

# Revenio Group

## Company report

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This report is a summary translation of the report “Poikkeuksellisen komeat luvut taalan tukemana” published on 08/05/2022 at 07:30 am.

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# Exceptionally strong figures supported by the dollar

We reiterate our Reduce recommendation for Revenio but revise our target price to EUR 52.0 (was EUR 48.0) after excellent Q2 results. Revenio entered Q2 in its typical manner, delivering an excellent result, but the majority of the overperformance came from exchange rate effects. We raised our estimates for the current year, as EUR/USD rates support earnings, but next year's estimates remain unaffected. Revenio is among the elite of Nasdaq Helsinki in terms of continuous value creation, but the stock is also valued at a superstar level (2023e P/E around 50x). As a result, the expected return remains rather weak, and we don't see any justification for further purchases.

## Q2's key figures seem too strong due to exchange rates

In Q2, Revenio's net sales were EUR 24.4 million, increasing by a whopping 29.3%. However, currency-adjusted growth was "only" 18.1%, which better reflects actual business growth. There are always discrepancies between the figures, but this time the difference was as much as +11 percentage points, which made the key figures look too strong. Our own growth forecast (+19.5%) had not considered recent exchange rate developments, and in this sense, growth was in line with expectations. With a Q2 operating profit of EUR 7.1 million, the operating margin was at an excellent level of 29.2% (Q2'21: 23.4%). Exchange rates also have a significant positive impact on profitability, which is more difficult to quantify precisely. To our understanding, the 25% operating margin that we had forecast would've been exceeded even without the exchange rate effect, but the majority of the overperformance came from exchange rates. Overall, Revenio's Q2 results were "quality as per usual", but not as overwhelmingly strong as the market reaction might have suggested.

## No major changes in the big picture

As expected, Revenio's guidance was unchanged, i.e., the company expects its currency-adjusted net sales to grow strongly from the previous year and profitability to be at a good level excluding one-off items. The growth guidance is currency-adjusted, without which growth would probably already be "very strong" (a similar change was seen in summer 2021). The demand situation and outlook is strong in both main business areas, and the HOME2 product family has also been well received in the US. We have raised our estimates for 2022 by around 11%, largely driven by exchange rate changes and the Q2 earnings overshoot. Our 2023 earnings estimates increased by around 3%, which reflects the change relatively well excluding the impact of exchange rates (we expect EUR/USD to be stable next year). We believe that the big picture remains largely the same: Revenio is a reliable value creator with growing earnings also in the future, and we expect earnings per share to grow by around 20% in 2022-2025e (CAGR).

## The share is expensive, but possibly worth the price

Revenio's story is advancing convincingly as the core of the company continues its excellent performance and at the same time, the company expands its offering to include not only ophthalmic devices but also software in a strategically sensible way. However, the quality of the company and its excellent long-term earnings growth prospects are also reflected in the very high valuation. The 2022 multiples are very high (adjusted P/E 56x and EV/EBIT 44x) and they won't be cheap next year either (2023e adjusted P/E 49x and EV/EBIT 37x). In principle, Revenio's profile as a defensive growth company is very well suited to the current market situation, but we are not prepared to stretch the valuation multiples further. Of course, long-term investors can still stay with Revenio as the company continues its strong value creation.

## Recommendation

### Reduce

(previous Reduce)

### EUR 52.00

(previous EUR 48.00)

### Share price:

54.30



## Key figures

	2021	2022e	2023e	2024e
<b>Revenue</b>	79	100	116	140
<b>growth-%</b>	29%	27%	16%	21%
<b>EBIT adj.</b>	24.5	32.5	38.4	46.7
<b>EBIT-% adj.</b>	31.1 %	32.5 %	33.0 %	33.3 %
<b>Net Income</b>	17.3	24.6	28.4	34.4
<b>EPS (adj.)</b>	0.74	0.97	1.11	1.35

<b>P/E (adj.)</b>	75.1	56.2	48.9	40.2
<b>P/B</b>	18.9	15.4	13.3	11.4
<b>Dividend yield-%</b>	0.6 %	0.9 %	1.1 %	1.3 %
<b>EV/EBIT (adj.)</b>	60.4	44.3	37.1	30.1
<b>EV/EBITDA</b>	57.7	41.7	35.5	28.8
<b>EV/S</b>	18.8	14.4	12.2	10.0

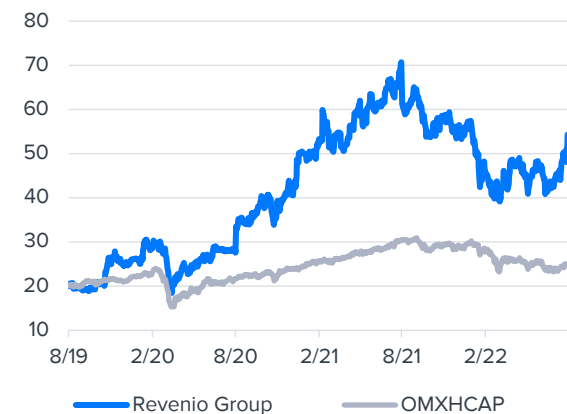
Source: Inderes

## Guidance

(Unchanged)

