

Revenio Group

Company report

4/4/2024



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✓ Inderes corporate customer

This report is a summary translation of the report “Kevättä rinnassa” published on 4/4/2024 at 8:10 am EEST.

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Springing to life

We reiterate our target price of EUR 28.0 for Revenio, but we raise our recommendation to Accumulate (previous Reduce), as the share price drop has provided sufficient upside again. We expect the start of the year to still have been difficult, with Q1 results below the strong comparison period, but a return to earnings growth thereafter. The valuation level is reasonable (2024e EV/EBIT 22x) relative to the outlook for the next few years, and the company is undervalued compared to its peer group. As a result, we consider the stock's risk/reward ratio to be reasonably good again.

Despite still sluggish Q1 results, outlook suggests signs of spring

Revenio will announce its Q1 results on Thursday April 25. In our view, the seasonally slow start to the year will continue to be tough for earnings growth, given the still sluggish market conditions and strong comparison figures in Q1'23. We expect the company's revenue to decline slightly to 22.9 MEUR in Q1. At the same time, we expect that costs will be driven up by ongoing clinical trials (DRSplus and FDA approval of partnered AI, as well as the renewed Maia) and rising personnel costs. We estimate these to increase costs by 3-4 MEUR in 2024, but their impact on the Q1 result is difficult to predict. With a slight decline in revenue and an increase in expenses, we expect Q1 EBIT to drop significantly from the strong comparison period. We estimate the Q1 EBIT to be 5.5 MEUR (Q1'23: 6.2 MEUR) which would mean an EBIT margin of 24% (Q1'23: 26.6%).

No major forecast changes

The guidance given by Revenio in connection with the financial statements was for currency-adjusted sales to grow 5-10% year-on-year and for profitability excluding one-off items to be at a good level. Although we do not expect this to change, market comments should be somewhat more positive than before. Revenio has estimated that the market situation and growth prospects will improve in H2'24, supported by its own product launches. The worst of the market slump is probably already behind us, and there should be signs of a pick-up as we head into spring. We expect Revenio's revenue to start rising from Q2 onwards, which will also put the company back on track for earnings growth, although the scalability of profitability will be weakened by the aforementioned cost increases. The earnings growth outlook for the coming years will be strengthened by, among other things, the renewed Maia microperimeter, expected to be added to the product range in late 2024, and for the US, the iCare ILLUME screening solution using artificial intelligence, as long as the necessary FDA approvals are obtained in late 2024. In addition, reimbursement for HOME2 may proceed in the US towards the end of the year.

Risk/reward ratio back on track

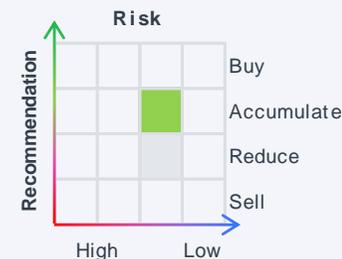
We have not changed our target price, but after the share price drop, the risk/reward ratio for the stock is clearly positive again in our view. The 2024e adjusted EV/EBIT ratio is now around 22x, which we believe is reasonable given the quality of the company and its earnings growth outlook. The valuation for 12 months from now is based on 2025 forecasts with an adjusted EV/EBIT of around 17x. We see room for upside in this even in the current market environment, but it will require significant earnings growth. 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 nearly 30x). We wouldn't call Revenio a bargain, but the company returns to earnings growth in 2024 and the outlook for the next few years is strong, so the drivers are up, especially as we approach the end of the year.

Recommendation

Accumulate
(previous Reduce)

EUR 28.00
(previous EUR 28.00)

Share price:
25.86



Key figures

	2023	2024e	2025e	2026e
Revenue	97	105	120	140
growth-%	0%	8%	15%	17%
EBIT adj.	28.5	30.4	37.9	45.0
EBIT-% adj.	29.5 %	29.1 %	31.5 %	32.1 %
Net Income	19.1	22.3	28.7	34.6
EPS (adj.)	0.80	0.88	1.12	1.34
P/E (adj.)	31.5	29.4	23.2	19.3
P/B	6.7	6.1	5.3	4.6
Dividend yield-%	1.5 %	1.6 %	2.3 %	2.8 %
EV/EBIT (adj.)	23.4	22.0	17.1	13.9
EV/EBITDA	22.0	20.0	15.7	12.9
EV/S	6.9	6.4	5.4	4.5

