

# REVENIO GROUP

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**COMPANY REPORT**



# Outlook has more dark clouds than expected

We revise our target price for Revenio to EUR 30.0 (was EUR 32.00) and reiterate our Accumulate recommendation. The outlook for 2025 was a notch weaker than we had forecast, putting pressure on our projections for the coming years. In addition, the company's FDA processes with AI options will be delayed until 2026, weakening the near-term drivers. In our view, the valuation is partly contradictory: if there is no strong (earnings) growth this year, the valuation is still too high. If, on the other hand, growth accelerated to the top of the guidance range, the situation would be different.

## Growth rate missed expectations at the end of the year

Revenio's reported Q4 revenue increased to 30.5 MEUR (+5%), supported by FX effects, but decreased by 1% in constant currency. This was disappointing for us, although the company made progress given the large individual orders in the period. The quarter also showed a positive trend towards the end of the year and the company achieved record sales in December, indicating that demand is generally healthy. According to the company, recurring revenue (software, maintenance and sensors) was approximately one-third of the total, in line with our previous estimates. Q4 EBIT was 9.1 MEUR (Q4'23: 9.5 MEUR) and fell short of our estimate (9.8 MEUR), which was natural given the revenue miss. When the gross margin is above 70%, the effect on the bottom line is significant, but on the other hand, the lever is also big in the other direction. The company's fixed cost structure has also taken a level correction upward, with personnel costs in particular increasing significantly due to increased bonus accruals (almost zero bonuses in 2023) and hiring. On the positive side, Q4 saw a strong cash flow at 9.8 MEUR (Q4'23: 5.2 MEUR). In addition, the dividend proposal (EUR 0.40 per share) remained on an upward trajectory.

## Growth rate for the current year still uncertain

Revenio guided its comparable revenue to grow 6-15% in 2025 and that profitability would be "at a good level" excluding one-time items. The extraordinarily wide range includes very different scenarios: at the bottom, there is bracing for a possible trade war and US import tariffs on Europe, while at the top, the market is performing strongly. Tariffs on medical devices are a clear risk, as the US accounts for about half of Revenio's revenue and there is no way to avoid all the negative effects. However, the company said it is targeting double-digit growth and believes this is realistic without any further negative factors. We have lowered our own growth forecasts a notch and now expect 11% growth in 2025 (was 13%). Growth drivers include the return of the Maia microperimeter to the product range (on sale in Q2'24), growth in ST500 and HOME2 tonometers, and growth in software (ILLUME and Thirona Retina AI). Even a slight decrease in revenue will have a strong impact on EBIT, which we now expect to grow to 30.4 MEUR (26.4% of revenue). The 3% decline in the top line was -10% in the bottom line, meaning that our earnings guidance fell sharply. In addition, the outlook for 2026 was weakened by the fact that the company's FDA filings for both its own Thirona AI and its partner's AI are delayed until 2026. However, the reason appears to be positive: With the Revenio camera, the AI detects problems too well compared to the "standard" one.

## Valuation is reasonable

The attractiveness of Revenio's valuation is strongly linked to the growth rate of its revenue and consequently its profit. With double-digit growth, profitability is scaling and Revenio's valuation (2025e right EV/EBIT 23x) is rather attractive. However, without significant earnings growth, the rate is not sustainable, although the longer-term outlook remains strong. We believe the relative valuation is reasonable, the cash flow model supports our view, and the risk/reward is sufficient for the Accumulate recommendation.

## Recommendation

**Accumulate**

(was Accumulate)

## Target price:

**EUR 30.00**

(was EUR 32.00)

## Share price:

27.60

## Business risk



## Valuation risk



	2024	2025e	2026e	2027e
<b>Revenue</b>	104	115	134	154
<b>growth-%</b>	7%	11%	16%	15%
<b>EBIT adj.</b>	26.9	31.4	39.3	46.6
<b>EBIT-% adj.</b>	25.9 %	27.3 %	29.4 %	30.3 %
<b>Net income</b>	18.5	23.2	30.0	36.3
<b>EPS (adj.)</b>	0.76	0.91	1.16	1.39
<b>P/E (adj.)</b>	34.8	30.4	23.7	19.8
<b>P/B</b>	6.6	6.1	5.3	4.6
<b>Dividend yield-%</b>	1.4 %	1.6 %	2.0 %	2.7 %
<b>EV/EBIT (adj.)</b>	26.2	22.7	17.5	14.2
<b>EV/EBITDA</b>	23.2	20.6	15.7	13.1
<b>EV/S</b>	6.8	6.2	5.1	4.3

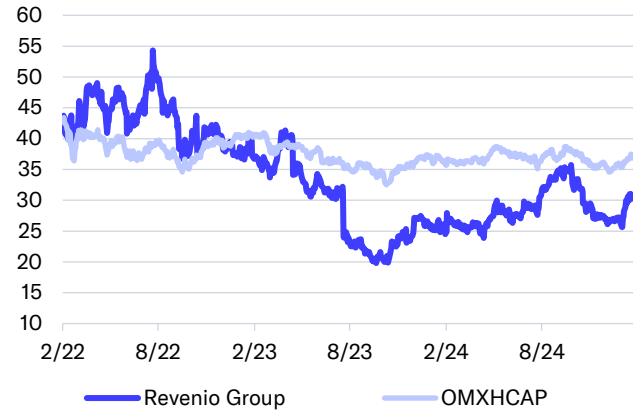
Source: Inderes

## Guidance

(New guidance)

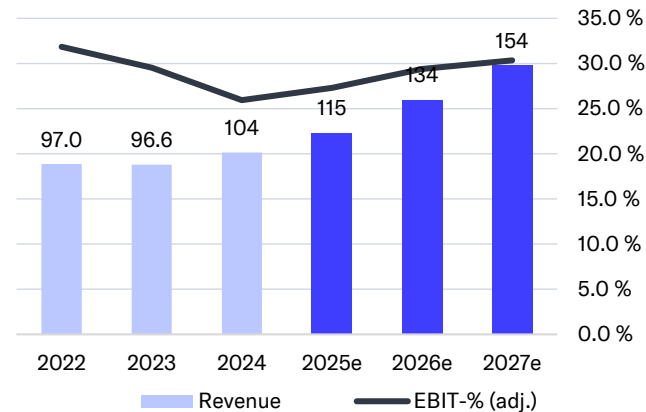
Revenio Group's exchange rate-adjusted net sales are estimated to grow 5-10% from the previous year and profitability, excluding non-recurring items, is estimated to remain at a good level.