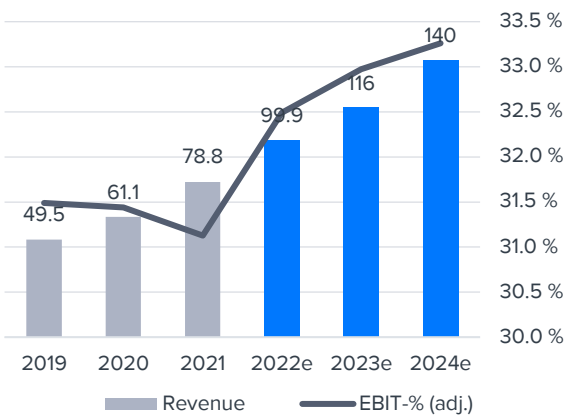
Revenio Group's exchange rate-adjusted net sales are estimated to grow strongly from the previous year and profitability is to remain at a good level without non-recurring items.

### Share price



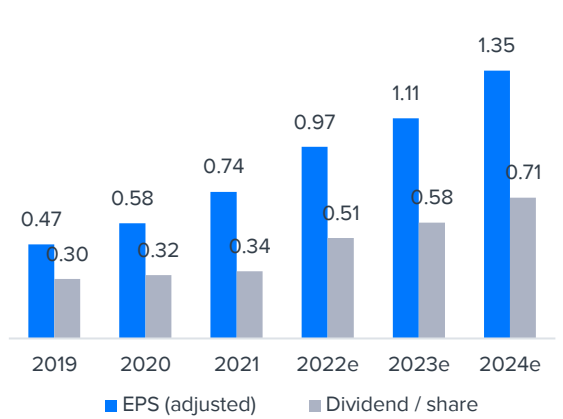
Source: Millstream Market Data AB

### 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 give support
- Attractive long-term growth potential in new products
- Excellent track record of value creation
- Potential acquisitions



### Risk factors

- Weakening of iCare's patent protection 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)
- Extremely high valuation level of the share is a significant risk for investors
- Cost inflation and possible further deterioration of component shortage

Valuation	2022e	2023e	2024e
Share price	54.3	54.3	54.3
Number of shares, millions	26.7	26.7	26.7
Market cap	1449	1449	1449
EV	1438	1424	1403
P/E (adj.)	56.2	48.9	40.2
P/E	59.0	51.1	42.1
P/FCF	74.0	51.4	39.2
P/B	15.4	13.3	11.4
P/S	14.5	12.5	10.3
EV/Sales	14.4	12.2	10.0
EV/EBITDA	41.7	35.5	28.8
EV/EBIT (adj.)	44.3	37.1	30.1
Payout ratio (%)	55.0 %	55.0 %	55.0 %
Dividend yield-%	0.9 %	1.1 %	1.3 %

Source: Inderes

# Exceptionally strong figures supported by the dollar

## The huge growth figures are partly a mirage

Revenio's net sales in Q2 were EUR 24.4 million, representing a wild growth of 29.3% year-on-year. However, exchange rate movements now had an exceptionally large positive impact due to the strong depreciation of the euro against the US dollar. However, currency-adjusted growth was "only" 18.1% in Q2, which better reflects actual business growth. There are always discrepancies between the figures, but this time the difference was as much as 11 percentage points and therefore requires special attention. Our own growth forecast (+19.5%) hadn't considered recent exchange rate developments and it aimed to forecast the currency-adjusted expectation. In this respect, net sales were largely at the expected level.

Slightly less than half of Revenio's net sales come from the US, which is why the EUR/USD ratio has a strong impact on the reported figures. In Q2, the exchange rate changes brought about EUR 2 million more revenue, of which about 60% flows into the operating profit line when we eliminate Revenio's costs in dollars.

Revenio reported very strong growth in sales of ophthalmic pressure monitors, particularly in the US, key European countries and Latin America. The company also reported that it continued to gain market share as expected, so growth in tonometers has been at a good level even without the boost from exchange rates. The company commented that in fundus imaging devices, demand was particularly strong for iCare DRSplus and iCare Eidon UWFL. These have been the company's most important growth drivers for a long time, so this was not surprising. Imaging devices continued to grow faster than tonometers.

## Excellent results even in Revenio's star class

With a Q2 operating profit of EUR 7.1 million, Revenio's operating margin was at an excellent level of 29.2% (Q2'21: 23.4%), exceeding our own estimate (25.0%). Exchange rates also have a significant positive impact on profitability, which is more difficult to quantify precisely. To our understanding, the 25% operating margin that we had forecast would've been exceeded even without the exchange rate effect, but the majority of the overperformance came from

exchange rates. Revenio reported that the component situation was still tight, but this hasn't affected the company's delivery ability.

Product development expenses in Q2 amounted to EUR 2.6 million, growing significantly year-on-year (Q2'21: 1.8 MEUR). In relation to net sales, R&D expenses were now 10.6% (Q2'21: 9.8%), but this impact was reduced by stronger-than-expected growth in net sales. In any case, as the company has previously indicated, investments have now been significantly increased. Basic earnings per share were EUR 0.203, compared to our forecast of EUR 0.17 and the consensus of EUR 0.18.

