

# Revenio Group

## Company report

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✓ Inderes corporate customer

This report is a summary translation of the report "Paluu tuloskasvuun etenee aikataulussa" published on 4/26/2024 at 7:28 am EEST

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# Return to earnings growth proceeding on schedule

We reiterate our Accumulate recommendation and EUR 28.0 target price for Revenio. The Q1 result was a slight disappointment, but it is explained by the weight of significant FDA costs. During the seasonally weakest period, these costs depressed the EBIT margin by almost 3 percentage points, which apparently spooked the market. We feel, the guidance and outlook for 2024 remain unchanged in the big picture, and we only made minor negative revisions to our forecasts. We find the stock's valuation reasonable (2024e: adj. EV/EBIT 21x) relative to the outlook for the coming years and the company is also undervalued relative to the peer group, so we find the risk/reward ratio attractive.

## No drama in Q1 earnings development

Revenio's Q1 revenue development was practically a level flight as we expected. The worst demand slump is over, and signs of a pick-up were also visible in the purchases of private equity opticians in the United States that were 'frozen' last year. The Q1 EBIT (5.1 MEUR) was a slight disappointment to us (forecast 5.5 MEUR) and clearly below the consensus (5.8 MEUR), which put pressure on the stock. The main reason for the deviation was the costs of the FDA approval for the iCare ILLUME screening solution focusing on the early part of the year. They were over 0.6 MEUR in Q1, while the total amount for the full year is 1.2-1.5 MEUR (unchanged estimate). In the seasonally weakest period, these expenses depressed the EBIT margin by nearly 3 percentage points, and the EBIT margin was only 21.8% (Q1'23: 26.6%). Gross margins were still excellent (70.5%), but personnel costs increased more strongly than we anticipated. Net cash flow from operating activities was very strong for the period at 4.6 MEUR.

## Return to earnings growth proceeding on schedule

Revenio reiterated its guidance, in which the company expects its currency-adjusted revenue to grow by 5-10% and its profitability to be 'at a good level' excluding non-recurring items in 2024. According to the company, the Q1 result was fully in line with expectations, Q2 has started as planned and the company is confident that demand will pick up despite the mild headwind from macro factors. We did not make any major forecast changes and we still expect Revenio to return to the earnings growth path in Q2. There have been no major changes in the earnings growth drivers. The renewed Maia microperimeter is expected in late 2024, but this will not materially be visible in earnings development until 2025. Visibility into the FDA approval of the combination of iCare DRSplus and the AI partner is weak because this project is in the hands of the partner. Revenio's own project, i.e. the ILLUME total solution (DRSplus, Thirona's AI and ILLUME), is in the process where FDA approval could be realistic in H2'25. Achieving the 2024 guidance is not, according to the company, dependent on FDA approvals or the timing of the launch of the new version of Maia, but any potential contribution of these to 2024 is a plus.

## Valuation is not a barrier to a good investment

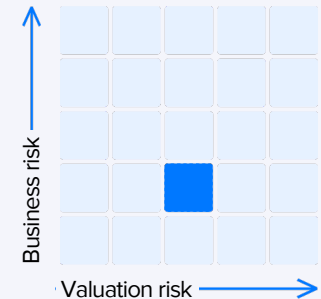
Revenio's earnings growth story is returning to its track during 2024, as expected, even though the trajectory is still being sought. After the share has fallen, we feel the valuation is very reasonable (2024e adj. EV/EBIT 21x) and turns attractive with earnings growth in the coming years. We already see a clear upside in the 2025 multiples (adj. EV/EBIT 16x). The undervaluation is also reflected in Revenio's relative valuation, as the company is priced at a slight discount to its peer group. However, we think Revenio is one of the best companies in the group along with Zeiss (2024e EV/EBIT around 26x).

## Recommendation

**Accumulate**  
(previous Accumulate)

**EUR 28.00**  
(previous EUR 28.00)

**Share price:**  
23.86



## Key figures

	2023	2024e	2025e	2026e
<b>Revenue</b>	97	105	121	141
<b>growth-%</b>	0%	9%	15%	17%
<b>EBIT adj.</b>	28.5	29.6	36.8	44.2
<b>EBIT-% adj.</b>	29.5 %	28.1 %	30.4 %	31.3 %
<b>Net Income</b>	19.1	21.5	27.8	34.0
<b>EPS (adj.)</b>	0.80	0.85	1.08	1.31
<b>P/E (adj.)</b>	31.5	28.2	22.0	18.1
<b>P/B</b>	6.7	5.7	4.9	4.3
<b>Dividend yield-%</b>	1.5 %	1.7 %	2.4 %	3.0 %
<b>EV/EBIT (adj.)</b>	23.4	20.8	16.2	13.0
<b>EV/EBITDA</b>	22.0	18.9	14.9	12.0
<b>EV/S</b>	6.9	5.8	4.9	4.1

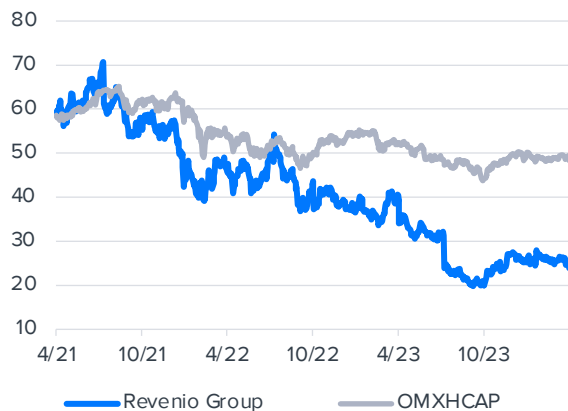
Source: Inderes

## Guidance

(Unchanged)

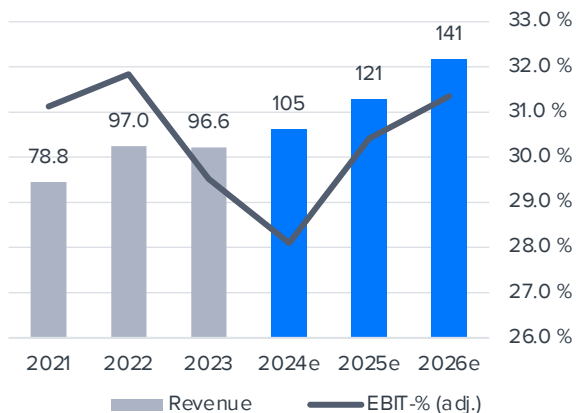
Revenio Group's exchange rate-adjusted revenue is estimated to grow 5-10 percent from the previous year and profitability, excluding non-recurring items, is estimated to remain at a good level.

