

BIOHIT OYJ

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INDERES CORPORATE CUSTOMER

EXTENSIVE REPORT



Profitable growth through diagnostics

Biohit is focused on diagnostics of the gastrointestinal tract and health-promoting products. The company has achieved a successful turnaround and is targeting strong growth of 15-20% over the 2024-28 strategy period. We expect the company's earnings to continue to grow in the coming years, supported by the development of new markets and the introduction of new products. We raise our target price to EUR 3.2 (was EUR 2.9) EUR 2.9) on the back of our forecast revisions but lower our recommendation to Reduce (was Buy) due to the deterioration in the risk/reward ratio caused by the recent price rally.

Biotechnology company focused on diagnostics of the gastrointestinal tract

Biohit's product portfolio includes about ten diagnostic tests to determine the pathology behind gastrointestinal tract symptoms. The company's spearhead product family is the GastroPanel® set of four tests that indicate stomach health. Biohit has launched two quick test versions of the product in recent years, which are expected to drive growth in the company's key markets of China, the UK, the EU and the Middle East. The diagnostic tests are supported by Acetium® products that bind toxic acetaldehyde.

From a successful turnaround to profitable growth

Biohit has been loss-making for most of the past decade, but thanks to revenue growth, cost control, and operational improvements, it managed to turn a profit in 2022. The favorable development has continued and the company's profile has matured from a turnaround company to a defensive and profitable growth company. With the strategy 2024-28, announced at the end of 2023, Biohit aims for strong annual growth of 15-20% and EBIT of at least 10%. We believe the growth target is ambitious but achievable, even with growth in the first strategic year (2024) landing

below target. The profitability target is moderate and reflects the company's growth mode, where profitability will be slightly compromised if necessary to achieve growth. We estimate the long-term profitability potential to be closer to 20%, based on high gross margins, a niche product portfolio and the long-term average profitability of mature companies in the sector.

We expect healthy growth with new versions of GastroPanel® and geographical expansion

In the short term, we believe business visibility is moderate but quickly becomes blurred in the medium term. We forecast revenue growth of around 14% CAGR in 2024-26, driven by sales of the new GastroPanel® quick tests and the entry to a market, which the company expects to take place in mid-2025. We expect EBIT to continue to grow to 3.1 MEUR by 2026. Our earnings forecast is based on revenue growth and continued tight cost control. With a very strong balance sheet and positive cash flow estimates, we expect an annual dividend yield of about 1-2% from 2025 onwards, although the company has not yet decided to pay a dividend.

The stock is correctly priced

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. In our view, the stock is also fully priced in terms of EV/S (2025e: 2.4x) and DCF. 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 Buy)

Target price:

3.20 EUR

(was EUR 2.90)

Share price:

3.41

Business risk



Valuation risk



	2023	2024e	2025e	2026e
Revenue	13.1	14.3	17.6	19.6
growth-%	19%	10%	23%	11%
EBIT adj.	1.8	2.4	2.8	3.1
EBIT-% adj.	13.4 %	17.0 %	15.7 %	16.0 %
Net Income	1.9	2.3	2.4	2.7
EPS (adj.)	0.12	0.15	0.16	0.18
P/E (adj.)	16.6	22.1	21.3	19.3
P/B	3.1	4.3	3.6	3.1
Dividend yield-%	0.0 %	0.0 %	1.2 %	1.6 %
EV/EBIT (adj.)	14.0	18.2	15.1	12.8
EV/EBITDA	11.7	15.6	13.3	11.0
EV/S	1.9	3.1	2.4	2.0

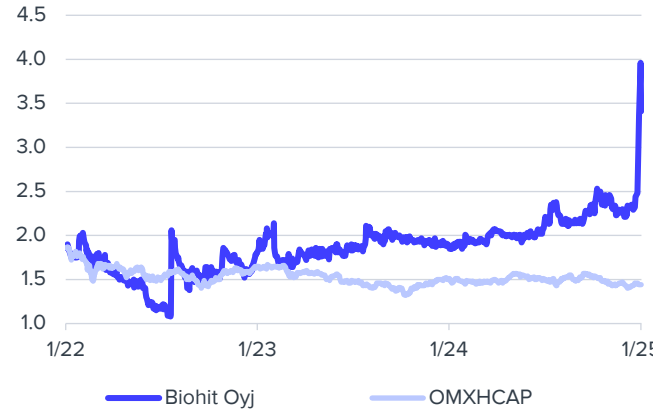
Source: Inderes

Guidance

(Unchanged)

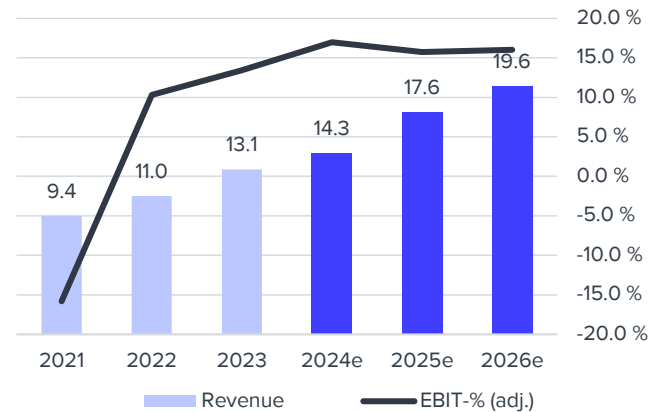
Biohit's 2024 revenue will be 14.1-14.4 MEUR (up 7.8-10.1% from 2023) and EBIT percentage 16-18%.

Share price



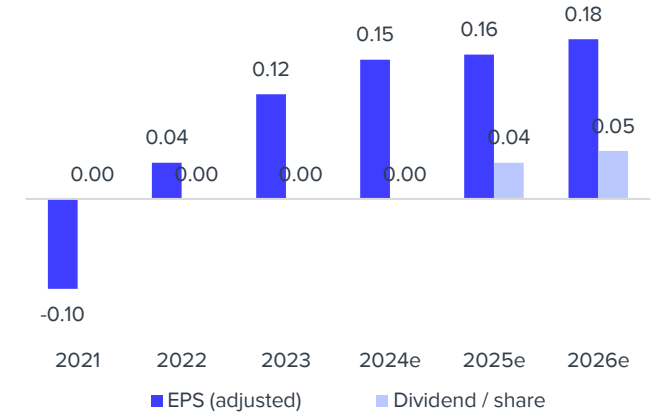
Source: Millstream Market Data AB

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	2024e	2025e	2026e
Share price	3.41	3.41	3.41
Number of shares, millions	15.1	15.1	15.1
Market cap	52	52	52
EV	44	42	40
P/E (adj.)	22.1	21.3	19.3
P/E	22.1	21.3	19.3
P/B	4.3	3.6	3.1
P/S	3.6	2.9	2.6
EV/Sales	3.1	2.4	2.0
EV/EBITDA	15.6	13.3	11.0
EV/EBIT (adj.)	18.2	15.1	12.8
Payout ratio (%)	0.0 %	25.0 %	30.0 %
Dividend yield-%	0.0 %	1.2 %	1.6 %

Source: Inderes

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Biohit in brief

Biohit is a Finnish biotechnology company that develops diagnostic and health-promoting products for the international market.

1988

Year of establishment

1999

IPO

13.1 MEUR (+19% vs. 2022)

Revenue 2023

1.8 MEUR (13.4% of revenue)

EBIT 2023

73%

Equity ratio

4.3%

Average growth in the diagnostic market for the gastrointestinal tract 2024-2030

1988-2017 Development into a diagnostics company

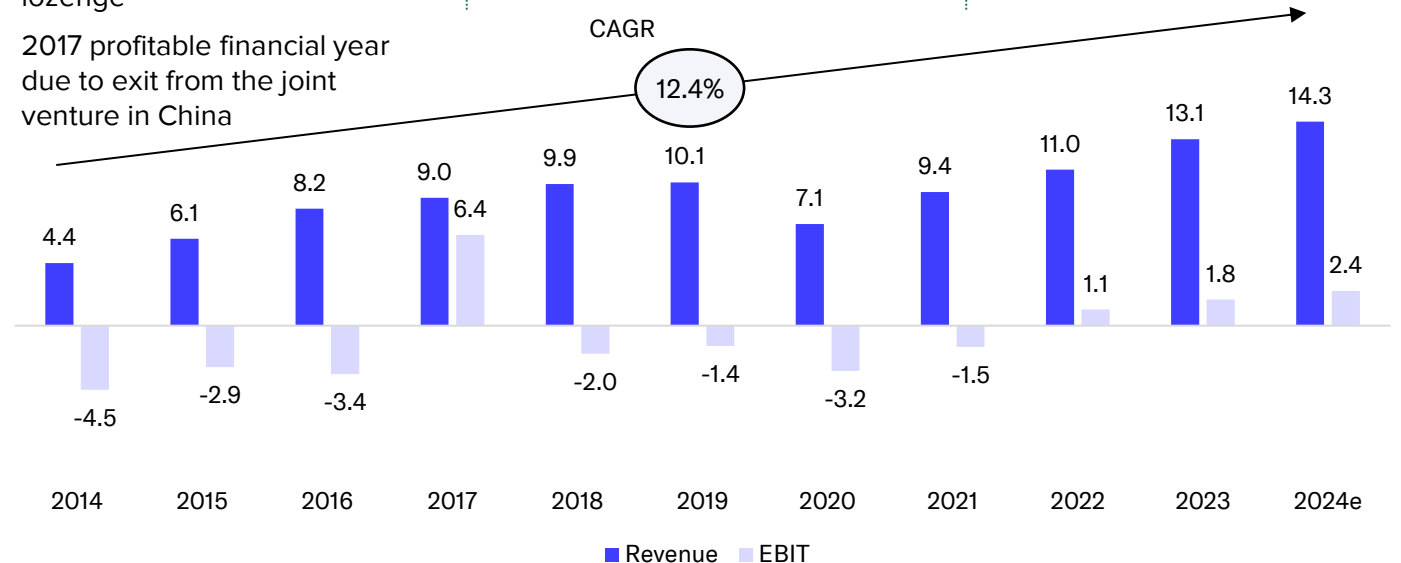
- In the 1990s, the company develops and commercializes pipettes
- 2005 GastroPanel® test introduced to markets
- 2010 launch of the Acetium® capsule
- 2011 the pipette business is divested Revenue falls from 40 MEUR to 2 MEUR
- 2016 production of GastroPanel® products begins in China
- 2017 launch of the Acetium lozenge
- 2017 profitable financial year due to exit from the joint venture in China

2018-2023 Building the turnaround

- 2018 Biohit Healthcare (Hefei) buys a 33% share of Biohit
- 2020 the effects of the pandemic reduce Biohit's revenue
- 2021 GastroPanel® quick test from venous blood is launched
- 2022 GastroPanel® quick test from fingerprick blood samples is launched
- 2022 renewed licensing agreement with Hefei in China
- 2021-2022 the strategy focuses on strengthening the foundation of the business

2023 → Profitable growth

- 2022-2023 Biohit's profile evolves from a turnaround company to a profitable growth company.
- 2023 new strategy for 2024-2028 The company is targeting strong annual growth of 15-20%.
- 2025: The company expects to open up a significant new market.
- 2026-2027: We expect the company to receive FDA approval for the GastroPanel® test and begin commercialization in the US.



Company description

From pipettes to profitable growth in diagnostics

Biohit is a Finnish biotechnology company focusing on diagnostic products and diagnostic analysis systems for the gastrointestinal tract, as well as health-promoting products. The company was founded in 1988 and during its first years it developed and commercialized pipettes. The company grew and internationalized with the help of pipettes in the 1990s and started developing the diagnostics business supported by the profitable growth of the pipettes. Biohit was listed in 1999, with a revenue of around 17 MEUR.

The company divested its pipette business in 2011 and has since focused on the diagnostics business. Selling the pipette business changed the company's profile substantially. Biohit's revenue were about 40 MEUR and the business was profitable. After the divestment, the remaining diagnostics business had a revenue of only around 2 MEUR and was clearly loss-making. Since then, the company has grown to revenue of more than 13 MEUR (2023) and has also managed to become clearly profitable. Most of Biohit's revenue, over 98%, comes from outside Finland. The company's key products are the GastroPanel® family of gastric health tests, launched in 2005, and the acetaldehyde-binding Acetium® products, introduced in 2010 and 2017. New GastroPanel® quick venipuncture and finger stick blood tests will be launched in 2021 and 2022 and are among the company's top products for the future.





GastroPanel® is a set of four diagnostic tests carried out from blood samples to identify *Helicobacter pylori* infections, atrophy of the stomach mucosa and acid-free

stomach. The test can also be used to assess the risk of malabsorption of calcium, vitamin B12 and other trace elements.

The Acetium® capsule that binds acetaldehyde, a compound that increases cancer risk, can be used to bind acetaldehyde from alcohol and food and generated by microbes, thus reducing the risk of cancer. The capsule was introduced in 2010. The Acetium® lozenge, introduced in 2017, can be used to help stop smoking. The lozenge's active ingredient binds acetaldehyde released into saliva from tobacco smoke that causes addiction and reduces the pleasure of smoking.

