

# BIOHIT OYJ

## Company report

12/22/2024 18:34 EET



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✓ Inderes corporate customer

This report is a summary translation of the report "Tuloskunto ylätti positiiivisesti" published on 12/23/2024 at 7:00 am EET

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res.**

# Performance surprised positively

Biohit issued a profit warning related to revenue, but despite this, the new 2024 earnings guidance (EBIT percentage 16-18%) clearly exceeded our expectations. Biohit's profitability fluctuates, so we do not expect profitability to reach the very strong H2'24 level in the future. However, we raise our earnings forecasts moderately for the coming years based on the strong performance. The return/risk ratio of the stock that we already consider attractive improves another notch, so we raise our recommendation to Buy (was Accumulate) and raise the target price to EUR 2.9 (was 2.7).

## Revenue growth slower than expected, but profitability remains strong

On Thursday, Biohit lowered its revenue guidance for 2024. The company's December revenue is lower than forecast due to the tightening situation in the Middle East. The downgrade of the revenue guidance was not particularly dramatic compared to expectations, as it appears to be mainly due to the postponement of deliveries for the rest of the year to next year. We estimate that the majority of the deferred revenue will be recognized in H1'25. The company is delaying shipments to the region due to payment delays. According to the new guidance, 2024 revenue will be 14.1-14.4 MEUR (was 15.1-15.7 MEUR) and operating profit percentage 16-18% (previously at least 10%). Our forecast for this year was for revenue of 15.1 MEUR and EBIT of 2.0 MEUR (13.3% of revenue). With the new guidance, EBIT for 2024 will be around 2.26-2.59 million, which is well above our current expectations.

## Profitability fluctuations

A possible reason for the strong profitability at the end of the year could be the significant increase in the share of revenue accounted for by high-margin in-house production, for example, due to individual large orders. However, there is no certainty at this stage. Biohit's profitability in the beginning of the year was clearly down year-on-year, but by the end of the year it was well above the comparison period. In H1'24, profitability was negatively impacted by the increased share of OEM sales at the expense of own production sales. We estimate that the situation may have reversed towards the end of the year. We believe it is too early to conclude that profitability will be permanently higher, and we may see more ups and downs in the future. Further information on the reasons for this result will be available at the latest at the time of the annual financial statements.

## We raise our forecasts, but H2'24's whopping profitability is probably a one-off

We lower our revenue forecast for the current year to 14.3 MEUR, which is around the mid-point of the guidance. We expect most of the deferred revenue to be realized in H1'25. Due to the postponement, our 2025 revenue estimate increases and the forecast for 2026 remains roughly unchanged. Our EBIT forecast for the current year rises to 2.4 MEUR. We also raise our 2025-2026 earnings forecasts moderately. However, we do not expect the exceptionally strong performance of H2'24 to be the new normal but expect profitability to return closer to longer-term trends.

## The return/risk ratio is attractive from all angles

The valuation picture looks attractive across the board in terms of revenue (EV/S 2025e: 1.4x), earnings (EV/EBIT 2025: 9x), cash flow statement (DCF: EUR 3.0), and compared to the peers. We find the return/risk ratio of the stock quite attractive, considering the growth, performance and defensiveness.

## Recommendation

**Buy**  
(was Accumulate)

**EUR 2.90**  
(was EUR 2.70)

Share price:  
2.31

## Business risk



## Valuation risk



## Key figures

	2023	2024e	2025e	2026e
<b>Revenue</b>	13.1	14.3	18.1	19.9
<b>growth-%</b>	19%	10%	26%	10%
<b>EBIT adj.</b>	1.8	2.4	2.7	2.9
<b>EBIT-% adj.</b>	13.4 %	17.0 %	15.0 %	14.7 %
<b>Net Income</b>	1.9	2.3	2.4	2.5
<b>EPS (adj.)</b>	0.12	0.15	0.16	0.17
<b>P/E (adj.)</b>	16.6	15.0	14.7	14.0
<b>P/B</b>	3.1	2.9	2.4	2.1
<b>Dividend yield-%</b>	0.0 %	0.0 %	0.0 %	1.3 %
<b>EV/EBIT (adj.)</b>	14.0	11.3	9.2	7.9
<b>EV/EBITDA</b>	11.7	9.7	8.3	6.8
<b>EV/S</b>	1.9	1.9	1.4	1.2

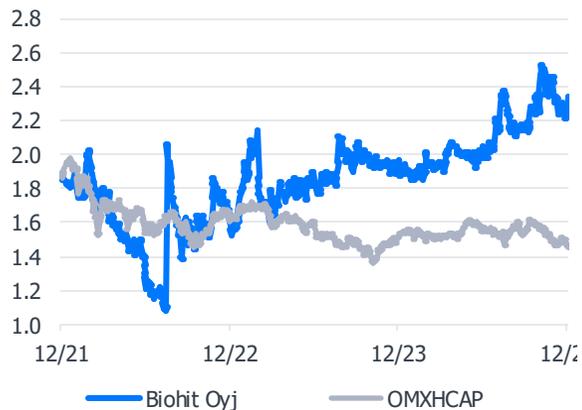
Source: Inderes

## Guidance

(New guidance)

