

BIOHIT OYJ

02/12/2025 20:37 EET

This is a translated version of the "Etenemistä kuoppaisesta tiestä huolimatta" report, published on 2/12/2025



Antti Siltanen
+358 45 119 6869
antti.siltanen@inderes.fi

INDERES CORPORATE CUSTOMER COMPANY REPORT



Progress despite a bumpy road

Biohit's figures were already largely known based on preliminary data and the H2 report was in line with expectations. The tense situation in the Middle East, which impacted revenue at the end of last year, adds uncertainty to the current year as well, which is reflected as increased caution in the 2025 guidance. We lower our forecasts moderately for the coming years based on continuing uncertainty and the company's guidance. Long-term expectations remain largely unchanged. We reiterate our recommendation (Reduce) and target price (EUR 3.2), while the risk/reward ratio remains slightly unsatisfactory.

Growth fell short of targets

Biohit's H2 revenue was 6.9 MEUR, which was in line with our forecast and the profit warning issued at the end of the year regarding revenue. The full-year growth was 9.2% (H2 4.6%), which was below the company's strategic target of 15-20%. The key reason was the risks related to advance payments that emerged at the end of the year, stemming from the escalated situation in the Middle East. According to the report, uncertainty continues in early 2025, as a result of which the bottom end of the company's 10-20% growth guidance has been set below the strategic target. Geographically, growth was seen in Asia, where the company has reported progress in South Korea. The Other countries segment, in turn, declined, which we believe indicates challenges in the Middle East region.

The earnings machine was in full swing

Biohit's H2 operating profit was 1.2 MEUR, which was also in line with our expectations and preliminary information. The result increased clearly from the comparison period (H2'23: 0.3 MEUR) and was 18% of revenue for both H2 and the full year. The good result in H2 was explained by the high share of high-margin own production sales. Correspondingly in H1, OEM sales were relatively higher, resulting in a lower gross margin, but

correspondingly higher revenue. The range of the operating profit guidance is very wide at 10-20% of revenue. Thus, there is significant uncertainty related to earnings forecasting, as the sales mix (relative share of own production, OEM production and distribution product sales) strongly impacts profitability and is difficult to estimate from the outside.

Forecasts trimmed a little

We lower our estimates for the current year based on the continuing uncertainty in the Middle East and the company's guidance. Our old 2025 forecast was clearly higher than the top end of the company's guidance. Regarding profitability, we have already previously considered the pressures on the gross margin, so the changes remain moderate, especially as costs seem to be growing slightly slower than our expectations. However, our earnings forecasts also show a decline, driven by revenue. Our longer-term forecasts remain mainly unchanged with relatively low visibility.

Valuation image remains unchanged

On our estimates that include strong growth, the P/E multiple for the stock in 2025 is 21x and the EV/EBIT multiple is 15x, which is in the middle of our estimated fair value range of 12x-18x. The multiples are slightly below global large-cap peers, which we believe is justified by Biohit's higher risk profile. With the revenue-based EV/S multiple (2025 EV/S: 2.2x) and when viewed from a cash flow perspective, we believe the share is fully valued. In our view, the valuation is not unduly high and we believe the stock is roughly priced correctly. However, the lack of a margin of safety means that the risk/reward ratio is still too low, so we are staying on the sidelines for a better buying opportunity.

Recommendation

Reduce

(was Reduce)

Target price:

EUR 3.20

(was EUR 3.20)

Share price:

3.09

Business risk



Valuation risk



	2024	2025e	2026e	2027e
Revenue	14.3	17.0	19.3	22.2
growth-%	10%	19%	14%	15%
EBIT adj.	2.5	2.5	3.0	3.8
EBIT-% adj.	17.1 %	14.9 %	15.4 %	17.1 %
Net Income	2.7	2.3	2.5	3.2
EPS (adj.)	0.18	0.15	0.17	0.21
P/E (adj.)	19.2	20.6	18.4	14.6
P/B	4.2	3.2	2.8	2.5
Dividend yield-%	0.0 %	1.2 %	1.6 %	2.1 %
EV/EBIT (adj.)	19.1	14.5	12.0	8.9
EV/EBITDA	16.4	12.5	10.2	7.5
EV/S	3.3	2.2	1.8	1.5

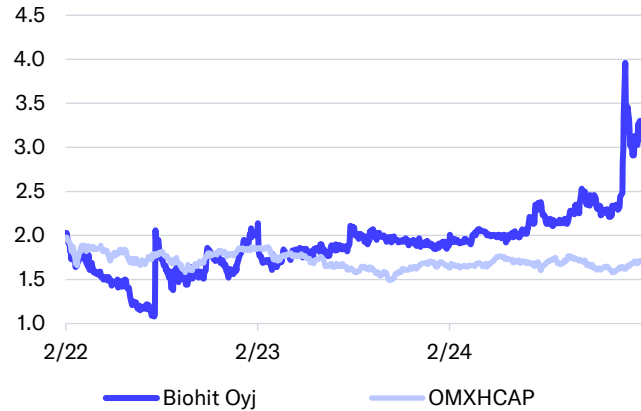
Source: Inderes

Guidance

(New guidance)