Biohit has been mainly heavily loss-making since the divestment of its pipette business. The company turned profitable in 2022 and has continued to improve its results since then. In our view, Biohit's profile has evolved from a turnaround company to a profitable growth company with a defensive business. Biohit's recent years have been characterized by the development of its business fundamentals since the current management took over. We estimate that this work is essentially complete. Presented at the end of 2023, the 2024-2028 strategy targets strong revenue growth of 15-20%, which, if successful, would roughly double revenue over the strategy period. On the bottom line, the company aims for EBIT of more than 10% (2023: 13.4%). In our view, the company's long-term profitability potential is higher, but the growth focus of the strategy period should weigh on earnings.

Biohit in a nutshell

 Company	Biohit Oyj Founded in 1988; IPO in 1999
	Focus on the diagnostics and health of the gastrointestinal tract.
	Subsidiaries in the UK and Italy
	2.9% shareholding in Genetic Analysis AS , Norway
 Lead products	GastroPanel® product family: 4-marker test provides information about the health of the gastrointestinal tract.
	Acetium® products marketed to consumers prevent the harmful effects of acetaldehyde
 Key growth drivers (Inderes estimate)	Opening a major new market in 2025
	FDA approval and commercialization of GastroPanel® in the US 2026-27
 Profile	Defensive profitable growth company

Source: Biohit / Inderes

Business model 1/6

Biohit focuses on diagnostics and health of the gastrointestinal tract

Biohit develops gastrointestinal tract diagnostic tests mainly by itself and uses external services to support development. In addition to own manufacturing, the company also has outsourced production. A key player especially in GastroPanel® manufacturing is the company's Chinese partner Biohit Healthcare Co Ltd (Hefei). Biohit's product portfolio currently consists of about 10 diagnostic tests, two products that bind acetaldehyde, and monoclonal antibodies for research use. The product portfolio is summarized in the graph on the next page. The company's main commercial products are the GastroPanel® test and its different versions. The commercial significance of acetaldehyde-binding products is, in our opinion, much less important.

GastroPanel® - a set of four health tests for diagnosing upper abdominal problems

Biohit's strongest selling product is the GastroPanel® product family. GastroPanel® is a set of four diagnostic tests from a blood sample to determine whether the stomach mucosa is healthy or not. The test also indicates Helicobacter infection, which is a key background factor of gastric ulcer and atrophy of the stomach mucosa. The results can be used to assess whether the patient is at risk of gastric cancer or peptic ulcers or have a risk of vitamin B12, calcium or iron deficiency. The test is primarily used as a screening tool to identify patients requiring further examination. This test can help avoid unnecessary gastric endoscopies that are expensive and unpleasant for patients. There is also a lack of capacity for endoscopic research in many countries. There is are

two Enzyme-Linked ImmunoSorbent Assay, i.e., ELISA quicks tests that can be performed on both a venous blood sample (2021 CE marking) and blood taken from the fingertip (2022 CE marking). The quick test gives a result in just 15-20 minutes. In addition to the test, the quick test system consists of a separate GP Reader device that analyzes the result. The ELISA test, on the other hand, is a traditional and widely used analysis method, typically providing results within a few hours. ELISA is performed on a few dozen samples at a time, making it more suitable than quick tests for laboratories with larger sample volumes. ELISA also requires more human resources compared to the quick test.

GastroPanel® is suitable for diagnosing atrophic gastritis (i.e. dysfunction and atrophy of the stomach mucosa) and Helicobacter infection, and for assessing the risk of gastric and duodenal cancer and gastroesophageal reflux disease. The test measures the concentration of four markers: Helicobacter pylori IgG antibodies, Gastrin-17, Pepsinogen I and Pepsinogen II in blood. The results of the four makers are interpreted together, which, according to the company, gives a more reliable and extensive view of the structure and function of the stomach mucosa compared to analyzing the concentration of a single marker. The GastroPanel® end product is a report that describes the result and classifies it into one of five diagnostic options: 1) normal healthy stomach, 2) helicobacter infection, 3) atrophic antrum gastritis, 4) atrophic corpus gastritis and 5) atrophic pangastritis. Further measures include helicobacter eradication treatment with antibiotics or a referral to a gastric endoscopy.

GastroPanel® test profiles

ELISA test	Allows simultaneous analysis of dozens of samples. Determination takes a few hours. ELISA is suitable for medium-sized medical units with a sufficient number of samples to be analyzed.
Quick test – venous blood	One sample at a time, a quick test is completed within 15-20 minutes. The advantage of the test is that it can be performed on the same blood sample taken for other diagnostics.
Quick test — fingertip blood	Fingertip sampling is quick and easy, and the test is particularly suitable for point-of-care testing. The test is particularly suitable for units that do not have extensive diagnostic and laboratory capabilities.

Measurements of the GastroPanel® test

Helicobacter pylori antibodies	H pylori infection increases the risk of duodenal or gastric ulcers. It causes dysfunction and atrophy of the stomach mucosa in some people (atrophic gastritis). AG exposes to gastric and esophageal cancer and malabsorption.
Pepsinogen I	Pepsinogen I concentration in blood reflects the structure and function of the mucosa in the gastric body (corpus).
Pepsinogen II	Pepsinogen II concentration in blood reflects the structure and function of whole stomach mucosa.
Gastrin-17	The Gastrin-17 concentration in blood reflects the integrity and function of the lower part of the stomach (the antrum). Low Gastrin-17 levels in blood during fasting may indicate either an increased secretion of hydrochloric acid or antrum mucosal atrophy.
Examples of test results	Healthy stomach; Healthy stomach with reduced acid secretion; Gastritis caused by Helicobacter; Atrophic corpus gastritis Atrophic antrumgastritis Atrophic pangastritis (corpus and antrum)

Source: Biohit, Inderes

Business model 2/6 - Biohit's products

Product family	Products	Description		
Diagnostics - ELISA¹	GastroPanel® Active vitamin B12	Calprotectin Vitamin D	Biohit develops, manufactures and markets test kits based on enzyme-linked immunosorbent assay (ELISA) for disease diagnostics and research use. ELISA is a conventional and widely used method for diagnostics. The tests focus on the gastrointestinal tract.	
Diagnostic quick tests	GastroPanel® ColonView®	Celiac disease Helicobacter pylori UFT300 quick test	Lactose intolerance Helicobacter pylori quick test	Next to ELISA tests Biohit produces quick tests, such as the GastroPanel® test from fingertip blood samples. Quick tests give fast results and can be carried out close to the patient in small units, e.g., when no clinical laboratory analysis service is available or when the number of samples to be analyzed is low.
Acetaldehyde binding products	Acetium® capsule	Acetium® lozenge	Acetaldehyde is a carcinogenic compound produced by oral microbes from alcohol and dietary sugars in an acid-free stomach. The compound is also released into saliva from tobacco smoke. The Acetium® capsule binds acetaldehyde in the stomach and the lozenge in saliva. The products are available for sale to consumers without prescription in pharmacies, for example.	
Monoclonal antibodies	Several antibodies for research use		Biohit produces and sells monoclonal antibodies. They are used in research applications, e.g., to stain desired structures in tissue samples. We estimate that antibodies are profitable for Biohit but a small-scale business.	
Dysbiosis	GA-Map dysbiosis test		The test identifies and characterizes intestinal imbalance, i.e. dysbiosis, from a fecal sample based on gut microbiota DNA. The product has been commercialized in cooperation with Norwegian Genetic Analysis AS that developed it.	

1) Enzyme-Linked Immunosorbent Assay ELISA Enzyme-Linked ImmunoSorbent Assay ELISA)

Business model 3/6

Acetaldehyde binding products: Acetium® capsule and lozenge

Acetaldehyde is a molecule that predisposes to cancer found in certain foods and alcoholic beverages such as Calvados. Acetaldehyde is formed as a metabolite of alcohol but also by microbial metabolism of sugars especially in a stomach with reduced acid secretion. According to the company, acetaldehyde is annually linked to the development of some 4 million cancer cases.

Biohit has developed and commercialized two acetaldehyde-binding Acetium® products to reduce its harmful effects in the gastrointestinal tract and in the mouth caused by tobacco smoke. The active ingredient in Acetium® products is L-cysteine and it also contains other substances that affect the rate of release of L-cysteine and thus the duration of action of the product. We estimate that Acetium® products play a much smaller commercial role for the company compared to GastroPanel® products.

The **Acetium® capsule** is designed to reduce the amount of acetaldehyde in an acid-free stomach. Biohit recommends the capsule for persons with an acid-free stomach, chronic Helicobacter infection or those who use medication reducing acid production (proton pump inhibitors). The Acetium® capsule is available in pharmacies without prescription. In addition to reducing the risk of cancer, the product can apparently also be used to alleviate nausea following heavy alcohol consumption.

According to the company, the groups most likely to benefit from the product are: 1) atrophic gastritis caused

by Helicobacter infection; 2) autoimmune atrophic gastritis; 3) smokers; 4) regular alcohol drinkers; 5) long-term users of PPIs (proton pump inhibitors that reduce gastric acid secretion); and 6) people with a mutation in the enzyme aldehyde dehydrogenase (ALDH2) and thus exposed to high levels of acetaldehyde.

The amino acid L-cysteine in **Acetium® lozenge** binds approximately 90% of the acetaldehyde from tobacco smoke dissolved in saliva, according to the company. The lozenge reduces the pleasure of smoking over time. According to research, this will increase the likelihood of smoking cessation. The lozenge does not contain nicotine or other addictive or harmful substances. The product is typically used for a few months.

Development of new products is key for the future

Biohit's mission is to develop, expand and innovate the range of diagnostic tests for the gastrointestinal tract through research and development. Development is supported by the company's scientific advisory board. In recent years, the main product innovations have been the quick test versions of GastroPanel® using venous and fingertip whole blood. These products were CE marked in 2021 and 2022, after which they could be sold in the EU. The company's test portfolio is currently somewhat aged, as the commercialization of several tests started in the first decade of the 2000s. The Calprotectin, B12 and vitamin D tests and the Acetium® lozenge have been launched as newer products in 2014-2017. Based on the company's comments, new products have been submitted to authorities for evaluation and are expected to be launched.

GastroPanel® quick test NT



Image: Biohit

Acetium® lozenge



Image: Biohit

Business model 4/6

In recent years, product launches in Europe have been slowed by the so-called IVDR regulation. The regulation, which came into force in 2022, has created additional obligations for manufacturers and backlogs for notified bodies handling applications.

We believe that successful product development and commercialization of new products is one of the key factors for Biohit's long-term success. Currently, the visibility of the company's product development pipeline is rather limited, as the company has not further elaborated on its product development to investors, to our understanding, due to competitive reasons. It is, therefore, impossible to assess the timing or market potential of new products at this stage. We believe that Biohit will continue to focus on gastrointestinal tract diagnostics in product development, which would help the company to be even more clearly profiled in its own area of strength. We estimate that the company will aim to launch approximately one new product per year going forward.

Geographical focus on Europe and Asia

Biohit's main markets are Europe, Great Britain, China and the Middle East. In Great Britain and Italy Biohit operates through subsidiaries. The sale of the company's products is mainly based on the use of distributors and product licensing. At least for the time being, Biohit has no own direct sales, excluding the subsidiaries. In 2023, Europe (excl. Finland) accounted for 44% of revenue and Asia Pacific for 35%, where China is clearly the key market for the company. The combined revenue of Finland and North and South America is around 4%, and

17% for the rest of the world.

The company's most important single distributor is Biohit Healthcare (Hefei) Co. Ltd., a joint venture established by Biohit and Liu Feng in 2013, which handles distribution in China. Biohit sold its share in the joint venture in 2017. In 2018, Hefei acquired a stake in Biohit and is Biohit's largest shareholder with 32.6% (11/2024). In the past, the companies have disagreed on how the patent license agreement related to the distribution cooperation should be applied. Biohit and Hefei signed a renewed long-term distribution agreement for certain GastroPanel® products in early 2022, at which time we believe the disagreements were resolved. Since the renewal of the agreement, cooperation seems to have been seamless. The risks associated with a single large distributor are offset by Hefei's pledge of 1.5 million Biohit shares. Biohit's revenue in China in 2023 amounted to 4.3 MEUR, consisting of a license fee and sales of goods and services.

Sales are mainly through distributors

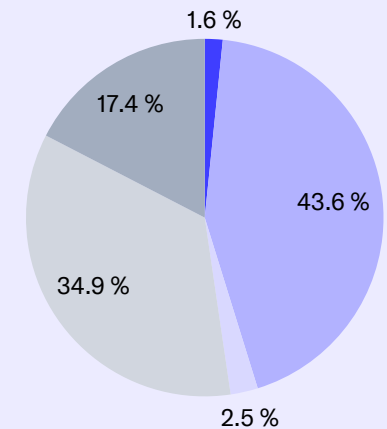
Biohit says it is building a committed and concentrated distributor and partner network and actively seeking new potential distributors. The company is seeking new distribution agreements for diagnostic products, particularly with distributors specializing in gastroenterology. We estimate that distributors' margins are around 40% of the selling price, which is typical for the industry.

Key product launches

Year	Product
2022	GastroPanel® fingertip blood test
2021	GastroPanel® venous blood test
2017	Acetium® lozenge
2016	GA-Map dysbiosis test
2015	Vitamin D test
2014	Calprotectin test
2014	Active vitamin B12 test
2010	Acetium® capsule
2008	ColonView® quick test
2007	Gastroview® test
2005	GastroPanel® test

Source: Biohit, Inderes

Geographical breakdown of revenue 2023



■ Finland ■ Rest of Europe ■ Americas ■ Asia ■ Rest of World

Business model 5/6

The sales strategy based on distributors and licensing is capital-light for Biohit and does not according to our assessment require significant investments or increasing the cost structure. The model also allows seeking growth at a relatively low risk. We feel this is the right approach for Biohit compared to building its own sales organization to a significantly larger size than currently, which would require a heavier cost structure and would, on the other hand, bring higher profitability potential with the risks it entails.

