

Revenio Group

Company report

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Inderes Corporate customer

This report is a summary translation of the report "Kaikki sylinterit kuumana" published on 04/25/2021 at 7:55 pm

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All cylinders are hot

We raise Revenio's target price to EUR 65 (previously EUR 60) and reiterate our Accumulate recommendation. All of Revenio's market and product areas are performing strongly based on the Q1 report, and we expect strong growth figures also in Q2 and Q3. At the same time, the company is building a long-term growth path with effective investments. In our opinion, the increase in RBT tonometers' market share, imaging devices, HOME product, and software business provide preconditions for strong growth over the next 10 years.

Tremendous figures in the short term as demand recovers

In Q1, Revenio reached 44.5% currency-adjusted net sales growth and 33% adjusted EBIT %, which exceeded our estimates. These figures reflect the continued excellent demand of tonometers and the sales of imaging devices is also recovering rapidly from the COVID slump. We believe, the new DSR Plus imaging device has been received extremely well by customers due to its competitiveness and we estimate that this product will provide considerable support for growth percentages in the short term.

Oculo acquisition looks promising

After its strategy update, Revenio announced the Oculo acquisition, which in our view fits the company strategy well. In 2020, the net sales of Oculo founded in 2016 was around EUR 1 million and with the acquisition Revenio bought a technology platform not so much a business. Oculo has managed to quickly create a scalable and easily implemented browser-based software platform on its home market in Australia. In our view, e.g., on the market in New Zealand Oculo has been able to reach a significant share of the potential user base in less than a year. This proves that Oculo's technology solves a key problem for the customer and the software is quickly scalable for new markets despite a conservative customer base. We believe the software business will be loss-making in 2021-2023 due to investments into it and reach black in 2024 with a EUR 7 million net sales.

Four growth drivers for the next decade

We reiterate our view that the next decade will be a triumphant advance for Revenio's RBT technology as it replaces applanation and pneumatonometer technologies in measuring intraocular pressure as hygiene becomes emphasized. This creates a strong basis for the growth of Revenio's crown jewel, tonometers. The second growth driver in our opinion is the HOME product that opens entirely new wider markets for the RBT technology. The third driver is imaging devices where iCare looks highly competitive. The fourth driver is the software business where visibility into Revenio's success is still limited but the trends are clear. Thanks to these factors and the favorable demand trends on the market, we see good preconditions for the company to reach the estimated >15 % annual growth in the next 10 years.

Result figures quickly close the gap to high valuation

We see no upside in Revenio's valuation multiples, but the company's figures are constantly closing the gap to the high valuation level. The short-term growth outlook is extremely strong, and the next few quarters are expected to produce powerful numbers, which means the share has very few negative drivers. We feel a long-term investor (2024e EV/EBIT 23x) can still hold on to the share for some time without any worries.

Recommendation

Accumulate
(previous Accumulate)
EUR 65.00
(previous EUR 60.00)

Share price:
59.20



Key indicators

	2020	2021e	2022e	2023e
Net sales	61	79	102	132
growth %	23%	30%	29%	29%
EBIT adjusted	19.2	27.5	35.5	48.2
EBIT % adjusted	31.4%	34.7%	34.7%	36.5%
Net profit	13.3	20.3	26.4	36.5
EPS (adjusted)	0.58	0.83	1.04	1.42
P/E (adjusted)	86.6	71.2	57.0	41.8
P/B	19.2	19.3	16.2	13.2
Dividend yield %	0.6%	0.7%	0.9%	1.1%
EV/EBIT (adjusted)	69.5	57.1	43.8	31.8
EV/EBITDA	61.5	55.2	42.0	30.8
EV/Net sales	21.9	19.8	15.2	11.6

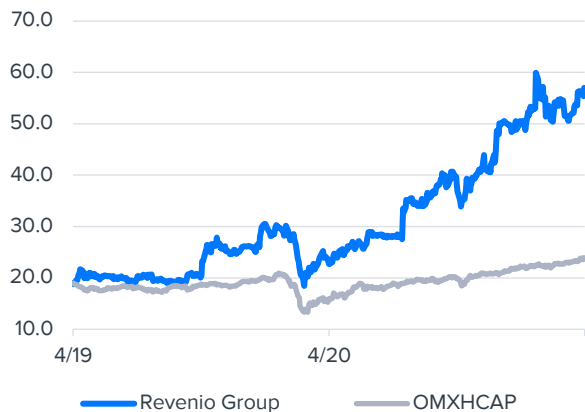
Source: Inderes

Guidance

(Unchanged)