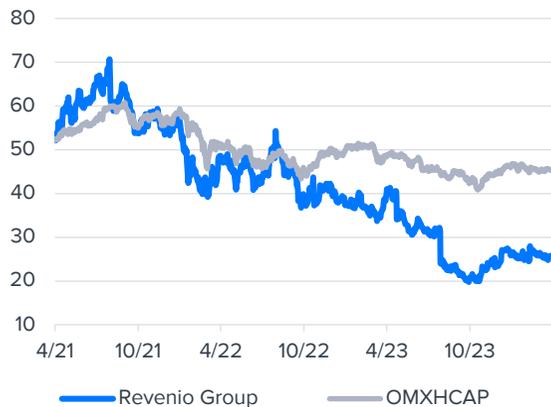
Source: Inderes

Guidance

(Unchanged)

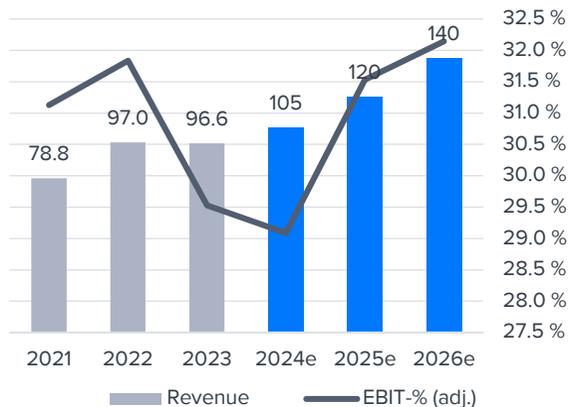
Revenio Group's exchange rate-adjusted revenue is estimated to grow 5-10 percent from the previous year and profitability, excluding non-recurring items, is estimated to remain at a good level.

Share price



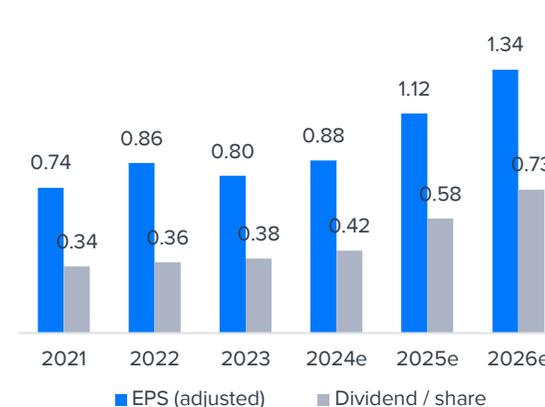
Source: Millstream Market Data AB

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	25.9	25.9	25.9
Number of shares, million	26.6	26.6	26.6
Market cap	687	687	687
EV	668	648	626
P/E (adj.)	29.4	23.2	19.3
P/E	30.8	23.9	19.8
P/B	6.1	5.3	4.6
P/S	6.6	5.7	4.9
EV/Sales	6.4	5.4	4.5
EV/EBITDA	20.0	15.7	12.9
EV/EBIT (adj.)	22.0	17.1	13.9
Payout ratio (%)	50.0 %	54.0 %	56.0 %
Dividend yield-%	1.6 %	2.3 %	2.8 %

Source: Inderes

Q1 preliminary result: Outlook suggests signs of spring

Revenio will announce its Q1 results on Thursday April 25. In our view, the start of the year will continue to be tough for earnings growth, given the still sluggish market conditions and strong comparison figures in Q1'23. We expect the company's revenue to decline slightly and the result to decline clearly from the comparison period, with clear upward pressure on the cost side. The start of the year is also seasonally the company's weakest quarter. The most important thing is that the outlook for the rest of the year remains unchanged and the market is slowly starting to show signs of recovery.

Horizontal trend expected in revenue

We expect the reported revenue to decline slightly to 22.9 MEUR in Q1. Although market demand weakened significantly after Q1 last year, the start of the year was still generally good and the Q1'23 comparison figures are therefore strong. About half of Revenio's revenue comes from the US, but the EUR/USD ratio was relatively stable in Q1, so this should not have much impact on the growth figures.

We also expect a relatively stable development in the

main product groups. Overall demand has been down year-on-year, but sales of imaging devices are expected to be supported by a significant order in late 2023 for the iCare DRSpplus fundus imaging device for screening purposes in Germany. On the tonometers side, at least the iCare IC200 and sensors have presumably sold well.