Biohit's strategy is one of geographic growth, most likely through the expansion of the distributor network, although we also see the possibility of growing the company's own sales organization. In late 2024, the company announced a potential new major geographic opening that is expected to materialize in 2025. In addition, Biohit is in the process of obtaining FDA approval for GastroPanel® in the US. The approval depends on the decisions of the regulatory authorities, and it is therefore difficult to estimate the exact timeframe. According to the company, a marketing authorization could be granted in 2026, which we estimate means that the product could be sold from 2027.

Revenue is defensive

According to our estimates, Biohit's revenue are relatively recurring in nature once the company gets people to use the products. If customers have confidence in the functionality and ease of use of the products, we believe they will happily continue to use them. In the longer term, recurring revenue are challenged by possible competition from new products,

to which the company has to respond by developing new and better products or product versions.

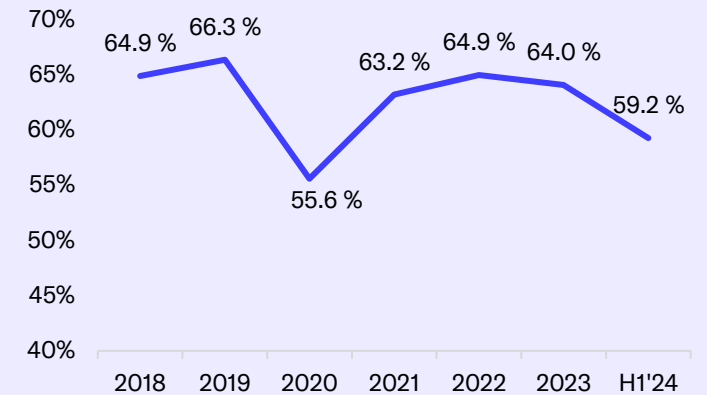
We also believe that revenue is relatively unaffected by the economic cycle, although the COVID pandemic caused a top-line decline as diagnostic resources were diverted to COVID testing. This had a clear negative impact on the demand for Biohit's products in 2020-2021. On the other hand, the pandemic normalized, e.g., at-home testing, which in the longer term can benefit companies that develop quick tests. We estimate that Biohit's revenue are somewhat concentrated, as China's share as the largest market and the company's dependence on its partner owner Hefei creates both growth opportunities and risks.

We believe Acetium® products differ from diagnostic tests in terms of revenue continuity. As lozenges are used to stop smoking for a short period, we estimate that maintaining the demand for the product will require continuous marketing efforts to consumers.

Gross margin and scalability create profitability potential

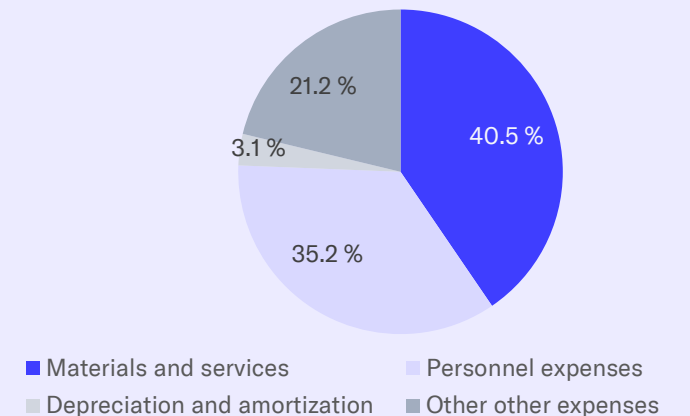
Biohit's gross margin has been stable at around 65% in recent years, except for the COVID year 2020. We believe material costs are moderate compared to the final price of the product. In contrast, fixed costs are high. This is mainly due to R&D costs and the strict authority regulation of diagnostics, which Biohit has to spend extensive resources on. However, fixed costs scale well with revenue growth, so Biohit should have a good chance of growing its earnings in line with the top line despite the growth investments.

Gross margin



Source: Biohit, Inderes

Cost structure 2023, % of total costs



Business model 6/6

According to the H1'24 report, the share of manufacturing sales (OEM) in Biohit's revenue has been increasing. The increase in the share reduced the company's gross margin. We expect pressure on the gross margin in the near term, as the growth prospects for OEM sales are stronger than for own product sales in the short term. On the other hand, possible investments in Biohit's own production could increase gross margins again in the medium term.

The business ties up little capital

Biohit's working capital to revenue ratio has fluctuated in recent years. The higher working capital ratio in 2023 is due to higher trade receivables, which we expect to be temporary. We expect working capital to be in the range of 10-15% of revenue in the coming years.

We estimate that Biohit's investments and investment needs are small. We believe that the company is effectively utilizing outsourcing in production. Thus, we do not expect that revenue growth requires substantial investments in new premises or production equipment. However, we believe that moderate investments are possible, for example to increase the company's own production capacity. The wide use of distributors in sales channels is also a very capital-light solution. In terms of hiring, Biohit has increased the number of employees in 2023-2024. We see no immediate pressure to increase headcount in the near term, although headcount will continue to increase in the medium term as growth continues. Overall, we expect the company's tight cost discipline of recent years to continue in the near term.

Decision power in the company is concentrated

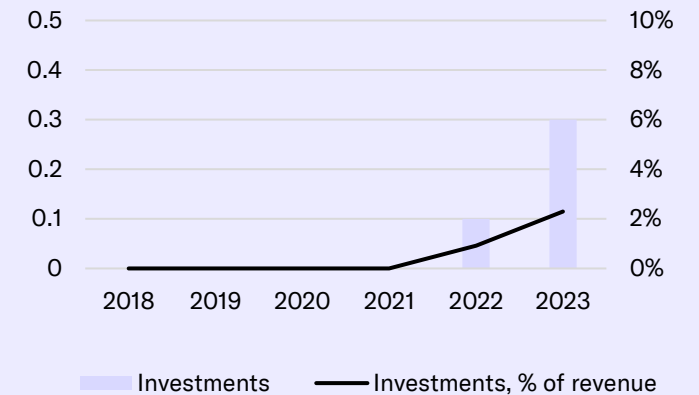
We believe investors should be aware of Biohit's concentrated ownership structure. The company founder Professor Osmo Suovaniemi owns 13.3% of the company's A shares, which corresponds to 56.3% of votes (as of 11/2024). Thus, voting majority in the company is concentrated on one owner. Suovaniemi is currently a member of the Board of Directors and previously served as Chairman and CEO. The other major shareholder is Biohit Healthcare (Hefei, China) with 32.6% of the shares and 29.6% of the votes.

Working capital / revenue



Source: Biohit, Inderes

Investments, MEUR



Source: Biohit, Inderes

Business model – SWOT



Strengths

- A clear strategy that relies on improving and developing business fundamentals
- Focusing on gastrointestinal tract diagnostics
- Track record of successful business growth and efficiency
- A strong balance sheet creates support and leeway in the future



Opportunities

- Opportunity for long-term profitable growth
- New product versions of GastroPanel® offer growth opportunities
- In our opinion, the current product portfolio has unrealized additional potential
- US market opening estimated for 2027



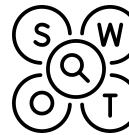
Weaknesses

- Small resources relative to competitors
- Visibility on the development of revenue and earnings
- A somewhat older product portfolio
- Acetium® products are positioned in the consumer segment and we are not fully convinced of their potential



Threats

- Aging of current product portfolio and loss of competitiveness
- Failure in developing new products
- The Chinese market continues to account for a large share of revenue
- The products holding a weak position in distributors' portfolios



Industry and competitive field 1/4

Biohit operates in the diagnostic market for the gastrointestinal tract

The total *in vitro* diagnostics market is estimated to be worth around 85 BNUSD in 2024 and is expected to grow at a rate of 6.9% over the next few years (Markets & Markets). For Biohit, we believe the relevant part of this overall testing market is **gastrointestinal diagnostics**, which we believe is also the focus of Biohit's product development. This market is estimated to reach 5.1 BNUSD in 2024 and is expected to grow at a CAGR of 4.3% through 2030, when it is estimated to reach 6.5 BNUSD. Geographically, the largest area is the United States with a share of about 40%.

Overall market growth is driven by an aging population and an increase in the incidence of gastric cancer and infections. So-called point-of-care testing (POC) is expected to become more common, which refers to diagnostics outside clinical laboratories. An example is the family doctors common in Central Europe who operate in small units and who are not supported by a health center system like in Finland that offers large-scale diagnostics services and testing. Growth is also driven by the need for advanced molecular technologies, new applications as a result of new product launches, and the need to control the growth of health care costs through producing timely diagnostic data.

Among Biohit's products, the GastroPanel® fingertip blood sample version next to other quick tests fits the POC trend, while the ELISA tests are better suited for larger central laboratories.

Market for Acetium® products. The Acetium® lozenge

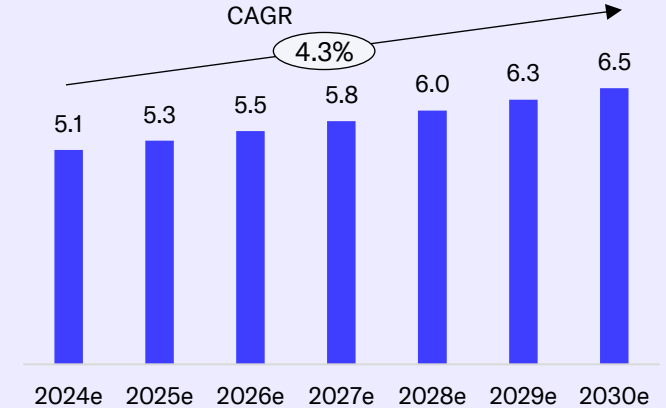
is, in our view, placed in the market for smoking cessation products. This market was worth 25.5 BNUSD in 2023 and is expected to grow by 10.4% annually (CAGR). The largest segment in this market are e-cigarettes and fastest growing nicotine replacement products like Nicorette®. We believe Biohit's main focus area is diagnostics, which we will focus on in more detail in this segment.

Competitive factors of the diagnostics market

We believe the main competitive factors in the diagnostics market are related to product quality, security of supply and, to some extent, also the brand. Key for diagnostic tests is their sensitivity and specificity. Sensitivity refers to the test's ability to correctly identify the disease, i.e. the proportion of patients with a disease who receive a positive test result. Specificity refers to the test's ability to identify the absence of disease, i.e. the proportion of patients with a negative test result and no disease. The sensitivity and specificity of the test are analyzed in studies and we expect that data about the quality of the test is a key driver of customers' decision-making when selecting a test.

The market for diagnostic tests is characterized by its defensiveness. When a particular test reaches a strong position among users its use typically continues for a long time. In addition to new competing products, the uncertainty about the availability of products may, according to our estimates, be a key reason for switching a particular test for another. Therefore, we stress the importance of security of supply as a competitive factor.

Market size, BNUSD



Source: Markets and Markets

Market trends



Aging of the population



POC testing becoming more common



Managing health care costs



Development and launch of new technologies and tests



Increasing prevalence of gastric cancer and gastritis

Source: Grand View Research, Inderes

Industry and competitive field 2/4

We believe that the diagnostics market is somewhat price sensitive. We suspect that a test can be priced higher than the competitors if the product is proven to be better in terms of, e.g., sensitivity, specificity, usability, or the time required to use the test, etc. However, we believe that the market for diagnostic tests is relatively competitive and that there are often equivalent alternatives to the products, making price a more important competitive factor, particularly for tests for high-volume clinical laboratories. We also expect that brands are important in the diagnostics market and that well-known brands and/or companies have an advantage over small brands and companies that are just starting out.

Competitors and competitive landscape

Several large global companies are active in the clinical diagnostics area, including Abbott Laboratories, bioMérieux, Bio-Rad Laboratories, Roche, Siemens Healthineers and Sysmex. The diagnostics revenue of these giants are typically in the billions. However, these companies are usually not focused on gastrointestinal tract diagnostics, but typical focus areas are, e.g., different infections, cancers and STD testing. However, according to our information, large companies like Siemens Healthineers have tests for individual markers included in GastroPanel®. Large companies are able to offer such specifications at a very competitive price, but our information suggests that they do not offer a test set similar to GastroPanel® and extensive result interpretation including reports.

The most important competitors we have identified are SD Biosensors that acquired Meridian Biosciences. SD and Meridian have both a conventional H pylori test and a

BreathID platform that enables measuring a H pylori infection from exhaling in their portfolio. The Meridian Curion platform is currently used to identify Helicobacter and Campylobacter infections and the aim is to extend it to other gastrointestinal tract tests as well. The two companies are a few of the payers we have identified where the gastrointestinal tract is clearly one of the key focus areas. In particular, Meridian's future plans to expand the Curion platform make it clear direct competitor to Biohit in our opinion. However, the company's approaches differ in terms of both the product and measuring technology, so we believe that Biohit still has clear differentiation factors. Meridian also appears to be more focused on infections of the gastrointestinal tract than Biohit. Other examples of Biohit's competitors and competing products are described on the following page.