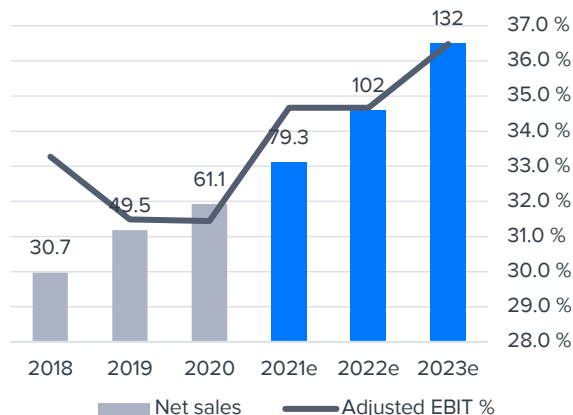
COVID-19 pandemic continues to cause uncertainty related to the markets. Revenio Group's exchange rate-adjusted net sales are estimated to grow strongly from the previous year and profitability is to remain at a good level without non-recurring items.

Share price



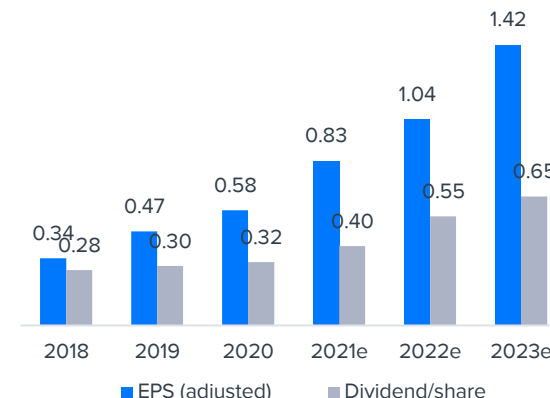
Source: Thomson Reuters

Net sales and EBIT %



Source: Inderes

EPS and dividend



Source: Inderes



Value drivers

- Strong earnings growth outlook for the next few years
- Good predictability of result and cash flow
- Strong competition protection and growth drivers give support
- Attractive long-term growth potential in new products
- Excellent evidence of value creation

Risk factors

- Weakening patent protection of iCare after 2023
- Rate and success of HOME product ramp-up
- Success of CenterVue acquisition
- Success of growth investments (new products)

Valuation

- Strong earnings growth and good visibility justify relatively high valuation level
- Long-term growth story is attractive

Strengthening tailwind hits the sails

Strong growth figures in the short term

The strengthening tailwind we predicted on the market gave Revenio a boost in Q1. The speed in tonometers has been fast already since last summer but now imaging devices also show strong growth as demand recovers from the COVID slump. Thus, Revenio will now reach exceptionally strong growth figures in the short term.

Q1 net sales grew by 41% and currency adjusted by as much as 44.5% amounting to EUR 16.8 million. Net sales exceeded our EUR 16.1 million estimate slightly and was clearly above the consensus estimate of EUR 15.4 million. According to the company, strong business development was supported by good sales on all key markets.

According to the company, the development of imaging device sales was positive and there has

been investment willingness also in bigger investments. Demand for imaging devices has shown signs of recovery to pre-pandemic levels. We estimate that this means growth of over 40% in imaging devices in the short term as COVID hit this area hard. Prior to COVID, we estimate imaging devices generated good EUR 5 million in net sales per quarter.

EBIT in Q1 was EUR 4.6 million, which exceeded our EUR 4.4 million estimate. The result was depressed by EUR 0.6 million costs related to the Oculo acquisition. Adjusted by acquisition depreciation and non-recurring items, operating profit was EUR 5.5 million (Q1'20: EUR 2.7 million) while our estimate was EUR 4.7 million. Adjusted EBIT % was a strong 33% considering the cyclical nature of Q1, while our estimate was 29%. Profitability was driven mainly by strong volume growth.