### Share price



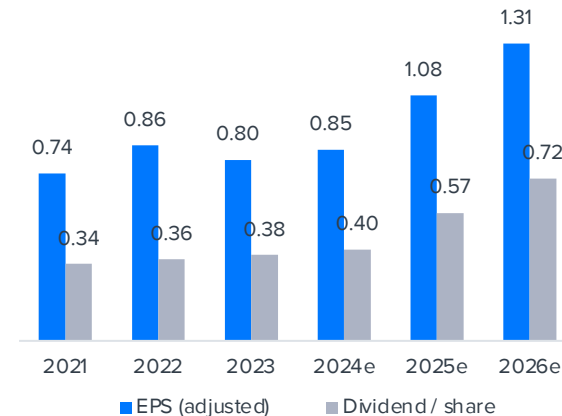
Source: Millstream Market Data AB

### Revenue and EBIT-%



Source: Inderes

### EPS and dividend



Source: Inderes



### Value drivers

- Long-term growth outlook is strong
- Generally quite good predictability of the result and cash flow
- Strong competitive protection and growth drivers give support
- New products and software systems have attractive long-term growth potential
- Excellent track record of value creation
- Potential acquisitions (OCT)



### Risk factors

- Weakening of patent protection for the Icare tonometer after 2023
- Speed and success of the HOME product's ramp-up
- Success in strong growth of imaging devices
- Success of growth investments (new products)
- High valuation level of the share poses a risk for investors

Valuation	2024e	2025e	2026e
Share price	23.9	23.9	23.9
Number of shares, millions	26.6	26.6	26.6
Market cap	634	634	634
EV	616	596	574
P/E (adj.)	28.2	22.0	18.1
P/E	29.5	22.8	18.7
P/B	5.7	4.9	4.3
P/S	6.0	5.2	4.5
EV/Sales	5.8	4.9	4.1
EV/EBITDA	18.9	14.9	12.0
EV/EBIT (adj.)	20.8	16.2	13.0
Payout ratio (%)	50.0 %	54.0 %	56.0 %
Dividend yield-%	1.7 %	2.4 %	3.0 %

Source: Inderes

# No drama in Q1 earnings development

## Revenue remained stable as expected

In Q1, Revenio's reported revenue was 23.6 MEUR, increasing by 1.8% from a relatively strong comparison period. Adjusted for currency effects, however, revenue decreased by 0.5%. Thus, revenue remained practically at the level of the comparison period, which was expected. The star for Q1 was the iCare IC200 tonometer, whose sales developed 'favorably'.

Sales of the iCare DRSpplus fundus imaging device were also very strong according to the company, so the main drivers were familiar and expected. DRSpplus sale got some support from the delivery of a large screening order previously received from Germany. In general, revenue development was unsurprising, but the USD/EUR exchange rate development raised the reported revenue more than we anticipated.

## FDA costs were more frontloaded than expected

The Q1 EBIT was 5.1 MEUR, which was a slight disappointment to us (forecast 5.5 MEUR) and a clear

disappointment compared to the consensus (5.8 MEUR). The main reason for the deviation was that the costs of the FDA approval for the iCare ILLUME screening solution were good 0.6 MEUR in Q1. This is almost 50% higher than we expected for Q1.

Revenio has estimated that the costs related to this will be 1.2-1.5 MEUR in 2024 and the estimate was not changed, but the costs were clearly frontloaded. The annualized cost at the Q1 rate would be around 2.5 MEUR, but the cost will vary by quarter. We believe this raised other expenses in particular. When examining costs in general, the gross margins were still excellent (70.5%), but personnel costs showed a clear and slightly faster increase than we anticipated. This increase is also not, in principle, going away.

EPS was EUR 0.14, which means that earnings growth was clearly negative again (Q1'23: EUR 0.16). However, the deviation from our forecast of EUR 0.15 is reasonable (consensus EUR 0.16) and does not cause greater concern.

## Cash flow at a good level

Net cash flow from operating activities was 4.6 MEUR and significantly better than in the comparison period (Q1'23: 0.3 MEUR). This is partly due to a sticky reason from the shareholder's point of view, i.e. clearly lower payments from incentive programs. In addition, taxes paid and accounts receivables decreased.

Revenio's balance sheet remains very strong, with a net gearing ratio of -7%. In 2023, the company made a minority investment with a commitment to acquire the remaining shares by Q3'24 at the latest, subject to certain criteria. According to the company, the development has so far been in line with expectations, but we still do not know what the potential acquisition is related to. The maximum amount of the commitment is 8.1 MEUR, which could be financed directly from cash in hand (Q1'24: 23.8 MEUR).

Estimates MEUR / EUR	Q1'23	Q1'24	Q1'24e	Q1'24e	Consensus		Difference (%)	2024e
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	23.2	23.6	22.9	23.3			3%	105
EBIT	6.2	5.1	5.5	5.8			-6%	28.6
EPS (reported)	0.16	0.14	0.15	0.16			-9%	0.81
Revenue growth-%	14.9 %	1.8 %	-1.4 %	0.4 %			3.2 pp	9.1 %
Liikevoitto-%	26.6 %	21.8 %	23.9 %	24.9 %			-2.1 pp	27.2 %

Source: Inderes & Modular Finance (3/14/2024, 7 analysts) (consensus)

# Return to earnings growth proceeding on schedule

## Guidance unchanged

Revenio's guidance is for currency-adjusted revenue to grow by 5-10% year-on-year and for profitability excluding non-recurring items to be at a good level. The guidance did not change, and the company says the Q1 result was fully in line with expectations. In our interview, the company also said that achieving the guidance is not dependent on the FDA approval for the iCare DRSplus camera and the AI partner nor the timing for launching the new version of Maia. If they were to generate significant revenue in 2024, this should be positive on top of the guidance.