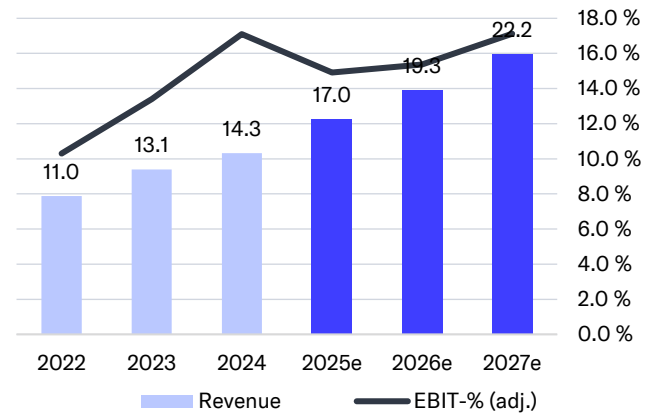
We expect our revenue to rise to 15.7-17.1 MEUR in 2025 (an increase of 10-20% when compared to 2024) and our operating profit margin to be 10-20.

Share price



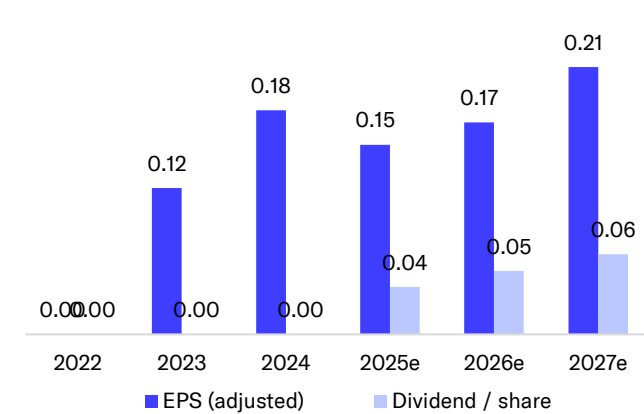
Source: Millstream Market Data AB

Revenue and EBIT-%



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- A large market with plenty of room for growth and opportunities
- New GastroPanel® quick tests to drive growth
- Opportunity to expand into new markets, especially in the Americas
- Defensive nature of revenue and good customer retention

Risk factors

- Company's resources are small compared to its competitors
- Product development is required to successfully build future growth as the current product portfolio is quite old
- Future visibility is relatively weak
- Dependence on large distributors
- Concentrated ownership

Valuation	2025e	2026e	2027e
Share price	3.09	3.09	3.09
Number of shares, millions	15.1	15.1	15.1
Market cap	47	47	47
EV	37	35	34
P/E (adj.)	20.6	18.4	14.6
P/E	20.6	18.4	14.6
P/B	3.2	2.8	2.5
P/S	2.7	2.4	2.1
EV/Sales	2.2	1.8	1.5
EV/EBITDA	12.5	10.2	7.5
EV/EBIT (adj.)	14.5	12.0	8.9
Payout ratio (%)	25.0 %	30.0 %	30.0 %
Dividend yield-%	1.2 %	1.6 %	2.1 %

Source: Inderes

H2 in line with expectations

Estimates vs. outcome

- Biohit hit our H2 estimates.
- The company had released preliminary data on revenue and operating profit at the end of the year, so no major surprises were expected.
- Earnings per share of EUR 0.09 exceeded our expectations. The reason for the overshoot was both higher financial returns and lower taxes than we expected.
- On the balance sheet, assets remain at a high level. Trade receivables and other receivables were 3.2 MEUR and Contractual assets were also 3.2 MEUR. In our view, the latter are a balance sheet item comparable to assets.
- The equity ratio continued to strengthen and stood at 78.6% (H2'23 73%).
- Net cash flow from operating activities and investments in H2 was 2.1 MEUR, supported by 0.7 MEUR released from working capital.
- The cash flow for the full year was 0.7 MEUR, burdened by a -2.5 MEUR increase in working capital. So, the working capital increased in H1.
- The company will not pay dividends for 2024.

Estimates MEUR / EUR	H2'23	H2'24	H2'24e	H2'24e	Consensus		Difference (%)	2024e
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	6.6	6.9	6.9				0%	14.3
EBITDA	0.4	1.4	1.4				1%	2.9
EBIT	0.3	1.2	1.2				2%	2.5
EPS (adj.)	0.03	0.09	0.07				26%	0.18
DPS	0.00	0.00	0.00					0.00
Revenue growth-%	35.0 %	5.3 %	5.3 %				0 pp	9.8 %
EBIT-% (adj.)	3.8 %	17.1 %	17.1 %				0.3 pp	17.1 %

Source: Inderes

Small estimate cuts

Estimate revisions

We cut our forecasts moderately, as the situation in the Middle East brings uncertainty to Biohit's business, at least during H1'25.

Otherwise we feel the key growth drivers remain in place, so forecast revisions are minor.

Regarding the result, we have expected pressure on the gross margin due to the change in the sales mix, which is largely already included in our forecasts.

The company's cost structure was slightly lighter than we expected, which reduces the impact of revenue cuts on the result.