COVID hit Revenio's business strongest in Q1 and Q2 last year. Demand started recovering quickly after summer especially in tonometers and now the recovery has also started in imaging devices. Due to relatively weak comparison periods, we estimate that the growth percentages especially in Q1 and Q2 will be exceptionally high.

Estimates	Q1'20	Q1'21	Q1'21e	Q1'21e	Consensus	Difference (%)	2021e	
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	11.9	16.8	16.1	15.4	14.4	16.4	4%	79.3
EBIT (adj.)	2.7	5.5	4.7	4.5	3.6	5.3	17%	27.5
EBIT	2.4	4.6	4.4	4.4	3.6	5.3	5%	25.7
PTP	2.4	4.7	4.4	4.4	3.5	5.2	8%	25.7
EPS (reported)	0.07	0.14	0.13	0.13	0.11	0.15	8%	0.76
Revenue growth-%	41.5 %	40.9 %	35.1 %	29.6 %	21.2 %	38.0 %	5.9 pp	29.9 %
EBIT-% (adj.)	22.9 %	32.8 %	29.3 %	29.2 %	25.0 %	32.3 %	3.6 pp	34.7 %

Source: Inderes & Infront (consensus)

Estimate changes

Guidance again general in nature

According to the unchanged guidance for 2021 exchange rate-adjusted net sales is estimated to grow “strongly” from the previous year and profitability will remain at “a good level” without non-recurring items.

We estimate that 2021 net sales will grow by 30% and adjusted EBIT margin will rise to 34.7% from 31.4% in 2020. We believe visibility into the rest of the year is very good as the demand for tonometers is still strong, demand in imaging devices is recovering from COVID’s blow, and the new DSR Plus product has been excellently received by customers.

Software business investments depress short-term profitability slightly

We have included the software business as a separate estimate in our forecast thanks to the Oculo acquisition. We estimate that software net sales will

reach EUR 7 million in 2024 and turn clearly profitable at that time. Thus, our growth estimates for the next few years rose slightly. In 2021-2023, we believe investments into software business will depress profitability, but in the long term enable margin improvement.

As a whole, we estimate that Revenio will grow by some good 25% p.a. in 2021-2025, which would push the company’s net sales above EUR 200 million in 2025. Measured by EBIT %, we expect profitability to rise to 38%. The company has already shown it can reach this type of profitability and if the software business is successful there is still upside in the margins.

In our estimates for the 2020s, we also expect iCare’s RBT technology to continue its triumphant march while taking over shares from applanation and pneumatonometer technologies. We also expect the HOME product to open entirely new markets for the

company. The company’s growth outlook and competitiveness in imaging devices looks good even though it is still too early to predict what type of growth path this product area will settle in after recovering from the COVID slump.

Estimate revisions	2021e	2021	Change	2022e	2022e	Change	2023e	2023e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	77.5	79.3	2%	98.7	102	4%	130	132	2%
EBITDA	28.5	28.4	0%	37.7	37.0	-2%	50.0	49.8	0%
EBIT (exc. NRIs)	27.0	27.5	2%	36.5	35.5	-3%	48.6	48.2	-1%
EBIT	25.8	25.7	0%	35.3	34.3	-3%	47.5	47.0	-1%
PTP	25.6	25.7	0%	34.9	33.9	-3%	47.2	46.7	-1%
EPS (excl. NRIs)	0.81	0.83	3%	1.07	1.04	-3%	1.43	1.42	-1%
DPS	0.40	0.40	0%	0.55	0.55	0%	0.65	0.65	0%

Source: Inderes

Valuation

Earnings growth adjusts valuation

With our estimates, Revenio's adjusted P/E ratios for 2021-2022 are 71x and 57x. Thanks to strong earnings growth (>30%), the adjusted P/E falls to a neutral 32x level and adjusted EV/EBIT to 23x in 2024 as the company reaches a stage of slightly stabler growth. The valuation multiples are high but correspondingly our confidence in the company's earnings growth is also high. Despite the company's grown size class, Revenio seems to be able to even accelerate its growth slope, which has clearly made the valuation of the share more favorable over the past year. We do, however, not see any room for stretching in the valuation multiples unless the company's growth slope becomes even steeper. It is realistic to expect the expected returns to generate through earnings growth of which the majority will in coming years be used to close the gap to the valuation multiples.