## The market outlook is largely unchanged

Revenio still expects the market situation to start to recover in H2'24. The worst market dip is already over, and the comparison figures for Q2 are also significantly weaker. In 2023, the market situation deteriorated quickly during Q2, and at the beginning of August, Revenio exceptionally issued a profit warning. At that time, the biggest weakness was seen in purchases by private equity opticians in the United States, which practically froze. In August 2023, the company estimated that demand

weakness would last for 6-9 months, and now it said it had seen 'some early signs' of increased activity among private equity opticians in the United States. This is a positive signal, at least for this segment.

Market demand is also expected to pick up more generally toward the end of the year, but persistently high interest rates and geopolitical uncertainty cast a shadow on the recovery. However, in principle, we assume that the recovery will occur and the question is more of its intensity.

## Slight movement in near-term drivers

We believe significant milestones for Revenio in the near term are at least the following:

- 1) The renewed Maia microperimeter included in the product range in late 2024. The company is still expecting this during 2024, but it may not necessarily have time to influence revenue/earnings this year. The greatest impact is therefore expected in 2025.
- 2) FDA approval in the United States for iCare DRSplus combined with the partner's AI. FDA approval has been in the process for a long time (even for years), but the process is in the hands of the

partner. The company said it would be disappointed if the approval was not received this year, but there is no visibility. This FDA approval would probably support device sales.

3) Revenio's DRSplus ILLUME total solution and Thirona's AI are in the clinical trials process to seek FDA approval. This is Revenio's own project, which the company now estimates will last at least until summer 2025. Previously, the estimate was H1'25, but the estimated extent of the required clinical trials will probably extend the required time. We are now waiting for approval in H2'25, but this has played a minor role in forecasts so far.

4) The process related to the reimbursement policy for the iCare HOME2 tonometer is proceeding as planned in the United States. The aim is to extend the reimbursement policy to cover either full or partial reimbursement of the device. There is no change in the situation, further information is expected in Q4'24.

We made no significant forecast changes based on these changes.

Estimate revisions	2024e	2024e	Change	2025e	2025e	Change	2026e	2026e	Change
	Old	New		Old	New		Old	New	
MEUR / EUR			%			%			%
Revenue	104	105.3	1%	120	121	1%	140	141	1%
EBITDA	33.2	32.7	-2%	41.2	40.1	-3%	48.5	47.7	-2%
EBIT (exc. NRIs)	30.4	29.6	-3%	37.8	36.8	-3%	44.9	44.2	-2%
EBIT	29.2	28.6	-2%	36.6	35.8	-2%	43.8	43.3	-1%
PTP	28.8	28.0	-3%	37.0	36.2	-2%	44.7	44.1	-1%
EPS (excl. NRIs)	0.88	0.85	-4%	1.12	1.08	-3%	1.34	1.31	-2%
DPS	0.42	0.40	-3%	0.58	0.57	-2%	0.72	0.72	-1%

# Valuation is not a barrier to a good investment

## Quality company with good long-term growth prospects

It has been easy to paint Revenio's high-quality earnings growth story well into the future, as the core business has maintained a strong growth trajectory while the company's profitability has scaled upwards. Last year, there were cracks in the excellent development, but the train is returning to its tracks. Revenio is well positioned in an industry with strong structural long-term growth drivers and deep moats (patents, brand, slow-moving industry and high barrier of entry). In the coming years, we believe the earnings growth prospects are good as new products slowly start to drive growth. In addition, Revenio will expand its product portfolio through both in-house product development and acquisitions, which are well positioned to create shareholder value.

## With earnings growth, multiples turn attractive

Revenio's 2024e adjusted EV/EBIT is now around 21x, which we believe is quite neutral in the current market environment. This year's earnings growth is still modest by historical standards, and we do not believe that the stock market is particularly interested in looking very far ahead, even for Revenio.

The valuation for 12 months from now is based on 2025 forecasts with an adjusted EV/EBIT of around 16x. This is very modest by the company's standards and we see a clear upside but a lot needs to happen before this. As a whole, we consider Revenio's valuation attractive at the moment, but the risk/reward ratio is still weakened by the lack of a clear pick-up in demand. This limits our desire to take a stronger stand.

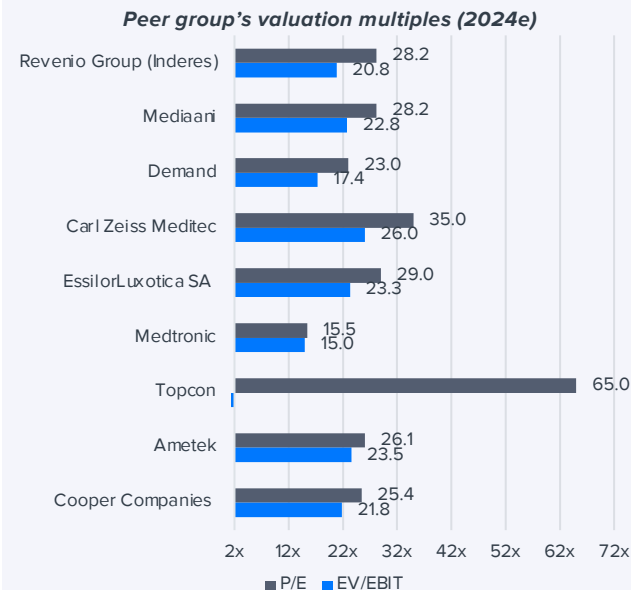
## The discount has returned to relative valuation

Revenio has returned to discount pricing relative to its peer group, which we do not consider justified. The median 2024e EV/EBIT for the peer group is around 23x, which is clearly higher than after Revenio's price drop. In history, the Revenio premium has been generous, and in principle we still consider a reasonable premium justified.