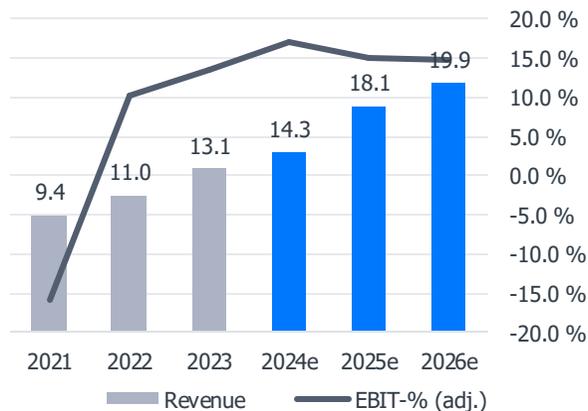
Biohit's 2024 revenue will be 14.1-14.4 MEUR (up 7.8-10.1% from 2023) and EBIT percentage 16-18%.

### Share price



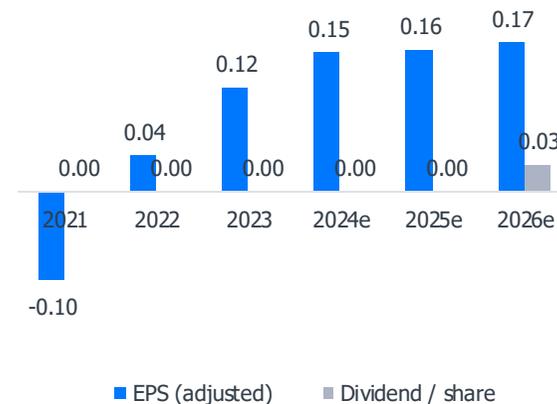
Source: Millstream Market Data AB

### Revenue and EBIT-%



Source: Inderes

### EPS and dividend



Source: Inderes



### Value drivers

- Growth in new GastroPanel® products
- Increased operational efficiency
- Renewed distribution agreement in China
- Using the strong balance sheet to pay dividends or to create opportunities for inorganic growth



### Risk factors

- Dependency on the Chinese market
- Small resources relative to competitors
- Failure in developing new products
- The aging of the current product portfolio and its loss of competitiveness
- Poor visibility of estimates

Valuation	2024e	2025e	2026e
Share price	2.31	2.31	2.31
Number of shares, millions	15.1	15.1	15.1
Market cap	35	35	35
EV	27	25	23
P/E (adj.)	15.0	14.7	14.0
P/E	15.0	14.7	14.0
P/B	2.9	2.4	2.1
P/S	2.4	1.9	1.8
EV/Sales	1.9	1.4	1.2
EV/EBITDA	9.7	8.3	6.8
EV/EBIT (adj.)	11.3	9.2	7.9
Payout ratio (%)	0.0 %	0.0 %	18.2 %
Dividend yield-%	0.0 %	0.0 %	13 %

Source: Inderes

# We raise our earnings forecasts

## Estimate revisions 2024e-2026e

- We lower our 2024 revenue forecast to around the mid-point of the guidance.
- We expect most of the company's deferred revenue to be transferred to H1'25.
- As a result of the transfer, our revenue estimate for 2025 increases and the forecast for 2026 remains roughly at the previous level.
- In terms of EBIT, we raise our estimates for the coming years moderately. We estimate that OEM sales will increase their relative share of sales in the coming years, which may put pressure on profitability. Therefore, we do not expect the whopping profitability of H2'24 to continue at exactly the same level in the future.

Estimate revisions	2024e	2024e	Change	2025e	2025e	Change	2026e	2026e	Change
MEUR/ EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	15.1	14.3	-5%	17.4	18.1	4%	19.8	19.9	0%
EBITDA	2.4	2.8	17%	2.6	3.0	18%	3.3	3.4	3%
EBIT (excl. NRIs)	2.0	2.4	21%	2.3	2.7	21%	2.8	2.9	3%
EBIT	2.0	2.4	21%	2.3	2.7	21%	2.8	2.9	3%
PTP	2.3	2.7	18%	2.5	2.9	19%	3.0	3.1	3%
EPS (excl. NRIs)	0.13	0.15	22%	0.13	0.16	19%	0.16	0.17	3%
DPS	0.00	0.00		0.00	0.00		0.03	0.03	0%
Source: Inderes				12.9 %	15.0 %		14.3 %	14.7 %	

# Risk/reward ratio is attractive

## Earnings multiples are moderate considering growth and profitability potential

Biohit's 2025e P/E ratio is 14.44x, which is moderate, and we consider it acceptable based on the growth and profitability potential. However, we believe that the company's valuation is better described by the EV/EBIT ratio that considers the large net cash, which is only 9x for 2025e. The median multiple of the peer group is 18x. The peer group consists of large U.S. diagnostic companies in a more mature stage that earn higher multiples than Biohit due to their lower risk profile. However, we do not believe the big difference is justified.