## Cash flow is good, the balance sheet is very strong

Cash flows were a bit on the weaker side in the result. Cash flow from operations was EUR 4.6 million in Q2, which is certainly a good level, but not in relation to the excellent result. Revenio's balance sheet is in a very good shape: The gearing ratio was 7.0% and the equity ratio was 66.2%.

Estimates	Q2'21	Q2'22	Q2'22e	Q2'22e	Consensus		Difference (%)	2022e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. Inderes	Inderes
Revenue	18.9	24.4	22.5	22.5	22.0	- 23.6	8%	99.9
EBIT	4.4	7.1	5.6	6.3	5.6	- 7.0	27%	31.3
EPS (reported)	0.13	0.20	0.17	0.18	0.17	- 0.20	23%	0.83
Revenue growth-%	37.9 %	29.5 %	19.5 %	19.5 %	16.7 %	- 25.2 %	10 pp	26.8 %
Operating profit-%	23.4 %	29.2 %	25.0 %	27.7 %	25.5 %	- 29.7 %	4.2 pp	31.3 %

Source: Inderes & Infront (5.5.2022) (consensus)

# No major changes in the big picture

## Guidance unchanged

As expected, Revenio's guidance was unchanged, i.e., the company expects its currency-adjusted net sales to grow strongly from the previous year and profitability to be at a good level excluding one-off items. In our view, it's important to note that the growth guidance is currency-adjusted, otherwise growth would likely be "very strong" (a similar change was seen in summer 2021). Profitability will of course be at a "good level", which in Revenio's case means very high figures. However, the guiding effect of the guidance is limited.

## Strong demand in all markets

Demand is currently strong in all of the company's main markets and the outlook still seems strong. There may still be some limited pent-up demand in some markets following the COVID pandemic, but for the most part this transitory effect will have passed. Overall, we think the outlook is excellent, given Revenio's ability to continue to gain strong market shares. On the imaging equipment side, this is relatively easier thanks to a relatively low market

share (around 7% in 2021) and highly competitive top products (particularly iCare DRSplus and iCare EIDON Ultra-Widefield). The market is also growing at a good pace, which continues to support the outlook.

In tonometers, Revenio already dominates the market, supported by the rebound technology, but continues to improve its position and is clearly growing faster than the market. HOME2 has also been well received in the US and is growing rapidly, but the impact is still limited as the HOME product family's share of net sales remains small. We still expect this to be a growth driver, and in addition, sales of sensors will continue to grow in line with the number of devices.

## Forecasts for 2022 up, mainly due to currencies

We have raised our estimates for 2022 significantly, largely driven by exchange rate changes and the Q2 earnings overshoot. We have also slightly increased our profitability forecasts for the rest of the year due to the excellent gross margin level.

The exchange rate effects for the rest of the year are very difficult to estimate, but we have raised our

growth estimates by around 5 percentage points. In our view, this should be a reasonable assumption of the impact if the EUR/USD exchange rate remains roughly at its current level. However, it's very difficult to estimate the exact impact and, of course, exchange rates may change substantially during the rest of the year.

## Minor adjustments to the estimates for the coming years

We made only minor adjustments to our estimates for the coming years. Our earnings estimate for 2023 increased by around 3%, which also reflects the change relatively well excluding exchange rate movements. We don't comment on next year's exchange rates, but we expect the situation to be stable (2022 vs 2023). So, while there are substantial changes to the 2022 estimates, we think the big picture is largely unchanged. Revenio is a reliable value creator with growing earnings also in the future, but the Q2 figures gave an overly rosy picture of the development.

Estimate revisions	2022e	2022e	Change	2023e	2023e	Change	2024e	2024e	Change
	Old	New		%	Old		New	%	
MEUR / EUR									
Revenue	95.7	99.9	4%	116	116	0%	141	140	0%
EBITDA	31.0	34.5	11%	39.0	40.2	3%	48.6	48.8	0%
EBIT (exc. NRIs)	29.1	32.5	12%	37.2	38.4	3%	46.5	46.7	0%
EBIT	27.9	31.3	12%	35.9	37.1	3%	44.9	45.1	0%
PTP	28.0	31.4	12%	35.2	36.4	3%	44.0	44.2	0%
EPS (excl. NRIs)	0.87	0.97	11%	1.08	1.11	3%	1.35	1.35	0%
DPS	0.46	0.51	11%	0.57	0.58	3%	0.71	0.71	0%

# Defensive growth is valuable

## Painful valuation

The valuation levels of Revenio and other highly valued growth companies have been under pressure for the past year as the rise in interest rates is reflected in investors' required returns. Recently, the rise in interest rates has calmed down and acceptable valuation levels have been on the rise again, especially for defensive growth companies. Revenio fits very well into this category, and the share price has risen by almost 25% in the past month. The trend may well continue, but there is considerable uncertainty in the pricing environment. While it's a pleasure to be on Revenio's ride, we aren't yet willing to stretch the valuation multiples any further for further purchases.