In our view, Revenio is one of the best companies in the group along with Zeiss, but Zeiss (2024e EV/EBIT 26x) is currently priced significantly higher than Revenio. We would not draw big conclusions from this alone, but based on the peers, we think Revenio is undervalued. This supports our view of the clear upside potential of the stock over the next 12 months.

Valuation	2024e	2025e	2026e
Share price	23.9	23.9	23.9
Number of shares, millions	26.6	26.6	26.6
Market cap	634	634	634
EV	616	596	574
P/E (adj.)	28.2	22.0	18.1
P/E	29.5	22.8	18.7
P/B	5.7	4.9	4.3
P/S	6.0	5.2	4.5
EV/Sales	5.8	4.9	4.1
EV/EBITDA	18.9	14.9	12.0
EV/EBIT (adj.)	20.8	16.2	13.0
Payout ratio (%)	50.0 %	54.0 %	56.0 %
Dividend yield-%	1.7 %	2.4 %	3.0 %

Source: Inderes

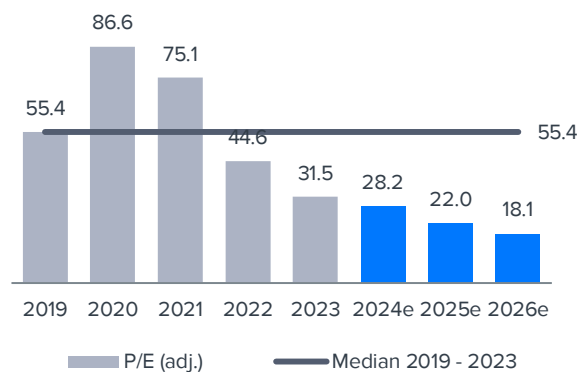


# Valuation table

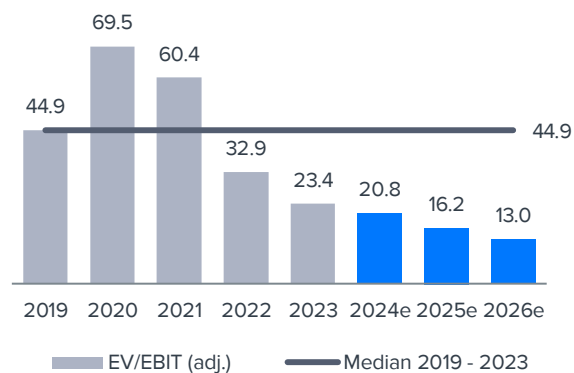
Valuation	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e
Share price	26.3	50.3	55.6	38.6	25.2	23.9	23.9	23.9	23.9
Number of shares, millions	26.0	26.6	26.7	26.6	26.6	26.6	26.6	26.6	26.6
Market cap	697	1337	1482	1026	670	634	634	634	634
EV	700	1335	1482	1015	667	616	596	574	550
P/E (adj.)	55.4	86.6	75.1	44.6	31.5	28.2	22.0	18.1	15.6
P/E	73.0	>100	85.7	47.1	35.1	29.5	22.8	18.7	15.9
P/B	10.8	19.2	18.9	11.3	6.7	5.7	4.9	4.3	3.8
P/S	14.1	21.9	18.8	10.6	6.9	6.0	5.2	4.5	3.9
EV/Sales	14.1	21.9	18.8	10.5	6.9	5.8	4.9	4.1	3.4
EV/EBITDA	47.9	61.5	57.7	30.6	22.0	18.9	14.9	12.0	10.0
EV/EBIT (adj.)	44.9	69.5	60.4	32.9	23.4	20.8	16.2	13.0	10.7
Payout ratio (%)	85.1 %	63.7 %	52.4 %	43.9 %	52.9 %	50.0 %	54.0 %	56.0 %	60.0 %
Dividend yield-%	1.1 %	0.6 %	0.6 %	0.9 %	1.5 %	1.7 %	2.4 %	3.0 %	3.8 %

Source: Inderes

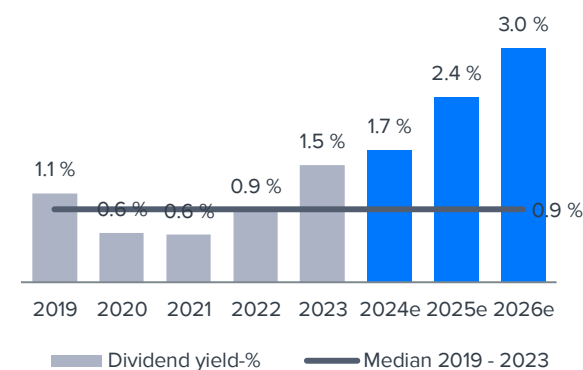
P/E (adj.)



EV/EBIT (oik.)