Our DCF value for Revenio is EUR 65 (WACC 6.0%), which has risen considerably based on the long-term estimates. We point out that the value focuses heavily on the perpetual assumption (77%), but we find it acceptable in the extremely slow-moving industry where the market growth trends last for decades and the competitive moats are exceptionally strong.

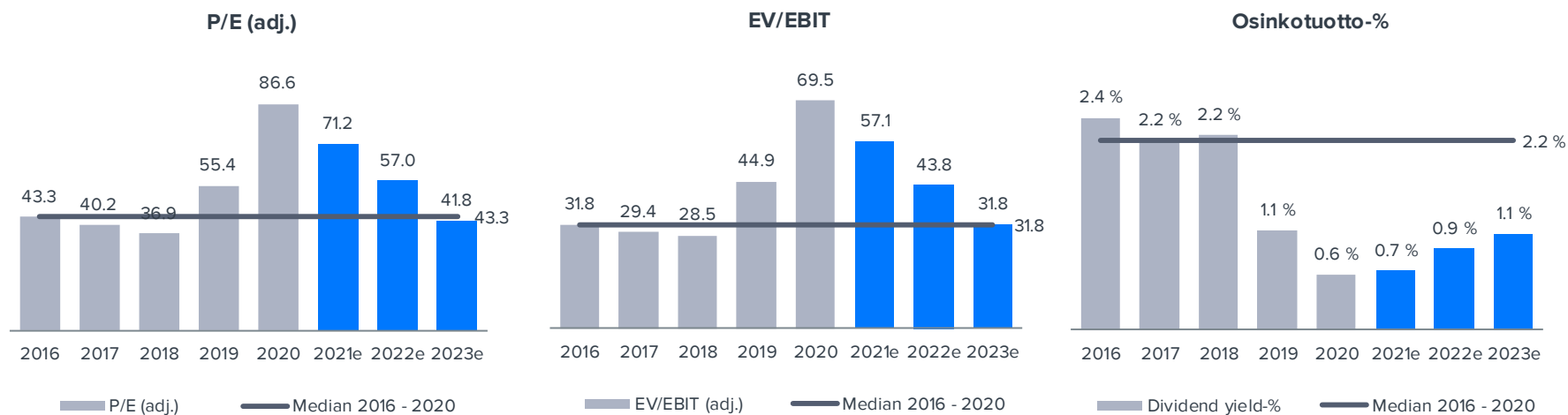
Valuation	2021e	2022e	2023e
Share price	59.2	59.2	59.2
Number of shares, millions	26.6	26.6	26.6
Market cap	1573	1573	1573
EV	1570	1554	1532
P/E (adj.)	71.2	57.0	41.8
P/E	77.5	59.5	43.2
P/FCF	>100	58.5	42.4
P/B	19.3	16.2	13.2
P/S	19.8	15.4	11.9
EV/Sales	19.8	15.2	11.6
EV/EBITDA	55.2	42.0	30.8
EV/EBIT (adj.)	57.1	43.8	31.8
Payout ratio (%)	52.4 %	55.3 %	47.4 %
Dividend yield-%	0.7 %	0.9 %	1.1 %

Source: Inderes

Valuation table

Valuation	2016	2017	2018	2019	2020	2021e	2022e	2023e	2024e
Share price	10.2	12.0	12.6	26.3	50.3	59.2	59.2	59.2	59.2
Number of shares, millions	23.9	23.9	23.9	26.0	26.6	26.6	26.6	26.6	26.6
Market cap	243	287	301	697	1337	1573	1573	1573	1573
EV	224	279	290	700	1335	1570	1554	1532	1470
P/E (adj.)	43.3	40.2	36.9	55.4	86.6	71.2	57.0	41.8	31.8
P/E	43.3	42.0	36.9	73.0	>100	77.5	59.5	43.2	32.6
P/FCF		39.8	36.0	neg.	>100	>100	58.5	42.4	32.5
P/B	15.4	18.0	16.6	10.8	19.2	19.3	16.2	13.2	8.7
P/S	10.4	10.7	9.8	14.1	21.9	19.8	15.4	11.9	9.4
EV/Sales	9.6	10.4	9.5	14.1	21.9	19.8	15.2	11.6	8.8
EV/EBITDA		27.4	27.1	47.9	61.5	55.2	42.0	30.8	22.6
EV/EBIT (adj.)	31.8	29.4	28.5	44.9	69.5	57.1	43.8	31.8	23.3
Payout ratio (%)	105.1%	90.9%	82.3%	85.1%	63.7%	52.4%	55.3%	47.4%	65.0%
Dividend yield-%	2.4%	2.2%	2.2%	1.1%	0.6%	0.7%	0.9%	1.1%	2.0%