The competitive dynamics of Acetium® products are very different from tests as they are marketed directly to consumers. As far as we know, the lozenge is the only product of its kind. On the other hand, it is competing against other products that help reduce smoking such as Johnson & Johnson's Nicorette products. In addition to Acetium® capsules, we understand that there are competing L-cysteine products on the market, such as Catapult Cat, which is marketed as a remedy for the adverse effects of alcohol.

Biohit's competitive factors












As a company, Biohit's competitive factors include, in our view, a clear focus on gastrointestinal tract diagnostics, although the Acetium® lozenge as a single product is to some extent outside this focus area. This focus will help the company build a trusted, high-quality brand and raise

its profile with distribution partners. In our view, the strength of this competitive advantage and its maintenance over time depend critically on the company's ability to successfully develop and commercialize new products and product versions.

We believe that visibility into the company's product development capability is currently relatively low. Biohit has recently launched the GastroPanel® venous blood test (CE marking 2021) and the fingertip blood test (CE marking 2022). We feel the company seems very confident about the future of product development and that the focus of its R&D investments is correct. We understand that Biohit has new products under regulatory review, but there is no visibility on commercialization timelines. At this stage, the investor must rely heavily on management's view of the company's R&D capabilities.

The GastroPanel® product has been on the market since 2005 and in research use since 2001. We believe that the product has gained brand recognition, which will contribute to sales of ELISA tests and, in particular, to sales of finger stick blood tests in the future. We believe GastroPanel's® 4 subtests are available from competitors as individual tests and possibly at a lower price. So GastroPanel® is exposed to competition from that direction. However, Biohit's competitive factor in addition to the brand, is also the unique 4-test package including software that streamlines the interpretation of the test package and the conclusions for the end user based on the test results.

Industry and competitive field 3/4 – competitors in gastrointestinal tract diagnostics

Company 	Product 	Technology 
	VIDAS® H. pylori IgG	The quick test determines Helicobacter pylori IgG antibodies from blood serum or plasma in about 40 minutes.
	Breath ID® HP	H pylori test measured from exhaled breath.
	Curian®	Fluorescent immunoassay platform that can currently determine H pylori and Campylobacter infections. New gastrointestinal tract tests are to be introduced to the platform.
	QIAstat-Dx® Gastrointestinal Panel	A qualitative test for analyzing viral, bacterial, and parasite enteropathogens in fecal samples from patients suspected of having gastrointestinal tract infections.
	LIAISON® H pylori	H. pylori IgG test for chemiluminescence immunoassay (CLIA) in a serum sample. The Liaison test platform also enables determining H pylori and Campylobacter in fecal samples.
	Immulite® 2000 Gastrin	The Immulite 2000 Gastrin assay is an example of an inexpensive marker assay competing with GastroPanel®. As far as we know, the competitors do not, however, offer a similar set of 4 tests with interpretations.
	Flurecare PGI/PGII	PGI/ PGII Fluorescent immunoassay test for determining the Pepsinogen I/II ratio.
	Anti-Tissue Transglutaminase EIA	Example of assays competing against Biohit's smaller products. The test is used to determine markers. of celiac disease.

Industry and competitive field 4/4

We believe that the strength of GastroPanel® is primarily as an easy-to-use, general test for mapping the health of the stomach lining. However, there is some discrepancy on the functionality of GastroPanel® in diagnosing certain diseases. A recent consensus report recommends the use of markers measured by GastroPanel® in the diagnosis of Helicobacter infection, which may contribute to the demand for the test. In summary, in a meta-analysis of scientific studies, GastroPanel® had a combined sensitivity of 70% (95% confidence interval 63-76%) and a combined accuracy of 93% (95% confidence interval 90-95%) for the diagnosis of atrophic corpus gastritis. Although heterogeneity (variability) between studies was observed, including geographic differences in gastric cancer prevalence, the pooled area under the receiver operating characteristic (ROC) curve (AUC) was found to be high at 0.90 (95% confidence interval 0.17-1.00), indicating good accuracy for the detection atrophic gastritis. This figure may not be sufficient for making as precise a diagnosis as with gastroscopy but enables using it as a screening tool to indicate the need further examination.

Strategy and financial targets

Strategy 2024-2028

Biohit's current strategy for 2024-2028 was published in late 2023. The strategy is to achieve strong and profitable growth, primarily through organic growth and, where appropriate, acquisitions. In terms of products, the strategy is limited to diagnostics for gastrointestinal diseases and acetaldehyde-binding products (Acetium®). According to the company, the GastroPanel® product line has the greatest potential. Biohit's innovations address the challenges of an aging population, scarce healthcare resources and the increasing prevalence of gastrointestinal diseases.

The company has summarized its strategy in five priorities and actions. These are:

- 1) Gastrointestinal expertise:** Continuing the tradition of innovation and strengthening competitive advantage through business development and investment in product development, while mastering the laws of health technology. Strengthening cooperation with industry, research institutes, universities, hospitals and laboratories;
- 2) Market expansion:** Presence in all relevant markets, either through our own subsidiaries or through local representatives. Ensuring a high quality of the distribution network and digital channels;
- 3) Enhancing the product portfolio:** Dynamic customization of the product range according to customer needs.
- 4) Active sales:** Improving customer understanding to better identify customer needs and provide tailored, value-added solutions. A systematic order-supply chain.
- 5) A company that attracts talent and investors:**

Strengthening the reputation of a profitably growing health technology company through an active IR policy and providing excellent development opportunities for new talent.

Ambitious growth targets

For 2024, Biohit expects revenue of 14.1-14.4 MEUR, corresponding to a growth of 7.8%-10.1%. EBIT margin is expected to be at 16-18%. The target for the strategy period is annual top-line growth of 15-20% and EBIT growth of at least 10%. We believe that the earnings target is likely to be met, as we believe that the company's long-term profitability potential is well above the target. In our view, the profitability target is set to reflect the company's strong growth objectives, which will require moderate sacrifices in profitability to achieve.

In terms of growth, we believe the 15-20% range is possible, but ambitious and subject to uncertainties. This target represents a growth rate of roughly 4 times the market, and will require rapid market share gains to achieve. Biohit has been able to grow rapidly in recent years, and we believe that the near-term evidence supports the achievement of the growth targets. In the medium term, we expect the company to successfully expand geographically, especially in the US, and to launch new successful products.

Strengths and risks of strategy

The strategy is based on growth driven by market megatrends and Biohit's strengths. Biohit will have a clear focus on gastrointestinal tract diagnostics. The company's growth is mainly based on organic growth, which is

logically pursued by expanding the market and completing the product range. Already during 2024, the company has announced potential new market launches in the Q3 IR blog, as well as the upcoming US market launch and the related FDA process. As in recent years, active sales will remain a high priority for the company, and future growth will be ensured by attracting the talent of the future. We believe the limits of the strategy and the tools to pursue growth are logical and low-risk.

In our view, the main risks of the strategy are related to the pursuit of rapid growth, which can, at least in theory, lead to excessive risk-taking in both organic growth and acquisitions. However, our assessment is that management appears to be aware of this risk.

Financial position 1/2

Building on a successful turnaround

Biohit increased its revenue mainly supported by pipettes to about 40 MEUR by 2011, when the pipette business was sold. As a result of the divestment, the revenue of the company focused on diagnostics decreased to 2 MEUR, from where it increased to the current 13.1 MEUR (2012-2023 CAGR 18.6%). Growth has been continuous, except for the shutoffs during the pandemic, which strongly directed the use of diagnostics to COVID testing and decreased Biohit's revenue in 2020.

Historically, the business has been largely loss-making relative to costs due to low revenue, high fixed costs and depreciation. The exit from the Chinese joint venture explains the profit for 2017. Biohit achieved profitable EBIT in 2022 and continued to grow thereafter. The turnaround was driven primarily by revenue growth combined with high gross margins and tight cost control.

Cost structure has eased in recent years

Biohit's overall cost level has remained roughly the same in absolute terms despite the rapid growth in revenue. Costs remained at the same level of 11.6 MEUR from 2019 to 2023. Cost control was mainly driven by a reduction in depreciation and amortization and a decrease in other operating expenses. Depreciation decreased by some 1.5 MEUR, when the depreciation of patents related to the sale of the Chinese joint venture ceased in 2021.

The relative share of materials and services in costs was 40% in 2023. In recent years, headcount has remained very stable at 44-46 persons and was 47 at the end H1'24. The relative share of personnel costs was 35%. The

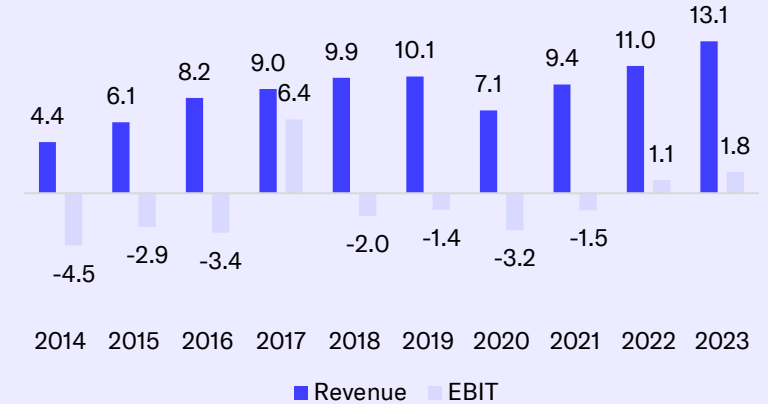
company's cost control in recent years is clear in other operating expenses, which have decreased in the last few years and were 21% of revenue last year.

Depreciation has been 17-19% of revenue in recent years but decreased to a low level of 3% in 2023. Biohit has said it will capitalize product development costs in the future in the balance sheet, so depreciation can be expected to grow again over time from current levels. In the short term, capitalization would result in a decrease of R&D costs in the income statement and thus an increase in EBIT. However, this would not have a cash flow effect. In the longer term, costs capitalized in the balance sheet increase depreciation when the new developed products enter the market and start to generate revenue.

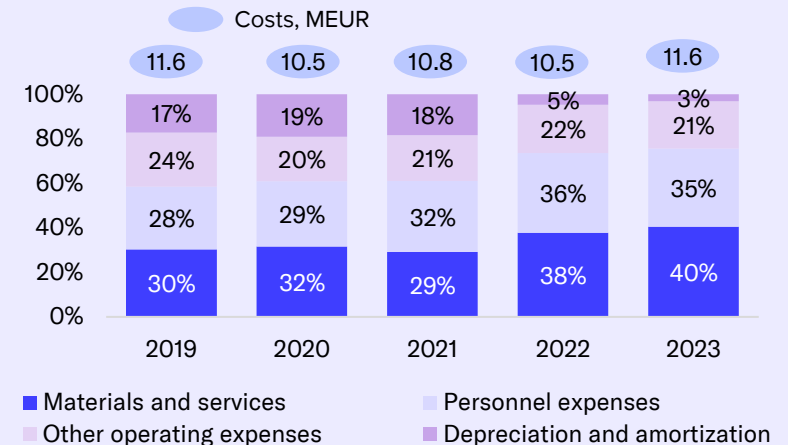
Cash flow reflects performance and is growing

Biohit's operating cash flow has been better than EBIT until 2022 due to high depreciation charges weighing on EBIT. The depreciation of the patent relating to the sale of the joint venture Hefei was approximately 1.5 MEUR per year and ended in 2021. In 2022, cash flow turned significantly positive (1.8 MEUR) and the upward trend has continued. Fluctuations in cash flow are due to temporary changes in working capital. As a result of a change in working capital, cash flow for 2023 (1.1 MEUR) was lower than net income (1.8 MEUR).

Revenue and EBIT, MEUR



Operational cost structure



Financial position 2/2

The company has not made significant investments in recent years and changes in cash flow have been relatively small. Cash flow from financing activities has been slightly negative (0.2-0.3 MEUR) in 2019-2023.

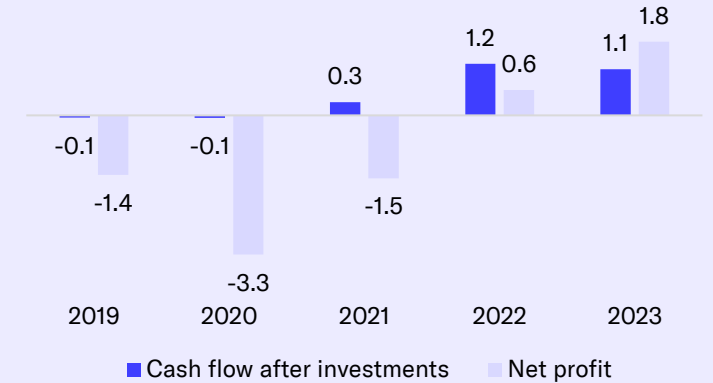
The balance sheet is very strong

The asset side of the balance sheet consists mainly of cash in hand and in banks (6.8 MEUR), which are considerable considering the size and cash flow of the company, giving it plenty of leeway. Intangible assets are minimal (0.2 MEUR) and tangible assets (0.9 MEUR) consist mainly of fixed assets. Up to now, Biohit has mainly dealt with R&D costs in the income statement. However, we estimate that the company will start to capitalize R&D costs in the balance sheet in the future, so intangible assets and also their depreciation can be expected to grow in the future. Inventories are 0.9 MEUR or 8.4% of revenue. We find the ratio is at a typical level for the nature and size of the business. Receivables were 4.1 MEUR or 31% of revenue. This is high by historical standards, as receivables as a percentage of revenue have fluctuated between 20% and 30%. However, based on management's comments, the increase should be temporary and the risks associated with receivables should be limited. Based on the H1'24 report, receivables have continued to grow and we believe this is a trend to watch.