Dividend yield-%



# Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%	
			2024e	2025e	2024e	2025e	2024e	2025e	2024e	2025e	2024e	2025e
Revenio Group	666	663	22.8	18.5	20.0	16.5	6.3	5.6	30.4	24.4	1.6	1.9
Cooper Companies	16773	19240	21.8	19.9	18.3	16.4	5.3	5.0	25.4	22.9	0.0	0.0
Ametek	38552	41269	23.5	21.8	19.5	18.2	6.0	5.7	26.1	23.8	0.6	0.6
Topcon	1214	1534			11.4	8.4	1.2	1.1	65.0	17.4	2.3	2.5
Medtronic	99856	115795	15.0	14.2	13.3	12.6	3.8	3.7	15.5	14.8	3.5	3.6
EssilorLuxotica SA	92902	102642	23.3	20.7	14.8	13.6	3.9	3.6	29.0	25.8	1.9	2.1
Carl Zeiss Meditec	9096	9327	26.0	19.9	20.8	16.5	4.1	3.7	35.0	27.6	1.1	1.2
Demand	9511	11299	17.4	15.9	13.7	12.6	3.6	3.4	23.0	19.7		
Optomed (Inderes)	71	72					4.4	3.3				
<b>Revenio Group (Inderes)</b>	<b>634</b>	<b>616</b>	<b>20.8</b>	<b>16.2</b>	<b>18.9</b>	<b>14.9</b>	<b>5.8</b>	<b>4.9</b>	<b>28.2</b>	<b>22.0</b>	<b>1.7</b>	<b>2.4</b>
<b>Average</b>			<b>25.6</b>	<b>21.2</b>	<b>18.6</b>	<b>15.9</b>	<b>4.5</b>	<b>4.0</b>	<b>35.5</b>	<b>25.2</b>	<b>1.5</b>	<b>1.5</b>
<b>Median</b>			<b>22.8</b>	<b>19.9</b>	<b>18.9</b>	<b>16.4</b>	<b>4.4</b>	<b>3.7</b>	<b>28.2</b>	<b>24.1</b>	<b>1.3</b>	<b>1.2</b>
<b>Diff-% to median</b>			<b>-9%</b>	<b>-19%</b>	<b>0%</b>	<b>-9%</b>	<b>34%</b>	<b>34%</b>	<b>0%</b>	<b>-8%</b>	<b>27%</b>	<b>94%</b>

Source: Refinitiv / Inderes



# Income statement

Income statement	2021	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24	Q2'24e	Q3'24e	Q4'24e	2024e	2025e	2026e	2027e
<b>Revenue</b>	<b>78.8</b>	<b>97.0</b>	<b>23.2</b>	<b>22.3</b>	<b>22.0</b>	<b>29.1</b>	<b>96.6</b>	<b>23.6</b>	<b>24.0</b>	<b>25.3</b>	<b>32.5</b>	<b>105</b>	<b>121</b>	<b>141</b>	<b>161</b>
Tonometers (estimate)	49.2	58.6	14.7	14.3	11.5	16.4	56.8	14.8	15.0	13.2	17.5	60.5	67.2	76.6	85.8
Imaging devices (estimate)	28.3	36.2	7.8	7.4	9.8	12.0	37.0	8.0	8.1	11.2	14.0	41.3	48.7	57.0	66.1
Oculo / Software (estimate)	0.9	2.2	0.6	0.7	0.7	0.8	2.8	0.8	0.8	0.9	1.0	3.5	5.0	7.5	9.0
Other products (estimate)	0.4	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>EBITDA</b>	<b>25.7</b>	<b>33.1</b>	<b>7.1</b>	<b>5.6</b>	<b>7.1</b>	<b>10.5</b>	<b>30.3</b>	<b>6.2</b>	<b>6.5</b>	<b>8.3</b>	<b>11.6</b>	<b>32.7</b>	<b>40.1</b>	<b>47.7</b>	<b>55.1</b>
Depreciation	-3.6	-3.4	-0.9	-1.0	-1.0	-1.0	-3.9	-1.1	-1.0	-1.0	-1.0	-4.1	-4.2	-4.4	-4.8
<b>EBIT (excl. NRI)</b>	<b>24.5</b>	<b>30.9</b>	<b>6.5</b>	<b>5.8</b>	<b>6.5</b>	<b>9.8</b>	<b>28.5</b>	<b>5.4</b>	<b>5.8</b>	<b>7.6</b>	<b>10.9</b>	<b>29.6</b>	<b>36.8</b>	<b>44.2</b>	<b>51.2</b>
<b>EBIT</b>	<b>22.1</b>	<b>29.7</b>	<b>6.2</b>	<b>4.7</b>	<b>6.0</b>	<b>9.5</b>	<b>26.3</b>	<b>5.1</b>	<b>5.5</b>	<b>7.3</b>	<b>10.6</b>	<b>28.6</b>	<b>35.8</b>	<b>43.3</b>	<b>50.3</b>
Net financial items	0.0	-0.6	-0.4	-0.2	-0.1	-0.3	-1.0	-0.3	-0.1	-0.1	-0.1	-0.6	0.3	0.9	1.5
<b>PTP</b>	<b>22.1</b>	<b>29.1</b>	<b>5.8</b>	<b>4.5</b>	<b>5.9</b>	<b>9.2</b>	<b>25.4</b>	<b>4.8</b>	<b>5.4</b>	<b>7.2</b>	<b>10.5</b>	<b>28.0</b>	<b>36.2</b>	<b>44.1</b>	<b>51.8</b>
Taxes	-4.8	-7.3	-1.5	-1.2	-1.5	-2.1	-6.3	-1.2	-1.2	-1.7	-2.4	-6.5	-8.3	-10.2	-11.9
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>17.3</b>	<b>21.8</b>	<b>4.2</b>	<b>3.3</b>	<b>4.4</b>	<b>7.1</b>	<b>19.1</b>	<b>3.6</b>	<b>4.2</b>	<b>5.5</b>	<b>8.1</b>	<b>21.5</b>	<b>27.8</b>	<b>34.0</b>	<b>39.9</b>
<b>EPS (adj.)</b>	<b>0.74</b>	<b>0.86</b>	<b>0.17</b>	<b>0.17</b>	<b>0.18</b>	<b>0.28</b>	<b>0.80</b>	<b>0.15</b>	<b>0.17</b>	<b>0.22</b>	<b>0.31</b>	<b>0.85</b>	<b>1.08</b>	<b>1.31</b>	<b>1.53</b>
<b>EPS (rep.)</b>	<b>0.65</b>	<b>0.82</b>	<b>0.16</b>	<b>0.12</b>	<b>0.17</b>	<b>0.27</b>	<b>0.72</b>	<b>0.14</b>	<b>0.16</b>	<b>0.21</b>	<b>0.31</b>	<b>0.81</b>	<b>1.05</b>	<b>1.28</b>	<b>1.50</b>
<b>Key figures</b>	<b>2021</b>	<b>2022</b>	<b>Q1'23</b>	<b>Q2'23</b>	<b>Q3'23</b>	<b>Q4'23</b>	<b>2023</b>	<b>Q1'24</b>	<b>Q2'24e</b>	<b>Q3'24e</b>	<b>Q4'24e</b>	<b>2024e</b>	<b>2025e</b>	<b>2026e</b>	<b>2027e</b>
<b>Revenue growth-%</b>	29.1%	23.1%	14.9%	-8.7%	-8.9%	3.0%	-0.5%	1.8%	7.6%	15.0%	11.6%	9.1%	14.8%	16.7%	14.0%
<b>Adjusted EBIT growth-%</b>		25.9%	10.6%	-22.1%	-18.6%	1.4%	-7.7%	-16.7%	-0.5%	16.7%	11.4%	3.8%	24.2%	20.3%	15.7%
<b>EBITDA-%</b>	32.6%	34.1%	30.5%	25.3%	32.1%	36.1%	31.4%	26.3%	27.1%	32.9%	35.8%	31.0%	33.1%	33.8%	34.3%
<b>Adjusted EBIT-%</b>	31.1%	31.8%	27.9%	26.0%	29.5%	33.6%	29.5%	22.9%	24.0%	29.9%	33.5%	28.1%	30.4%	31.3%	31.8%
<b>Net earnings-%</b>	22.0%	22.5%	18.3%	14.8%	20.1%	24.5%	19.8%	15.4%	17.4%	22.0%	25.0%	20.4%	23.0%	24.1%	24.8%