Revenio's valuation is very high by any measure, but for a Nasdaq Helsinki superstar and a strong value-creator this is expected. The valuation risk remains significant, as the 2022 valuation multiples (adj. P/E 56x and EV/EBIT 44x) the share is still very expensive. The stock is very highly valued even at next year's multiples (2023e adj. P/E 49x and EV/EBIT 37x), which now draw the market's main focus. For Revenio, we can be confident about 2023, even though there currently are a lot of uncertainties in general. In the current market environment, where overall stock valuations are moderate, Revenio's multiples are hard to swallow.

## Time will eventually correct the high valuation

In the long term, Revenio's valuation can be justified if the very strong and sustainable earnings growth we expect (EPS growth of around 20% 2022-2025e CAGR) materializes. Therefore, an investor who is genuinely in it for the long haul can easily stay on

board the story as time corrects the valuation multiples. In the long term, the share can still offer reasonable return considering the excellent track-record, strong structural long-term growth drivers, 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. However, investors bear significant risk related to strong earnings growth estimates and high valuation multiples. It is difficult to estimate the rate of earnings growth in Revenio, although the direction is clear.

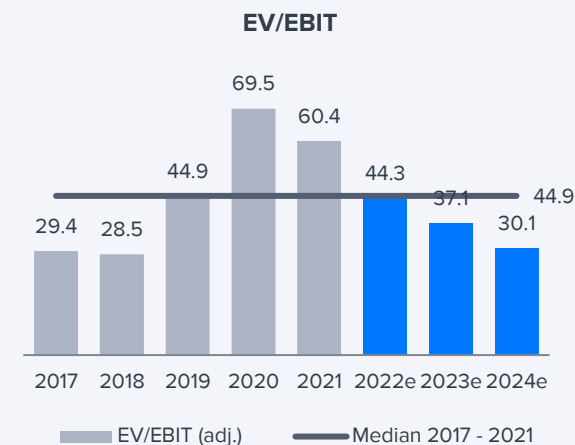
## DCF speaks volumes of the expected return

Our DCF calculation gives Revenio's share a value of around EUR 52 with quite aggressive assumptions. The DCF value is driven especially by high assumptions of long-term growth and profitability and even if 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 (76%) is very high and emphasizes the high expectations still loaded into the share in the long term.

In the DCF valuation we have now used 6.8% as the cost of equity and WACC is 6.7%. Both are very low, and if interest rates were to start rising again, risks would be related to both. At the current valuation level investors must, however, accept a moderate expected return as the required return is also low. Thus, the situation hasn't changed in this respect.

Valuation	2022e	2023e	2024e
Share price	54.3	54.3	54.3
Number of shares, millions	26.7	26.7	26.7
Market cap	1449	1449	1449
EV	1438	1424	1403
P/E (adj.)	56.2	48.9	40.2
P/E	59.0	51.1	42.1
P/FCF	74.0	51.4	39.2
P/B	15.4	13.3	11.4
P/S	14.5	12.5	10.3
EV/Sales	14.4	12.2	10.0
EV/EBITDA	41.7	35.5	28.8
EV/EBIT (adj.)	44.3	37.1	30.1
Payout ratio (%)	55.0 %	55.0 %	55.0 %
Dividend yield-%	0.9 %	1.1 %	1.3 %