On the liabilities side of the balance sheet, equity amounted to 9.4 MEUR. Interest-bearing liabilities amounted to 0.7 MEUR, consisting of lease liabilities. Non-interest-bearing liabilities amounted to 2.8 MEUR and consisted mainly of accruals and trade payables.

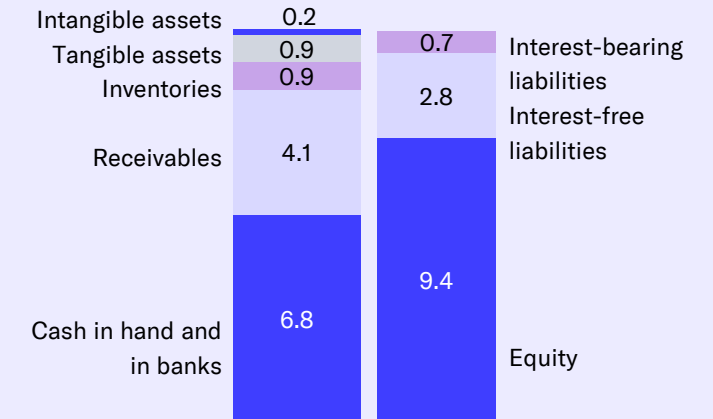
According to the company's latest report, the equity ratio was 76%. We feel Biohit's balance sheet is very strong. Considering the company's guidance and forecasts, we do not see that investors should be concerned about financial risks in the coming years either. A strong balance sheet gives the company flexibility to pay dividends. However, Biohit has not announced any plans to pay a dividend, at least for the time being. A strong balance sheet would also allow implementing a relatively large M&A transaction considering the size class of Biohit. The company has stated that its strategy prioritizes organic growth, but that it will also pursue opportunities for acquisitions.

Operating cash flow after investments and net profit, MEUR



Source: Biohit, Inderes

Balance sheet at the end of 2023, 12.9 MEUR



Source: Biohit, Inderes

Estimates 1/3

Estimate visibility reduces after the next few years

Our estimates are based on three key assumptions: 1) sales of GastroPanel® products are by far the most important revenue driver; 2) new product versions of GastroPanel® and the company's focus on increasing sales will lead to faster growth than the market; 3) the company will be successful in its product development and thus be able to maintain market growth in the long term.

In our view, the near-term visibility of the company's business is moderate due to the defensive nature of the business. However, visibility rapidly declines in the medium term, depending on factors such as the success of new geographic openings and FDA approval for the US market. China's share of revenue remains high, but is declining as other markets grow. According to the latest financial statements, Biohit's revenue from Hefei were 4.3 MEUR, or 33% of revenue. Biohit's success in this market depends crucially on the success of its partner, Hefei, and Biohit's own influence on its success on the Chinese market is limited. Biohit reports all of its products as one segment, making it difficult to separate the importance of individual products for the company's current performance. According to the company, the GastroPanel® products are, however, the spearhead products, and the company has also emphasized the importance of Acetium® products.

Healthy geographic growth supported by new GastroPanel® quick tests

Our revenue modeling is based on the overall market growth rate (+4.3%) and the assumption that Biohit will outperform the market in the coming years. Our growth forecast is based on Biohit's strategic growth target (15-



20%/year). We believe the company's growth targets are credible given the growth achieved in recent years (2022-24 CAGR: ~15%). We expect the new GastroPanel® products to be a source of growth through increased market share, geographic expansion (incl. the US) towards the end of the strategy period. We also expect that the company's continued sales focus will improve operational performance and support revenue in the coming years. Compared to our Initiation of coverage report, Biohit's growth has been faster than our expectations at the time, which contributes to our confidence that growth will continue to materialize.

In 2024, we expect revenue of 14.3 MEUR (+9.4% vs. 2023). Growth for the year will fall short of the company's previous targets, as the company announced late in the year the postponement of a major order due to the conflict in the Middle East.

Our revenue estimates for 2025-2026 are 18.1 MEUR and 19.9 MEUR, which correspond to an annual growth of 26.4% and 9.9%, respectively. The strong growth forecast for 2025 is based on deferred revenue at the end of 2024. The strong comparison period will be reflected in slower growth in 2026. Growth will be driven by product portfolio growth in the current market and a new market opening announced by the company for mid-2025.

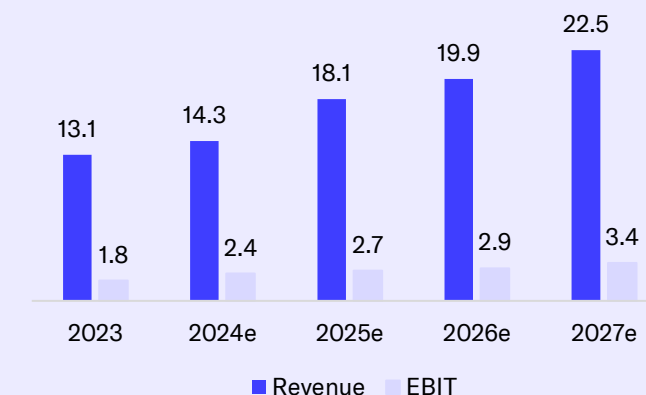
We expect diagnostic products to grow faster than Acetium® products, driven by new GastroPanel® products. In the medium term, we continue to expect rapid growth in excess of 10%, in line with the company's strategy. In the longer term, we expect revenue growth to be in line with market growth and to gradually slow down to the expected terminal growth of 2.0%.

Uncertainties in forecasts

	 Opportunity	 Risk
GastroPanel® products	Strong increase in quick tests; Recommendations for using GastroPanel® markers in diagnostics	End of life cycle of the ELISA test; Failure on the Chinese market
Acetium® products	Increasing distribution and growing awareness boost sales	Decline in sales as a result of competition and Biohit's small resources
Other	New products and increased quick test sales	Delays in product development due to regulation; failure of product launches

Source: Inderes

Revenue and EBIT, MEUR



Source: Inderes

Estimates 2/3

Terminal growth is based on structural growth due to an aging population. We believe that in the longer term achieving market growth requires that Biohit is successful in product development, which would lead to stable introduction of new and relevant products to the market and thus maintaining the company's product competitiveness. Of course, the small size of the company means that above-market growth is also possible in the longer term. However, to predict this with current data is, in our view, unjustifiably bold.

The result grows in our estimates supported by revenue and cost control

Our EBIT forecast for the current year is 2.4 MEUR, a significant increase year-on-year and in line with the company's guidance. H2'24 results were surprisingly strong according to preliminary data, and we expect profitability to decline in the coming years, closer to the trend of recent years.

Our estimate is based on expected good revenue development and tight cost control. We feel Biohit has emphasized managing of expectations in its communications and has not created excessive expectations for investors. This increases our confidence in the company's guidance. We feel that assessing the company's cost structure is more reliable than assessing revenue development, so we believe that the decisive factor in our estimates is revenue development. Profitability is significantly affected by the ratio of high-margin in-house production to lower-margin OEM production. In 2025-2026, we expect EBIT to continue to develop positively supported by revenue growth and continued cost control. Our estimate for 2025 is E2.7 MEUR and 2.9 MEUR for 2026.

Our earnings forecasts have been gradually raised as a result of the company's strong performance.

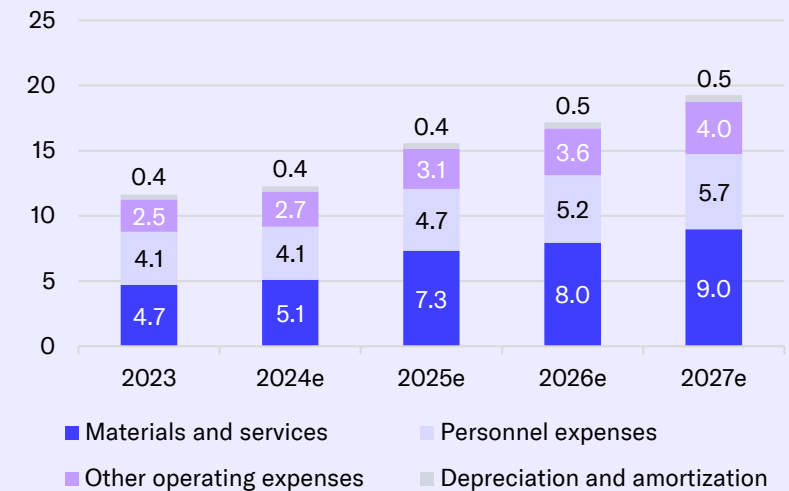
We see slight downward pressure on the gross margin

Biohit's gross margin has historically been quite stable, fluctuating around 65%. Exceptionally, the margin decreased due to COVID shutoffs in 2020, when the focus of the diagnostics market shifted strongly to COVID testing, partly at the expense of other diagnostics. We expect the margin to decline slightly to just above 60%, based on our assumption of an increasing share of OEM revenue. However, we expect the gross margin to remain at a healthy level, allowing for profitable growth. The gross margin is supported by low material costs compared to the sales price and the company's low need for external services.

Costs still under control

With regard to personnel costs, we expect moderate additional recruitment of one person per year in the coming years. We expect Biohit to recruit new personnel in a fairly moderate degree based on its strategy that emphasizes profitability and our estimate that the company's current capacity is sufficient. Biohit has said that its cost structure is heavy compared to the company's size class due to the industry regulation. However, the company expects that in the long term, this personnel resource will also scale to higher revenue, which partly limits recruitment needs. We expect the cost per employee to increase by 3% per year, roughly in line with recent wage agreements. We expect other operating expenses to grow moderately at the level set by recent years by about 6% p.a. Other operating expenses concentrate somewhat seasonally on H2, as has happened in the company's history.

Cost development, MEUR



Estimates 3/3

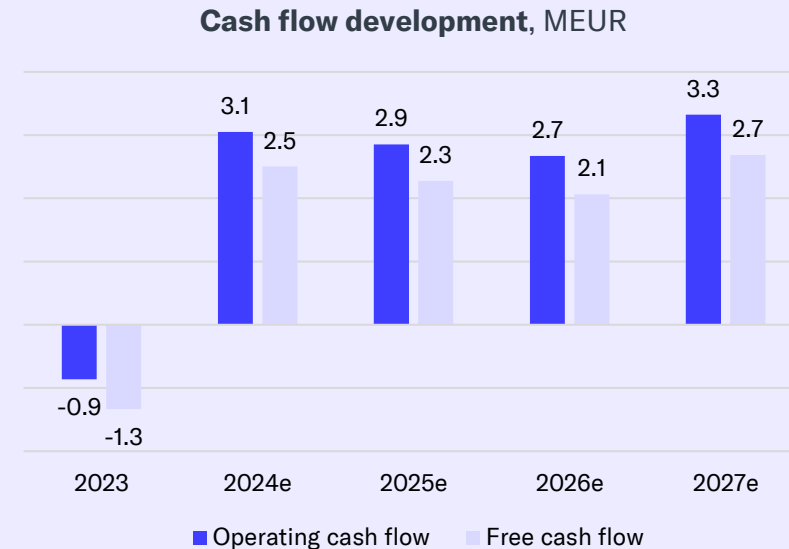
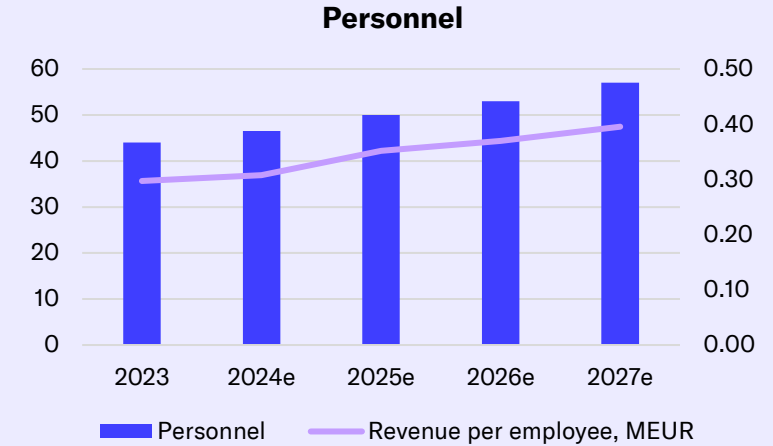
We estimate that depreciation will be lower than historically, as the depreciation linked to Biohit's Chinese patents ceased in H2'21. We expect that the current depreciation level is approximately 0.5 MEUR per year, in line with the 2022 level. In the future, we expect depreciation to increase faster than other costs, especially starting from 2026, when we expect R&D capitalization depreciation to accelerate. On the other hand, increasing depreciation has a decreasing effect on our estimate of increases in other expense lines in the next few years.

Positive cash flows and a strong balance sheet would enable dividend payments

Biohit's operating cash flow turned clearly profitable in 2022. The turnaround was driven by broad-based revenue growth, supported by royalties related to the distribution agreement with Hefei. Combined with the company's already very strong balance sheet, we believe Biohit is well positioned to pay a dividend. The company itself has not commented on a possible dividend payment, so there is virtually no visibility on this. We have modeled a modest dividend of EUR 0.03 for 2026. From a balance sheet perspective, we believe a dividend is possible as early as 2025.