Source: Inderes

# Balance sheet

Assets	2022	2023	2024e	2025e	2026e
<b>Non-current assets</b>	<b>70.8</b>	<b>77.5</b>	<b>78.1</b>	<b>78.5</b>	<b>79.8</b>
Goodwill	59.8	59.4	59.4	59.4	59.4
Intangible assets	4.3	7.1	7.3	7.1	7.1
Tangible assets	2.8	2.3	2.7	3.3	4.7
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.4	2.3	2.3	2.3	2.3
Other non-current assets	1.9	3.6	3.6	3.6	3.6
Deferred tax assets	1.6	2.8	2.8	2.8	2.8
<b>Current assets</b>	<b>52.5</b>	<b>48.3</b>	<b>61.3</b>	<b>82.6</b>	<b>106</b>
Inventories	6.7	10.5	9.5	9.7	9.9
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	13.7	16.3	15.8	16.9	18.3
Cash and equivalents	32.1	21.5	36.0	56.0	77.9
<b>Balance sheet total</b>	<b>136</b>	<b>137</b>	<b>150</b>	<b>171</b>	<b>195</b>

Source: Inderes

Liabilities & equity	2022	2023	2024e	2025e	2026e
<b>Equity</b>	<b>90.9</b>	<b>99.9</b>	<b>111</b>	<b>128</b>	<b>147</b>
Share capital	5.3	5.3	5.3	5.3	5.3
Retained earnings	34.3	43.5	54.9	72.0	90.9
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	51.3	51.1	51.1	51.1	51.1
Minorities	0.0	0.0	0.0	0.0	0.0
<b>Non-current liabilities</b>	<b>20.1</b>	<b>16.9</b>	<b>18.9</b>	<b>18.9</b>	<b>18.9</b>
Deferred tax liabilities	3.7	3.3	3.3	3.3	3.3
Provisions	0.5	0.6	0.6	0.6	0.6
Interest bearing debt	15.8	13.0	15.0	15.0	15.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	0.0	0.0	0.0	0.0
<b>Current liabilities</b>	<b>25.2</b>	<b>20.6</b>	<b>19.9</b>	<b>23.6</b>	<b>28.4</b>
Interest bearing debt	5.0	5.6	3.0	3.0	3.0
Payables	20.2	15.0	16.9	20.6	25.4
Other current liabilities	0.0	0.0	0.0	0.0	0.0
<b>Balance sheet total</b>	<b>136</b>	<b>137</b>	<b>150</b>	<b>171</b>	<b>195</b>