## Share price



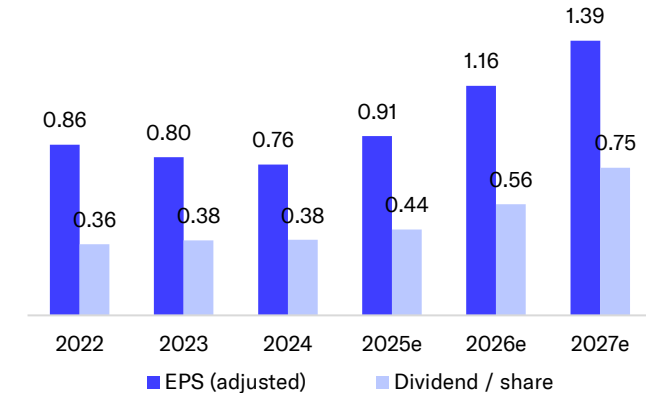
Source: Millistream Market Data AB

## Revenue and EBIT-%



Source: Inderes

## EPS and dividend



Source: Inderes

## Value drivers

- Earnings growth in the short and long term
- More than 30% of revenue is recurring and this share is growing
- Strong competitive protection and market growth drivers offering support
- New products, software and AI have significant long-term potential
- Excellent track record of value creation
- Potential acquisitions (especially OCT)

## Risk factors

- The patent protection of the iCare tonometer has been reduced and competition has emerged in RBT technology, which is a long-term threat
- Success in sometimes unpredictable FDA approval processes (especially ILLUME incl. Thirona)
- Medium-term commercial breakthrough success of growth products (ILLUME, HOME family and Thirona cluster)
- Success in the rapid growth of imaging devices
- Increasing competition and the AI transition

Valuation	2025e	2026e	2027e
Share price	27.6	27.6	27.6
Number of shares, millions	26.7	26.7	26.7
Market cap	736	736	736
EV	712	688	663
P/E (adj.)	30.4	23.7	19.8
P/E	31.7	24.5	20.3
P/B	6.1	5.3	4.6
P/S	6.4	5.5	4.8
EV/Sales	6.2	5.1	4.3
EV/EBITDA	20.6	15.7	13.1
EV/EBIT (adj.)	22.7	17.5	14.2
Payout ratio (%)	50.0 %	50.0 %	55.0 %
Dividend yield-%	1.6 %	2.0 %	2.7 %

Source: Inderes

# Growth weaker than expected towards the end of the year

## Growth rate was disappointing

Revenio's Q4 revenue increased by 5% to 30.5 MEUR, below our forecast of 32.2 MEUR. The growth rate was a clear disappointment for us and the market, with comparable growth of -1%. This was against the backdrop of a very strong comparison period, and even now the company reached its all-time sales record in December, with the pace accelerating towards the end of the quarter. Q4 sales consisted of smaller individual deals and, as in the prior-year period, there were no significant one-off orders.

By product area, the company noted that tonometers sales were strong towards the end of the year. Sales were supported by the new iCare ST500 product line and disposable probes. According to the company, sales of HOME2 have grown very strongly, although volumes of the product are still moderate. The company commented that sales of imaging devices developed well, considering that the fourth quarter did not include any major deals of the same size as in the previous year. DRSplus sales declined

as the large orders in the comparison period were for this device.

For the first time, the company noted that recurring revenues, which consist of software licenses, service contracts and probe sales, accounted for approximately one-third of its top line. The size range is in line with our previous assessment. The company also expects the share of recurring revenues to increase in the future, which will provide greater stability to the business in the future.

## Earnings missed forecasts along with revenue

Q4 EBIT of 9.1 MEUR fell short of the 9.8 MEUR forecast and also slightly from the comparison period (Q4'23: 9.5 MEUR). The earnings miss was mainly due to lower-than-expected revenue, the changes of which are strongly reflected in the company's bottom line due to the high gross margins (Q4: 71.0%). There were no major surprises in the fixed cost structure, but cost inflation was strong, especially in personnel costs. This is mainly due to higher

bonus payments following lower bonuses last year. Last year, personnel costs grew much faster than revenue, which is not sustainable in the long term. The year-end did not include any significant costs related to the iCare ILLUME solution for the FDA approval process, which has been on hold for some time while the company reviews the data received.

## Strong cash flow and growing dividend

In Q4, Revenio's cash flow from operating activities amounted to 9.8 MEUR, which was at a good level compared to the profit level due to a release of working capital (1.2 MEUR). Free cash flow amounted to 8.0 MEUR (including leases). The Board of Directors proposed a dividend of EUR 0.40 per share (2023: EUR 0.38), exceeding our forecast by one cent. In other words, the dividend is expected to be kept on an upward trend despite the company's declining result for two years, enabled by the very strong balance sheet (net gearing - 7%).

Estimates MEUR / EUR	Q4'23	Q4'24	Q4'24e	Q4'24e	Consensus		Difference (%)	2024
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Actualized
Revenue	29.1	30.5	32.2	31.1			-5%	104
EBIT	9.5	9.1	9.8	9.3			-7%	25.0
EPS (reported)	0.27	0.25	0.28	0.27			-12%	0.70
DPS	0.38	0.40	0.39	0.39			3%	0.40
Revenue growth-%	3.1 %	4.8 %	10.6 %	6.7 %			-5.8 pp	7.2 %
EBIT-%	32.6 %	29.9 %	30.4 %	29.8 %			-0.5 pp	24.2 %

Source: Inderes & Bloomberg (6 analysts) (consensus)

# Rate of profit growth remained uncertain

## Guidance contains very different scenarios

Revenio's guidance is for currency-adjusted sales to grow 6-15% year-on-year and for profitability excluding one-off items to be at a good level. In terms of profitability, the guidance was in line with our expectations and a familiar format for Revenio. More relevant to the profitability estimates are comments on the evolution of the cost structure, where there is still moderate upward pressure, especially on personnel costs. On the other hand, the growth guidance was sluggish compared to our expectations, as we expected the company to deliver double-digit growth. While the new midpoint of the range is 10.5%, which meets the requirement, the level was disappointing compared to our previous growth forecast (+13%).