Result still under pressure

We estimate the Q1 EBIT to be 5.5 MEUR (Q1'23: 6.2 MEUR), which would mean an EBIT margin of 24% (Q1' 23: 26.6%). We expect the result to have been on a downward trend, due to stable revenue and a clearly rising cost structure in 2024. We expect gross margins to have remained relatively stable at over 70%. Our forecasts are slightly below consensus.

Costs will be driven up mainly by clinical trials as the company seeks FDA approval for the combination of DRSpplus and partnered AI, as well as the renewed Maia. In addition to these intrinsically transitory future investments, we see clear upward pressure on personnel costs, with bonuses set to rise significantly from low levels in 2023. All of this increases costs by

3-4 MEUR in 2024, but the impact on the Q1 result is difficult to predict. Growth investments in digitalization (such as ILLUME and Oculo) have continued as normal.

Outlook suggests signs of spring

The guidance given by Revenio in connection with the financial statements was for currency-adjusted sales to grow 5-10% year-on-year and for profitability excluding one-off items to be at a good level. We have not made any material changes to our forecasts and expect revenue to grow by 8.3% and EBIT margin to be around 28% in 2024.

Revenio has estimated that the market situation and growth prospects will improve in H2'24, supported by its own product launches. The worst of the market slump is probably already behind us, and there should be signs of a pick-up as we head into spring. We expect Revenio's revenue to return to growth in Q2 and growth to accelerate in Q3, which should be supported by the outlook. This is helped by weak comparables, but the market headwinds should also gradually reverse.

Estimates MEUR / EUR	Q1'23	Q1'24	Q1'24e	Q1'24e	Consensus		2024e
	Comparison	Actualized	Inderes	Consensus	Low	High	Inderes
Revenue	23.2		22.9	23.3			105
EBIT	6.2		5.5	5.8			29.4
EPS (reported)	0.16		0.15	0.16			0.84
Revenue growth-%	14.9 %		-1.4 %	0.4 %			8.3 %
Liikevoitto-%	26.6 %		23.9 %	24.9 %			28.1 %

Source: Inderes & Modular Finance (14.3.2024, 7 analyttikkoa) (consensus)

Risk/reward ratio back on track

Valuation at a reasonable level

We reiterate our target price of EUR 28.0 for Revenio, but we raise our recommendation to Accumulate (previous Reduce), as the share price drop has provided sufficient upside. At the same time, the valuation has declined slightly, and we believe it is at a reasonable level for Revenio. We do not think the stock is cheap in the current market environment, but at least the risk/reward ratio has turned positive.

The 2024e adjusted EV/EBIT ratio is now around 22x, which we believe is reasonable given the quality of the company and its earnings growth outlook. The valuation for 12 months from now is based on 2025 forecasts with an adjusted EV/EBIT of around 17x. We see room for upside in this even in the current market environment, but it will require significant earnings growth. However, we believe there are very good drivers for this, with the launch of the renewed Maia and, for the US, the iCare ILLUME screening solution

using artificial intelligence in late 2024. As long as the necessary FDA approvals are obtained in late 2024, both will support earnings growth in 2025.

Undervalued compared to peers

Revenio is currently priced at a slight discount to its peer group, which we do not consider justified. The median 2024e EV/EBIT for the peer group is around 24x, which is slightly higher than Revenio. Historically, Revenio's premium has been hefty and in our view, Revenio is one of the best companies in the group along with Zeiss (2024e EV/EBIT nearly 30x). We would not draw any major conclusions from this due to the fragmented nature of the peer group, but we think Revenio is now undervalued relative to its peers. This supports our positive view on the share.

Valuation	2024e	2025e	2026e
Share price	25.9	25.9	25.9
Number of shares, millions	26.6	26.6	26.6
Market cap	687	687	687
EV	668	648	626
P/E (adj.)	29.4	23.2	19.3
P/E	30.8	23.9	19.8
P/B	6.1	5.3	4.6
P/S	6.6	5.7	4.9
EV/Sales	6.4	5.4	4.5
EV/EBITDA	20.0	15.7	12.9
EV/EBIT (adj.)	22.0	17.1	13.9
Payout ratio (%)	50.0 %	54.0 %	56.0 %
Dividend yield-%	1.6 %	2.3 %	2.8 %