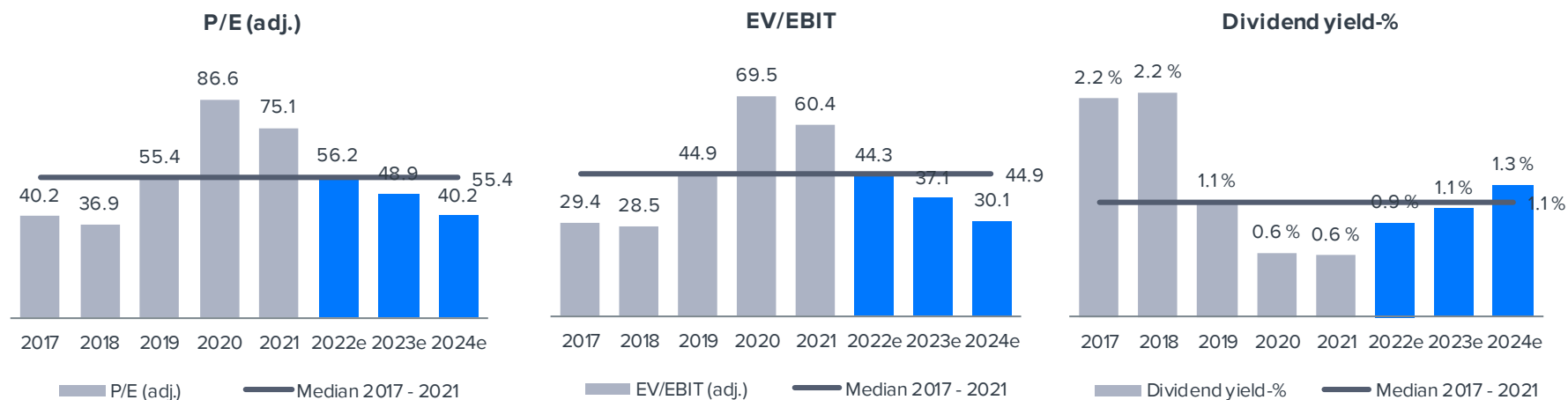
Source: Inderes



# Valuation table

Valuation	2017	2018	2019	2020	2021	2022e	2023e	2024e	2025e
Share price	12.0	12.6	26.3	50.3	55.6	54.3	54.3	54.3	54.3
Number of shares, millions	23.9	23.9	26.0	26.6	26.7	26.7	26.7	26.7	26.7
Market cap	287	301	697	1337	1482	1449	1449	1449	1449
EV	279	290	700	1335	1482	1438	1424	1403	1381
P/E (adj.)	40.2	36.9	55.4	86.6	75.1	56.2	48.9	40.2	35.2
P/E	42.0	36.9	73.0	>100	85.7	59.0	51.1	42.1	35.2
P/FCF	39.8	36.0	neg.	>100	>100	74.0	51.4	39.2	34.3
P/B	18.0	16.6	10.8	19.2	18.9	15.4	13.3	11.4	9.7
P/S	10.7	9.8	14.1	21.9	18.8	14.5	12.5	10.3	8.6
EV/Sales	10.4	9.5	14.1	21.9	18.8	14.4	12.2	10.0	8.2
EV/EBITDA	27.9	27.1	47.9	61.5	57.7	41.7	35.5	28.8	24.0
EV/EBIT (adj.)	29.4	28.5	44.9	69.5	60.4	44.3	37.1	30.1	25.6
Payout ratio (%)	90.9 %	82.3 %	85.1 %	63.7 %	52.4 %	55.0 %	55.0 %	55.0 %	60.0 %
Dividend yield-%	2.2 %	2.2 %	1.1 %	0.6 %	0.6 %	0.9 %	1.1 %	1.3 %	1.7 %

Source: Inderes



# Peer group valuation

Peer group valuation Company	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%	
	MEUR	MEUR	2022e	2023e	2022e	2023e	2022e	2023e	2022e	2023e	2022e	2023e
Revenio Group	1313	1315	46.5	37.7	41.9	34.3	14.1	12.1	58.6	48.0	0.8	1.0
Cooper Companies	16029	18846	23.4	21.3	19.5	15.8	5.8	5.4	25.0	22.6	0.0	0.0
Ametek	28608	30734	21.2	19.6	17.5	16.4	5.1	5.0	23.0	21.5	0.7	0.8
Halma	10338	10666	28.3	25.3	24.0	21.4	6.0	5.3	35.5	31.7	0.9	0.9
Topcon	1472	1687			10541	8031.0	1405.4	1179.4	26.1	16.2	1.1	2.2
Medtronic	122987	136516	15.3	15.9	13.8	14.3	4.3	4.3	16.6	16.9	2.6	2.8
EssilorLuxotica SA	70870	82037	20.9	19.6	13.8	12.7	3.5	3.3	25.7	23.5	2.0	2.1
Carl Zeiss Meditec	12468	12815	33.5	30.2	28.7	25.9	7.0	6.5	48.2	43.1	0.7	0.8
Ambu	2806	2997	83.7	41.2	40.9	26.3	4.8	4.0	81.5	52.0	0.3	0.5
Demand	8546	9912	19.9	18.0	15.3	14.0	3.7	3.4	23.4	20.4		
Optomed (Inderes)	59	62					4.0	3.1				
<b>Revenio Group (Inderes)</b>	<b>1449</b>	<b>1438</b>	<b>44.3</b>	<b>37.1</b>	<b>41.7</b>	<b>35.5</b>	<b>14.4</b>	<b>12.2</b>	<b>56.2</b>	<b>48.9</b>	<b>0.9</b>	<b>1.1</b>
<b>Average</b>			<b>32.5</b>	<b>25.4</b>	<b>1075.6</b>	<b>821.2</b>	<b>133.1</b>	<b>112.0</b>	<b>36.4</b>	<b>29.6</b>	<b>1.0</b>	<b>1.2</b>
<b>Median</b>			<b>23.4</b>	<b>21.3</b>	<b>21.8</b>	<b>18.9</b>	<b>5.1</b>	<b>5.0</b>	<b>25.9</b>	<b>23.1</b>	<b>0.8</b>	<b>0.9</b>
<b>Diff-% to median</b>			<b>89%</b>	<b>74%</b>	<b>92%</b>	<b>88%</b>	<b>180%</b>	<b>147%</b>	<b>117%</b>	<b>112%</b>	<b>12%</b>	<b>20%</b>