Earnings multiples continue to fall in the coming years, although the lack of visibility means that the reliability of the estimates suffer when assessing the longer term. That is why we rely mainly on 2025 multiples in the multiple examination, which are a year away. We find the multiples attractive when considering the expected growth rate and defensiveness of the industry. Biohit's high gross margin (historically around 65%) creates potential for healthy medium-term earnings growth and profitability. The profitability potential is indicated by the EBIT margin of mature diagnostic companies in 2023 of 17.1% (Bloomberg Global In Vitro Diagnostic Competitors Index companies). The company's own historical earnings multiples cannot be compared because of the loss-making business.

## On revenue basis, the share is cheap compared to history and the peers

Biohit's revenue-based EV/S ratio for 2025e is 1.4x. The ratios are below the company's own recent history with the median for 2018-2023 being 2.4x. Pricing relative to the company's history is still favorable, especially considering the current good profitability. The median EV/S

ratio for Biohit's peers is 3.5x for 2025.

## Cash flow calculation also indicates an upside

Based on the DCF model the current per share value of future cash flows is EUR 3.0 and thus indicates a clear upside in the share price. Our terminal growth assumption is 2.5%, based on the growth outlook of the health care needs of the aging population. For the terminal, we assume an EBIT margin of 17%, driven by the industry's mature companies and Biohit's high sales margin. We have used a weighted average cost of capital (WACC) of 10.5%. WACC is elevated by the risk of forecasts materializing, the company's small size and concentrated ownership. On the downside, the strong balance sheet, evidence of a turnaround in earnings and the defensive nature of the industry, as well as its good profitability potential lower the WACC.

## Valuation summary

Our view on the fair value of Biohit's share is EUR 2.5-3.5, which corresponds to a 2025 EV/EBIT range of 10x-16x and an EV/S range of 1.5x-2.5x. Earnings and revenue multiples play a key role in our view and they indicate that the share is attractively valued relative to earnings growth. We feel that the discount to the peers and the company's history is significant, although the peer group we use does not correspond particularly well with Biohit. The DCF model also indicates an upside in the share and meets our required return.

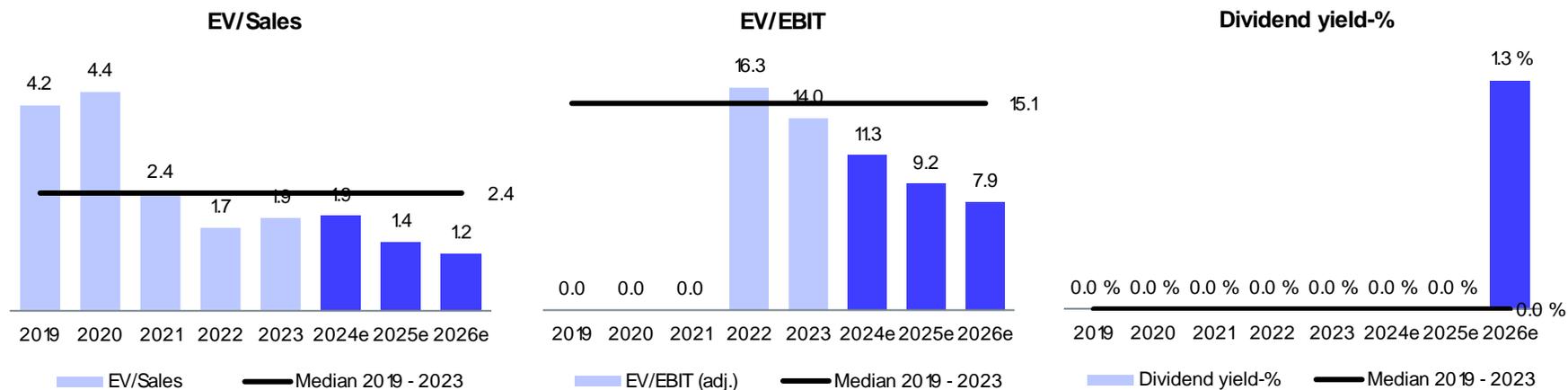
Valuation	2024e	2025e	2026e
Share price	2.31	2.31	2.31
Number of shares, millions	15.1	15.1	15.1
Market cap	35	35	35
EV	27	25	23
P/E (adj.)	15.0	14.7	14.0
P/E	15.0	14.7	14.0
P/B	2.9	2.4	2.1
P/S	2.4	1.9	1.8
EV/Sales	1.9	1.4	1.2
EV/EBITDA	9.7	8.3	6.8
EV/EBIT (adj.)	11.3	9.2	7.9
Payout ratio (%)	0.0 %	0.0 %	18.2 %
Dividend yield-%	0.0 %	0.0 %	1.3 %