Source: Inderes

Estimate revisions	2024e		Change	2025e		Change	2026e		Change
	Old	New		Old	New		Old	New	
MEUR / EUR									
Revenue	104	104.6	0%	120	120	0%	140	140	0%
EBITDA	33.2	33.4	1%	41.2	41.2	0%	48.5	48.5	0%
EBIT (excl. NRIs)	30.4	30.4	0%	37.8	37.9	0%	44.9	45.0	0%
EBIT	29.2	29.4	1%	36.6	36.9	1%	43.8	44.1	1%
PTP	28.8	29.0	1%	37.0	37.3	1%	44.7	45.0	1%
EPS (excl. NRIs)	0.88	0.88	0%	1.12	1.12	0%	1.34	1.34	0%
DPS	0.42	0.42	1%	0.58	0.58	1%	0.72	0.73	1%

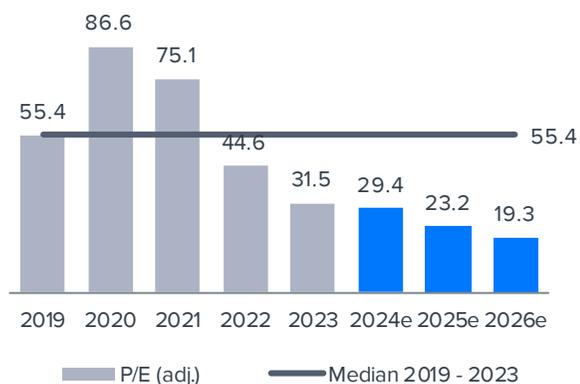
Source: Inderes

Valuation table

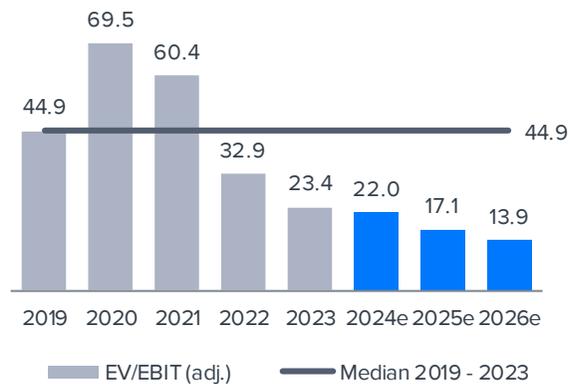
Valuation	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e
Share price	26.3	50.3	55.6	38.6	25.2	25.9	25.9	25.9	25.9
Number of shares, millions	26.0	26.6	26.7	26.6	26.6	26.6	26.6	26.6	26.6
Market cap	697	1337	1482	1026	670	687	687	687	687
EV	700	1335	1482	1015	667	668	648	626	601
P/E (adj.)	55.4	86.6	75.1	44.6	31.5	29.4	23.2	19.3	16.5
P/E	73.0	>100	85.7	47.1	35.1	30.8	23.9	19.8	16.9
P/B	10.8	19.2	18.9	11.3	6.7	6.1	5.3	4.6	4.0
P/S	14.1	21.9	18.8	10.6	6.9	6.6	5.7	4.9	4.3
EV/Sales	14.1	21.9	18.8	10.5	6.9	6.4	5.4	4.5	3.8
EV/EBITDA	47.9	61.5	57.7	30.6	22.0	20.0	15.7	12.9	10.7
EV/EBIT (adj.)	44.9	69.5	60.4	32.9	23.4	22.0	17.1	13.9	11.5
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 %	1.6 %	2.3 %	2.8 %	3.6 %

Source: Inderes

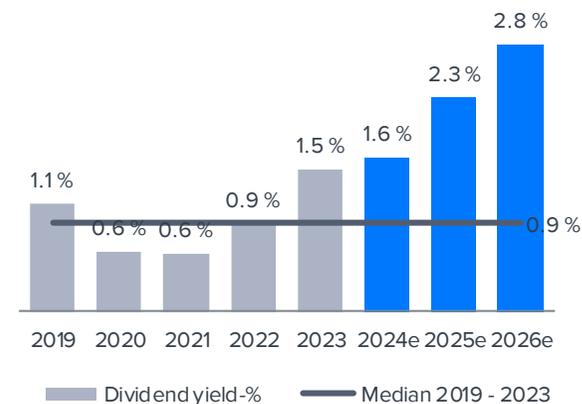
P/E (adj.)



EV/EBIT (oik.)