Estimate revisions

We have moderately revised our forecasts as part of this extensive report. The changes are shown in the table on the following page. We have moderately lowered our revenue forecast for 2025, but our medium- and long-term expectations remain unchanged. On the profitability side, we have modestly raised our forecasts, reflecting our updated gross margin estimate.



Income statement and estimate revisions

Income statement	H1'22	H2'22	2022	H1'23	H2'23	2023	H1'24	H2'24e	2024e	H1'25e	H2'25e	2025e	2026e	2027e
Revenue	6.1	4.9	11.0	6.5	6.6	13.1	7.4	6.9	14.3	8.9	8.7	17.6	19.6	22.5
EBITDA	1.5	0.1	1.6	1.7	0.4	2.1	1.5	1.4	2.8	1.6	1.2	3.1	3.6	4.6
Depreciation	-0.2	-0.3	-0.5	-0.2	-0.2	-0.4	-0.2	-0.2	-0.4	0.0	0.0	-0.4	-0.5	-0.6
EBIT (excl. NRI)	1.3	-0.2	1.1	1.5	0.3	1.8	1.3	1.2	2.4	1.6	1.2	2.8	3.1	4.0
EBIT	1.3	-0.2	1.1	1.5	0.3	1.8	1.3	1.2	2.4	1.6	1.2	2.8	3.1	4.0
Net financial items	-0.2	-0.1	-0.3	0.2	0.2	0.4	0.2	0.1	0.3	0.1	0.1	0.2	0.2	0.2
PTP	1.1	-0.2	0.9	1.7	0.5	2.2	1.5	1.3	2.7	1.7	1.3	3.0	3.3	4.2
Taxes	-0.2	-0.1	-0.3	-0.3	0.0	-0.3	-0.2	-0.2	-0.4	-0.3	-0.2	-0.6	-0.7	-0.8
Net earnings	0.9	-0.3	0.6	1.3	0.5	1.8	1.3	1.1	2.3	1.4	1.0	2.4	2.7	3.4
EPS (rep.)	0.06	-0.02	0.04	0.09	0.03	0.12	0.08	0.07	0.15	0.09	0.07	0.16	0.18	0.22

Key figures	H1'22	H2'22	2022	H1'23	H2'23	2023	H1'24	H2'24e	2024e	H1'25e	H2'25e	2025e	2026e	2027e
Revenue growth-%	52.5 %	-9.5 %	17.0 %	6.6 %	35.0 %	19.2 %	14.3 %	5.3 %	9.8 %	19.7 %	26.0 %	22.7 %	11.5 %	15.0 %
Adjusted EBIT growth-%	-208.3 %	-38.6 %	-176.2 %	15.4 %	-245.3 %	55.1 %	-16.7 %	372.8 %	39.0 %	27.2 %	-0.2 %	13.9 %	13.4 %	27.7 %
EBITDA-%	24.6 %	2.2 %	14.7 %	26.2 %	6.1 %	16.1 %	19.5 %	20.0 %	19.8 %	17.9 %	13.6 %	17.8 %	18.6 %	20.5 %
Adjusted EBIT-%	21.3 %	-3.5 %	10.3 %	23.1 %	3.8 %	13.4 %	16.8 %	17.1 %	17.0 %	17.9 %	13.6 %	15.7 %	16.0 %	17.8 %
Net earnings-%	14.8 %	-6.2 %	5.5 %	20.0 %	6.9 %	13.4 %	16.8 %	15.7 %	16.3 %	15.4 %	12.0 %	13.7 %	13.6 %	14.9 %

Source: Inderes

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%	18.1	17.6	-3%	19.9	19.6	-1%
EBITDA	2.8	2.8	0%	3.1	3.1	2%	3.4	3.6	7%
EBIT (exc. NRIs)	2.4	2.4	0%	2.7	2.8	2%	2.9	3.1	8%
EBIT	2.4	2.4	0%	2.7	2.8	2%	2.9	3.1	8%
PTP	2.7	2.7	0%	2.9	3.0	2%	3.1	3.3	7%
EPS (excl. NRIs)	0.15	0.15	0%	0.16	0.16	2%	0.17	0.18	7%
DPS	0.00	0.00		0.00	0.00		0.03	0.00	-100%

Source: Inderes

Balance sheet

Assets	2022	2023	2024e	2025e	2026e
Non-current assets	1.1	1.1	1.3	1.5	1.6
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	0.0	0.2	0.3	0.6	0.8
Tangible assets	1.0	0.9	0.9	0.8	0.8
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	0.0	0.0	0.0	0.0
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
Current assets	9.9	11.8	12.7	15.4	17.7
Inventories	0.9	0.9	1.1	1.2	1.4
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	2.8	4.1	4.3	4.4	4.9
Cash and equivalents	6.2	6.8	7.3	9.8	11.4
Balance sheet total	11.0	12.9	14.0	16.9	19.2

Source: Inderes

Liabilities & equity	2022	2023	2024e	2025e	2026e
Equity	7.6	9.5	11.9	14.3	16.4
Share capital	2.4	2.4	2.4	2.4	2.4
Retained earnings	1.8	3.8	6.1	8.5	10.6
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	-1.7	-1.9	-1.7	-1.7	-1.7
Other equity	5.1	5.2	5.1	5.1	5.1
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	0.6	0.3	-0.1	-0.1	-0.1
Deferred tax liabilities	0.0	0.0	0.0	0.0	0.0
Provisions	-0.1	-0.1	-0.1	-0.1	-0.1
Interest bearing debt	0.7	0.4	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	2.9	3.1	2.1	2.6	2.9
Interest bearing debt	0.3	1.9	0.0	0.0	0.0
Payables	2.6	1.2	2.1	2.6	2.9
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	11.0	12.9	14.0	16.9	19.2

Valuation and recommendation 1/3

Valuation based on earnings multiples and DCF calculation

In recent years, Biohit has successfully streamlined its operations and achieved profitable growth. In the near term, we expect value creation to be based on profitable sales growth of the existing product portfolio, with the new GastroPanel® quick tests playing a key role. Geographic growth is expected to be seen in 2025 with a new major market opening, according to the company's comments. In the medium term, value creation depends on successful product development, commercialization of new products and success in the US market, in addition to sales growth of existing products.

In the short term, we feel visibility to Biohit's business development is moderate based on the defensive nature of the business and a stable product portfolio, which is also reflected in the reliability of the valuation. In the medium term, visibility decreases and the margin of error of the valuation increases as future growth relies more on new product launches to which there is no visibility yet. In terms of methodology, our valuation is primarily based on earnings multiples supported by the revenue-based EV/S ratio and the DCF calculation.

Shareholder returns mainly driven by growth and changes in multiples

We believe that the return on the share consists of price changes and dividend yield. The price drivers for the share are the growth driven by the GastroPanel® quick tests and improving operational efficiency, which we expect to result in healthy earnings growth in the coming years. We expect the dividend yield to be about 1-2% in the next few years.

We base our dividend expectations on the company's strong balance sheet, our positive cash flow estimate and the company's modest investment needs. However, the company has not provided guidance on dividend distribution, so its materialization is uncertain. The allocation of capital to inorganic growth is also a possible option for dividend payments and is in line with Biohit's strategy.

In our view, Biohit's valuation multiples could change dramatically in the market due to the company's small size and low trading volumes. At the moment, we believe there is a high risk associated with valuation multiples as they have stretched rapidly following the sharp rise in share prices. Of course, the potential expansion of valuation multiples will make future stock returns more likely if the company succeeds in growing profitably in line with its strategy. Similarly, failure to grow would expose the investor to even a sharp decline in multiples and could significantly erode stock returns.

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 2x-3x. From a P/E perspective, the price range would correspond to multiples of 18x to 25x.

Acceptable margins are driven by the defensive nature of the business, the growth that we forecast and the potential for good profitability, of which we have already seen tangible signs.

Summary of key figures

Valuation	2024e	2025e	2026e
Share price	3.41	3.41	3.41
Number of shares, millions	15.1	15.1	15.1
Market cap	52	52	52
EV	44	42	40
P/E (adj.)	22.1	21.3	19.3
P/E	22.1	21.3	19.3
P/B	4.3	3.6	3.1
P/S	3.6	2.9	2.6
EV/Sales	3.1	2.4	2.0
EV/EBITDA	15.6	13.3	11.0
EV/EBIT (adj.)	18.2	15.1	12.8
Payout ratio (%)	0.0 %	25.0 %	30.0 %
Dividend yield-%	0.0 %	1.2 %	1.6 %

Source: Inderes

Valuation drivers



Factors supporting the valuation:

- Defensive business model
- Low capital needs
- Track record of profitable growth



Factors negatively affecting the valuation:

- Small size and low liquidity
- Gross margin swings and earnings volatility
- Low visibility to the future
- Concentrated ownership and control

Valuation and recommendation 2/3

Long-term profitability potential is indicated by the 2023 EBIT margin of 17% for mature diagnostics companies (Bloomberg Global In Vitro Diagnostic Competitors Index companies). On the other hand, the company's small size, low liquidity and future visibility, and concentrated ownership structure weigh against acceptable multiples. In our view, the stock's valuation picture is currently dominated by risks rather than opportunities.

If Biohit is able to achieve its targeted annual growth of 15-20%, we believe the expected return will remain good. However, the investor is exposed to a high degree of risk regarding the achievement of growth targets and unfavorable changes in multiples.

Undervaluation in earnings multiples has disappeared with share price rally

Biohit's P/E ratios of 21x and 19x for 2025-2026 are high. However, we believe that the EV/EBIT multiple of 15x for the current year of 2025 and 13x 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 they do not provide a satisfactory margin of safety.

Compared to the company's own recent history in 2022-2023, the multiples are about normal.

Earnings multiples near peer valuations

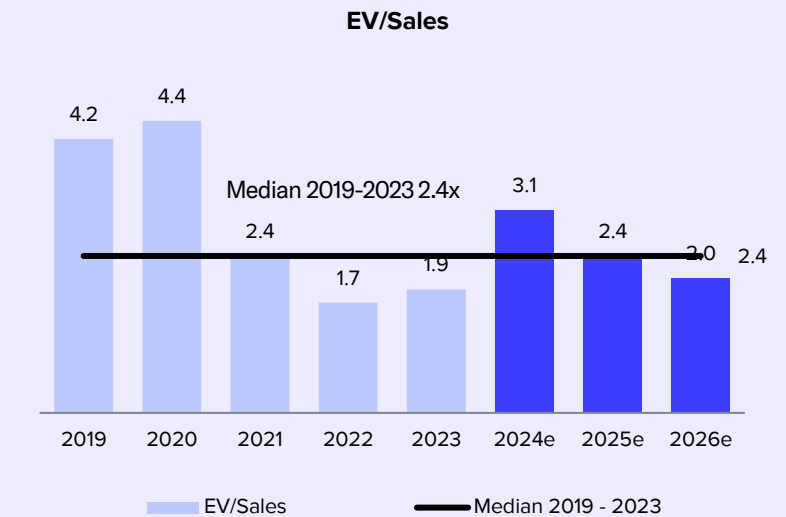
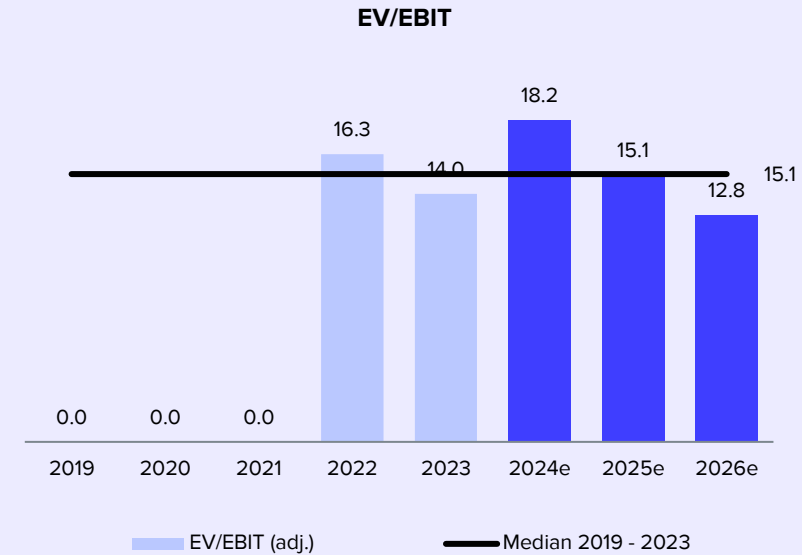
It is difficult to find fully suitable listed companies to use as peer companies to support Biohit's valuation. Nordic diagnostic test companies are mainly either in an R&D

phase or in an early commercialization phase. Thus, the companies are loss-making or have no revenue yet. The 2025 EV/EBIT multiples for the major international diagnostics companies (Abbott, Biomerieux, Bio-Rad, DiaSorin and Qiagen) are 17x. Biohit's multiples are therefore slightly below peers on the current year's projections. Compared to Biohit, the business of the peers is clearly larger, more stable, more predictable, and, at least for the time being, more profitable. That is why we believe that Biohit's multiples should be below the peers. On the other hand, Biohit's organic growth prospects may outperform its peers, contributing to Biohit's valuation. Compared to peers, we do not believe the stock is attractively priced in terms of EV/EBIT. The median 2025 P/E for the peer group is 21x, in line with Biohit.