Source: Inderes



Peer group valuation

Peer group valuation Company	Share price	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%	
				2021e	2022e	2021e	2022e	2021e	2022e	2021e	2022e	2021e	2022e
Cooper Cos	408.10	16579	17990	29.5	23.6	22.1	18.1	7.3	6.3	31.1	28.0	0.0	0.0
Ametek	134.26	25650	26650	24.7	21.8	20.4	18.2	6.0	5.4	30.8	28.3	0.6	0.7
Halma	2627.00	11509	11794	35.3	32.0	30.0	28.1	7.4	7.1	46.5	41.2	0.7	0.7
Topcon	1493.00	1245	1522			13.9	10.1	1.3	1.1	145.8	33.3	0.3	1.0
Medtronic	130.80	145690	158885	25.6	19.6	22.2	17.3	6.0	5.5	30.0	22.8	1.8	1.9
Essilor International	140.06	62704	66152	24.1	21.5	15.9	14.4	3.8	3.5	33.3	28.4	1.6	1.7
Carl Zeiss Meditec	145.35	13064	13200	39.9	38.1	33.5	32.1	7.8	7.2	61.3	59.0	0.5	0.6
Ambu	342.70	10409	10623	166.4	104.7	117.1	79.3	20.9	16.7	243.5	137.7	0.1	0.2
Revenio Group (Inderes)	59.20	1573	1570	57.1	43.8	55.2	42.0	19.8	15.2	71.2	57.0	0.7	0.9
Average				49.4	37.3	34.4	27.2	7.6	6.6	77.8	47.3	0.7	0.9
Median				29.5	23.6	22.1	18.2	6.7	5.9	39.9	30.8	0.6	0.7
Diff-% to median				94%	86%	149%	131%	196%	157%	79%	85%	21%	33%

Source: Thomson Reuters / Inderes

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

Income statement

Income statement	2018	2019	Q1'20	Q2'20	Q3'20	Q4'20	2020	Q1'21	Q2'21e	Q3'21e	Q4'21e	2021e	2022e	2023e	2024e
Revenue	30.7	49.5	11.9	13.7	15.8	19.7	61.1	16.8	18.4	20.0	24.2	79.3	102	132	167
Silmänpainemittarit (arvio)	30.6	34.5	8.6	10.0	10.2	12.9	41.8	11.8	12.9	12.4	15.3	52.4	66.5	88.8	116
Muut tuotteet (arvio)	0.1	0.1	0.0	0.1	0.1	0.0	0.2	0.1	0.1	0.1	0.1	0.4	0.6	0.8	1.0
Kuvantamislaitteet (arvio)	0.0	14.8	3.3	3.5	5.5	6.8	19.1	4.9	5.3	7.2	8.4	25.7	32.4	37.6	43.6
Software (arvio)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.3	0.4	0.9	3.0	5.0	7.0
EBITDA	10.7	14.6	3.0	4.1	6.2	8.3	21.7	5.3	6.5	7.6	9.1	28.4	37.0	49.8	64.9
Depreciation	-0.5	-2.0	-0.6	-0.7	-2.6	-0.7	-4.6	-0.7	-0.7	-0.7	-0.7	-2.7	-2.7	-2.8	-3.1
EBIT (excl. NRI)	10.2	15.6	2.7	3.7	5.8	6.9	19.2	5.5	6.1	7.2	8.7	27.5	35.5	48.2	63.1
EBIT	10.2	12.6	2.4	3.4	3.6	7.6	17.1	4.6	5.8	6.9	8.4	25.7	34.3	47.0	61.8
Net financial items	0.1	-0.3	0.0	-0.1	0.0	-0.3	-0.4	0.1	-0.1	-0.1	-0.1	-0.1	-0.5	-0.3	0.0
PTP	10.3	12.3	2.4	3.3	3.6	7.3	16.7	4.7	5.8	6.9	8.4	25.7	33.9	46.7	61.8
Taxes	-2.1	-2.9	-0.4	-0.8	-0.7	-1.5	-3.4	-1.0	-1.2	-1.4	-1.8	-5.4	-7.5	-10.3	-13.6
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	8.1	9.4	2.0	2.6	2.9	5.9	13.3	3.7	4.5	5.4	6.6	20.3	26.4	36.5	48.2
EPS (adj.)	0.34	0.47	0.09	0.11	0.19	0.20	0.58	0.17	0.18	0.21	0.26	0.83	1.04	1.42	1.86
EPS (rep.)	0.34	0.36	0.07	0.10	0.11	0.22	0.50	0.14	0.17	0.20	0.25	0.763	0.99	1.37	1.81