Estimate revisions	2024e	2024e	Change	2025e	2025e	Change	2026e	2026e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	14.3	14.3	0%	17.6	17.0	-3%	19.6	19.3	-2%
EBITDA	2.8	2.9	1%	3.1	2.9	-6%	3.6	3.5	-4%
EBIT (excl. NRIs)	2.4	2.5	1%	2.8	2.5	-9%	3.1	3.0	-6%
EBIT	2.4	2.5	1%	2.8	2.5	-9%	3.1	3.0	-6%
PTP	2.7	2.8	2%	3.0	2.8	-5%	3.3	3.2	-5%
EPS (excl. NRIs)	0.15	0.18	15%	0.16	0.15	-6%	0.18	0.17	-5%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

The expected return is too low

Earnings multiples are sensible considering growth and profitability potential

Biohit's P/E ratios of 21x and 19x for 2025-2026 are high. However, we believe that the EV/EBIT ratio of 15x for 2025 and 12x for the next year better reflects the company's valuation. 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. Therefore, we rely mainly on 2025 multiples in our examination. The multiples are not excessive, but we feel they do not provide a satisfactory margin of safety either. Compared to the company's own recent history in 2022-2023, the multiples are about normal.

The median EV/EBIT ratio for the peer group is 20x. The peer group consists of large, mainly US-based diagnostic companies in a more mature stage that earn higher multiples than Biohit due to their lower risk profile. We think the current premium is in the right ballpark.

We find the earnings multiples suitable for Biohit when considering the expected growth rate and defensiveness of the industry. Biohit's high gross margin (historically around 65%) creates the potential for healthy mid-term earnings growth and profitability, although we see pressure on the gross margin as a result of the sales mix development. 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 correctly priced compared to history and the peers

Biohit's 2025e EV/S multiple is 2.2x and around 1.8x for 2026e. The multiples are in line with the company's recent history, with a median of 2.4x for 2019-2024. The median EV/S ratio for Biohit's peers is 3.3x for 2025.

The cash flow calculation points to a too narrow upside

The DCF model indicates a current value of future cash flows of EUR 3.3 per share and thus an upside that falls short of the required return. 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 used a weighted average cost of capital (WACC) of 10%. WACC is elevated by the risk of forecasts materializing, Biohit'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 2.8-4.0, which corresponds to a 2025 EV/EBIT range of 12x-18x and an EV/S range of some 2x-3x. Key to our view are the earnings and revenue multiples, which indicate that the share is roughly correctly priced. The pricing compared to peers and relative to the company's history is also in line, although the peer group we use does not correspond particularly well with Biohit. The DCF model also indicates that the upside potential in the share remains too small.

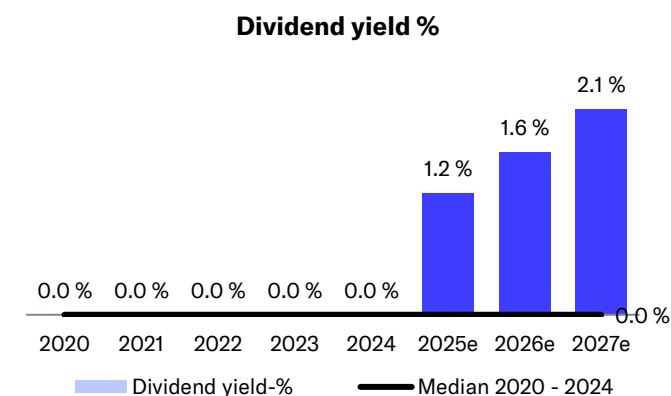
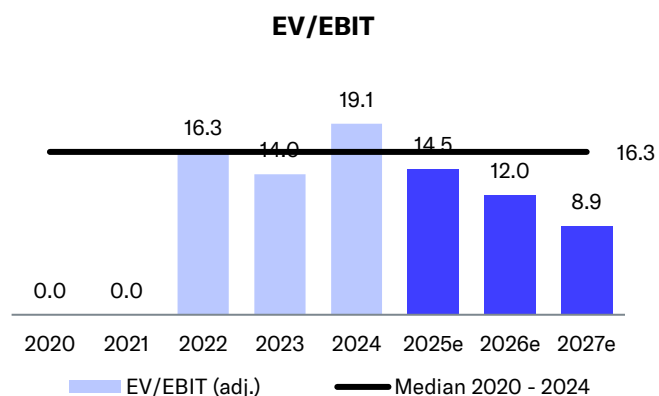
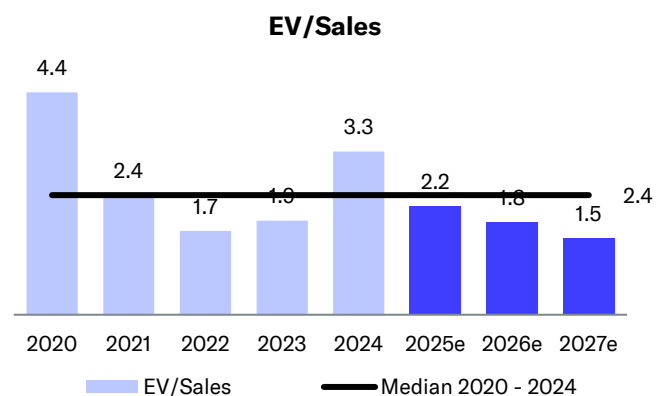
Valuation	2025e	2026e	2027e
Share price	3.09	3.09	3.09
Number of shares, millions	15.1	15.1	15.1
Market cap	47	47	47
EV	37	35	34
P/E (adj.)	20.6	18.4	14.6
P/E	20.6	18.4	14.6
P/B	3.2	2.8	2.5
P/S	2.7	2.4	2.1
EV/Sales	2.2	1.8	1.5
EV/EBITDA	12.5	10.2	7.5
EV/EBIT (adj.)	14.5	12.0	8.9
Payout ratio (%)	25.0 %	30.0 %	30.0 %
Dividend yield-%	1.2 %	1.6 %	2.1 %