Revenue-based valuation is highish relative to history and peers

Biohit's EV/S multiple for the current year is 2.4x and declines to 2.0x in 2026. The multiples are in line with the company's own recent history, with a median of 2.4x for 2019-2023. The larger and more mature peers mentioned in the previous paragraph (Abbott, Biomerieux, Bio-Rad, DiaSorin and Qiagen) have multiples of 2.8x to 4.7x for 2025.

We also examine the EV/S ratio relative to the long-term valuation of large peers. The median EV/S ratio for companies in the Bloomberg Global In Vitro Diagnostic Competitors Index over the past ten years is 3.0x. We note that the available data is based on the revenue of the previous 12 months, so the multiples based on our estimates are not entirely comparable.



Valuation and recommendation 3/3

In our view, Biohit has stronger growth prospects than its more mature peers due to its stage of development and relatively comparable long-term performance. Despite our strong growth forecasts, we believe Biohit deserves a slightly lower valuation multiples than its peers.

The DCF model suggests that the stock is fully priced

The DCF model results in a present value of future cash flows per share of EUR 3.4. Therefore, based on the calculation, there is no upside in the stock. 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%, based on the average EBIT margin of mature companies in the industry (Bloomberg Global In Vitro Diagnostics companies). We have used a weighted average cost of capital (WACC) of 10%. WACC is elevated by the risk of forecasting uncertainty and the aging of the product portfolio. On the other hand, a strong balance sheet, indications of a sustained turnaround and defensiveness of the industry lower the WACC.

The effect of estimated 2024-2028 cash flows on the present value of the share is 21%. With the growth in revenue and the expected profitability development, by 2029-2033 cash flows account for 23% of the present value. Terminal cash flows projected beyond 2033 represent 55% of the present value. With the business already clearly profitable and defensive, we believe the cash flow profile is relatively low risk. The sensitivity of the share value to the WACC used is, in our view, at an average level due to the modest weighting of the estimated cash flows in the terminal period. At the moment, we do not see any events on the horizon that would put significant upward pressure on the WACC level. Favorable business

developments can lead to a decrease in the WACC, as has happened since the initiation of our coverage (WACC: 10.5%).

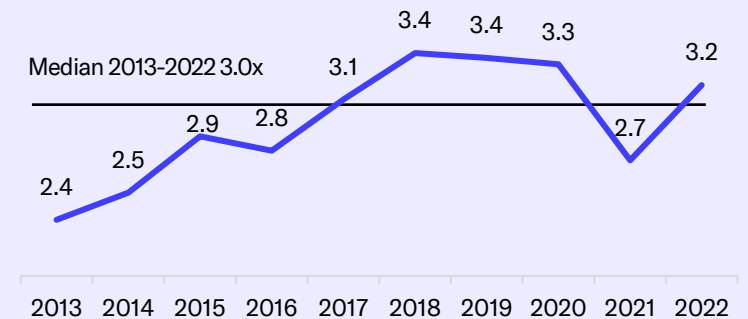
We downgrade our recommendation to Reduce as share price rally has declined risk/reward

Biohit's share price has risen sharply recently without any major news. As a result, the valuation picture has become more challenging. Therefore, we downgrade our recommendation to Reduce (was Buy) and raise our price target to EUR 3.2 on the back of raised estimates. The target price corresponds to an EV/EBIT multiple of 14x, which is in the middle of our acceptable range. Our recommendation is based on our view that valuation risk outweighs earnings growth and potential dividend payments. In our view, the current share price roughly reflects the correct valuation of the stock, and the expected return is too low from a risk/reward perspective.

The business risk is set to level 2/5 in our assessment. Since the initiation of coverage, the risk profile has been reduced by the success of the turnaround and the achievement of profitable growth. The risk profile is reduced by the defensiveness of the business, the strong balance sheet, and positive cash flows. The risk is increased by the company's small size relative to its competitors, low visibility of future developments and concentrated ownership structure. The share is suitable for an investor seeking defensive growth that is interested in health technology.

In our view, the valuation risk is 3/5. The risk is increased by the high pricing and low liquidity of the stock at the time of writing. In contrast, the ability to make extensive use of valuation methods and the generally moderate valuation of equity markets lower the risk.

Peer¹ EV/S multiples

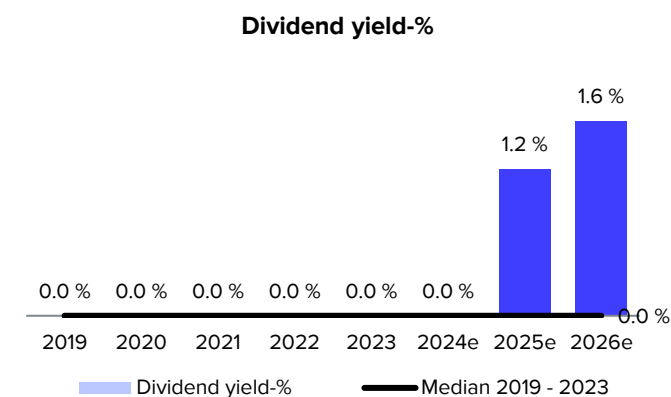
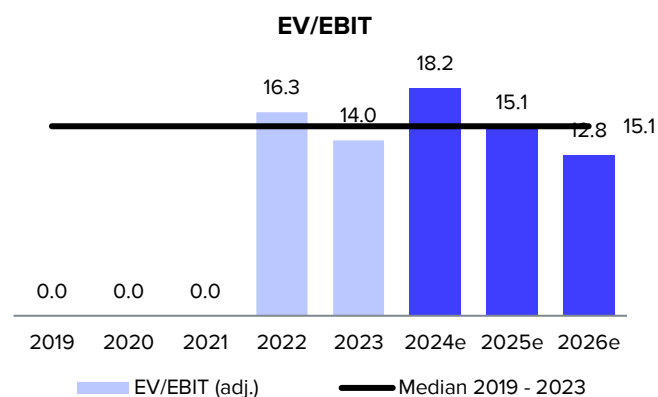
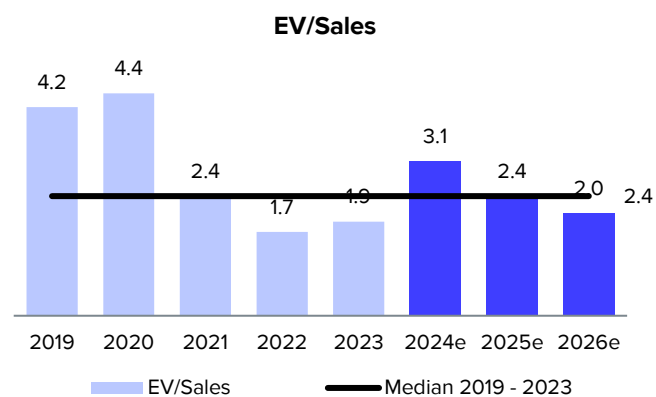


1) EV/S ratio of Bloomberg Global In Vitro Diagnostics companies (TTM).

Valuation table

Valuation	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e
Share price	3.36	2.48	1.84	1.57	1.92	3.41	3.41	3.41	3.41
Number of shares, millions	15.0	15.0	15.0	15.0	15.1	15.1	15.1	15.1	15.1
Market cap	51	37	28	24	29	52	52	52	52
EV	42	32	22	18	25	44	42	40	38
P/E (adj.)	neg.	neg.	neg.	39.3	16.6	22.1	21.3	19.3	15.3
P/E	neg.	neg.	neg.	39.3	16.6	22.1	21.3	19.3	15.3
P/B	3.4	4.2	3.8	3.1	3.1	4.3	3.6	3.1	2.7
P/S	5.0	5.2	3.0	2.2	2.2	3.6	2.9	2.6	2.3
EV/Sales	4.2	4.4	2.4	1.7	1.9	3.1	2.4	2.0	1.7
EV/EBITDA	70.5	neg.	44.0	11.4	11.7	15.6	13.3	11.0	8.2
EV/EBIT (adj.)	neg.	neg.	neg.	16.3	14.0	18.2	15.1	12.8	9.5
Payout ratio (%)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	25.0 %	30.0 %	30.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	1.2 %	1.6 %	2.0 %

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
			2024e	2025e	2024e	2025e	2024e	2025e	2024e	2025e	2024e	2025e	2024e
Abbott Laboratories	192538	199591	19.6	17.9	17.3	15.7	4.5	4.2	22.0	19.9	2.0	2.2	4.7
bioMérieux SA	13020	13306	19.0	16.8	13.2	11.7	3.1	2.9	24.1	21.2	1.0	1.1	2.9
Bio Rad Laboratories Inc	9603	9184	24.5	21.9	18.1	16.5	3.5	3.4	30.6	26.9			1.2
Boule Diagnostics AB	29	43	7.8	6.9	5.7	5.1	0.9	0.8	7.7	6.7	1.8	4.4	1.1
DiaSorin SpA	5676	6466	20.6	17.9	14.9	13.3	5.0	4.6	24.6	21.3	1.2	1.3	3.3
Immunovia AB	7	3	0.1		0.1		0.0		0.1				
Qiagen NV	10027	10421	17.9	16.1	13.8	12.5	5.1	4.8	19.9	18.0			2.5
Q-linea AB	51	58					13.5	6.2					0.3
SD Biosensor	974	964			18.5	12.7	1.8	1.6					1.9
Sysmex	11411	11184			13.7	12.6	3.5	3.2	31.4	27.2	1.0	1.1	3.8
Exact Sciences Corp	10620	12152		140.1	27.4	22.6	4.1	3.6		169.1			3.2
OraSure Technologies Inc	271		0.1	0.1									13.4
Biohit Oyj (Inderes)	52	44	18.2	15.1	15.6	13.3	3.1	2.4	22.1	21.3	0.0	1.2	4.3
Average			13.7	29.7	14.3	13.6	4.7	3.5	20.0	38.8	1.4	2.0	3.5
Median			18.5	17.3	14.4	12.7	3.8	3.5	23.0	21.3	1.2	1.3	2.9
Diff-% to median			-1%	-13%	9%	5%	-19%	-32%	-4%	0%	-100%	-13%	50%

Source: Refinitiv / Inderes

DCF-calculation

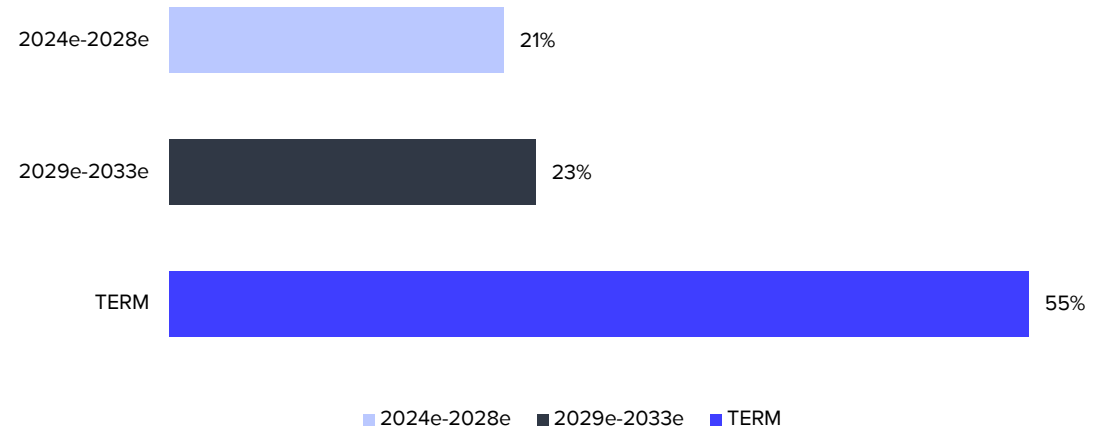
DCF model	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	TERM
Revenue growth-%	19.2 %	9.8 %	22.7 %	11.5 %	15.0 %	15.0 %	12.0 %	8.0 %	4.0 %	2.5 %	2.5 %	2.5 %
EBIT-%	13.4 %	17.0 %	15.7 %	16.0 %	17.8 %	15.0 %	17.0 %	17.0 %	17.0 %	17.0 %	17.0 %	17.0 %
EBIT (operating profit)	1.8	2.4	2.8	3.1	4.0	3.9	4.9	5.3	5.5	5.7	5.8	
+ Depreciation	0.4	0.4	0.4	0.5	0.6	0.7	0.7	0.7	0.7	0.7	0.8	
- Paid taxes	-0.3	-0.4	-0.6	-0.7	-0.8	-0.8	-1.0	-1.1	-1.1	-1.2	-1.2	
- Tax, financial expenses	0.1	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	-2.7	0.6	0.2	-0.3	-0.5	-0.6	-0.5	0.1	0.3	0.2	-0.1	
Operating cash flow	-0.9	3.1	2.9	2.7	3.3	3.2	4.1	5.0	5.4	5.5	5.3	
+ 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	-0.4	-0.6	-0.6	-0.6	-0.6	-0.7	-0.7	-0.7	-0.8	-0.8	-0.8	
Free operating cash flow	-1.2	2.5	2.3	2.1	2.7	2.6	3.4	4.3	4.7	4.7	4.5	
+/- Other	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-1.3	2.5	2.3	2.1	2.7	2.6	3.4	4.3	4.7	4.7	4.5	61.0
Discounted FCFF		2.5	2.1	1.7	2.0	1.8	2.1	2.4	2.4	2.2	1.9	25.9
Sum of FCFF present value		47.0	44.5	42.4	40.7	38.7	36.9	34.8	32.4	30.0	27.8	25.9
Enterprise value DCF		47.0										
- Interest bearing debt		-2.3										
+ Cash and cash equivalents		6.8										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		51.5										
Equity value DCF per share		3.4										