The guidance range is quite broad and we believe it includes the realization of certain risks. Among the risks, the company highlighted a potential trade war initiated by the US, which would inevitably affect Revenio, as the US is the company's

largest market. Potential tariffs resulting from a trade war could also freeze the demand environment and impact product pricing and cost structures. A company can counter the impact of tariffs with its own solutions, such as changing transfer pricing, but it would be difficult to escape the impact entirely.

## Forecasts for the next few years under pressure

With Q4 numbers slightly below our expectations and slightly weak guidance, we have negatively revised our revenue and earnings forecasts for the next few years. We expect Revenio's 2025 revenue growth to be around 11%, slightly above the midpoint of the guidance. Revenio emphasized that it is targeting double-digit growth, and we believe this is likely provided that higher geopolitical risks do not materialize. The growth drivers are there: in tonometers, the IC200 continues to increase its average price, HOME continues its strong growth trajectory, and probes sales are growing almost automatically with the increase in installed base and usage. In

addition, we expect the newly launched ST500 to make a good contribution to tonometer growth. On the imaging side, DRSplus is benefiting from increased use of screening and the EIDON product family continues to grow. We estimate that it is realistic to expect at least around 5 MEUR of revenue from the comeback of the MAIA product (deliveries expected from Q2'24 onwards), which would mean direct growth from 2024. In addition, software growth is driven by ILLUME and, to a lesser extent, Thirona Retina AI.

In terms of profitability, gross margins of around 70% and reasonable cost inflation (especially wages) are clear. In this way, profitability scales well as growth accelerates at the top of the forecast range, but earnings growth is limited at the bottom. All in all, our earnings forecasts for the coming years were reduced by around 10%.

Estimate revisions	2024	2024e	Change	2025e	2025e	Change	2026e	2026e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	105	104	-2%	119	115	-4%	139	134	-4%
EBITDA	30.8	30.2	-2%	37.4	34.6	-8%	47.1	43.9	-7%
EBIT (exc. NRIs)	27.5	26.9	-2%	34.2	31.4	-8%	42.8	39.3	-8%
EBIT	25.7	25.0	-3%	33.2	30.4	-9%	41.8	38.3	-8%
PTP	25.4	24.6	-3%	33.4	30.2	-10%	42.6	39.0	-8%
EPS (excl. NRIs)	0.78	0.76	-3%	1.01	0.91	-10%	1.27	1.16	-8%
DPS	0.37	0.38	3%	0.52	0.44	-17%	0.69	0.56	-18%

Source: Inderes

# The valuation's safety margin was dwindled

## Quality company with good long-term growth prospects

It has been easy to paint Revenio's high-quality earnings growth story well into the future, as the core business has maintained a strong growth trajectory while the company's profitability has scaled upwards. Although growth faltered in Q4 and the outlook was slightly disappointing, the big picture is largely in place. Revenio is well positioned in an industry with strong structural long-term growth drivers and deep moats (patents, brand, slow-moving industry and high barrier of entry). In the coming years, we believe the earnings growth prospects are good as new products slowly start to drive growth. Now a new potential driver is the Thirona AI. In addition, Revenio will continue to expand its product portfolio through both internal product development and acquisitions, for which we believe the prerequisites for creating shareholder value are good.

## The rate of earnings growth also affects the acceptable valuation

Revenio's 2025e adjusted EV/EBIT is around 23x, which we believe is reasonable for the company. If the earnings growth we expect materializes, we expect the stock to be at a higher level a year from now. However, this relies on double-digit growth and, as the guidance shows, there are many different scenarios at the moment. However, we personally believe that a positive scenario is most likely due to a number of positive drivers within the company itself.

The visibility for next year is weak for now, but for the next 12 months, the valuation is based on forecasts for 2026. The adjusted EV/EBIT is then 18x, where there is clear upside. First, the company must demonstrate that it can

continue on the earnings growth path we expect.

There was also a slight deterioration in the big picture, as the company's FDA processes with various suppliers' AIs will be delayed until 2026. This removes positive drivers from 2025, but ultimately it is more about timing. Overall, we believe that Revenio's valuation is currently reasonable, but the company needs to deliver strong earnings growth over a longer period of time to be considered affordable.

## Relative valuation is quite neutral

Revenio has historically traded at a premium to the peer group we use, which we believe is justified as long as the size of the premium remains reasonable. The company is growing faster than the industry and its long-term prospects are strong, while many of its future earnings drivers are still maturing. The median 2025e EV/EBIT for the peer group is now around 24x, practically in line with Revenio. In our view, Revenio is one of the best companies in the group along with Zeiss, but Zeiss is currently attractively priced (2025e EV/EBIT 20x) relative to the group. Peer analysis is one element of valuation and we currently view it as fairly neutral, but changes in peer valuations do not drive our view.

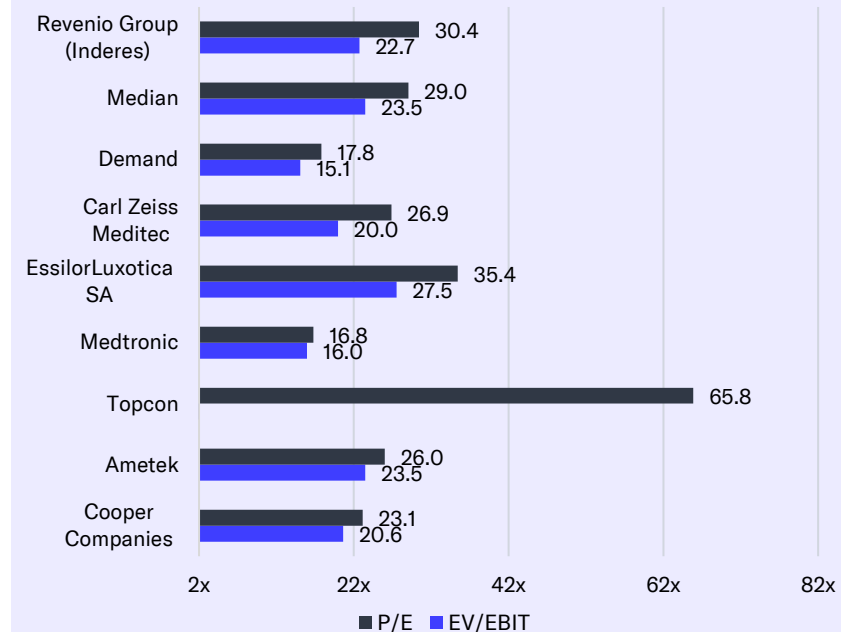
## DCF calculation

We have not made any material changes to our DCF analysis, but it has moved slightly in line with our forecasts. The indicative DCF value is still rounded to EUR 32 at the current WACC of 8.4% (no debt leverage). The terminal value portion of the calculation is 65%, which is high but we think is reasonable given the company's profile.