Source: Inderes

Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	2.48	1.84	1.57	1.92	3.41	3.09	3.09	3.09	3.09
Number of shares, millions	15.0	15.0	15.0	15.1	15.1	15.1	15.1	15.1	15.1
Market cap	37	28	24	29	52	47	47	47	47
EV	32	22	18	25	47	37	35	34	32
P/E (adj.)	neg.			16.6	19.2	20.6	18.4	14.6	12.9
P/E	neg.	neg.	39.3	16.6	19.2	20.6	18.4	14.6	12.9
P/B	4.2	3.8	3.1	3.1	4.2	3.2	2.8	2.5	2.2
P/S	5.2	3.0	2.2	2.2	3.6	2.7	2.4	2.1	1.8
EV/Sales	4.4	2.4	1.7	1.9	3.3	2.2	1.8	1.5	1.2
EV/EBITDA	neg.	44.0	11.4	11.7	16.4	12.5	10.2	7.5	6.1
EV/EBIT (adj.)	neg.	neg.	16.3	14.0	19.1	14.5	12.0	8.9	7.3
Payout ratio (%)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	25.0 %	30.0 %	30.0 %	40.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	1.2 %	1.6 %	2.1 %	3.1 %

Source: Inderes



Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B 2025e
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	
Abbott Laboratories	220459	227413	22.8	20.6	19.7	18.0	5.3	4.9	25.5	23.1	1.8	1.9	5.3
bioMérieux SA	13529	13815	19.7	17.3	13.7	12.1	3.3	3.0	25.1	22.1	0.9	1.1	3.0
Bio Rad Laboratories Inc	8664	8250	22.4	20.1	16.6	15.2	3.2	3.1	27.4	24.1			1.1
Boule Diagnostics AB	31	45	7.8	6.7	5.7	5.0	0.9	0.8	7.7	6.6	1.8	4.3	1.1
DiaSorin SpA	5571	6362	20.2	17.5	14.6	13.0	4.9	4.6	24.1	20.8	1.3	1.4	3.0
Immunovia AB	10	5	0.2		0.2		0.1		0.1				
Qiagen NV	8208	8438	14.8	13.6	11.4	10.6	4.3	4.0	17.2	15.7			2.2
Q-linea AB	169	177					39.7	18.4					0.9
SD Biosensor	878	867			16.7	11.4	1.6	1.4					1.7
Sysmex	11119	10888			13.1	11.9	3.3	3.1	30.1	25.9	1.1	1.2	3.7
Exact Sciences Corp	9138	10657		104.0	24.4	18.3	3.6	3.2		146.3			2.7
OraSure Technologies Inc	276	6			1.2	1.0	0.0	0.0					13.8
Biohit Oyj (Inderes)	47	37	14.5	12.0	12.5	10.2	2.2	1.8	20.6	18.4	1.2	1.6	3.2
Average			15.4	28.5	12.5	11.6	6.3	4.2	19.7	35.6	1.4	2.0	3.5
Median			19.7	17.5	13.7	12.0	3.3	3.1	24.6	22.6	1.3	1.4	2.7
Diff-% to median			-26%	-32%	-8%	-15%	-35%	-40%	-16%	-18%	-3%	15%	18%

Source: Refinitiv / Inderes

Income statement

Income statement	H1'23	H2'23	2023	H1'24	H2'24	2024	H1'25e	H2'25e	2025e	H1'26e	H2'26e	2026e	2027e	2028e
Revenue	6.5	6.6	13.1	7.4	6.9	14.3	8.3	8.7	17.0	9.3	10.0	19.3	22.2	25.5
EBITDA	1.7	0.4	2.1	1.5	1.4	2.9	1.5	1.4	2.9	1.4	1.6	3.5	4.5	5.2
Depreciation	-0.2	-0.2	-0.4	-0.2	-0.2	-0.4	-0.2	-0.2	-0.4	0.0	0.0	-0.5	-0.7	-0.9
EBIT (excl. NRI)	1.5	0.3	1.8	1.3	1.2	2.5	1.3	1.2	2.5	1.4	1.6	3.0	3.8	4.3
EBIT	1.5	0.3	1.8	1.3	1.2	2.5	1.3	1.2	2.5	1.4	1.6	3.0	3.8	4.3
Net financial items	0.2	0.2	0.4	0.2	0.2	0.4	0.2	0.2	0.3	0.0	0.0	0.2	0.2	0.2
PTP	1.7	0.5	2.2	1.5	1.4	2.8	1.5	1.4	2.8	1.4	1.6	3.2	4.0	4.5
Taxes	-0.3	0.0	-0.3	-0.2	0.1	-0.1	-0.3	-0.3	-0.6	0.0	0.0	-0.6	-0.8	-0.9
Net earnings	1.3	0.5	1.8	1.3	1.4	2.7	1.2	1.1	2.3	1.4	1.6	2.5	3.2	3.6
EPS (rep.)	0.09	0.03	0.12	0.08	0.09	0.18	0.08	0.07	0.15	0.09	0.10	0.17	0.21	0.24