Dividend yield-%



Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%	
Company	MEUR	MEUR	2024e	2025e	2024e	2025e	2024e	2025e	2024e	2025e	2024e	2025e
Revenio Group	683	679	23.4	19.0	20.5	16.9	6.5	5.7	31.5	25.2	1.6	1.9
Cooper Companies	18103	20553	23.5	21.5	19.7	17.6	5.7	5.3	27.7	24.8	0.0	0.0
Ametek	38737	41434	23.8	22.1	19.8	18.4	6.0	5.7	26.4	24.1	0.6	0.6
Topcon	1141	1478			10.8	8.0	1.1	1.1	60.2	16.1	2.4	2.7
Medtronic	105082	120908	15.8	15.0	13.9	13.2	4.0	3.9	16.4	15.6	3.3	3.4
EssilorLuxotica SA	94624	104364	23.6	20.9	15.0	13.7	3.9	3.7	29.5	26.2	1.9	2.1
Carl Zeiss Meditec	10250	10481	29.5	22.9	23.5	18.7	4.7	4.2	40.2	32.5	0.9	1.1
Demand	10137	11925	18.3	16.8	14.4	13.3	3.8	3.6	24.2	20.8		
Optomed (Inderes)	78	79					4.8	3.6				
Revenio Group (Inderes)	687	668	22.0	17.1	20.0	15.7	6.4	5.4	29.4	23.2	1.6	2.3
Average			26.5	22.0	19.2	16.4	4.6	4.2	36.2	26.2	1.4	1.4
Median			23.6	21.5	19.7	17.2	4.8	4.2	29.3	25.0	1.2	1.1
Diff-% to median			-7%	-20%	1%	-9%	33%	29%	1%	-7%	31%	113%

Source: Refinitiv / Inderes

Income statement

Income statement	2021	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24e	Q2'24e	Q3'24e	Q4'24e	2024e	2025e	2026e	2027e
Revenue	78.8	97.0	23.2	22.3	22.0	29.1	96.6	22.9	24.0	25.3	32.5	105	120	140	160
Tonometers (estimate)	49.2	58.6	14.7	14.3	11.5	16.4	56.8	14.4	15.0	13.2	17.5	60.1	66.7	76.1	85.2
Imaging devices (estimate)	28.3	36.2	7.8	7.4	9.8	12.0	37.0	7.7	8.1	11.2	14.0	41.0	48.3	56.5	65.6
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
EBITDA	25.7	33.1	7.1	5.6	7.1	10.5	30.3	6.5	6.8	8.3	11.8	33.4	41.2	48.5	56.2
Depreciation	-3.6	-3.4	-0.9	-1.0	-1.0	-1.0	-3.9	-1.0	-1.0	-1.0	-1.0	-4.0	-4.3	-4.4	-4.8
EBIT (excl. NRI)	24.5	30.9	6.5	5.8	6.5	9.8	28.5	5.7	6.1	7.6	11.0	30.4	37.9	45.0	52.3
EBIT	22.1	29.7	6.2	4.7	6.0	9.5	26.3	5.5	5.8	7.3	10.8	29.4	36.9	44.1	51.4
Net financial items	0.0	-0.6	-0.4	-0.2	-0.1	-0.3	-1.0	-0.1	-0.1	-0.1	-0.1	-0.4	0.4	0.9	1.6
PTP	22.1	29.1	5.8	4.5	5.9	9.2	25.4	5.4	5.7	7.2	10.7	29.0	37.3	45.0	53.0
Taxes	-4.8	-7.3	-1.5	-1.2	-1.5	-2.1	-6.3	-1.2	-1.3	-1.7	-2.5	-6.7	-8.6	-10.3	-12.2
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
Net earnings	17.3	21.8	4.2	3.3	4.4	7.1	19.1	4.1	4.4	5.6	8.2	22.3	28.7	34.6	40.8
EPS (adj.)	0.74	0.86	0.17	0.17	0.18	0.28	0.80	0.16	0.18	0.22	0.32	0.88	1.12	1.34	1.57
EPS (rep.)	0.65	0.82	0.16	0.12	0.17	0.27	0.72	0.16	0.17	0.21	0.31	0.84	1.08	1.30	1.53
Key figures	2021	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24e	Q2'24e	Q3'24e	Q4'24e	2024e	2025e	2026e	2027e
Revenue growth-%	29.1 %	23.1 %	14.9 %	-8.7 %	-8.9 %	3.0 %	-0.5 %	-1.4 %	7.6 %	15.0 %	11.6 %	8.3 %	14.8 %	16.7 %	14.0 %
Adjusted EBIT growth-%		25.9 %	10.6 %	-22.1 %	-18.6 %	1.4 %	-7.7 %	-11.7 %	5.0 %	17.2 %	13.0 %	6.7 %	24.5 %	19.0 %	16.0 %
EBITDA-%	32.6 %	34.1 %	30.5 %	25.3 %	32.1 %	36.1 %	31.4 %	28.3 %	28.5 %	33.0 %	36.3 %	32.0 %	34.3 %	34.6 %	35.2 %
Adjusted EBIT-%	31.1 %	31.8 %	27.9 %	26.0 %	29.5 %	33.6 %	29.5 %	25.0 %	25.3 %	30.0 %	34.0 %	29.1 %	31.5 %	32.1 %	32.7 %
Net earnings-%	22.0 %	22.5 %	18.3 %	14.8 %	20.1 %	24.5 %	19.8 %	18.1 %	18.4 %	22.1 %	25.3 %	21.4 %	23.9 %	24.7 %	25.5 %