Valuation	2025e	2026e	2027e
Share price	27.6	27.6	27.6
Number of shares, millions	26.7	26.7	26.7
Market cap	736	736	736
EV	712	688	663
P/E (adj.)	30.4	23.7	19.8
P/E	31.7	24.5	20.3
P/B	6.1	5.3	4.6
P/S	6.4	5.5	4.8
EV/Sales	6.2	5.1	4.3
EV/EBITDA	20.6	15.7	13.1
EV/EBIT (adj.)	22.7	17.5	14.2
Payout ratio (%)	50.0 %	50.0 %	55.0 %
Dividend yield-%	1.6 %	2.0 %	2.7 %

Source: Inderes

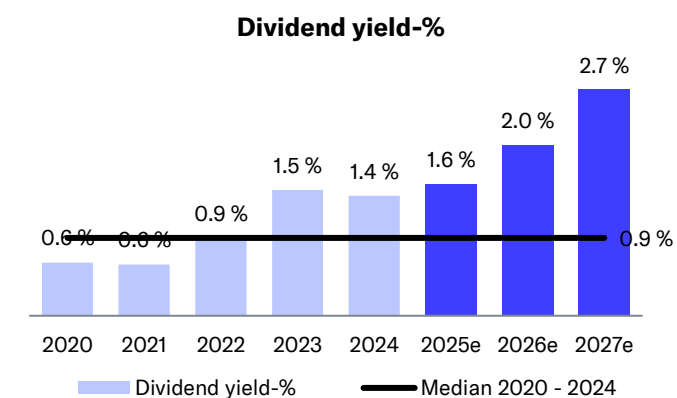
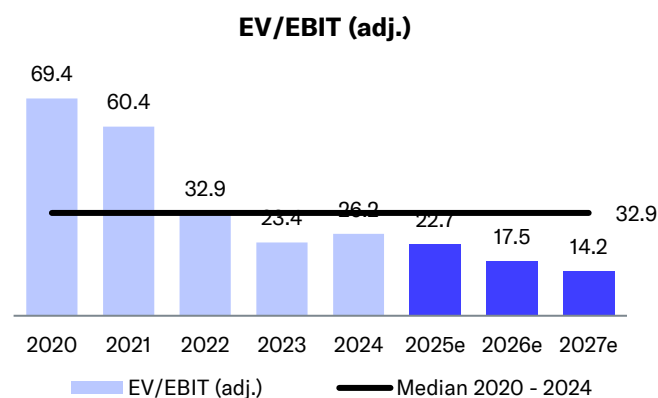
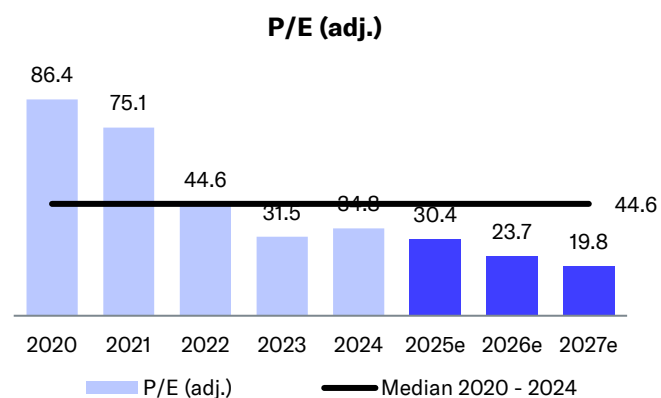
Peer group valuation multiples (2025e)



# Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	50.3	55.6	38.6	25.2	26.6	<b>27.6</b>	<b>27.6</b>	<b>27.6</b>	<b>27.6</b>
Number of shares, millions	26.6	26.7	26.6	26.6	26.7	<b>26.7</b>	<b>26.7</b>	<b>26.7</b>	<b>26.7</b>
Market cap	1337	1482	1026	670	709	<b>736</b>	<b>736</b>	<b>736</b>	<b>736</b>
EV	1335	1482	1015	667	702	<b>712</b>	<b>688</b>	<b>663</b>	<b>638</b>
P/E (adj.)	86.4	75.1	44.6	31.5	34.8	<b>30.4</b>	<b>23.7</b>	<b>19.8</b>	<b>16.7</b>
P/E	>100	85.7	47.1	35.1	38.2	<b>31.7</b>	<b>24.5</b>	<b>20.3</b>	<b>16.7</b>
P/B	19.2	18.9	11.3	6.7	6.6	<b>6.1</b>	<b>5.3</b>	<b>4.6</b>	<b>4.0</b>
P/S	21.9	18.8	10.6	6.9	6.9	<b>6.4</b>	<b>5.5</b>	<b>4.8</b>	<b>4.2</b>
EV/Sales	21.9	18.8	10.5	6.9	6.8	<b>6.2</b>	<b>5.1</b>	<b>4.3</b>	<b>3.6</b>
EV/EBITDA	61.5	57.6	30.6	22.0	23.2	<b>20.6</b>	<b>15.7</b>	<b>13.1</b>	<b>10.6</b>
EV/EBIT (adj.)	69.4	60.4	32.9	23.4	26.2	<b>22.7</b>	<b>17.5</b>	<b>14.2</b>	<b>11.6</b>
Payout ratio (%)	63.6 %	52.4 %	43.9 %	52.9 %	55.0 %	<b>50.0 %</b>	<b>50.0 %</b>	<b>55.0 %</b>	<b>60.0 %</b>
Dividend yield-%	0.6 %	0.6 %	0.9 %	1.5 %	1.4 %	<b>1.6 %</b>	<b>2.0 %</b>	<b>2.7 %</b>	<b>3.6 %</b>