Key figures	H1'23	H2'23	2023	H1'24	H2'24	2024	H1'25e	H2'25e	2025e	H1'26e	H2'26e	2026e	2027e	2028e
Revenue growth-%	6.6 %	35.0 %	19.2 %	14.3 %	5.3 %	9.8 %	11.7 %	26.0 %	18.6 %	12.0 %	15.0 %	13.5 %	14.9 %	15.0 %
Adjusted EBIT growth-%	15.4 %	-245.3 %	55.1 %	-16.7 %	380.0 %	40.0 %	5.9 %	0.9 %	3.4 %	4.4 %	31.0 %	17.1 %	28.0 %	14.2 %
EBITDA-%	26.2 %	6.1 %	16.1 %	19.5 %	20.3 %	19.9 %	18.4 %	16.2 %	17.3 %	14.9 %	15.9 %	18.1 %	20.4 %	20.5 %
Adjusted EBIT-%	23.1 %	3.8 %	13.4 %	16.8 %	17.4 %	17.1 %	15.9 %	13.9 %	14.9 %	14.9 %	15.9 %	15.4 %	17.1 %	17.0 %
Net earnings-%	20.0 %	6.9 %	13.4 %	16.8 %	20.7 %	18.7 %	14.2 %	12.5 %	13.3 %	14.9 %	15.9 %	13.1 %	14.4 %	14.2 %

Source: Inderes

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	1.1	4.5	1.5	1.9	2.0
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	0.2	0.5	0.9	1.2	1.4
Tangible assets	0.9	0.5	0.5	0.6	0.6
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	3.2	0.0	0.0	0.0
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
Current assets	11.8	11.0	15.4	17.4	20.1
Inventories	0.9	1.0	1.2	1.4	1.6
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	4.1	3.2	4.2	4.8	5.5
Cash and equivalents	6.8	6.7	10.0	11.2	13.0
Balance sheet total	12.9	15.5	16.9	19.3	22.1

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	9.5	12.2	14.5	16.5	18.9
Share capital	2.4	2.4	2.4	2.4	2.4
Retained earnings	3.8	6.5	8.7	10.7	13.2
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	-1.9	-1.9	-1.9	-1.9	-1.9
Other equity	5.2	5.3	5.3	5.3	5.3
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	0.3	0.3	-0.1	-0.1	-0.1
Deferred tax liabilities	0.0	0.0	0.0	0.0	0.0
Provisions	-0.1	0.0	-0.1	-0.1	-0.1
Interest bearing debt	0.4	0.3	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
Current liabilities	3.1	3.0	2.5	2.9	3.3
Interest bearing debt	1.9	1.6	0.0	0.0	0.0
Payables	1.2	1.4	2.5	2.9	3.3
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	12.9	15.5	16.9	19.3	22.1

DCF-calculation

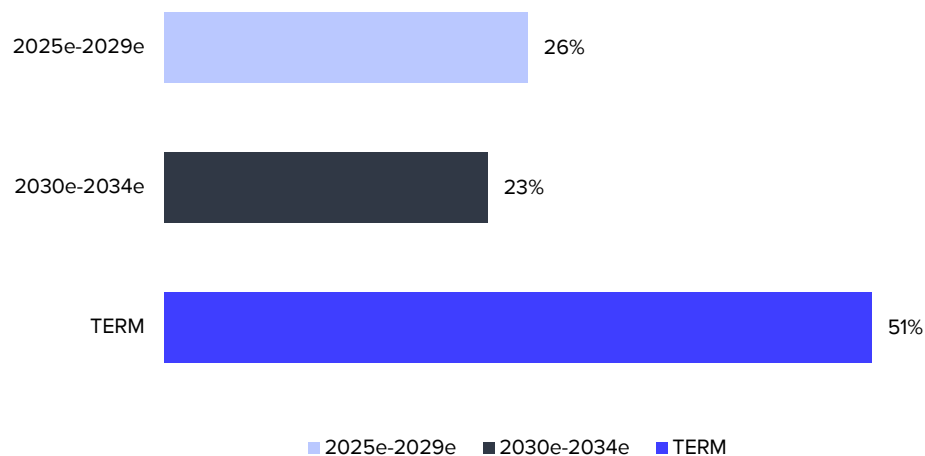
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	9.8 %	18.6 %	13.5 %	14.9 %	15.0 %	12.0 %	8.0 %	4.0 %	2.5 %	2.5 %	2.5 %	2.5 %
EBIT-%	17.1 %	14.9 %	15.4 %	17.1 %	17.0 %	17.0 %	17.0 %	17.0 %	17.0 %	17.0 %	17.0 %	17.0 %
EBIT (operating profit)	2.5	2.5	3.0	3.8	4.3	4.9	5.2	5.5	5.6	5.7	5.9	
+ Depreciation	0.4	0.4	0.5	0.7	0.9	0.9	0.9	1.0	1.0	1.1	1.1	
- Paid taxes	-0.1	-0.6	-0.6	-0.8	-0.9	-1.0	-1.1	-1.1	-1.2	-1.2	-1.2	
- Tax, financial expenses	0.0	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	0.9	0.0	-0.4	-0.5	-0.6	-0.5	0.1	0.3	0.2	-0.1	-0.1	
Operating cash flow	3.6	2.5	2.5	3.3	3.8	4.3	5.2	5.6	5.7	5.5	5.7	
+ Change in other long-term liabilities	0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-3.7	2.5	-0.8	-0.9	-0.9	-1.0	-1.0	-1.1	-1.1	-1.2	-1.4	
Free operating cash flow	0.0	4.9	1.7	2.4	2.9	3.3	4.2	4.6	4.6	4.4	4.3	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	0.0	4.9	1.7	2.4	2.9	3.3	4.2	4.6	4.6	4.4	4.3	58.7
Discounted FCFF		4.5	1.4	1.8	2.0	2.1	2.4	2.4	2.2	1.9	1.7	22.8
Sum of FCFF present value		45.0	40.5	39.1	37.3	35.3	33.2	30.9	28.5	26.3	24.5	22.8
Enterprise value DCF		45.0										
- Interest bearing debt		-1.9										
+ Cash and cash equivalents		6.7										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		49.8										
Equity value DCF per share		3.3										