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 %

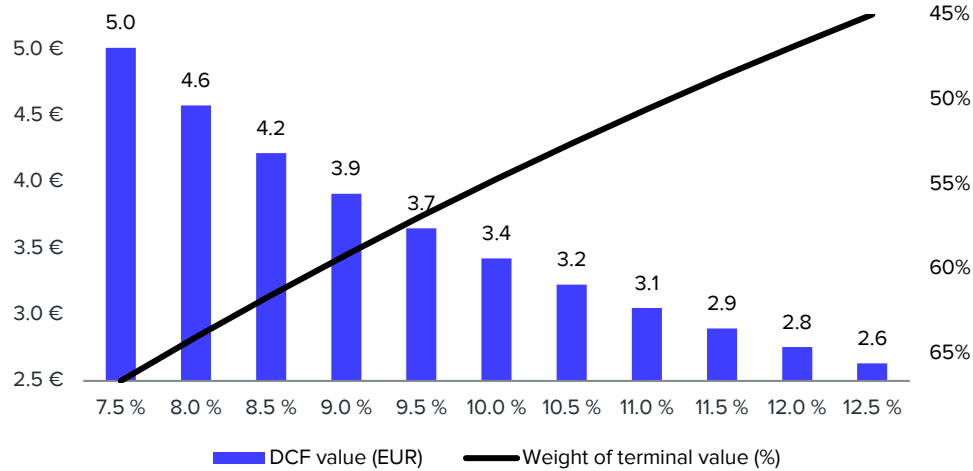
Source: Inderes

Cash flow distribution

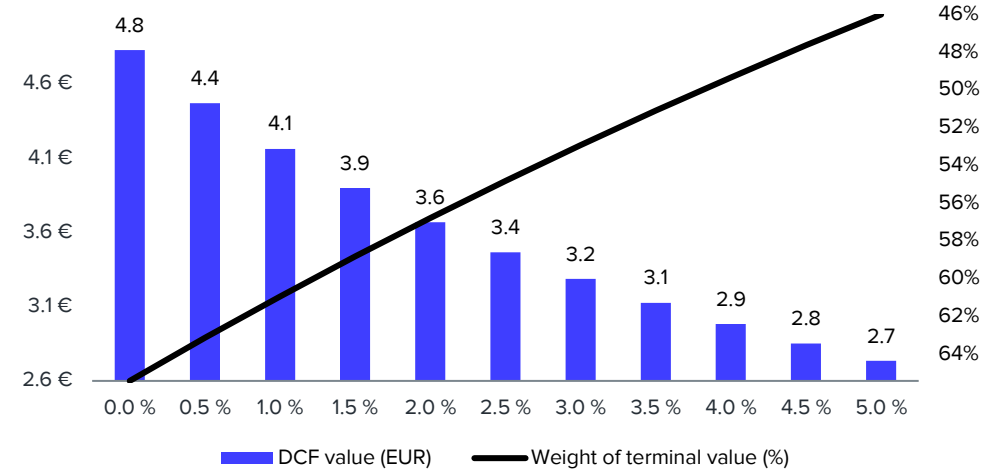


DCF sensitivity calculations and key assumptions in graphs

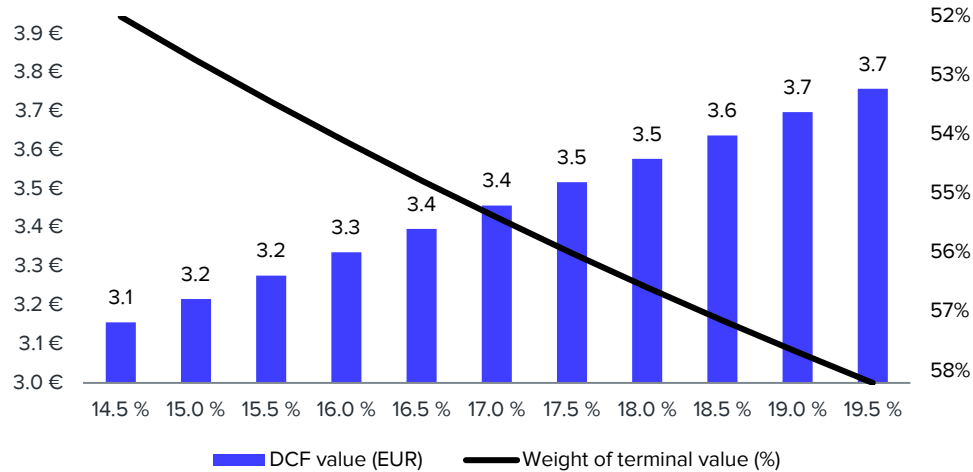
Sensitivity of DCF to changes in the WACC-%



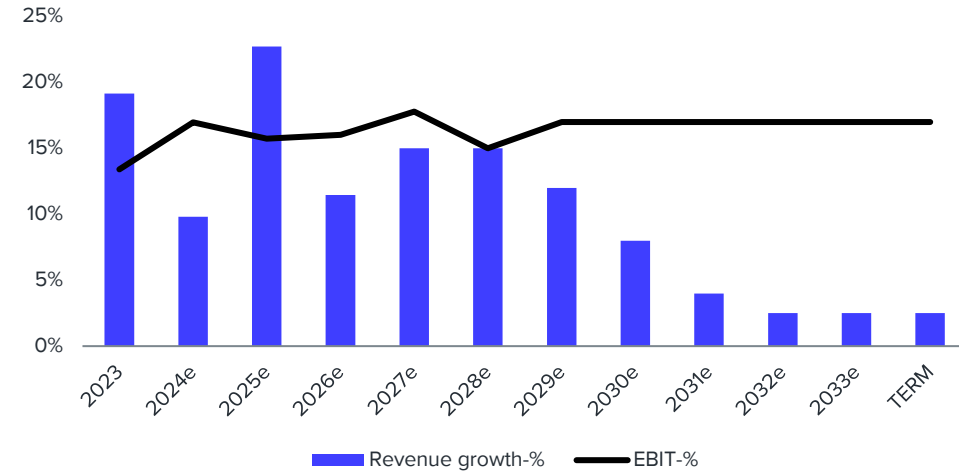
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



Summary

Income statement	2021	2022	2023	2024e	2025e	Per share data	2021	2022	2023	2024e	2025e
Revenue	9.4	11.0	13.1	14.3	17.6	EPS (reported)	-0.10	0.04	0.12	0.15	0.16
EBITDA	0.5	1.6	2.1	2.8	3.1	EPS (adj.)	-0.10	0.04	0.12	0.15	0.16
EBIT	-1.5	1.1	1.8	2.4	2.8	OCF / share	-0.03	0.10	-0.06	0.20	0.19
PTP	-1.3	0.9	2.2	2.7	3.0	FCF / share	-0.04	0.04	-0.09	0.17	0.15
Net Income	-1.5	0.6	1.8	2.3	2.4	Book value / share	0.49	0.50	0.63	0.79	0.95
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	2021	2022	2023	2024e	2025e	Growth and profitability	2021	2022	2023	2024e	2025e
Balance sheet total	9.6	11.0	12.9	14.0	16.9	Revenue growth-%	31%	17%	19%	10%	23%
Equity capital	7.4	7.6	9.5	11.9	14.3	EBITDA growth-%	-143%	217%	31%	35%	11%
Goodwill	0.0	0.0	0.0	0.0	0.0	EBIT (adj.) growth-%	-53%	-176%	55%	39%	14%
Net debt	-5.3	-5.3	-4.5	-7.3	-9.8	EPS (adj.) growth-%	-55%	-140%	190%	33%	4%
Cash flow	2021	2022	2023	2024e	2025e	EBITDA-%	5.4 %	14.7 %	16.1 %	19.8 %	17.8 %
EBITDA	0.5	1.6	2.1	2.8	3.1	EBIT (adj.)-%	-15.8 %	10.3 %	13.4 %	17.0 %	15.7 %
Change in working capital	-0.8	0.3	-2.7	0.6	0.2	EBIT-%	-15.8 %	10.3 %	13.4 %	17.0 %	15.7 %
Operating cash flow	-0.5	1.6	-0.9	3.1	2.9	ROE-%	-18.5 %	8.0 %	20.6 %	21.8 %	18.4 %
CAPEX	-0.1	-1.0	-0.4	-0.6	-0.6	ROI-%	-17.7 %	14.3 %	19.1 %	23.1 %	22.6 %
Free cash flow	-0.6	0.6	-1.3	2.5	2.3	Equity ratio	76.7 %	68.7 %	73.1 %	85.3 %	85.0 %
Valuation multiples	2021	2022	2023	2024e	2025e	Gearing	-72.4 %	-69.8 %	-47.6 %	-61.4 %	-68.1 %
EV/S	2.4	1.7	1.9	3.1	2.4						
EV/EBITDA	44.0	11.4	11.7	15.6	13.3						
EV/EBIT (adj.)	neg.	16.3	14.0	18.2	15.1						
P/E (adj.)	neg.	39.3	16.6	22.1	21.3						
P/B	3.8	3.1	3.1	4.3	3.6						
Dividend-%	0.0 %	0.0 %	0.0 %	0.0 %	1.2 %						

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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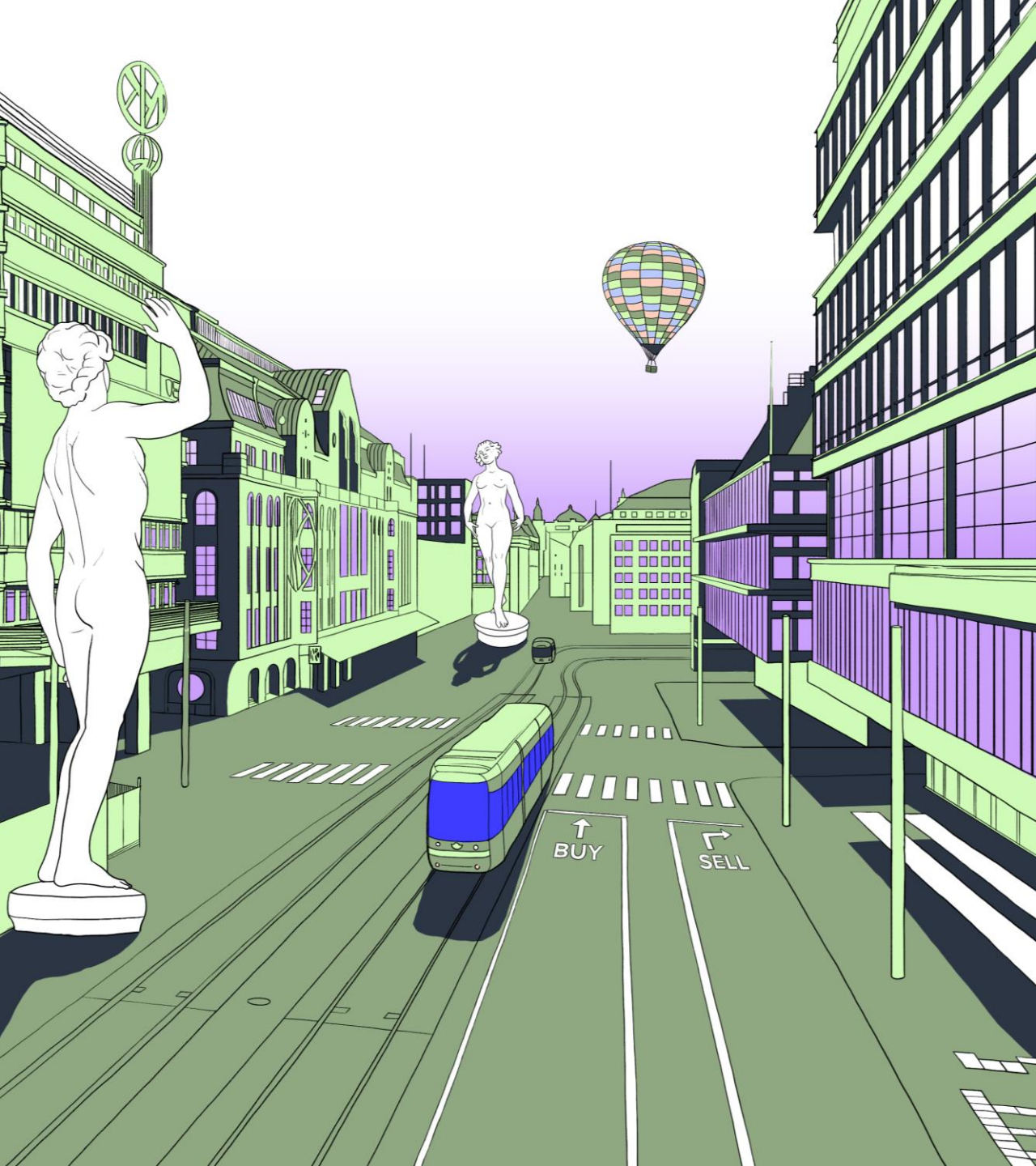
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Recommendation history (>12 mo)

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 €



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