Source: Inderes



# Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%	
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e
Revenio Group	792	793	23.6	19.8	20.7	17.5	6.7	5.9	31.2	25.9	1.6	1.9
Cooper Companies	17701	20088	20.6	18.8	16.8	15.3	5.1	4.7	23.1	20.8		
Ametek	41363	43007	23.5	21.7	19.4	18.0	6.2	5.9	26.0	23.9	0.7	0.7
Topcon	1908	2350			15.9	12.6	1.7	1.6	65.8	32.2	1.5	1.6
Medtronic	112920	132717	16.0	15.0	14.2	13.3	4.1	3.9	16.8	15.6	3.1	3.2
EssilorLuxotica SA	126272	136003	27.5	24.9	18.2	16.8	4.8	4.5	35.4	31.7	1.6	1.8
Carl Zeiss Meditec	4597	5127	20.0	16.3	13.2	11.4	2.3	2.2	26.9	21.6	1.3	1.6
Demand	7653	9613	15.1	13.8	11.6	10.7	3.0	2.8	17.8	15.5	0.2	
Optomed (Inderes)	87	88				22.6	4.4	3.3				
<b>Revenio Group (Inderes)</b>	<b>736</b>	<b>712</b>	<b>22.7</b>	<b>17.5</b>	<b>20.6</b>	<b>15.7</b>	<b>6.2</b>	<b>5.1</b>	<b>30.4</b>	<b>23.7</b>	<b>1.6</b>	<b>2.0</b>
<b>Average</b>			<b>23.4</b>	<b>20.6</b>	<b>18.1</b>	<b>16.6</b>	<b>4.5</b>	<b>4.1</b>	<b>32.5</b>	<b>25.7</b>	<b>1.2</b>	<b>1.5</b>
<b>Median</b>			<b>23.5</b>	<b>19.8</b>	<b>17.5</b>	<b>16.8</b>	<b>4.8</b>	<b>4.5</b>	<b>29.0</b>	<b>24.9</b>	<b>1.3</b>	<b>1.6</b>
<b>Diff-% to median</b>			<b>-3%</b>	<b>-11%</b>	<b>17%</b>	<b>-7%</b>	<b>30%</b>	<b>15%</b>	<b>5%</b>	<b>-5%</b>	<b>20%</b>	<b>27%</b>

Source: Refinitiv / Inderes



# Income statement

Income statement	2022	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25e	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
<b>Revenue</b>	<b>97.0</b>	<b>96.6</b>	<b>23.6</b>	<b>25.4</b>	<b>23.9</b>	<b>30.5</b>	<b>104</b>	<b>25.4</b>	<b>29.4</b>	<b>27.9</b>	<b>32.3</b>	<b>115</b>	<b>134</b>	<b>154</b>	<b>175</b>
Tonometers (estimate)	58.5	57.4	14.9	16.0	13.2	17.1	61.3	16.0	17.3	15.2	18.7	67.2	76.0	85.1	97.0
Imaging devices (estimate)	36.2	36.6	8.0	8.7	9.9	12.6	39.2	8.5	11.1	11.7	12.5	43.8	51.2	59.4	67.8
Software (estimate)	2.2	2.6	0.7	0.7	0.8	0.8	3.0	0.9	0.9	1.0	1.0	3.9	6.5	9.0	10.3
Other products (estimate)	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>EBITDA</b>	<b>33.1</b>	<b>30.3</b>	<b>6.2</b>	<b>7.1</b>	<b>6.7</b>	<b>10.3</b>	<b>30.2</b>	<b>6.4</b>	<b>8.4</b>	<b>9.3</b>	<b>10.5</b>	<b>34.6</b>	<b>43.9</b>	<b>50.8</b>	<b>59.9</b>
Depreciation	-3.4	-3.9	-1.1	-1.8	-1.2	-1.1	-5.2	-1.1	-1.1	-1.1	-1.1	-4.2	-5.5	-5.0	-4.8
<b>EBIT (excl. NRI)</b>	<b>30.9</b>	<b>28.5</b>	<b>5.4</b>	<b>6.2</b>	<b>5.8</b>	<b>9.4</b>	<b>26.9</b>	<b>5.6</b>	<b>7.6</b>	<b>8.5</b>	<b>9.7</b>	<b>31.4</b>	<b>39.3</b>	<b>46.6</b>	<b>55.1</b>
<b>EBIT</b>	<b>29.7</b>	<b>26.3</b>	<b>5.1</b>	<b>5.3</b>	<b>5.5</b>	<b>9.1</b>	<b>25.0</b>	<b>5.3</b>	<b>7.4</b>	<b>8.2</b>	<b>9.4</b>	<b>30.4</b>	<b>38.3</b>	<b>45.7</b>	<b>55.1</b>
Net financial items	-0.6	-1.0	-0.3	0.2	-0.4	0.1	-0.4	-0.1	-0.1	-0.1	-0.1	-0.2	0.7	1.4	2.0
<b>PTP</b>	<b>29.1</b>	<b>25.4</b>	<b>4.8</b>	<b>5.5</b>	<b>5.1</b>	<b>9.2</b>	<b>24.6</b>	<b>5.3</b>	<b>7.3</b>	<b>8.2</b>	<b>9.4</b>	<b>30.2</b>	<b>39.0</b>	<b>47.1</b>	<b>57.1</b>
Taxes	-7.3	-6.3	-1.2	-1.3	-0.9	-2.7	-6.1	-1.2	-1.7	-1.9	-2.2	-6.9	-9.0	-10.8	-13.1
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>21.8</b>	<b>19.1</b>	<b>3.6</b>	<b>4.1</b>	<b>4.3</b>	<b>6.5</b>	<b>18.5</b>	<b>4.1</b>	<b>5.6</b>	<b>6.3</b>	<b>7.2</b>	<b>23.2</b>	<b>30.0</b>	<b>36.3</b>	<b>44.0</b>
<b>EPS (adj.)</b>	<b>0.86</b>	<b>0.80</b>	<b>0.14</b>	<b>0.19</b>	<b>0.17</b>	<b>0.25</b>	<b>0.76</b>	<b>0.16</b>	<b>0.22</b>	<b>0.25</b>	<b>0.28</b>	<b>0.91</b>	<b>1.16</b>	<b>1.39</b>	<b>1.65</b>
<b>EPS (rep.)</b>	<b>0.82</b>	<b>0.72</b>	<b>0.14</b>	<b>0.16</b>	<b>0.16</b>	<b>0.25</b>	<b>0.70</b>	<b>0.15</b>	<b>0.21</b>	<b>0.24</b>	<b>0.27</b>	<b>0.87</b>	<b>1.13</b>	<b>1.36</b>	<b>1.65</b>