WACC

Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	10.0 %
Cost of debt	6.0 %
Equity Beta	1.50
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	2.5 %
Cost of equity	10.6 %
Weighted average cost of capital (WACC)	10.0 %

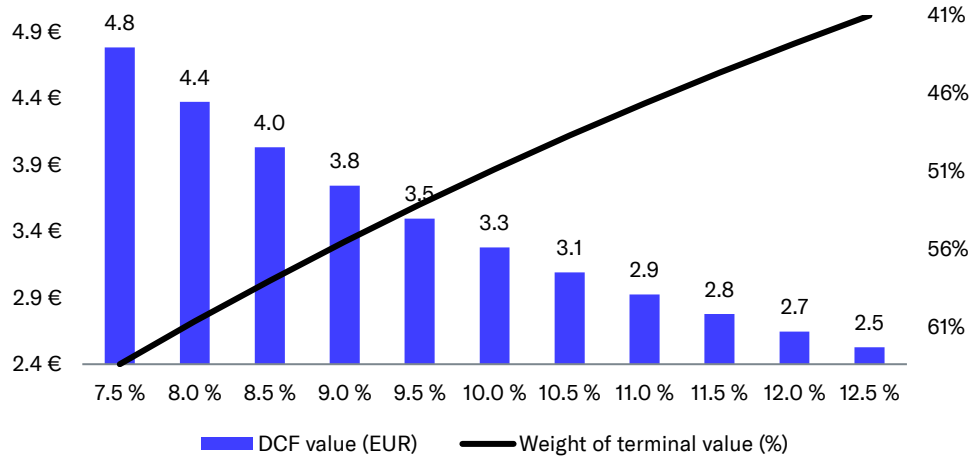
Source: Inderes

Cash flow distribution

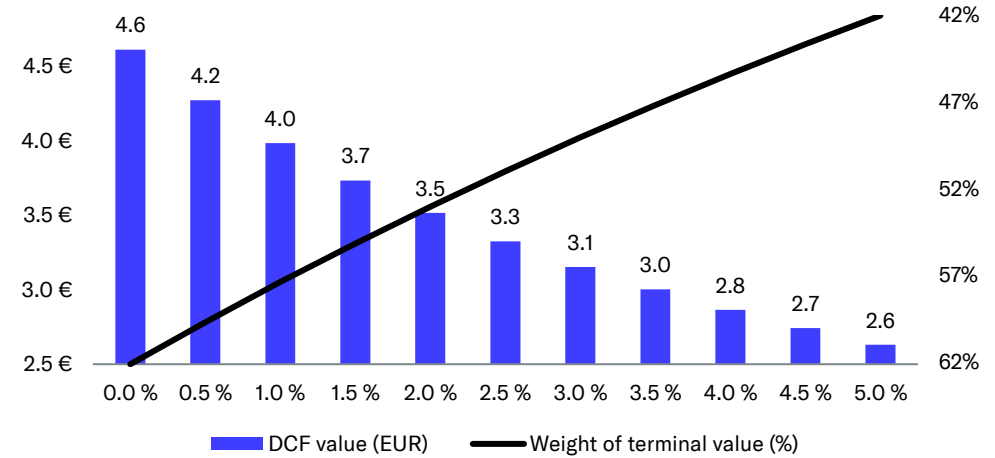


DCF sensitivity calculations and key assumptions in graphs

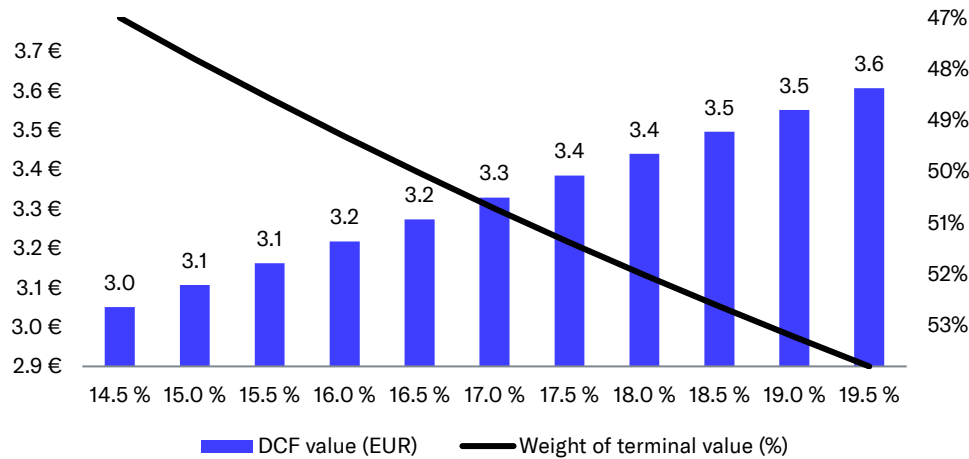
Sensitivity of DCF to changes in the WACC-%