Source: Inderes

# Valuation table

Valuation	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e
Share price	3.36	2.48	1.84	1.57	1.92	2.31	2.31	2.31	2.31
Number of shares, millions	15.0	15.0	15.0	15.0	15.1	15.1	15.1	15.1	15.1
Market cap	51	37	28	24	29	35	35	35	35
EV	42	32	22	18	25	27	25	23	21
P/E (adj.)	neg.	neg.	neg.	39.3	16.6	15.0	14.7	14.0	12.1
P/E	neg.	neg.	neg.	39.3	16.6	15.0	14.7	14.0	12.1
P/B	3.4	4.2	3.8	3.1	3.1	2.9	2.4	2.1	1.8
P/S	5.0	5.2	3.0	2.2	2.2	2.4	1.9	1.8	1.6
EV/Sales	4.2	4.4	2.4	1.7	1.9	1.9	1.4	1.2	0.9
EV/EBITDA	70.5	neg.	44.0	11.4	11.7	9.7	8.3	6.8	5.3
EV/EBIT (adj.)	neg.	neg.	neg.	16.3	14.0	11.3	9.2	7.9	6.1
Payout ratio (%)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	18.2 %	30.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	1.3 %	2.5 %

Source: Inderes



# Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	MEUR	MEUR	2024e	2025e	2024e	2025e	2024e	2025e	2024e	2025e	2024e	2025e	2024e
Abbott Laboratories	190532	197651	22.0	19.7	19.1	17.4	4.9	4.6	24.4	22.1	1.9	2.0	5.0
bioMérieux SA	12097	12383	20.0	17.7	13.6	12.2	3.1	2.9	25.2	22.4	0.9	1.0	2.9
Bio Rad Laboratories Inc	8809	8397	25.8	22.8	18.5	16.9	3.4	3.3	31.8	28.4			1.2
Boule Diagnostics AB	30	44		7.9		5.8	0.9	0.9		7.9	0.7	1.8	1.3
DiaSorin SpA	5609	6399	23.5	20.4	16.3	14.8	5.4	5.0	27.6	24.4	1.1	1.2	3.4
Immunovia AB	10	5	0.3	0.2	0.3	0.2	0.1	0.1	0.2	0.1			0.1
Qiagen NV	9548	9942	21.1	17.4	15.2	13.4	5.2	5.0	20.5	19.5			2.7
Q-linea AB	8	15					25.0	3.5					0.1
SD Biosensor	878	873			16.3	16.9	1.8	1.6					1.7
Sysmex	11276	11052	22.4		15.5	13.8	4.0	3.5	34.9	31.3	0.9	1.0	4.3
Exact Sciences Corp	10572	12074			39.7	27.9	4.6	4.1					3.5
OraSure Technologies Inc	261		0.3	0.2									0.5
<b>Biohit Oyj (Inderes)</b>	<b>35</b>	<b>27</b>	<b>11.3</b>	<b>9.2</b>	<b>9.7</b>	<b>8.3</b>	<b>1.9</b>	<b>1.4</b>	<b>15.0</b>	<b>14.7</b>	<b>0.0</b>	<b>0.0</b>	<b>2.9</b>
<b>Average</b>			<b>16.9</b>	<b>13.3</b>	<b>17.2</b>	<b>13.9</b>	<b>6.0</b>	<b>3.8</b>	<b>23.5</b>	<b>19.5</b>	<b>1.1</b>	<b>1.4</b>	<b>2.2</b>
<b>Median</b>			<b>21.5</b>	<b>17.6</b>	<b>16.3</b>	<b>14.3</b>	<b>4.3</b>	<b>3.5</b>	<b>25.2</b>	<b>22.3</b>	<b>0.9</b>	<b>1.2</b>	<b>2.2</b>
<b>Diff-% to median</b>			<b>-48%</b>	<b>-47%</b>	<b>-40%</b>	<b>-42%</b>	<b>-55%</b>	<b>-60%</b>	<b>-40%</b>	<b>-34%</b>	<b>-100%</b>	<b>-100%</b>	<b>34%</b>