Key figures	2022	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25e	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
<b>Revenue growth-%</b>	23.1 %	-0.4 %	1.8 %	14.2 %	8.9 %	4.8 %	7.2 %	7.3 %	15.4 %	16.8 %	5.7 %	11.0 %	16.3 %	14.8 %	14.0 %
<b>Adjusted EBIT growth-%</b>		-7.6 %	-16.6 %	7.6 %	-9.9 %	-4.1 %	-5.9 %	3.0 %	22.3 %	45.6 %	3.1 %	16.8 %	25.3 %	18.6 %	18.3 %
<b>EBITDA-%</b>	34.1 %	31.4 %	26.3 %	27.8 %	27.9 %	33.6 %	29.2 %	25.1 %	28.7 %	33.3 %	32.5 %	30.1 %	32.8 %	33.1 %	34.2 %
<b>Adjusted EBIT-%</b>	31.8 %	29.5 %	22.9 %	24.5 %	24.4 %	30.7 %	25.9 %	21.9 %	26.0 %	30.4 %	30.0 %	27.3 %	29.4 %	30.3 %	31.5 %
<b>Net earnings-%</b>	22.5 %	19.8 %	15.3 %	16.3 %	17.8 %	21.4 %	17.9 %	16.0 %	19.2 %	22.6 %	22.4 %	20.2 %	22.5 %	23.6 %	25.1 %

Source: Inderes

# Balance sheet

Assets	2023	2024	2025e	2026e	2027e
<b>Non-current assets</b>	<b>77.5</b>	<b>83.7</b>	<b>84.2</b>	<b>82.7</b>	<b>81.9</b>
Goodwill	59.4	63.3	63.3	63.3	63.3
Intangible assets	7.1	11.4	11.4	9.5	8.1
Tangible assets	2.3	2.4	2.9	3.3	3.8
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	2.3	0.6	0.6	0.6	0.6
Other non-current assets	3.6	2.6	2.6	2.6	2.6
Deferred tax assets	2.8	3.4	3.4	3.4	3.4
<b>Current assets</b>	<b>48.3</b>	<b>47.0</b>	<b>60.7</b>	<b>86.1</b>	<b>116</b>
Inventories	10.5	10.1	10.3	10.7	12.3
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	16.3	16.2	16.1	17.4	20.0
Cash and equivalents	21.5	20.7	34.2	58.0	83.4
<b>Balance sheet total</b>	<b>137</b>	<b>141</b>	<b>154</b>	<b>177</b>	<b>205</b>

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
<b>Equity</b>	<b>99.9</b>	<b>108</b>	<b>121</b>	<b>139</b>	<b>160</b>
Share capital	5.3	5.3	5.3	5.3	5.3
Retained earnings	43.5	52.2	65.2	83.7	105
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	51.1	50.2	50.2	50.2	50.2
Minorities	0.0	0.0	0.0	0.0	0.0
<b>Non-current liabilities</b>	<b>16.9</b>	<b>12.6</b>	<b>11.2</b>	<b>11.2</b>	<b>11.2</b>
Deferred tax liabilities	3.3	3.6	3.6	3.6	3.6
Provisions	0.6	0.6	0.6	0.6	0.6
Interest bearing debt	13.0	8.4	7.0	7.0	7.0
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>20.6</b>	<b>21.0</b>	<b>22.5</b>	<b>27.1</b>	<b>33.7</b>
Interest bearing debt	5.6	5.5	3.0	3.0	3.0
Payables	15.0	15.5	19.5	24.1	30.7
Other current liabilities	0.0	0.0	0.0	0.0	0.0
<b>Balance sheet total</b>	<b>137</b>	<b>141</b>	<b>154</b>	<b>177</b>	<b>205</b>

