

# Biohit Oyj

## Company report

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✓ Inderes corporate customer

This report is a summary translation of the report "Kasvutoimet purevat" published on 2/15/2024 at 6:47 am EET

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# Growth measures taking effect

We raise our recommendation for Biohit to Buy (was Accumulate) and revise our target price to EUR 2.4 (was 2.3) with the H2 report. Biohit's H2 exceeded our expectations in terms of growth and earnings were in line with our forecasts. Revenue growth was supported by positive development in various products and markets. We raise our revenue growth forecasts with the company's good track record. We raise our earnings forecasts more moderately due to the increase in cost levels. The valuation picture has remained largely unchanged and the risk/reward ratio of the stock is attractive enough in our opinion to support a Buy recommendation.

## Revenue growing briskly – earnings met expectations

Biohit's H2 revenue was 6.6 MEUR, which exceeded our expectations (5.9 MEUR) by 12%. For the full year, revenue was 13.1 MEUR (+19% vs 2022), which slightly exceeded the company's guidance range of 12-13 MEUR. Growth development was driven by the positive development of various quick tests and the Gastropanel® product family. Geographically, Europe was a strong growth area with Italian and UK subsidiaries leading the way. The Other countries category also supported growth. H2 operating result of 0.3 MEUR was a tad under our expectations (0.4 MEUR). On the other hand, the net result of 0.5 MEUR exceeded our expectations thanks to positive financial items. The cost level was slightly higher than we expected due to, e.g., more active recruitment than we predicted. For the full year, EBIT was 1.7 MEUR or 14% of revenue. Biohit expects revenue to be 15.1-15.7 MEUR in 2024. For EBIT, the company guidance is an EBIT margin of at least 10%. The guidance is in line with Biohit's new strategic target of 15-20% annual growth and over 10% EBIT. The balance sheet strengthened further due to strong cash flow from operating activities. The Board of Directors does not propose to pay a dividend, which was in line with our expectations, as the company stressed that growth requires capital in connection with the strategy update.

## Upward forecast revisions especially for growth

We raise our revenue forecasts for 2024-2025 by 8%, following the strong 2023. We also raise our longer-term growth forecasts slightly as confidence in the success of the growth strategy increased. Our forecast is slightly below the company's targets for the strategy period 2024-2028 and is based on our estimate of organic growth. We do not include potential inorganic growth in our estimates. Our EBIT forecasts for 2024-2025 increase marginally (3-4%). The H2 report showed an increase in the cost level required for growth, which we expect will continue to gnaw at the profitability in the fastest growth phase. We expect the EBIT margin to gradually improve over the strategy period and reach 15% of revenue by the end of the strategy period in 2028. This represents our view of Biohit's medium-term profitability potential. In the context of slower growth, we see opportunities to further improve profitability.

## Valuation picture remains attractive

The EV/EBIT multiples for 2024-2025 are 12x and 9x, which we consider attractive given the company's growth prospects and profitability potential. The 2024 median multiple for the peer group that merits a higher valuation is 19x. The 2024-2025 EV/S multiples of 1.5x-1.2x are low compared to the company's own history and peers. The DCF calculation (EUR 2.6) also indicates an upside in the share.

## Recommendation

### Buy

(previous Accumulate)

### EUR 2.40

(previous EUR 2.30)

### Share price:

2.01



## Key figures

	2023	2024e	2025e	2026e
<b>Revenue</b>	13.1	15.3	17.4	19.7
<b>growth-%</b>	19%	17%	14%	13%
<b>EBIT adj.</b>	1.8	1.9	2.5	2.8
<b>EBIT-% adj.</b>	13.4 %	12.5 %	14.2 %	14.4 %
<b>Net Income</b>	1.9	1.9	2.0	2.3
<b>EPS (adj.)</b>	0.12	0.13	0.13	0.15