Source: Inderes

Balance sheet

Assets	2022	2023	2024e	2025e	2026e
Non-current assets	70.8	77.5	78.2	78.6	79.7
Goodwill	59.8	59.4	59.4	59.4	59.4
Intangible assets	4.3	7.1	7.3	7.1	7.0
Tangible assets	2.8	2.3	2.8	3.4	4.6
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
Current assets	52.5	48.3	62.0	83.8	108
Inventories	6.7	10.5	9.4	9.6	9.8
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	13.7	16.3	15.7	16.8	18.2
Cash and equivalents	32.1	21.5	36.9	57.3	79.5
Balance sheet total	136	137	151	172	196

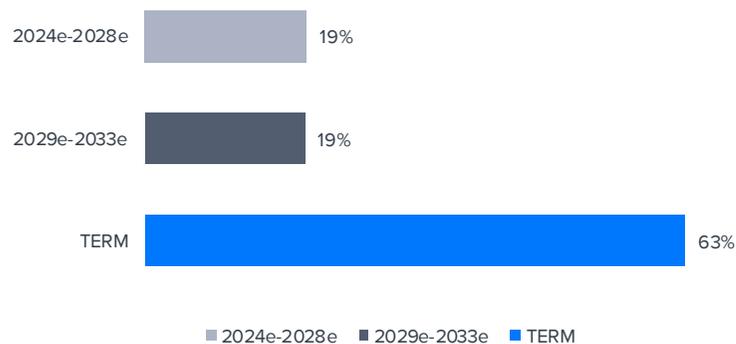
Source: Inderes

Liabilities & equity	2022	2023	2024e	2025e	2026e
Equity	90.9	99.9	112	130	149
Share capital	5.3	5.3	5.3	5.3	5.3
Retained earnings	34.3	43.5	55.7	73.3	92.4
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
Non-current liabilities	20.1	16.9	18.9	18.9	18.9
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
Current liabilities	25.2	20.6	19.7	23.4	28.2
Interest bearing debt	5.0	5.6	3.0	3.0	3.0
Payables	20.2	15.0	16.7	20.4	25.2
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	136	137	151	172	196

DCF calculation

DCF model	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	TERM
Revenue growth-%	-0.5 %	8.3 %	14.8 %	16.7 %	14.0 %	14.0 %	11.0 %	9.0 %	7.0 %	5.0 %	3.0 %	3.0 %
EBIT-%	27.3 %	28.1 %	30.7 %	31.5 %	32.2 %	31.0 %	31.0 %	30.0 %	29.5 %	29.0 %	29.0 %	29.0 %
EBIT (operating profit)	26.3	29.4	36.9	44.1	51.4	56.5	62.7	66.1	69.6	71.8	74.0	
+ Depreciation	3.9	4.0	4.3	4.4	4.8	4.8	5.3	5.7	5.7	5.8	5.9	
- Paid taxes	-7.9	-6.7	-8.6	-10.3	-12.2	-13.5	-15.0	-15.9	-16.7	-17.3	-17.8	
- 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	0.7	0.8	0.8	0.9	0.9	1.0	
- 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	
Operating cash flow	10.5	30.1	35.1	41.6	47.2	48.3	53.6	56.6	59.3	61.1	62.8	
+ 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	-4.6	-4.0	-5.7	-6.1	-5.1	-5.7	-5.6	-5.9	
Free operating cash flow	2.3	26.4	31.4	37.0	43.2	42.6	47.5	51.5	53.6	55.5	57.0	
+/- 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	26.4	31.4	37.0	43.2	42.6	47.5	51.5	53.6	55.5	57.0	1051
Discounted FCFF		24.8	27.2	29.5	31.8	28.9	29.6	29.6	28.3	27.0	25.5	471
Sum of FCFF present value		754	729	702	672	640	612	582	552	524	497	471
Enterprise value DCF		754										
- Interest bearing debt		-18.6										
+ Cash and cash equivalents		21.5										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		757										
Equity value DCF per share		28.5										