Source: Refinitiv / Inderes

# Income statement

Income statement	H1'22	H2'22	2022	H1'23	H2'23	2023	H1'24	H2'24e	2024e	H1'25e	H2'25e	2025e	2026e	2027e
<b>Revenue</b>	<b>6.1</b>	<b>4.9</b>	<b>11.0</b>	<b>6.5</b>	<b>6.6</b>	<b>13.1</b>	<b>7.4</b>	<b>6.9</b>	<b>14.3</b>	<b>9.2</b>	<b>8.9</b>	<b>18.1</b>	<b>19.9</b>	<b>22.5</b>
<b>EBITDA</b>	<b>1.5</b>	<b>0.1</b>	<b>1.6</b>	<b>1.7</b>	<b>0.4</b>	<b>2.1</b>	<b>1.5</b>	<b>1.4</b>	<b>2.8</b>	<b>1.6</b>	<b>1.1</b>	<b>3.0</b>	<b>3.4</b>	<b>3.9</b>
Depreciation	-0.2	-0.3	-0.5	-0.2	-0.2	-0.4	-0.2	-0.2	-0.4	0.0	0.0	-0.3	-0.4	-0.5
<b>EBIT (excl. NRI)</b>	<b>1.3</b>	<b>-0.2</b>	<b>1.1</b>	<b>1.5</b>	<b>0.3</b>	<b>1.8</b>	<b>1.3</b>	<b>1.2</b>	<b>2.4</b>	<b>1.6</b>	<b>1.1</b>	<b>2.7</b>	<b>2.9</b>	<b>3.4</b>
<b>EBIT</b>	<b>1.3</b>	<b>-0.2</b>	<b>1.1</b>	<b>1.5</b>	<b>0.3</b>	<b>1.8</b>	<b>1.3</b>	<b>1.2</b>	<b>2.4</b>	<b>1.6</b>	<b>1.1</b>	<b>2.7</b>	<b>2.9</b>	<b>3.4</b>
Net financial items	-0.2	-0.1	-0.3	0.2	0.2	0.4	0.2	0.1	0.3	0.1	0.1	0.2	0.2	0.2
<b>PTP</b>	<b>1.1</b>	<b>-0.2</b>	<b>0.9</b>	<b>1.7</b>	<b>0.5</b>	<b>2.2</b>	<b>1.5</b>	<b>1.3</b>	<b>2.7</b>	<b>1.7</b>	<b>1.2</b>	<b>2.9</b>	<b>3.1</b>	<b>3.6</b>
Taxes	-0.2	-0.1	-0.3	-0.3	0.0	-0.3	-0.2	-0.2	-0.4	-0.3	-0.2	-0.5	-0.6	-0.7
<b>Net earnings</b>	<b>0.9</b>	<b>-0.3</b>	<b>0.6</b>	<b>1.3</b>	<b>0.5</b>	<b>1.8</b>	<b>1.3</b>	<b>1.1</b>	<b>2.3</b>	<b>1.4</b>	<b>1.0</b>	<b>2.4</b>	<b>2.5</b>	<b>2.9</b>
<b>EPS (rep.)</b>	<b>0.06</b>	<b>-0.02</b>	<b>0.04</b>	<b>0.09</b>	<b>0.03</b>	<b>0.12</b>	<b>0.08</b>	<b>0.07</b>	<b>0.15</b>	<b>0.09</b>	<b>0.06</b>	<b>0.16</b>	<b>0.17</b>	<b>0.19</b>

Key figures	H1'22	H2'22	2022	H1'23	H2'23	2023	H1'24	H2'24e	2024e	H1'25e	H2'25e	2025e	2026e	2027e
<b>Revenue growth-%</b>	52.5 %	-9.5 %	17.0 %	6.6 %	35.0 %	19.2 %	14.3 %	5.3 %	9.8 %	23.7 %	29.0 %	26.2 %	9.9 %	13.0 %
<b>Adjusted EBIT growth-%</b>	-208.3 %	-38.6 %	-176.2 %	15.4 %	-245.3 %	55.1 %	-16.7 %	372.8 %	39.0 %	30.5 %	-7.8 %	11.9 %	7.2 %	16.8 %
<b>EBITDA-%</b>	24.6 %	2.2 %	14.7 %	26.2 %	6.1 %	16.1 %	19.5 %	20.0 %	19.8 %	17.8 %	12.2 %	16.7 %	16.9 %	17.5 %
<b>Adjusted EBIT-%</b>	21.3 %	-3.5 %	10.3 %	23.1 %	3.8 %	13.4 %	16.8 %	17.1 %	17.0 %	17.8 %	12.2 %	15.0 %	14.7 %	15.2 %
<b>Net earnings-%</b>	14.8 %	-6.2 %	5.5 %	20.0 %	6.9 %	13.4 %	16.8 %	15.7 %	16.3 %	15.3 %	10.9 %	13.1 %	12.5 %	12.8 %

Source: Inderes

# Balance sheet

Assets	2022	2023	2024e	2025e	2026e
<b>Non-current assets</b>	<b>1.1</b>	<b>1.1</b>	<b>1.2</b>	<b>1.3</b>	<b>1.4</b>
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	0.0	0.2	0.3	0.6	0.8
Tangible assets	1.0	0.9	0.8	0.6	0.5
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.1	0.1	0.1	0.1	0.1
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
<b>Current assets</b>	<b>9.9</b>	<b>11.8</b>	<b>12.8</b>	<b>15.6</b>	<b>18.3</b>
Inventories	0.9	0.9	1.1	1.3	1.4
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	2.8	4.1	4.3	4.5	5.0
Cash and equivalents	6.2	6.8	7.4	9.8	12.0
<b>Balance sheet total</b>	<b>11.0</b>	<b>12.9</b>	<b>14.0</b>	<b>16.9</b>	<b>19.7</b>