# DCF calculation

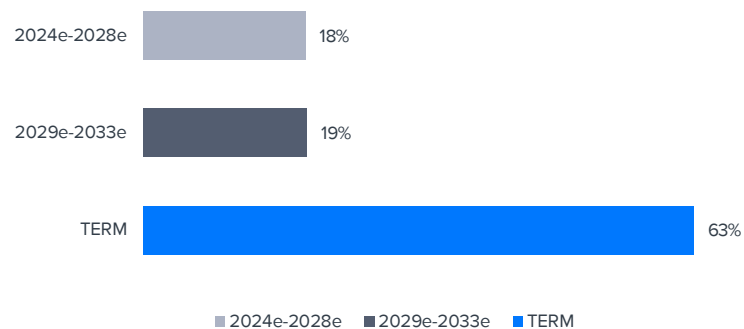
DCF model	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	TERM
Revenue growth-%	-0.5 %	9.1 %	14.8 %	16.7 %	14.0 %	14.0 %	11.0 %	9.0 %	7.0 %	5.0 %	3.0 %	3.0 %
EBIT-%	27.3 %	27.2 %	29.6 %	30.7 %	31.3 %	31.0 %	31.0 %	30.0 %	29.5 %	29.0 %	29.0 %	29.0 %
<b>EBIT (operating profit)</b>	<b>26.3</b>	<b>28.6</b>	<b>35.8</b>	<b>43.3</b>	<b>50.3</b>	<b>56.9</b>	<b>63.1</b>	<b>66.6</b>	<b>70.1</b>	<b>72.3</b>	<b>74.5</b>	
+ Depreciation	3.9	4.1	4.2	4.4	4.8	4.8	5.3	5.8	5.7	5.9	5.9	
- Paid taxes	-7.9	-6.5	-8.3	-10.2	-11.9	-13.6	-15.1	-16.0	-16.8	-17.4	-17.9	
- Tax, financial expenses	-0.4	-0.3	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	
+ Tax, financial income	0.1	0.2	0.3	0.4	0.5	0.6	0.7	0.8	0.9	0.9	0.9	
- Change in working capital	-11.6	3.4	2.4	3.2	2.8	0.0	0.0	0.0	0.0	0.0	0.0	
<b>Operating cash flow</b>	<b>10.5</b>	<b>29.4</b>	<b>34.2</b>	<b>41.0</b>	<b>46.4</b>	<b>48.6</b>	<b>53.9</b>	<b>57.0</b>	<b>59.7</b>	<b>61.5</b>	<b>63.3</b>	
+ Change in other long-term liabilities	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-8.2	-3.7	-3.7	-4.7	-4.0	-5.7	-6.1	-5.1	-5.7	-5.6	-5.9	
<b>Free operating cash flow</b>	<b>2.3</b>	<b>25.7</b>	<b>30.5</b>	<b>36.2</b>	<b>42.4</b>	<b>42.9</b>	<b>47.8</b>	<b>51.9</b>	<b>54.0</b>	<b>55.9</b>	<b>57.3</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	2.3	25.7	30.5	36.2	42.4	42.9	47.8	51.9	54.0	55.9	57.3	1059
<b>Discounted FCFF</b>		<b>24.3</b>	<b>26.6</b>	<b>29.1</b>	<b>31.3</b>	<b>29.2</b>	<b>30.0</b>	<b>29.9</b>	<b>28.7</b>	<b>27.4</b>	<b>25.8</b>	<b>477</b>
Sum of FCFF present value		759	735	708	679	648	619	589	559	530	503	477
<b>Enterprise value DCF</b>		<b>759</b>										
- Interest bearing debt		-18.6										
+ Cash and cash equivalents		21.5										
-Minorities		0.0										
-Dividend/capital return		-10.1										
<b>Equity value DCF</b>		<b>752</b>										
<b>Equity value DCF per share</b>		<b>28.3</b>										

## WACC

Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	0.0 %
Cost of debt	4.0 %
Equity Beta	1.28
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.5 %
<b>Cost of equity</b>	<b>8.6 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>8.6 %</b>

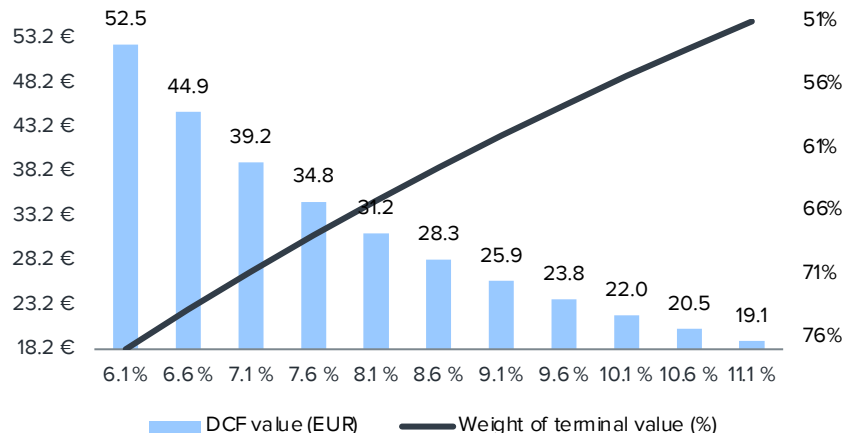
Source: Inderes

## Cash flow distribution

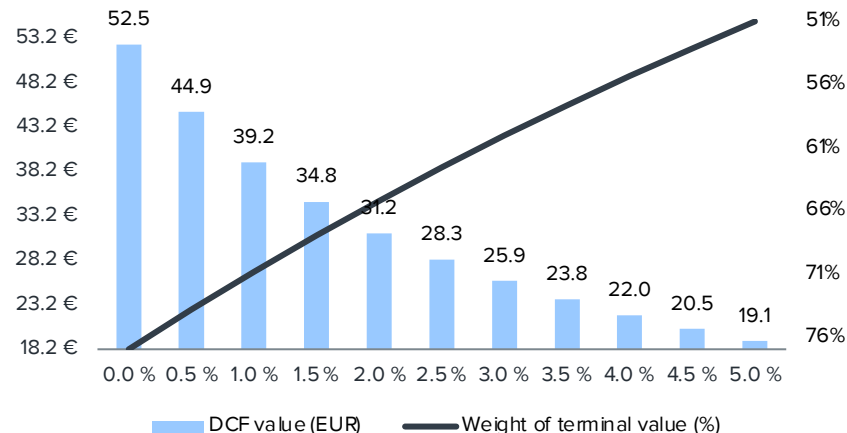


# DCF sensitivity calculations and key assumptions in graphs

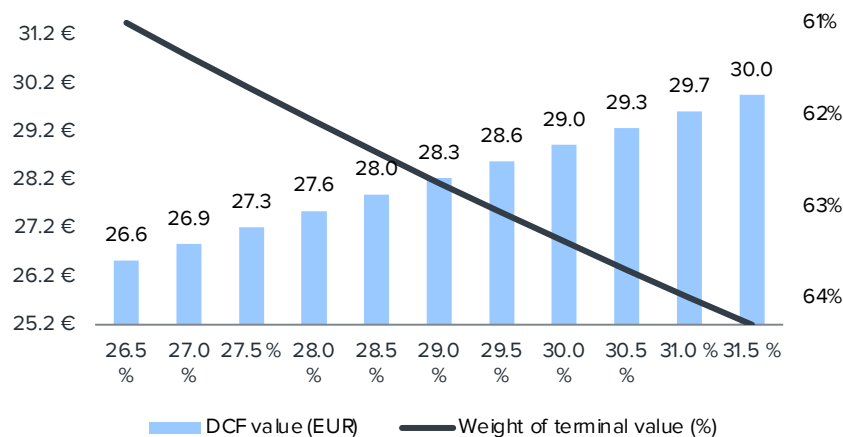
Sensitivity of DCF to changes in the WACC-%