Cash flow distribution



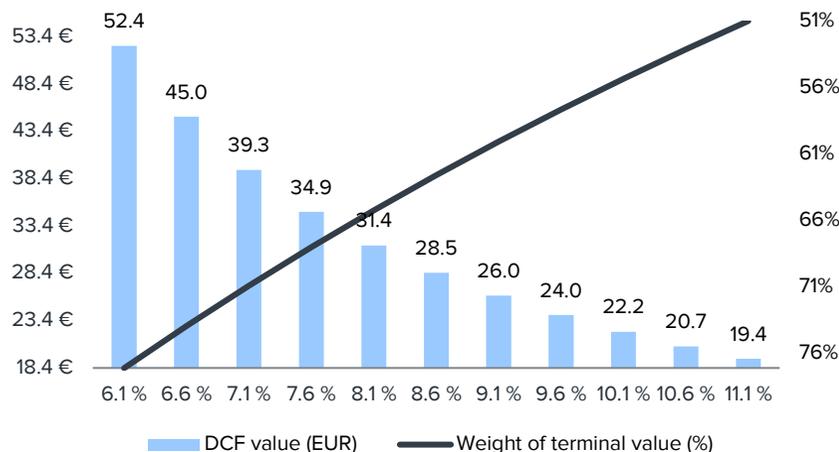
WACC

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 %
Cost of equity	8.6 %
Weighted average cost of capital (WACC)	8.6 %

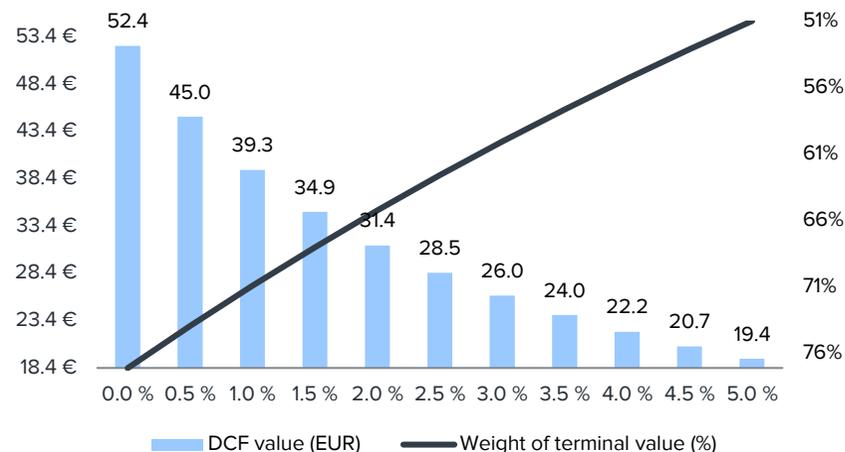
Source: Inderes

DCF sensitivity calculations and key assumptions in graphs

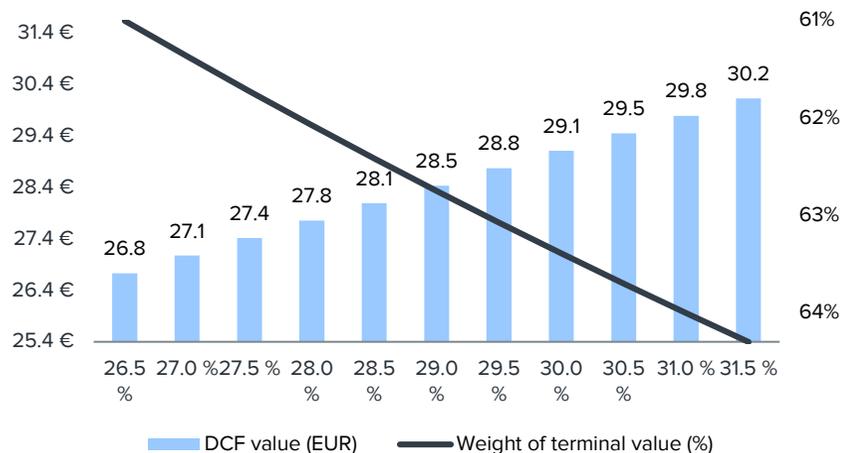
Sensitivity of DCF to changes in the WACC-%