Key figures	2018	2019	Q1'20	Q2'20	Q3'20	Q4'20	2020	Q1'21	Q2'21e	Q3'21e	Q4'21e	2021e	2022e	2023e	2024e
Revenue growth-%	14.6 %	61.4 %	41.5 %	15.7 %	10.5 %	31.7 %	23.4 %	40.9 %	34.9 %	26.5 %	22.6 %	29.9 %	29.1 %	29.0 %	26.4 %
Adjusted EBIT growth-%		52.7 %	-4.0 %	38.1 %	18.4 %	35.0 %	23.2 %	102.2 %	63.3 %	24.1 %	25.4 %	43.3 %	29.2 %	35.7 %	30.9 %
EBITDA-%	35.0 %	29.5 %	25.4 %	30.3 %	39.2 %	42.3 %	35.5 %	31.5 %	35.2 %	37.9 %	37.6 %	35.8 %	36.1 %	37.7 %	38.9 %
Adjusted EBIT-%	33.3 %	31.5 %	22.9 %	27.4 %	36.7 %	35.2 %	31.4 %	32.8 %	33.1 %	36.0 %	36.0 %	34.7 %	34.7 %	36.5 %	37.8 %
Net earnings-%	26.6 %	18.9 %	16.7 %	18.8 %	18.4 %	29.9 %	21.9 %	22.3 %	24.7 %	27.1 %	27.3 %	25.6 %	25.8 %	27.6 %	28.8 %

Source: Inderes

Balance sheet

Assets	2019	2020	2021e	2022e	2023e
Non-current assets	59.0	58.3	69.4	69.6	70.0
Goodwill	50.4	50.4	60.4	60.4	60.4
Intangible assets	5.2	3.9	5.0	4.6	4.3
Tangible assets	1.8	2.0	2.0	2.6	3.3
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.8	1.0	1.0	1.0	1.0
Deferred tax assets	0.8	1.0	1.0	1.0	1.0
Current assets	36.6	43.1	39.4	49.9	68.1
Inventories	3.5	4.9	5.6	7.2	9.3
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	6.4	9.3	10.3	13.3	17.2
Cash and equivalents	26.7	28.9	23.5	29.4	41.7
Balance sheet total	110	114	121	130	148

Source: Inderes

Liabilities & equity	2019	2020	2021e	2022e	2023e
Equity	64.3	69.7	81.5	97.3	119
Share capital	5.3	5.3	5.3	5.3	5.3
Retained earnings	8.3	14.0	25.8	41.6	63.4
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	50.7	50.4	50.4	50.4	50.4
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	30.3	27.0	18.6	13.4	3.4
Deferred tax liabilities	4.1	3.9	3.3	3.1	3.1
Provisions	0.4	0.3	0.3	0.3	0.3
Long term debt	25.4	22.4	15.0	10.0	0.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.4	0.4	0.0	0.0	0.0
Current liabilities	15.2	17.7	20.5	19.5	25.1
Short term debt	4.3	4.6	5.0	0.0	0.0
Payables	10.9	13.1	15.5	19.5	25.1
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	110	114	121	130	148