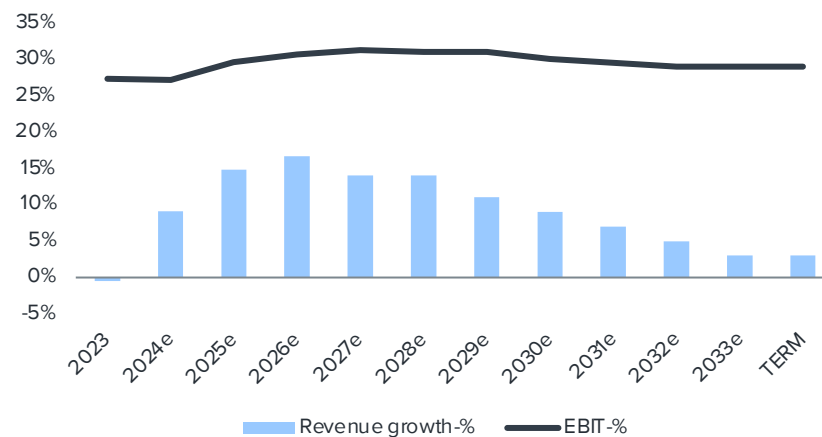
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



Source: Inderes. Note that the weight of the terminal value (%) is shown on an inverse scale for clarity.

# Summary

Income statement	2021	2022	2023	2024e	2025e	Per share data	2021	2022	2023	2024e	2025e
Revenue	78.8	97.0	96.6	105.3	120.9	EPS (reported)	0.65	0.82	0.72	0.81	1.05
EBITDA	25.7	33.1	30.3	32.7	40.1	EPS (adj.)	0.74	0.86	0.80	0.85	1.08
EBIT	22.1	29.7	26.3	28.6	35.8	OCF / share	0.85	0.90	0.40	1.11	1.29
PTP	22.1	29.1	25.4	28.0	36.2	FCF / share	0.25	0.79	0.09	0.97	1.15
Net Income	17.3	21.8	19.1	21.5	27.8	Book value / share	2.94	3.42	3.76	4.19	4.83
Extraordinary items	-2.4	-1.2	-2.2	-1.0	-1.0	Dividend / share	0.34	0.36	0.38	0.40	0.57
Balance sheet	2021	2022	2023	2024e	2025e	Growth and profitability	2021	2022	2023	2024e	2025e
Balance sheet total	124.6	136.1	137.4	150.0	170.8	Revenue growth-%	29%	23%	0%	9%	15%
Equity capital	78.4	90.9	99.9	111.3	128.4	EBITDA growth-%	18%	29%	-9%	8%	23%
Goodwill	59.8	59.8	59.4	59.4	59.4	EBIT (adj.) growth-%	28%	26%	-8%	4%	24%
Net debt	0.0	-11.3	-2.9	-18.0	-38.0	EPS (adj.) growth-%	27%	17%	-7%	6%	28%
Cash flow	2021	2022	2023	2024e	2025e	EBITDA-%	32.6 %	34.1 %	31.4 %	31.0 %	33.1 %
EBITDA	25.7	33.1	30.3	32.7	40.1	EBIT (adj.)-%	31.1 %	31.8 %	29.5 %	28.1 %	30.4 %
Change in working capital	2.4	-1.5	-11.6	3.4	2.4	EBIT-%	28.0 %	30.6 %	27.3 %	27.2 %	29.6 %
Operating cash flow	22.7	24.0	10.5	29.4	34.2	ROE-%	23.4 %	25.7 %	20.0 %	20.3 %	23.2 %
CAPEX	-15.8	-2.9	-8.2	-3.7	-3.7	ROI-%	22.1 %	27.6 %	23.3 %	23.7 %	26.8 %
Free cash flow	6.7	21.1	2.3	25.7	30.5	Equity ratio	63.0 %	66.8 %	72.7 %	74.2 %	75.1 %
						Gearing	0.0 %	-12.5 %	-2.9 %	-16.2 %	-29.6 %
Valuation multiples	2021	2022	2023	2024e	2025e						
EV/S	18.8	10.5	6.9	5.8	4.9						
EV/EBITDA (adj.)	57.7	30.6	22.0	18.9	14.9						
EV/EBIT (adj.)	60.4	32.9	23.4	20.8	16.2						
P/E (adj.)	75.1	44.6	31.5	28.2	22.0						
P/B	18.9	11.3	6.7	5.7	4.9						
Dividend-%	0.6 %	0.9 %	1.5 %	1.7 %	2.4 %						

Source: Inderes

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Date	Recommendation	Target	Share price
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>Analysts 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 €
2/11/2022	Accumulate	48.00 €	44.30 €
4/7/2022	Reduce	48.00 €	47.96 €
4/29/2022	Reduce	48.00 €	47.58 €
8/5/2022	Reduce	52.00 €	54.30 €
10/28/2022	Reduce	40.00 €	39.48 €
1/27/2023	Reduce	40.00 €	37.62 €
2/10/2023	Reduce	38.00 €	37.26 €
1/27/2023	Reduce	40.00 €	37.62 €
2/10/2023	Reduce	38.00 €	37.26 €
3/20/2023	Accumulate	38.00 €	34.66 €
4/28/2023	Reduce	38.00 €	39.24 €
8/3/2023	Accumulate	26.00 €	24.08 €
8/11/2023	Accumulate	26.00 €	23.20 €
10/4/2023	Buy	26.00 €	19.81 €
10/27/2023	Buy	24.50 €	19.90 €
12/7/2023	Accumulate	25.50 €	23.66 €
2/16/2024	Reduce	28.00 €	27.94 €
4/4/2024	Accumulate	28.00 €	25.86 €
4/26/2024	Accumulate	28.00 €	23.86 €



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