Source: Inderes

Liabilities & equity	2022	2023	2024e	2025e	2026e
<b>Equity</b>	<b>7.6</b>	<b>9.5</b>	<b>11.9</b>	<b>14.3</b>	<b>16.8</b>
Share capital	2.4	2.4	2.4	2.4	2.4
Retained earnings	18	3.8	6.1	8.5	11.0
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	-1.7	-1.9	-1.7	-1.7	-1.7
Other equity	5.1	5.2	5.1	5.1	5.1
Minorities	0.0	0.0	0.0	0.0	0.0
<b>Non-current liabilities</b>	<b>0.6</b>	<b>0.3</b>	<b>-0.1</b>	<b>-0.1</b>	<b>-0.1</b>
Deferred tax liabilities	0.0	0.0	0.0	0.0	0.0
Provisions	-0.1	-0.1	-0.1	-0.1	-0.1
Interest bearing debt	0.7	0.4	0.0	0.0	0.0
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>2.9</b>	<b>3.1</b>	<b>2.1</b>	<b>2.7</b>	<b>3.0</b>
Interest bearing debt	0.3	1.9	0.0	0.0	0.0
Payables	2.6	1.2	2.1	2.7	3.0
Other current liabilities	0.0	0.0	0.0	0.0	0.0
<b>Balance sheet total</b>	<b>11.0</b>	<b>12.9</b>	<b>14.0</b>	<b>16.9</b>	<b>19.7</b>

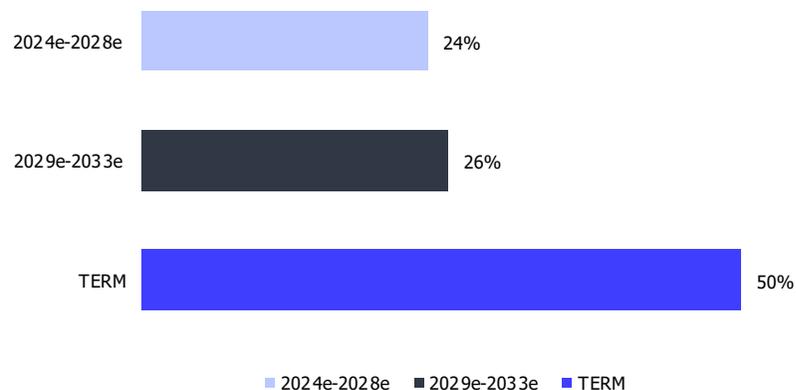
# DCF calculation

DCF model	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	TERM
Revenue growth-%	19.2 %	9.8 %	26.2 %	9.9 %	13.0 %	12.0 %	8.0 %	6.0 %	3.0 %	2.0 %	2.0 %	2.0 %
EBIT-%	13.4 %	17.0 %	15.0 %	14.7 %	15.2 %	15.0 %	17.0 %	18.0 %	19.0 %	17.0 %	17.0 %	17.0 %
<b>EBIT (operating profit)</b>	<b>1.8</b>	<b>2.4</b>	<b>2.7</b>	<b>2.9</b>	<b>3.4</b>	<b>3.8</b>	<b>4.6</b>	<b>5.2</b>	<b>5.6</b>	<b>5.1</b>	<b>5.2</b>	
+ Depreciation	0.4	0.4	0.3	0.4	0.5	0.6	0.6	0.6	0.6	0.6	0.6	
- Paid taxes	-0.3	-0.4	-0.5	-0.6	-0.7	-0.8	-1.0	-1.1	-1.2	-1.1	-1.0	
- Tax, financial expenses	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
+ 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	-2.7	0.6	0.1	-0.3	-0.4	-0.5	-0.3	0.2	0.3	0.2	-0.1	
<b>Operating cash flow</b>	<b>-0.9</b>	<b>3.1</b>	<b>2.7</b>	<b>2.5</b>	<b>2.8</b>	<b>3.1</b>	<b>3.9</b>	<b>4.9</b>	<b>5.4</b>	<b>4.9</b>	<b>4.7</b>	
+ Change in other long-term liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-0.4	-0.4	-0.5	-0.5	-0.5	-0.5	-0.6	-0.6	-0.6	-0.6	-0.6	
<b>Free operating cash flow</b>	<b>-1.2</b>	<b>2.6</b>	<b>2.2</b>	<b>2.0</b>	<b>2.3</b>	<b>2.6</b>	<b>3.4</b>	<b>4.3</b>	<b>4.8</b>	<b>4.3</b>	<b>4.1</b>	
+/- Other	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-1.3	2.6	2.2	2.0	2.3	2.6	3.4	4.3	4.8	4.3	4.1	49.6
<b>Discounted FCFF</b>		<b>2.6</b>	<b>2.0</b>	<b>1.6</b>	<b>1.7</b>	<b>1.7</b>	<b>2.0</b>	<b>2.3</b>	<b>2.4</b>	<b>1.9</b>	<b>1.7</b>	<b>20.2</b>
Sum of FCFF present value		40.2	37.6	35.6	34.0	32.3	30.6	28.5	26.2	23.8	21.9	20.2
<b>Enterprise value DCF</b>		<b>40.2</b>										
- Interest bearing debt		-2.3										
+ Cash and cash equivalents		6.8										
-Minorities		0.0										
-Dividend/capital return		0.0										
<b>Equity value DCF</b>		<b>44.7</b>										
<b>Equity value DCF per share</b>		<b>3.0</b>										