<b>P/E (adj.)</b>	16.6	15.9	15.4	13.4
<b>P/B</b>	3.1	2.6	2.3	1.9
<b>Dividend yield-%</b>	0.0 %	0.0 %	0.0 %	1.5 %
<b>EV/EBIT (adj.)</b>	14.0	11.5	8.3	6.6
<b>EV/EBITDA</b>	11.7	9.5	7.2	5.4
<b>EV/S</b>	1.9	1.4	1.2	0.9

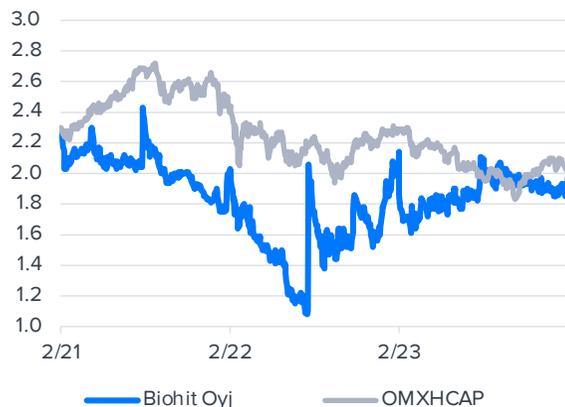
Source: Inderes

## Guidance

(New guidance)

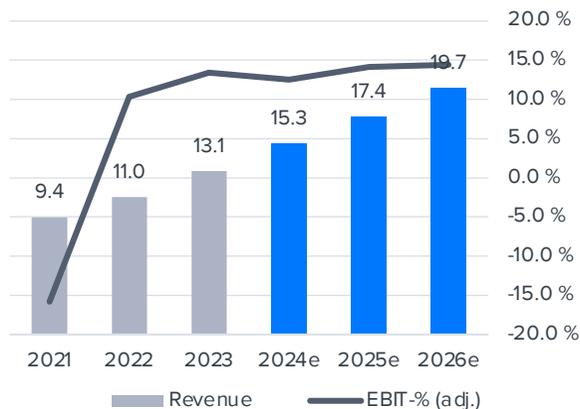
Biohit expects revenue to increase to 15.1–15.7 MEUR in 2024 and the EBIT margin to be at least 10%.

## Share price



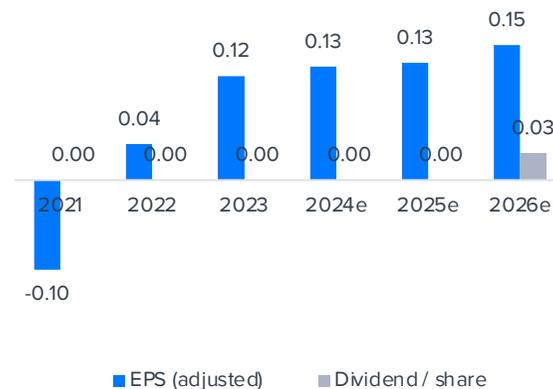
Source: Millstream Market Data AB

## Revenue and EBIT-%



Source: Inderes

## EPS and dividend



Source: Inderes



## Value drivers

- Growth in new GastroPanel® products
- Increased operational efficiency
- Renewed distribution agreement in China
- Using the strong balance sheet to pay dividends or to create opportunities for inorganic growth



## Risk factors

- Dependency on the Chinese market
- Small resources relative to competitors
- Failure in developing new products
- The aging of the current product portfolio and its loss of competitiveness
- Poor visibility of estimates

Valuation	2024e	2025e	2026e
Share price	2.01	2.01	2.01
Number of shares, millions	15.1	15.1	15.1
Market cap	30	30	30
EV	22	20	19
P/E (adj.)	15.9	15.4	13.4
P/E	15.9	15.4	13.4
P/B	2.6	2.3	1.9
P/S	2.0	1.7	1.5
EV/Sales	1.4	1.2	0.9
EV/EBITDA	9.5	7.2	5.4
EV/EBIT (adj.)	11.5	8.3	6.6
Payout ratio (%)	0.0 %	0.0 %	20.0 %
Dividend yield-%	0.0 %	0.0 %	1.5 %