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



# Income statement

Income statement	2019	2020	Q1'21	Q2'21	Q3'21	Q4'21	2021	Q1'22	Q2'22	Q3'22e	Q4'22e	2022e	2023e	2024e	2025e
<b>Revenue</b>	<b>49.5</b>	<b>61.1</b>	<b>16.7</b>	<b>18.9</b>	<b>19.4</b>	<b>23.8</b>	<b>78.8</b>	<b>20.2</b>	<b>24.4</b>	<b>25.3</b>	<b>30.0</b>	<b>99.9</b>	<b>116</b>	<b>140</b>	<b>168</b>
Tonometers (estimate)	34.5	41.8	11.8	13.0	10.8	13.7	49.2	13.0	16.8	13.8	16.5	60.1	67.6	81.2	97.4
Imaging devices (estimate)	14.8	19.1	4.9	5.5	8.2	9.7	28.3	6.6	6.9	10.7	12.6	36.7	44.2	52.1	62.5
Oculo (estimate)	0.0	0.0	0.0	0.3	0.3	0.3	0.9	0.4	0.6	0.7	0.8	2.5	4.5	7.0	8.4
Other products (estimate)	0.1	0.2	0.1	0.1	0.2	0.1	0.4	0.2	0.2	0.2	0.2	0.6	0.0	0.0	0.0
<b>EBITDA</b>	<b>14.6</b>	<b>21.7</b>	<b>5.3</b>	<b>5.1</b>	<b>6.8</b>	<b>8.6</b>	<b>25.7</b>	<b>6.4</b>	<b>8.0</b>	<b>9.2</b>	<b>10.9</b>	<b>34.5</b>	<b>40.2</b>	<b>48.8</b>	<b>57.6</b>
Depreciation	-2.0	-4.6	-0.7	-0.7	-0.8	-1.4	-3.6	-0.8	-0.9	-0.8	-0.8	-3.2	-3.1	-3.7	-3.7
<b>EBIT (excl. NRI)</b>	<b>15.6</b>	<b>19.2</b>	<b>5.5</b>	<b>4.7</b>	<b>6.2</b>	<b>8.1</b>	<b>24.5</b>	<b>5.9</b>	<b>7.4</b>	<b>8.8</b>	<b>10.4</b>	<b>32.5</b>	<b>38.4</b>	<b>46.7</b>	<b>53.9</b>
<b>EBIT</b>	<b>12.6</b>	<b>17.1</b>	<b>4.6</b>	<b>4.4</b>	<b>5.9</b>	<b>7.2</b>	<b>22.1</b>	<b>5.6</b>	<b>7.1</b>	<b>8.5</b>	<b>10.1</b>	<b>31.3</b>	<b>37.1</b>	<b>45.1</b>	<b>53.9</b>
Net financial items	-0.3	-0.4	0.1	-0.1	0.0	0.0	0.0	0.3	-0.1	-0.1	-0.1	0.1	-0.7	-0.9	-1.1
<b>PTP</b>	<b>12.3</b>	<b>16.7</b>	<b>4.7</b>	<b>4.3</b>	<b>5.9</b>	<b>7.2</b>	<b>22.1</b>	<b>5.8</b>	<b>7.1</b>	<b>8.4</b>	<b>10.0</b>	<b>31.4</b>	<b>36.4</b>	<b>44.2</b>	<b>52.8</b>
Taxes	-2.9	-3.4	-1.0	-0.9	-1.2	-1.8	-4.8	-1.2	-1.7	-1.8	-2.1	-6.8	-8.0	-9.7	-11.6
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>9.4</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>4.6</b>	<b>5.4</b>	<b>6.7</b>	<b>7.9</b>	<b>24.6</b>	<b>28.4</b>	<b>34.4</b>	<b>41.2</b>
<b>EPS (adj.)</b>	<b>0.47</b>	<b>0.58</b>	<b>0.17</b>	<b>0.14</b>	<b>0.19</b>	<b>0.24</b>	<b>0.74</b>	<b>0.18</b>	<b>0.21</b>	<b>0.26</b>	<b>0.31</b>	<b>0.97</b>	<b>1.11</b>	<b>1.35</b>	<b>1.54</b>
<b>EPS (rep.)</b>	<b>0.36</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>0.17</b>	<b>0.20</b>	<b>0.25</b>	<b>0.30</b>	<b>0.92</b>	<b>1.06</b>	<b>1.29</b>	<b>1.54</b>

Key figures	2019	2020	Q1'21	Q2'21	Q3'21	Q4'21	2021	Q1'22	Q2'22	Q3'22e	Q4'22e	2022e	2023e	2024e	2025e
<b>Revenue growth-%</b>	61.4 %	23.4 %	40.8 %	37.9 %	23.2 %	20.6 %	29.1 %	20.6 %	29.5 %	30.3 %	26.0 %	26.8 %	16.4 %	20.6 %	20.0 %
<b>Adjusted EBIT growth-%</b>		23.2 %	102.2 %	26.1 %	7.6 %	16.4 %	27.8 %	6.6 %	57.6 %	40.5 %	28.7 %	32.3 %	18.2 %	21.7 %	15.4 %
<b>EBITDA-%</b>	29.5 %	35.5 %	31.5 %	27.0 %	34.9 %	36.0 %	32.6 %	31.7 %	32.7 %	36.5 %	36.3 %	34.5 %	34.5 %	34.8 %	34.2 %
<b>Adjusted EBIT-%</b>	31.5 %	31.4 %	32.9 %	25.0 %	32.1 %	34.0 %	31.1 %	29.0 %	30.4 %	34.6 %	34.7 %	32.5 %	33.0 %	33.3 %	32.0 %
<b>Net earnings-%</b>	18.9 %	21.9 %	22.1 %	18.3 %	24.3 %	22.8 %	22.0 %	22.6 %	22.2 %	26.3 %	26.5 %	24.6 %	24.4 %	24.5 %	24.5 %