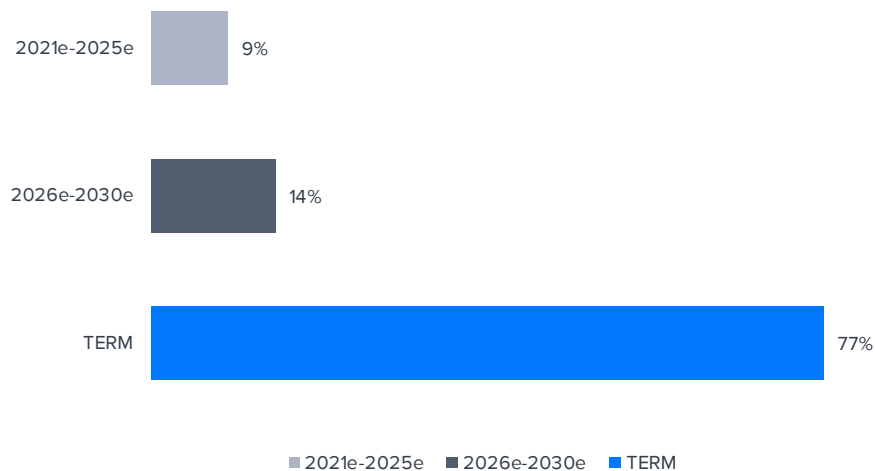
DCF calculation

DCF model	2020	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	TERM
EBIT (operating profit)	17.1	25.7	34.3	47.0	61.8	77.5	89.9	98.0	100	105	104	
+ Depreciation	4.6	2.7	2.7	2.8	3.1	3.2	3.4	3.6	3.8	4.0	4.2	
- Paid taxes	-3.8	-6.0	-7.7	-10.3	-13.6	-17.0	-19.8	-21.6	-22.0	-23.1	-23.0	
- Tax, financial expenses	-0.1	0.0	-0.1	-0.1	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	-2.1	0.7	-0.6	-0.3	-0.3	-0.4	-0.3	-0.3	-0.2	-0.2	-0.1	
Operating cash flow	15.8	23.2	28.6	39.2	51.0	63.3	73.1	79.8	81.7	85.7	85.6	
+ Change in other long-term liabilities	-0.1	-0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-2.5	-12.6	-1.7	-2.0	-2.5	-2.9	-3.9	-4.1	-4.1	-4.4	-4.0	
Free operating cash flow	13.2	10.2	26.9	37.1	48.5	60.4	69.3	75.7	77.7	81.3	81.6	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	13.2	10.2	26.9	37.1	48.5	60.4	69.3	75.7	77.7	81.3	81.6	2355
Discounted FCFF		9.8	24.4	31.7	39.1	46.0	49.7	51.3	49.6	49.0	46.4	1339
Sum of FCFF present value		1736	1726	1702	1670	1631	1585	1535	1484	1434	1385	1339
Enterprise value DCF		1736										
- Interesting bearing debt		-27.0										
+ Cash and cash equivalents		28.9										
-Minorities		0.0										
-Dividend/capital return		-8.5										
Equity value DCF		1729										
Equity value DCF per share		65.1										

Wacc	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	10.0 %
Cost of debt	4.5 %
Equity Beta	0.90
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.0 %
Cost of equity	6.3 %
Weighted average cost of capital (WACC)	6.0 %