# DCF-calculation

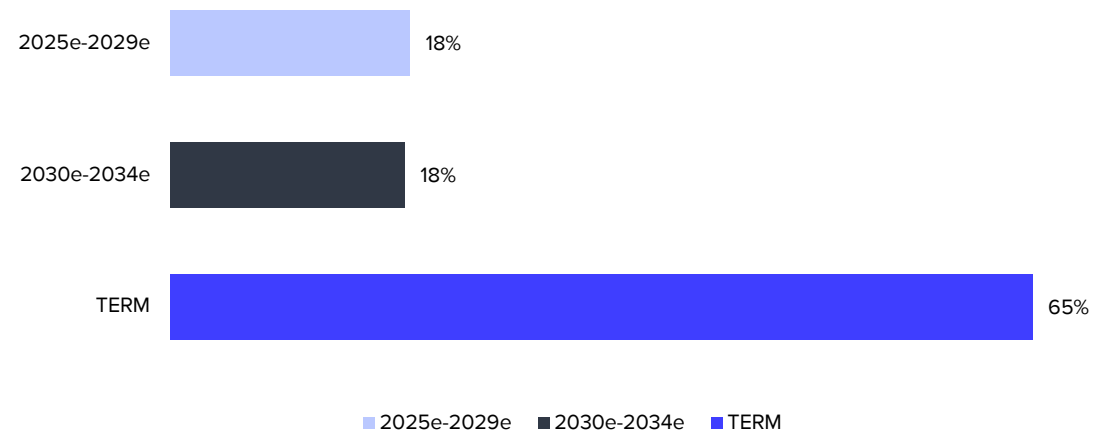
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	7.2 %	11.0 %	16.3 %	14.8 %	14.0 %	12.0 %	10.0 %	8.0 %	5.0 %	5.0 %	3.2 %	3.2 %
EBIT-%	24.2 %	26.4 %	28.7 %	29.8 %	31.5 %	31.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %
<b>EBIT (operating profit)</b>	<b>25.0</b>	<b>30.4</b>	<b>38.3</b>	<b>45.7</b>	<b>55.1</b>	<b>60.8</b>	<b>64.7</b>	<b>69.9</b>	<b>73.3</b>	<b>77.0</b>	<b>79.5</b>	
+ Depreciation	5.2	4.2	5.5	5.0	4.8	4.5	4.7	5.1	5.3	5.3	5.5	
- Paid taxes	-6.4	-6.9	-9.0	-10.8	-13.1	-14.6	-15.6	-16.8	-17.7	-18.6	-19.2	
- Tax, financial expenses	-0.2	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	
+ Tax, financial income	0.1	0.2	0.3	0.4	0.6	0.7	0.8	0.8	0.9	0.9	1.0	
- Change in working capital	1.0	3.9	2.9	2.5	-0.2	-0.2	-0.2	-0.2	-0.1	-0.1	-0.1	
<b>Operating cash flow</b>	<b>24.7</b>	<b>31.5</b>	<b>37.9</b>	<b>42.7</b>	<b>47.0</b>	<b>51.1</b>	<b>54.3</b>	<b>58.7</b>	<b>61.6</b>	<b>64.5</b>	<b>66.6</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	-9.8	-3.7	-3.1	-3.3	-3.4	-4.4	-5.3	-5.3	-5.0	-5.6	-5.6	
<b>Free operating cash flow</b>	<b>14.9</b>	<b>27.8</b>	<b>34.8</b>	<b>39.4</b>	<b>43.6</b>	<b>46.7</b>	<b>49.0</b>	<b>53.4</b>	<b>56.7</b>	<b>58.9</b>	<b>61.1</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	14.9	27.8	34.8	39.4	43.6	46.7	49.0	53.4	56.7	58.9	61.1	1203
<b>Discounted FCFF</b>		<b>25.9</b>	<b>29.9</b>	<b>31.2</b>	<b>31.9</b>	<b>31.5</b>	<b>30.5</b>	<b>30.6</b>	<b>29.9</b>	<b>28.7</b>	<b>27.4</b>	<b>541</b>
Sum of FCFF present value		838	812	782	751	719	688	657	627	597	568	541
<b>Enterprise value DCF</b>		<b>838</b>										
- Interest bearing debt		-13.9										
+ Cash and cash equivalents		20.7										
-Minorities		0.0										
-Dividend/capital return		0.0										
<b>Equity value DCF</b>		<b>845</b>										
<b>Equity value DCF per share</b>		<b>31.7</b>										

## WACC

Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	0.0 %
Cost of debt	4.0 %
Equity Beta	1.25
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.5 %
<b>Cost of equity</b>	<b>8.4 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>8.4 %</b>