Source: Inderes

# Balance sheet

Assets	2020	2021	2022e	2023e	2024e
<b>Non-current assets</b>	<b>58.3</b>	<b>69.8</b>	<b>71.6</b>	<b>73.1</b>	<b>73.6</b>
Goodwill	50.4	59.8	59.8	59.8	59.8
Intangible assets	3.9	4.2	6.1	7.2	7.1
Tangible assets	2.0	2.6	2.5	2.9	3.5
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	1.0	1.9	1.9	1.9	1.9
Deferred tax assets	1.0	1.3	1.3	1.3	1.3
<b>Current assets</b>	<b>43.1</b>	<b>40.8</b>	<b>50.6</b>	<b>68.3</b>	<b>92.8</b>
Inventories	4.9	6.4	8.0	9.3	9.8
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	9.3	9.2	14.0	16.3	19.6
Cash and equivalents	28.9	25.2	28.6	42.7	63.3
<b>Balance sheet total</b>	<b>114</b>	<b>125</b>	<b>135</b>	<b>153</b>	<b>176</b>

Source: Inderes

Liabilities & equity	2020	2021	2022e	2023e	2024e
<b>Equity</b>	<b>69.7</b>	<b>78.4</b>	<b>93.9</b>	<b>109</b>	<b>128</b>
Share capital	5.3	5.3	5.3	5.3	5.3
Retained earnings	14.0	22.1	37.6	52.4	71.3
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	50.4	51.0	51.0	51.0	51.0
Minorities	0.0	0.0	0.0	0.0	0.0
<b>Non-current liabilities</b>	<b>27.0</b>	<b>5.8</b>	<b>19.1</b>	<b>19.1</b>	<b>19.1</b>
Deferred tax liabilities	3.9	3.6	3.6	3.6	3.6
Provisions	0.3	0.5	0.5	0.5	0.5
Long term debt	22.4	1.7	15.0	15.0	15.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.4	0.0	0.0	0.0	0.0
<b>Current liabilities</b>	<b>17.7</b>	<b>40.4</b>	<b>22.0</b>	<b>25.1</b>	<b>29.7</b>
Short term debt	4.6	23.5	3.0	3.0	3.0
Payables	13.1	16.9	19.0	22.1	26.7
Other current liabilities	0.0	0.0	0.0	0.0	0.0
<b>Balance sheet total</b>	<b>114</b>	<b>125</b>	<b>135</b>	<b>153</b>	<b>176</b>