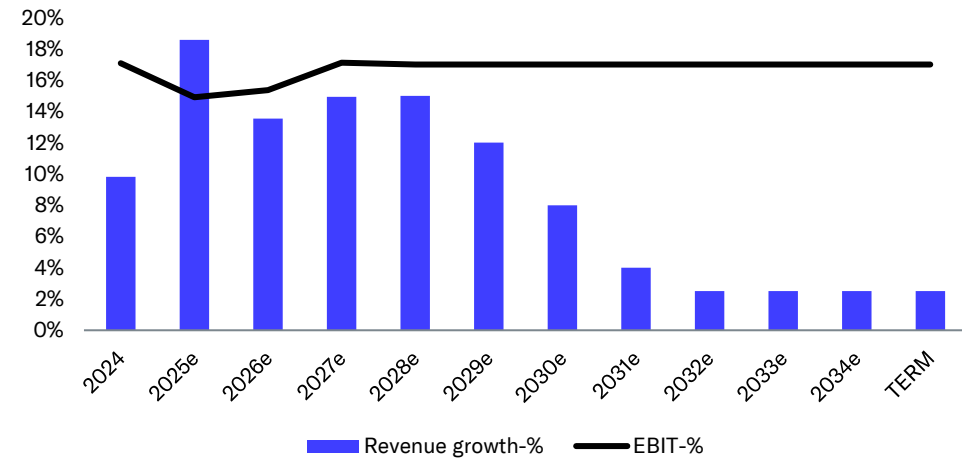
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



Lähde: Inderes. Huomaa, että terminaaliarvon paino (%) on esitetty käännteisellä asteikolla selkeyden vuoksi.

Summary

Income statement	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	11.0	13.1	14.3	17.0	19.3	EPS (reported)	0.04	0.12	0.18	0.15	0.17
EBITDA	1.6	2.1	2.9	2.9	3.5	EPS (adj.)		0.12	0.18	0.15	0.17
EBIT	1.1	1.8	2.5	2.5	3.0	OCF / share	0.10	-0.06	0.24	0.16	0.17
PTP	0.9	2.2	2.8	2.8	3.2	FCF / share	0.04	-0.09	0.00	0.32	0.11
Net Income	0.6	1.8	2.7	2.3	2.5	Book value / share	0.50	0.63	0.81	0.96	1.09
Extraordinary items	0.0	0.0	0.0	0.0	0.0	Dividend / share	0.00	0.00	0.00	0.00	0.00
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	11.0	12.9	15.5	16.9	19.3	Revenue growth-%	17%	19%	10%	19%	14%
Equity capital	7.6	9.5	12.2	14.5	16.5	EBITDA growth-%	217%	31%	36%	3%	19%
Goodwill	0.0	0.0	0.0	0.0	0.0	EBIT (adj.) growth-%	-176%	55%	40%	3%	17%
Net debt	-5.3	-4.5	-4.8	-10.0	-11.2	EPS (adj.) growth-%			53%	-15%	12%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	14.7 %	16.1 %	19.9 %	17.3 %	18.1 %
EBITDA	1.6	2.1	2.9	2.9	3.5	EBIT (adj.)-%	10.3 %	13.4 %	17.1 %	14.9 %	15.4 %
Change in working capital	0.3	-2.7	0.9	0.0	-0.4	EBIT-%	10.3 %	13.4 %	17.1 %	14.9 %	15.4 %
Operating cash flow	1.6	-0.9	3.6	2.5	2.5	ROE-%	8.0 %	20.6 %	24.7 %	17.0 %	16.4 %
CAPEX	-1.0	-0.4	-3.7	2.5	-0.8	ROI-%	14.3 %	19.1 %	23.5 %	19.1 %	20.5 %
Free cash flow	0.6	-1.3	0.0	4.9	1.7	Equity ratio	68.7 %	73.1 %	79.0 %	85.5 %	85.5 %
Valuation multiples	2022	2023	2024	2025e	2026e	Gearing	-69.8 %	-47.6 %	-39.6 %	-68.8 %	-68.1 %
EV/S	1.7	1.9	3.3	2.2	1.8						
EV/EBITDA	11.4	11.7	16.4	12.5	10.2						
EV/EBIT (adj.)	16.3	14.0	19.1	14.5	12.0						
P/E (adj.)		16.6	19.2	20.6	18.4						
P/B	3.1	3.1	4.2	3.2	2.8						
Dividend-%	0.0 %	0.0 %	0.0 %	1.2 %	1.6 %						

Source: Inderes

Disclaimer and recommendation history

The information presented in Inderes reports is obtained from several different public sources that Inderes considers to be reliable. Inderes aims to use reliable and comprehensive information, but Inderes does not guarantee the accuracy of the presented information. Any opinions, estimates and forecasts represent the views of the authors. Inderes is not responsible for the content or accuracy of the presented information. Inderes and its employees are also not responsible for the financial outcomes of investment decisions made based on the reports or any direct or indirect damage caused by the use of the information. The information used in producing the reports may change quickly. Inderes makes no commitment to announcing any potential changes to the presented information and opinions.

