b>	<b>114</b>	<b>115</b>	<b>132</b>	<b>154</b>

# DCF calculation

DCF model	2020	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	TERM
<b>EBIT (operating profit)</b>	<b>17.1</b>	<b>21.8</b>	<b>30.7</b>	<b>41.4</b>	<b>52.0</b>	<b>65.3</b>	<b>75.7</b>	<b>82.5</b>	<b>86.5</b>	<b>92.1</b>	<b>93.1</b>	
+ Depreciation	4.6	3.0	3.1	2.9	3.3	3.2	3.3	3.4	3.4	3.4	3.2	
- Paid taxes	-3.8	-4.1	-7.6	-8.9	-11.2	-14.1	-16.4	-17.9	-18.8	-20.0	-20.3	
- Tax, financial expenses	-0.1	0.0	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	
+ 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	-0.5	-0.4	-0.5	0.9	-0.3	-0.3	-0.3	-0.2	-0.2	-0.1	
<b>Operating cash flow</b>	<b>15.8</b>	<b>20.2</b>	<b>25.6</b>	<b>34.7</b>	<b>44.8</b>	<b>53.8</b>	<b>62.1</b>	<b>67.4</b>	<b>70.7</b>	<b>75.0</b>	<b>75.7</b>	
+ Change in other long-term liabilities	-0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-2.5	-14.1	-1.5	-1.9	-2.3	-2.5	-2.8	-2.5	-2.9	-2.0	-2.9	
<b>Free operating cash flow</b>	<b>13.2</b>	<b>6.2</b>	<b>24.1</b>	<b>32.8</b>	<b>42.5</b>	<b>51.3</b>	<b>59.3</b>	<b>64.9</b>	<b>67.7</b>	<b>73.1</b>	<b>72.9</b>	
+/- 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	6.2	24.1	32.8	42.5	51.3	59.3	64.9	67.7	73.1	72.9	2219
<b>Discounted FCFF</b>		<b>6.2</b>	<b>22.5</b>	<b>28.8</b>	<b>35.2</b>	<b>40.1</b>	<b>43.7</b>	<b>45.1</b>	<b>44.3</b>	<b>45.1</b>	<b>42.4</b>	<b>1291</b>
Sum of FCFF present value		1644	1638	1615	1586	1551	1511	1468	1422	1378	1333	1291
<b>Enterprise value DCF</b>		<b>1644</b>										
- Interesting bearing debt		-27.0										
+ Cash and cash equivalents		28.9										
-Minorities		0.0										
-Dividend/capital return		-8.5										
<b>Equity value DCF</b>		<b>1637</b>										
<b>Equity value DCF per share</b>		<b>61.4</b>										

Cash flow distribution



Wacc	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	7.5 %
Cost of debt	3.0 %
Equity Beta	0.92
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.0 %
<b>Cost of equity</b>	<b>6.4 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>6.1 %</b>