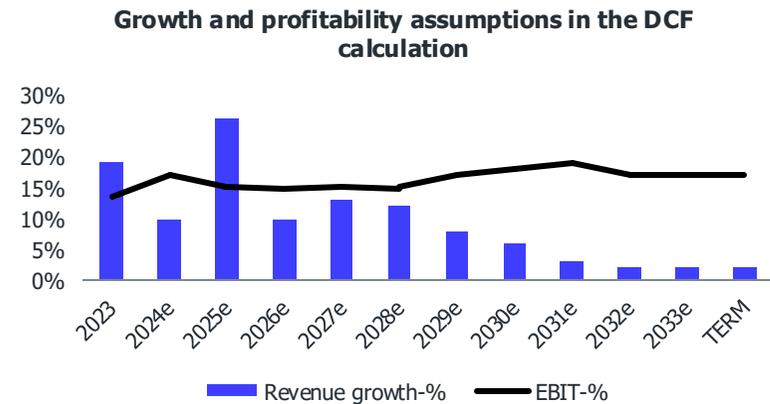
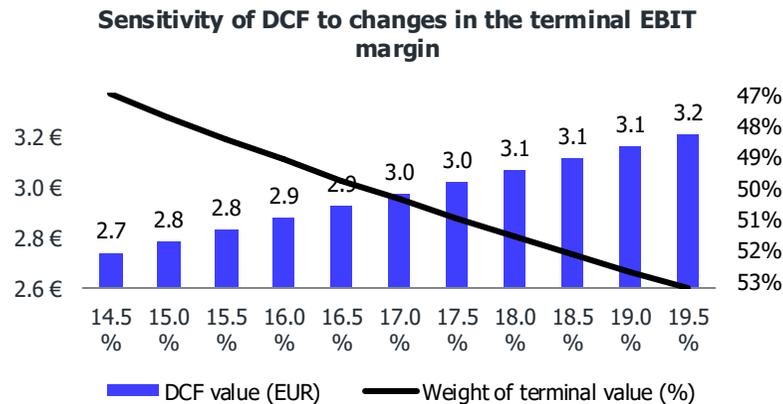
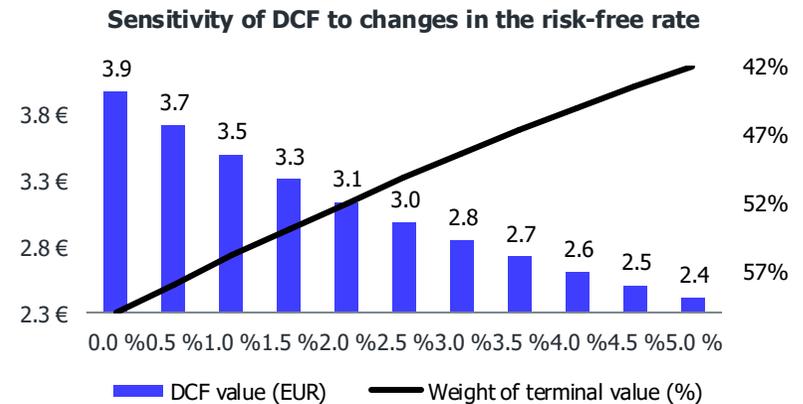
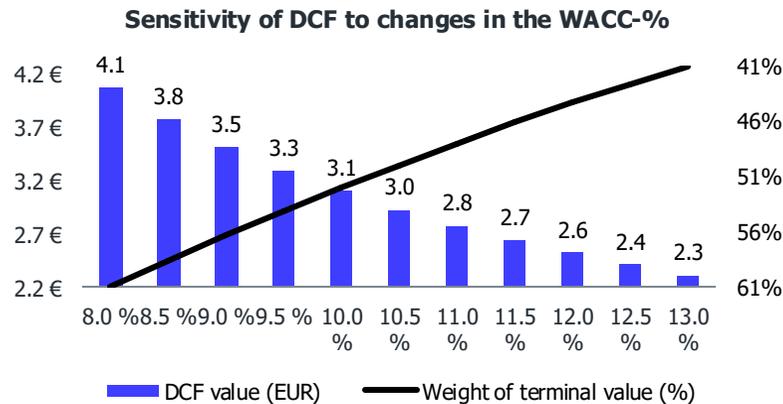
WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	10.0 %
Cost of debt	6.0 %
Equity Beta	1.60
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	2.5 %
<b>Cost of equity</b>	<b>11.1 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>10.5 %</b>