The reports produced by Inderes are intended for informational use only. The reports should not be construed as offers or advice to buy, sell or subscribe investment products. Customers should also understand that past performance is not a guarantee of future results. When making investment decisions, customers must base their decisions on their own research and their estimates of the factors that influence the value of the investment and take into account their objectives and financial position and use advisors as necessary. Customers are responsible for their investment decisions and their financial outcomes.

Reports produced by Inderes may not be edited, copied or made available to others in their entirety, or in part, without Inderes' written consent. No part of this report, or the report as a whole, shall be transferred or shared in any form to the United States, Canada or Japan or the citizens of the aforementioned countries. The legislation of other countries may also lay down restrictions pertaining to the distribution of the information contained in this report. Any individuals who may be subject to such restrictions must take said restrictions into account.

Inderes issues target prices for the shares it follows. The recommendation methodology used by Inderes is based on the share's 12-month expected total shareholder return (including the share price and dividends) and takes into account Inderes' view of the risk associated with the expected returns. The recommendation policy consists of four tiers: Sell, Reduce, Accumulate and Buy. As a rule, Inderes' investment recommendations and target prices are reviewed at least 2–4 times per year in connection with the companies' interim reports, but the recommendations and target prices may also be changed at other times depending on the market conditions. The issued recommendations and target prices do not guarantee that the share price will develop in line with the estimate. Inderes primarily uses the following valuation methods in determining target prices and recommendations: Cash flow analysis (DCF), valuation multiples, peer group analysis and sum of parts analysis. The valuation methods and target price criteria used are always company-specific and they may vary significantly depending on the company and (or) industry.

Inderes' recommendation policy is based on the following distribution relative to the 12-month risk-adjusted expected total shareholder return.

Buy	The 12-month risk-adjusted expected shareholder return of the share is very attractive
Accumulate	The 12-month risk-adjusted expected shareholder return of the share is attractive
Reduce	The 12-month risk-adjusted expected shareholder return of the share is weak
Sell	The 12-month risk-adjusted expected shareholder return of the share is very weak

The assessment of the 12-month risk-adjusted expected total shareholder return based on the above-mentioned definitions is company-specific and subjective. Consequently, similar 12-month expected total shareholder returns between different shares may result in different recommendations, and the recommendations and 12-month expected total shareholder returns between different shares should not be compared with each other. The counterpart of the expected total shareholder return is Inderes' view of the risk taken by the investor, which varies considerably between companies and scenarios. Thus, a high expected total shareholder return does not necessarily lead to positive performance when the risks are exceptionally high and, correspondingly, a low expected total shareholder return does not necessarily lead to a negative recommendation if Inderes considers the risks to be moderate.

The analysts who produce Inderes' research and Inderes employees cannot have 1) shareholdings that exceed the threshold of significant financial gain or 2) shareholdings exceeding 1% in any company subject to Inderes' research activities. Inderes Oyj can only own shares in the target companies it follows to the extent shown in the company's model portfolio investing real funds. All of Inderes Oyj's shareholdings are presented in itemised form in the model portfolio. Inderes Oyj does not have other shareholdings in the target companies analysed. The remuneration of the analysts who produce the analysis are not directly or indirectly linked to the issued recommendation or views. Inderes Oyj does not have investment bank operations.

Inderes or its partners whose customer relationships may have a financial impact on Inderes may, in their business operations, seek assignments with various issuers with respect to services provided by Inderes or its partners. Thus, Inderes may be in a direct or indirect contractual relationship with an issuer that is the subject of research activities. Inderes and its partners may provide investor relations services to issuers. The aim of such services is to improve communication between the company and the capital markets. These services include the organisation of investor events, advisory services related to investor relations and the production of investor research reports.

More information about research disclaimers can be found at www.inderes.fi/research-disclaimer.

Inderes has made an agreement with the issuer and target of this report, which entails compiling a research report.

Recommendation history (>12 mo)

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 €
1/15/2025	Reduce	3.20 €	3.41 €
2/12/2025	Reduce	3.20 €	3.09 €



CONNECTING INVESTORS AND COMPANIES.

Inderes connects investors and listed companies.

We serve over 400 Nordic listed companies that want to better serve investors. The Inderes community is home to over 70,000 active investors.

We provide listed companies with solutions that enable seamless and effective investor relations. The Inderes service is built on four cornerstones for high-quality investor relations: Equity Research, Events, IR Software, and Annual General Meetings (AGM).

Inderes operates in Finland, Sweden, Norway, and Denmark and is listed on the Nasdaq First North Growth Market.

Inderes was created by investors, for investors.

Inderes Ab

Vattugatan 17, 5tr
Stockholm
+46 8 411 43 80

Inderes Oyj

Porkkalankatu 5
00180 Helsinki
+358 10 219 4690

inderes.se

inderes.fi

**inde
res.**