

Innofactor

Company report

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✓ Inderes corporate customer

This report is a summary translation of the report “Lopetamme seurannan yhtiön poistuessa pörssistä” published on 12/19/2024 at 8:05 am EET.

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Our coverage ends due to delisting

Innofactor is already 94% owned by Onni Bidco following the takeover bid in November, and the redemption process for the remaining shares is underway. As a result, the company will be delisted in the coming months, and we will stop monitoring Innofactor's stock after the company terminated its research service agreement. In September, we updated our forecasts based on the company's profit warning. The final interview with the CEO and comments on the redemption process can be found [here](#) (in Finnish).

Redemption process for the remaining shares

Innofactor announced in November that the Onni Bidco consortium has received 94.25% of Innofactor's shares, exceeding the 90% redemption threshold. As a result, Onni Bidco has also initiated the redemption process and Innofactor is about to be delisted from the Helsinki Stock Exchange.

Stock market run and Inderes coverage continued for more than 10 years

In 2010, Innofactor went public through a reverse listing with revenue of 10 MEUR at the time. Our monitoring started relatively soon after the IPO and Innofactor was Inderes' first company under Inderes' equity research coverage. The monitoring period has included operationally good and challenging times. In recent years, there has been a shift in strategy from a strong acquisition focus to a more balanced and organic growth strategy. Microsoft solutions have always been at the heart of the company's strategy. In 2024, the company's revenue will be around 80 MEUR, representing a CAGR of ~16% over the stock market run. The EBITDA margin has been just over 10% in recent years. Since the end of 2011, the market value of the company has increased by an average of 10% per year, calculated at the offer price.

Exit from the stock exchange underway

Innofactor's share redemption proceedings are underway, and the company has announced its intention to delist from the stock exchange as soon as possible. We have commented on the earlier stages of the takeover bid in our previous reports and comments. Our research coverage of Innofactor has been based on an equity research service agreement between Inderes and Innofactor. With the delisting of the company and the resulting termination of the contract, we regret that we will no longer be able to provide research coverage of the company to our investor community. Our previous research on the company is available on the Innofactor company page on our service.

Recommendation

-
(was Reduce)

-
(was EUR 1.68)

Share price:

1.68

Key figures

	2023	2024e	2025e	2026e
Revenue	80	79	82	85
growth-%	13%	-1%	3%	4%
EBITDA	9.1	7.1	8.7	9.8
EBITDA-%	11.3 %	9.0 %	10.5 %	11.4 %
Net income	3.4	2.7	4.2	5.1
EPS (adj.)	0.10	0.10	0.12	0.14

P/E (adj.)	12.2	17.4	14.3	11.7
P/B	1.7	2.3	2.2	2.1
Dividend yield-%	5.7 %	4.8 %	5.4 %	6.0 %
EV/EBIT (adj.)	8.8	13.7	11.5	9.2
EV/EBITDA	5.8	9.3	7.5	6.3
EV/S	0.7	0.8	0.8	0.7

Source: Inderes

Guidance

(Unchanged)

Innofactor's revenue and EBITDA in 2024 are estimated to be lower than in 2023.

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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
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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
10/31/2018	Reduce	0.52 €	0.50 €
1/28/2019	Reduce	0.35 €	0.40 €
3/6/2019	Reduce	0.45 €	0.47 €
5/15/2019	Reduce	0.58 €	0.60 €
6/5/2019	Sell	0.68 €	0.71 €
7/24/2019	Reduce	0.68 €	0.63 €
10/30/2019	Reduce	0.80 €	0.75 €
2/26/2020	Reduce	0.90 €	0.78 €
4/1/2020	Accumulate	0.68 €	0.66 €
5/5/2020	Accumulate	0.90 €	0.84 €
6/23/2020	Accumulate	0.95 €	0.90 €
6/24/2020	Reduce	1.30 €	1.19 €
10/28/2020	Accumulate	1.40 €	1.28 €
2/19/2021	Accumulate	1.80 €	1.43 €
4/28/2021	Accumulate	2.00 €	1.97 €
6/10/2021	Accumulate	2.00 €	1.72 €
7/23/2021	Buy	2.00 €	1.86 €
10/27/2021	Reduce	1.80 €	1.59 €
2/18/2022	Accumulate	1.50 €	1.33 €
4/27/2022	Accumulate	1.45 €	1.24 €
6/28/2022	Accumulate	1.35 €	1.17 €
7/22/2022	Reduce	1.00 €	1.02 €
10/25/2022	Reduce	1.00 €	1.00 €
2/10/2023	Accumulate	1.35 €	1.20 €
4/26/2023	Accumulate	1.45 €	1.29 €
7/20/2023	Accumulate	1.35 €	1.11 €
9/11/2023	Accumulate	1.35 €	1.14 €
10/25/2023	Accumulate	1.30 €	1.11 €
2/9/2024	Buy	1.55 €	1.25 €
4/24/2024	Accumulate	1.55 €	1.32 €
7/19/2024	Reduce	1.20 €	1.15 €
7/23/2024	Reduce	1.68 €	1.66 €
9/20/2024	Reduce	1.68 €	1.68 €
12/19/2024	-	-	1.68 €



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