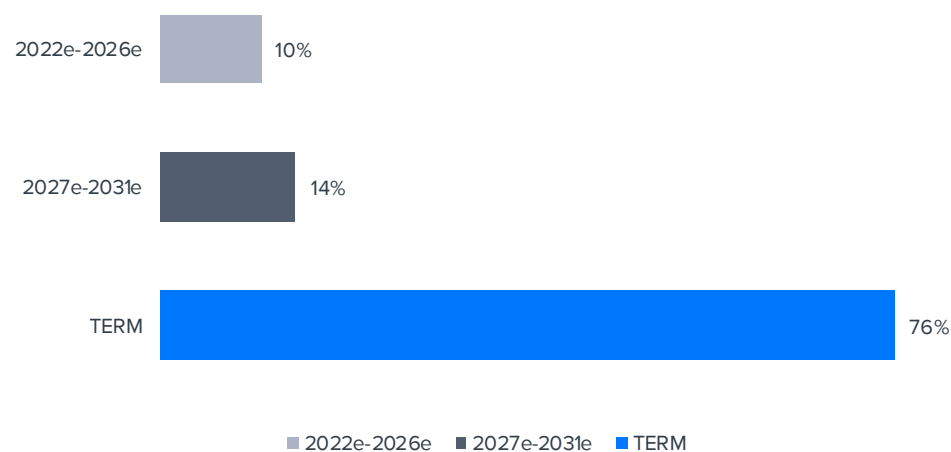
# DCF calculation

DCF model	2021	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	TERM
<b>EBIT (operating profit)</b>	<b>22.1</b>	<b>31.3</b>	<b>37.1</b>	<b>45.1</b>	<b>53.9</b>	<b>62.5</b>	<b>70.0</b>	<b>75.6</b>	<b>81.6</b>	<b>88.2</b>	<b>88.0</b>	
+ Depreciation	3.6	3.2	3.1	3.7	3.7	3.7	4.2	4.4	4.4	4.1	4.3	
- Paid taxes	-5.4	-6.8	-8.0	-9.7	-11.6	-13.5	-15.2	-16.4	-17.7	-19.2	-19.1	
- Tax, financial expenses	0.0	0.0	-0.2	-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	2.4	-4.3	-0.5	0.7	-0.6	-0.5	-0.5	-0.3	-0.4	-0.4	-0.2	
<b>Operating cash flow</b>	<b>22.7</b>	<b>23.4</b>	<b>31.5</b>	<b>39.6</b>	<b>45.1</b>	<b>51.9</b>	<b>58.3</b>	<b>63.0</b>	<b>67.7</b>	<b>72.5</b>	<b>72.8</b>	
+ Change in other long-term liabilities	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-15.8	-3.8	-3.3	-2.6	-2.9	-5.9	-4.9	-3.7	-2.9	-4.8	-4.3	
<b>Free operating cash flow</b>	<b>6.7</b>	<b>19.6</b>	<b>28.2</b>	<b>36.9</b>	<b>42.2</b>	<b>46.0</b>	<b>53.4</b>	<b>59.4</b>	<b>64.8</b>	<b>67.8</b>	<b>68.5</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	6.7	19.6	28.2	36.9	42.2	46.0	53.4	59.4	64.8	67.8	68.5	1926
<b>Discounted FCFF</b>		<b>19.1</b>	<b>25.8</b>	<b>31.6</b>	<b>33.9</b>	<b>34.6</b>	<b>37.7</b>	<b>39.3</b>	<b>40.2</b>	<b>39.4</b>	<b>37.3</b>	<b>1050</b>
Sum of FCFF present value		1389	1370	1344	1313	1279	1244	1206	1167	1127	1088	1050
<b>Enterprise value DCF</b>		<b>1389</b>										
- Interesting bearing debt		-25.2										
+ Cash and cash equivalents		25.2										
-Minorities		0.0										
-Dividend/capital return		-9.1										
<b>Equity value DCF</b>		<b>1380</b>										
<b>Equity value DCF per share</b>		<b>51.7</b>										

Wacc	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	2.0 %
Cost of debt	3.0 %
Equity Beta	1.00
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.0 %
<b>Cost of equity</b>	<b>6.8 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>6.7 %</b>

Source: Inderes

Cash flow distribution



# Summary

Income statement	2019	2020	2021	2022e	2023e	Per share data	2019	2020	2021	2022e	2023e
Revenue	49.5	61.1	78.8	99.9	116.3	EPS (reported)	0.36	0.50	0.65	0.92	1.06
EBITDA	14.6	21.7	25.7	34.5	40.2	EPS (adj.)	0.47	0.58	0.74	0.97	1.11
EBIT	12.6	17.1	22.1	31.3	37.1	OCF / share	0.67	0.59	0.85	0.88	1.18
PTP	12.3	16.7	22.1	31.4	36.4	FCF / share	-0.33	0.50	0.25	0.73	1.06
Net Income	9.4	13.3	17.3	24.6	28.4	Book value / share	2.47	2.62	2.94	3.52	4.08
Extraordinary items	-3.0	-2.1	-2.4	-1.2	-1.3	Dividend / share	0.30	0.32	0.34	0.51	0.58
Balance sheet	2019	2020	2021	2022e	2023e	Growth and profitability	2019	2020	2021	2022e	2023e
Balance sheet total	109.8	114.4	124.6	135.0	152.9	Revenue growth-%	61%	23%	29%	27%	16%
Equity capital	64.3	69.7	78.4	93.9	108.7	EBITDA growth-%	36%	49%	18%	34%	17%
Goodwill	50.4	50.4	59.8	59.8	59.8	EBIT (adj.) growth-%	53%	23%	28%	32%	18%
Net debt	3.0	-1.9	0.0	-10.6	-24.7	EPS (adj.) growth-%	39%	23%	27%	31%	15%
Cash flow	2019	2020	2021	2022e	2023e	EBITDA-%	29.5 %	35.5 %	32.6 %	34.5 %	34.5 %
EBITDA	14.6	21.7	25.7	34.5	40.2	EBIT (adj.)-%	31.5 %	31.4 %	31.1 %	32.5 %	33.0 %
Change in working capital	2.3	-2.1	2.4	-4.3	-0.5	EBIT-%	25.5 %	28.0 %	28.0 %	31.3 %	31.9 %
Operating cash flow	17.5	15.8	22.7	23.4	31.5	ROE-%	22.7 %	19.9 %	23.4 %	28.5 %	28.0 %
CAPEX	-68.0	-2.5	-15.8	-3.8	-3.3	ROI-%	22.4 %	17.9 %	22.1 %	29.0 %	31.1 %
Free cash flow	-8.5	13.2	6.7	19.6	28.2	Equity ratio	58.6 %	60.9 %	63.0 %	69.6 %	71.1 %
						Gearing	4.7 %	-2.7 %	0.0 %	-11.3 %	-22.7 %
Valuation multiples	2019	2020	2021	2022e	2023e						
EV/S	14.1	21.9	18.8	14.4	12.2						
EV/EBITDA (adj.)	47.9	61.5	57.7	41.7	35.5						
EV/EBIT (adj.)	44.9	69.5	60.4	44.3	37.1						
P/E (adj.)	55.4	86.6	75.1	56.2	48.9						
P/E	10.8	19.2	18.9	15.4	13.3						
Dividend-%	1.1 %	0.6 %	0.6 %	0.9 %	1.1 %						

Source: Inderes

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## Recommendation history (>12 mo)

Date	Recommendation	Target price	Share price
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 €
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 €



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