Source: Inderes

# Summary

Income statement	2018	2019	2020	2021e	2022e	Per share data	2018	2019	2020	2021e	2022e
Revenue	30.7	49.5	61.1	<b>77.7</b>	<b>97.6</b>	EPS (reported)	0.34	0.36	0.50	<b>0.65</b>	<b>0.89</b>
EBITDA	10.7	14.6	21.7	<b>24.8</b>	<b>33.7</b>	EPS (adj.)	0.34	0.47	0.58	<b>0.71</b>	<b>0.93</b>
EBIT	10.2	12.6	17.1	<b>21.8</b>	<b>30.7</b>	OCF / share	0.43	0.67	0.59	<b>0.76</b>	<b>0.96</b>
PTP	10.3	12.3	16.7	<b>21.7</b>	<b>30.1</b>	FCF / share	0.35	-0.33	0.50	<b>0.23</b>	<b>0.90</b>
Net Income	8.1	9.4	13.3	<b>17.3</b>	<b>23.7</b>	Book value / share	0.76	2.47	2.62	<b>2.93</b>	<b>3.43</b>
Extraordinary items	0.0	-3.0	-2.1	<b>-1.8</b>	<b>-1.2</b>	Dividend / share	0.28	0.30	0.32	<b>0.38</b>	<b>0.52</b>
Balance sheet	2018	2019	2020	2021e	2022e	Growth and profitability	2018	2019	2020	2021e	2022e
Balance sheet total	22.1	109.8	114.4	<b>115.4</b>	<b>132.1</b>	Revenue growth-%	15%	61%	23%	<b>27%</b>	<b>26%</b>
Equity capital	18.1	64.3	69.7	<b>78.1</b>	<b>91.6</b>	EBITDA growth-%	5%	36%	49%	<b>14%</b>	<b>36%</b>
Goodwill	1.2	50.4	50.4	<b>59.7</b>	<b>59.7</b>	EBIT (adj.) growth-%	7%	53%	23%	<b>23%</b>	<b>35%</b>
Net debt	-10.1	3.0	-1.9	<b>0.8</b>	<b>-12.7</b>	EPS (adj.) growth-%	14%	39%	23%	<b>23%</b>	<b>31%</b>
Cash flow	2018	2019	2020	2021e	2022e	EBITDA-%	35.0 %	29.5 %	35.5 %	<b>31.9 %</b>	<b>34.6 %</b>
EBITDA	10.7	14.6	21.7	<b>24.8</b>	<b>33.7</b>	EBIT (adj.)-%	33.3 %	31.5 %	31.4 %	<b>30.4 %</b>	<b>32.7 %</b>
Change in working capital	1.0	2.3	-2.1	<b>-0.5</b>	<b>-0.4</b>	EBIT-%	33.3 %	25.5 %	28.0 %	<b>28.1 %</b>	<b>31.4 %</b>
Operating cash flow	10.2	17.5	15.8	<b>20.2</b>	<b>25.6</b>	ROE-%	47.8 %	22.7 %	19.9 %	<b>23.4 %</b>	<b>28.0 %</b>
CAPEX	-1.9	-68.0	-2.5	<b>-14.1</b>	<b>-1.5</b>	ROI-%	58.8 %	22.4 %	17.9 %	<b>22.6 %</b>	<b>29.8 %</b>
Free cash flow	8.3	-8.5	13.2	<b>6.2</b>	<b>24.1</b>	Equity ratio	81.9 %	58.6 %	60.9 %	<b>67.6 %</b>	<b>69.4 %</b>
						Gearing	-55.8 %	4.7 %	-2.7 %	<b>1.1 %</b>	<b>-13.9 %</b>
Valuation multiples	2018	2019	2020	2021e	2022e						
EV/S	9.5	14.1	21.9	<b>19.0</b>	<b>15.0</b>						
EV/EBITDA (adj.)	27.1	47.9	61.5	<b>59.7</b>	<b>43.4</b>						
EV/EBIT (adj.)	28.5	44.9	69.5	<b>62.6</b>	<b>46.0</b>						
P/E (adj.)	36.9	55.4	86.6	<b>77.6</b>	<b>59.3</b>						
P/E	16.6	10.8	19.2	<b>18.9</b>	<b>16.1</b>						
Dividend-%	2.2 %	1.1 %	0.6 %	<b>0.7 %</b>	<b>0.9 %</b>						

Source: Inderes

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Date	Recommendation	Target price	Share price
9/18/2017	Accumulate	12.33 €	11.58 €
10/26/2017	Accumulate	12.67 €	11.89 €
2/16/2018	Accumulate	13.33 €	12.07 €
4/23/2018	Reduce	14.20 €	14.18 €
8/7/2018	Reduce	15.80 €	16.48 €
10/26/2018	Accumulate	14.50 €	13.76 €
2/15/2019	Accumulate	16.50 €	15.46 €
4/16/2019	Accumulate	21.00 €	18.80 €
4/26/2019	Accumulate	21.00 €	19.10 €
8/16/2019	Accumulate	21.00 €	19.40 €
10/2/2019	Accumulate	21.00 €	19.22 €
10/25/2019	Accumulate	24.50 €	23.20 €
11/26/2019	Reduce	24.50 €	25.55 €
2/21/2020	Accumulate	31.00 €	28.85 €
3/19/2020	Buy	24.00 €	18.48 €
4/23/2020	Accumulate	25.00 €	22.75 €
8/7/2020	Reduce	34.00 €	33.50 €
10/23/2020	Reduce	36.00 €	38.05 €
12/21/2020	Reduce	44.00 €	48.65 €
2/12/2021	Accumulate	60.00 €	53.00 €
4/26/2021	Accumulate	65.00 €	59.20 €
<i>Analyst changed</i>			
6/9/2021	Accumulate	65.00 €	59.50 €
8/6/2021	Reduce	65.00 €	64.80 €
10/22/2021	Accumulate	58.00 €	55.40 €



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