Source: Inderes

Cash flow distribution



Summary

Income statement	2018	2019	2020	2021e	2022e	Per share data	2018	2019	2020	2021e	2022e
Revenue	30.7	49.5	61.1	79.3	102.5	EPS (reported)	0.34	0.36	0.50	0.76	0.99
EBITDA	10.7	14.6	21.7	28.4	37.0	EPS (adj.)	0.34	0.47	0.58	0.83	1.04
EBIT	10.2	12.6	17.1	25.7	34.3	OCF / share	0.43	0.67	0.59	0.87	1.08
PTP	10.3	12.3	16.7	25.7	33.9	FCF / share	0.35	-0.33	0.50	0.38	1.01
Net Income	8.1	9.4	13.3	20.3	26.4	Book value / share	0.76	2.47	2.62	3.07	3.66
Extraordinary items	0.0	-3.0	-2.1	-1.8	-1.2	Dividend / share	0.28	0.30	0.32	0.40	0.55
Balance sheet	2018	2019	2020	2021e	2022e	Growth and profitability	2018	2019	2020	2021e	2022e
Balance sheet total	22.1	109.8	114.4	120.6	130.2	Revenue growth-%	15%	61%	23%	30%	29%
Equity capital	18.1	64.3	69.7	81.5	97.3	EBITDA growth-%	5%	36%	49%	31%	30%
Goodwill	1.2	50.4	50.4	60.4	60.4	EBIT (adj.) growth-%	7%	53%	23%	43%	29%
Net debt	-10.1	3.0	-1.9	-3.5	-19.4	EPS (adj.) growth-%	14%	39%	23%	43%	25%
Cash flow	2018	2019	2020	2021e	2022e	EBITDA-%	35.0 %	29.5 %	35.5 %	35.8 %	36.1 %
EBITDA	10.7	14.6	21.7	28.4	37.0	EBIT (adj.)-%	33.3 %	31.5 %	31.4 %	34.7 %	34.7 %
Change in working capital	1.0	2.3	-2.1	0.7	-0.6	EBIT-%	33.3 %	25.5 %	28.0 %	32.4 %	33.5 %
Operating cash flow	10.2	17.5	15.8	23.2	28.6	ROE-%	47.8 %	22.7 %	19.9 %	26.8 %	29.6 %
CAPEX	-1.9	-68.0	-2.5	-12.6	-1.7	ROI-%	58.8 %	22.4 %	17.9 %	25.9 %	32.9 %
Free cash flow	8.3	-8.5	13.2	10.2	26.9	Equity ratio	81.9 %	58.6 %	60.9 %	67.6 %	74.7 %
						Gearing	-55.8 %	4.7 %	-2.7 %	-4.3 %	-20.0 %
Largest shareholders	% of shares					Valuation multiples	2018	2019	2020	2021e	2022e
William Demant Invest	10.2 %					EV/S	9.5	14.1	21.9	19.8	15.2
Capital Group	5.3 %					EV/EBITDA (adj.)	27.1	47.9	61.5	55.2	42.0
SEB rahastot	4.5 %					EV/EBIT (adj.)	28.5	44.9	69.5	57.1	43.8
Lannebo rahastot	3.8 %					P/E (adj.)	36.9	55.4	86.6	71.2	57.0
Keskinäinen Eläkevakuutusyhtiö Ilmarinen	2.5 %					P/E	16.6	10.8	19.2	19.3	16.2
Omistajatiedot: Holdins.se						Dividend-%	2.2 %	1.1 %	0.6 %	0.7 %	0.9 %

Source: Inderes

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

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Recommendation history (>12 mo)

Date	Recommendation	Target price	Share price
17-02-17	Accumulate	11.67 €	10.52 €
23-03-17	Accumulate	12.50 €	11.22 €
21-04-17	Accumulate	13.00 €	12.31 €
18-06-17	Reduce	12.67 €	13.18 €
08-08-17	Reduce	12.67 €	12.67 €
18-09-17	Accumulate	12.33 €	11.58 €
26-10-17	Accumulate	12.67 €	11.89 €
16-02-18	Accumulate	13.33 €	12.07 €
23-04-18	Reduce	14.20 €	14.18 €
07-08-18	Reduce	15.80 €	16.48 €
26-10-18	Accumulate	14.50 €	13.76 €
15-02-19	Accumulate	16.50 €	15.46 €
16-04-19	Accumulate	21.00 €	18.80 €
26-04-19	Accumulate	21.00 €	19.10 €
16-08-19	Accumulate	21.00 €	19.40 €
02-10-19	Accumulate	21.00 €	19.22 €
25-10-19	Accumulate	24.50 €	23.20 €
26-11-19	Reduce	24.50 €	25.55 €
21-02-20	Accumulate	31.00 €	28.85 €
19-03-20	Buy	24.00 €	18.48 €
23-04-20	Accumulate	25.00 €	22.75 €
07-08-20	Reduce	34.00 €	33.50 €
23-10-20	Reduce	36.00 €	38.05 €
21-12-20	Reduce	44.00 €	48.65 €
12-02-21	Accumulate	60.00 €	53.00 €
26-04-21	Accumulate	65.00 €	59.20 €



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