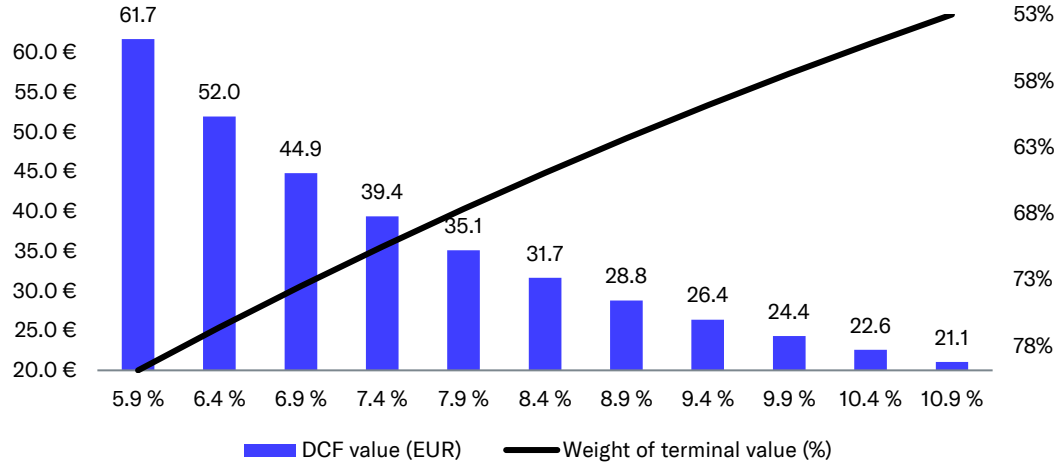
Source: Inderes

## Cash flow distribution

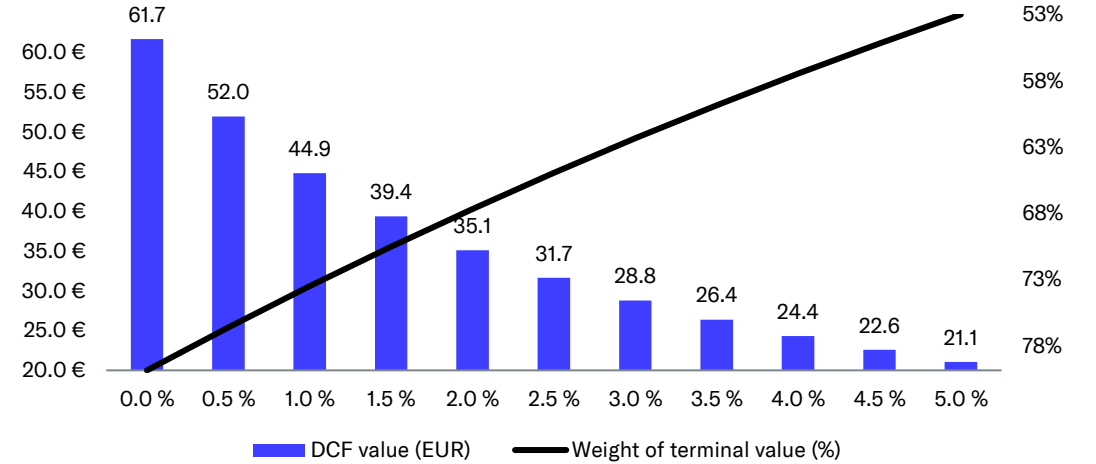


# DCF sensitivity calculations and key assumptions in graphs

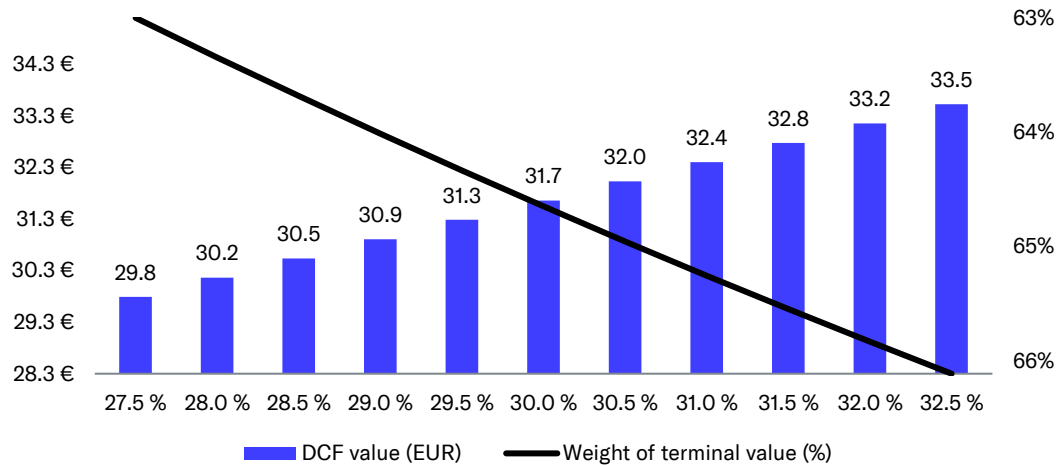
Sensitivity of DCF to changes in the WACC-%



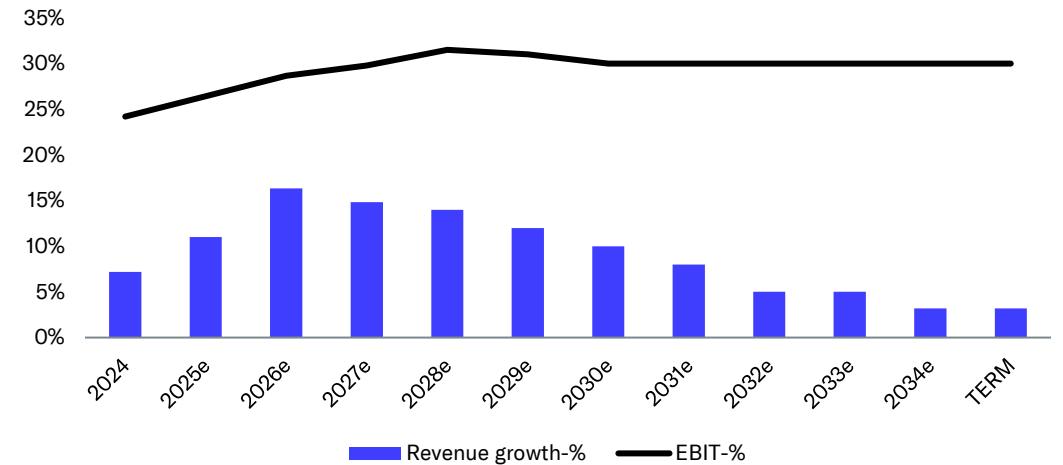
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



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

# Summary

Income statement	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	97.0	96.6	103.5	114.9	133.7	EPS (reported)	0.82	0.72	0.70	0.87	1.13
EBITDA	33.1	30.3	30.2	34.6	43.9	EPS (adj.)	0.86	0.80	0.76	0.91	1.16
EBIT	29.7	26.3	25.0	30.4	38.3	OCF / share	0.90	0.40	0.93	1.18	1.42
PTP	29.1	25.4	24.6	30.2	39.0	FCF / share	0.79	0.09	0.56	1.04	1.31
Net Income	21.8	19.1	18.5	23.2	30.0	Book value / share	3.42	3.76	4.04	4.52	5.22
Extraordinary items	-1.2	-2.2	-1.8	-1.0	-1.0	Dividend / share	0.36	0.38	0.38	0.44	0.56
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	136.1	137.4	141.3	154.5	177.4	Revenue growth-%	23%	0%	7%	11%	16%
Equity capital	90.9	99.9	107.7	120.7	139.2	EBITDA growth-%	29%	-9%	0%	14%	27%
Goodwill	59.8	59.4	63.3	63.3	63.3	EBIT (adj.) growth-%	26%	-8%	-6%	17%	25%
Net debt	-11.3	-2.9	-6.8	-24.2	-48.0	EPS (adj.) growth-%	17%	-7%	-5%	19%	28%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	34.1 %	31.4 %	29.2 %	30.1 %	32.8 %
EBITDA	33.1	30.3	30.2	34.6	43.9	EBIT (adj.)-%	31.8 %	29.5 %	25.9 %	27.3 %	29.4 %
Change in working capital	-1.5	-11.6	1.0	3.9	2.9	EBIT-%	30.6 %	27.3 %	24.2 %	26.4 %	28.7 %
Operating cash flow	24.0	10.5	24.7	31.5	37.9	ROE-%	25.7 %	20.0 %	17.9 %	20.3 %	23.1 %
CAPEX	-2.9	-8.2	-9.8	-3.7	-3.1	ROI-%	27.6 %	23.3 %	21.3 %	24.6 %	28.2 %
Free cash flow	21.1	2.4	14.9	27.8	34.8	Equity ratio	66.8 %	72.7 %	76.2 %	78.2 %	78.4 %
						Gearing	-12.5 %	-2.9 %	-6.3 %	-20.1 %	-34.5 %
Valuation multiples	2022	2023	2024	2025e	2026e						
EV/S	10.5	6.9	6.8	6.2	5.1						
EV/EBITDA	30.6	22.0	23.2	20.6	15.7						
EV/EBIT (adj.)	32.9	23.4	26.2	22.7	17.5						
P/E (adj.)	44.6	31.5	34.8	30.4	23.7						
P/B	11.3	6.7	6.6	6.1	5.3						
Dividend-%	0.9 %	1.5 %	1.4 %	1.6 %	2.0 %						

Source: Inderes

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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

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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 €
4/26/2024	Accumulate	28.00 €	23.86 €
8/9/2024	Accumulate	32.00 €	28.82 €
11/1/2024	Accumulate	32.00 €	29.50 €
1/20/2025	Accumulate	32.00 €	28.18 €
2/14/2025	Accumulate	30.00 €	27.60 €



# 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.

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