Source: Inderes

## Cash flow distribution



# DCF sensitivity calculations and key assumptions in graphs



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	9.4	11.0	13.1	<b>14.3</b>	<b>18.1</b>	EPS (reported)	-0.10	0.04	0.12	<b>0.15</b>	<b>0.16</b>
EBITDA	0.5	1.6	2.1	<b>2.8</b>	<b>3.0</b>	EPS (adj.)	-0.10	0.04	0.12	<b>0.15</b>	<b>0.16</b>
EBIT	-1.5	1.1	1.8	<b>2.4</b>	<b>2.7</b>	OCF / share	-0.03	0.10	-0.06	<b>0.20</b>	<b>0.18</b>
PTP	-1.3	0.9	2.2	<b>2.7</b>	<b>2.9</b>	FCF / share	-0.04	0.04	-0.09	<b>0.17</b>	<b>0.15</b>
Net Income	-1.5	0.6	1.8	<b>2.3</b>	<b>2.4</b>	Book value / share	0.49	0.50	0.63	<b>0.79</b>	<b>0.95</b>
Extraordinary items	0.0	0.0	0.0	<b>0.0</b>	<b>0.0</b>	Dividend / share	0.00	0.00	0.00	<b>0.00</b>	<b>0.00</b>
Balance sheet	2021	2022	2023	2024e	2025e	Growth and profitability	2021	2022	2023	2024e	2025e
Balance sheet total	9.6	11.0	12.9	<b>14.0</b>	<b>16.9</b>	Revenue growth-%	31%	17%	19%	<b>10%</b>	<b>26%</b>
Equity capital	7.4	7.6	9.5	<b>11.9</b>	<b>14.3</b>	EBITDA growth-%	-143%	217%	31%	<b>35%</b>	<b>7%</b>
Goodwill	0.0	0.0	0.0	<b>0.0</b>	<b>0.0</b>	EBIT (adj.) growth-%	-53%	-176%	55%	<b>39%</b>	<b>12%</b>
Net debt	-5.3	-5.3	-4.5	<b>-7.4</b>	<b>-9.8</b>	EPS (adj.) growth-%	-55%	-140%	190%	<b>33%</b>	<b>2%</b>
Cash flow	2021	2022	2023	2024e	2025e	EBITDA-%	5.4 %	14.7 %	16.1 %	<b>19.8 %</b>	<b>16.7 %</b>
EBITDA	0.5	1.6	2.1	<b>2.8</b>	<b>3.0</b>	EBIT (adj.)-%	-15.8 %	10.3 %	13.4 %	<b>17.0 %</b>	<b>15.0 %</b>
Change in working capital	-0.8	0.3	-2.7	<b>0.6</b>	<b>0.1</b>	EBIT-%	-15.8 %	10.3 %	13.4 %	<b>17.0 %</b>	<b>15.0 %</b>
Operating cash flow	-0.5	1.6	-0.9	<b>3.1</b>	<b>2.7</b>	ROE-%	-18.5 %	8.0 %	20.6 %	<b>21.8 %</b>	<b>18.1 %</b>
CAPEX	-0.1	-1.0	-0.4	<b>-0.4</b>	<b>-0.5</b>	ROI-%	-17.7 %	14.3 %	19.1 %	<b>23.1 %</b>	<b>22.3 %</b>
Free cash flow	-0.6	0.6	-1.3	<b>2.6</b>	<b>2.2</b>	Equity ratio	76.7 %	68.7 %	73.1 %	<b>85.3 %</b>	<b>84.5 %</b>
						Gearing	-72.4 %	-69.8 %	-47.6 %	<b>-62.4 %</b>	<b>-68.6 %</b>
Valuation multiples	2021	2022	2023	2024e	2025e						
EV/S	2.4	1.7	1.9	<b>1.9</b>	<b>1.4</b>						
EV/EBITDA	44.0	11.4	11.7	<b>9.7</b>	<b>8.3</b>						
EV/EBIT (adj.)	neg.	16.3	14.0	<b>11.3</b>	<b>9.2</b>						
P/E (adj.)	neg.	39.3	16.6	<b>15.0</b>	<b>14.7</b>						
P/B	3.8	3.1	3.1	<b>2.9</b>	<b>2.4</b>						
Dividend-%	0.0 %	0.0 %	0.0 %	<b>0.0 %</b>	<b>0.0 %</b>						

Source: Inderes

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Date	Recommendation	Target	Share price
6/30/2023	Accumulate	2.10 €	1.78 €
8/10/2023	Accumulate	2.40 €	2.11 €
12/20/2023	Accumulate	2.30 €	1.92 €
2/15/2023	Buy	2.40 €	2.01 €
8/8/2024	Accumulate	2.70 €	2.29 €
12/22/2024	Buy	2.90 €	2.31 €



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