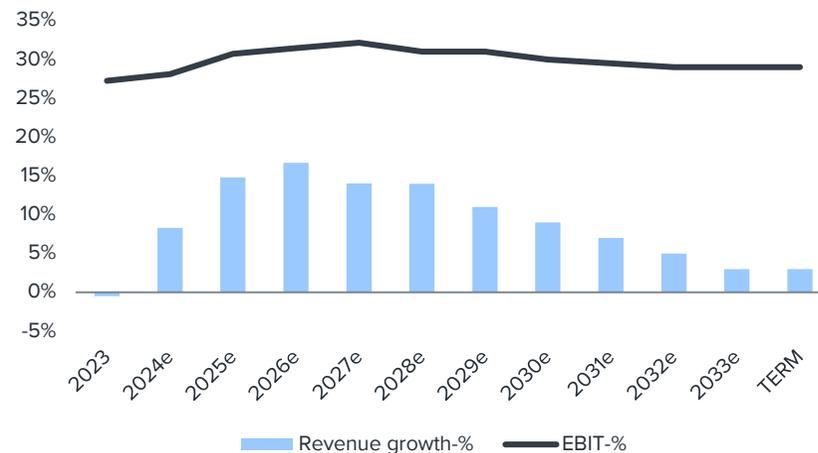
Sensitivity of DCF to changes in the risk-free rate



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	104.6	120.1	EPS (reported)	0.65	0.82	0.72	0.84	1.08
EBITDA	25.7	33.1	30.3	33.4	41.2	EPS (adj.)	0.74	0.86	0.80	0.88	1.12
EBIT	22.1	29.7	26.3	29.4	36.9	OCF / share	0.85	0.90	0.40	1.13	1.32
PTP	22.1	29.1	25.4	29.0	37.3	FCF / share	0.25	0.79	0.09	0.99	1.18
Net Income	17.3	21.8	19.1	22.3	28.7	Book value / share	2.94	3.42	3.76	4.22	4.88
Extraordinary items	-2.4	-1.2	-2.2	-1.0	-1.0	Dividend / share	0.34	0.36	0.38	0.42	0.58
Balance sheet	2021	2022	2023	2024e	2025e	Growth and profitability	2021	2022	2023	2024e	2025e
Balance sheet total	124.6	136.1	137.4	150.8	172.0	Revenue growth-%	29%	23%	0%	8%	15%
Equity capital	78.4	90.9	99.9	112.1	129.7	EBITDA growth-%	18%	29%	-9%	10%	23%
Goodwill	59.8	59.8	59.4	59.4	59.4	EBIT (adj.) growth-%	28%	26%	-8%	7%	24%
Net debt	0.0	-11.3	-2.9	-18.9	-39.3	EPS (adj.) growth-%	27%	17%	-7%	10%	27%
Cash flow	2021	2022	2023	2024e	2025e	EBITDA-%	32.6 %	34.1 %	31.4 %	32.0 %	34.3 %
EBITDA	25.7	33.1	30.3	33.4	41.2	EBIT (adj.)-%	31.1 %	31.8 %	29.5 %	29.1 %	31.5 %
Change in working capital	2.4	-1.5	-11.6	3.4	2.4	EBIT-%	28.0 %	30.6 %	27.3 %	28.1 %	30.7 %
Operating cash flow	22.7	24.0	10.5	30.1	35.1	ROE-%	23.4 %	25.7 %	20.0 %	21.1 %	23.7 %
CAPEX	-15.8	-2.9	-8.2	-3.7	-3.7	ROI-%	22.1 %	27.6 %	23.3 %	24.3 %	27.4 %
Free cash flow	6.7	21.1	2.3	26.4	31.4	Equity ratio	63.0 %	66.8 %	72.7 %	74.4 %	75.4 %
Valuation multiples	2021	2022	2023	2024e	2025e	Gearing	0.0 %	-12.5 %	-2.9 %	-16.8 %	-30.3 %
EV/S	18.8	10.5	6.9	6.4	5.4						
EV/EBITDA (adj.)	57.7	30.6	22.0	20.0	15.7						
EV/EBIT (adj.)	60.4	32.9	23.4	22.0	17.1						
P/E (adj.)	75.1	44.6	31.5	29.4	23.2						
P/B	18.9	11.3	6.7	6.1	5.3						
Dividend-%	0.6 %	0.9 %	1.5 %	1.6 %	2.3 %						

Source: Inderes

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Recommendation history (>12 mo)

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>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 €
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 €



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