Source: Inderes

# Revenue surprised positively, earnings met expectations

## Estimates vs. outcome H2'23

- EBIT was 6.6 MEUR, which exceeded our forecast by 12%.
- Growth was driven by good demand for quick tests and growth in Europe, driven by subsidiaries.
- The operating result at 0.3 MEUR was a tad below our forecast (0.4 MEUR). On the other hand, positive financial items turned the net result and EPS positive.
- For the full year, the cash flow from operating activities was 0.9 MEUR, burdened by a change in working capital of -1.4 MEUR
- The Board of Directors proposes that no dividend be distributed. This is in line with our expectations, as the company has said that the growth targets require capital.

Estimates MEUR / EUR	H2'22	H2'23	H2'23e	H2'23e	Consensus		Difference (%)	2023e
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	4.8	6.6	5.9				12%	13.1
EBITDA	0.0	0.5	0.7				-24%	2.1
EBIT	-0.2	0.3	0.4				-26%	1.8
EPS (adj.)	-0.02	0.03	0.02				50%	0.12
Revenue growth-%	-48.2 %	37.5 %	22.9 %				14.6 pp	19.2 %
EBIT-% (adj.)	-3.6 %	3.8 %	6.9 %				-3.1 pp	13.4 %

Source: Inderes

# Estimate revisions

## Estimate revisions 2024e–2025e

- We raise our revenue forecasts by 8% based on the company's strong growth record, especially in 2023
- Next to the Gastropanel® product family, the growth drivers are quick tests and, in the medium-term, the launch of new products and expansion to new markets
- Our EBIT forecasts increase by 3-4%.
- We have revised our cost assumptions moderately upwards, which means that earnings grows slightly slower than revenue in our forecasts.

Estimate revisions	2023e	2023e	Change	2024e	2024e	Change	2025e	2025e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	12.4	13.1	5%	14.1	15.3	8%	16.0	17.4	8%
EBITDA	2.4	2.1	-13%	2.3	2.3	0%	2.9	2.8	-2%
EBIT (exc. NRIs)	1.9	1.8	-8%	1.9	1.9	3%	2.4	2.5	4%
EBIT	1.9	1.8	-8%	1.9	1.9	3%	2.4	2.5	4%
PTP	1.9	2.2	13%	1.9	2.1	14%	2.4	2.5	4%
EPS (excl. NRIs)	0.11	0.12	3%	0.11	0.13	15%	0.12	0.13	4%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

12.5 %

14.2 %

# Valuation remains attractive

## Earnings multiples are moderate considering growth and profitability potential

Biohit's P/E ratios are 16x and 15x. However, we believe that the company's valuation is better described by the EV/EBIT ratio that considers the large net cash, which for 2024 is 12x and 9x for 2025. The median multiple of the peer group is 19x. The peer group consists of large U.S. diagnostic companies in a more mature stage that earn higher multiples than Biohit due to their lower risk profile.

Earnings 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 2024-2025 multiples in our examination. We find the multiples attractive when considering the expected growth rate and defensiveness of the industry. Biohit's high sales margin creates potential for healthy medium-term earnings growth and profitability. The profitability potential is indicated by the EBIT margin of mature diagnostic companies in 2022 of 17.1% (Bloomberg Global In Vitro Diagnostic Competitors Index companies). The company's own historical earnings multiples cannot be compared because of the loss-making business.

## On revenue basis, the share is cheap compared to history and the peers

Biohit's revenue-based EV/S ratio for 2024 is 1.5x and will fall to 1.2x in 2025. The ratios are well below the company's own recent history with the median for 2018-2022 being 3.6x. Pricing relative to the company's own history is favorable, especially in view of the current turnaround. The median EV/S ratio for Biohit's peers is 3.7x for 2024.

## Cash flow calculation indicates a reasonable upside

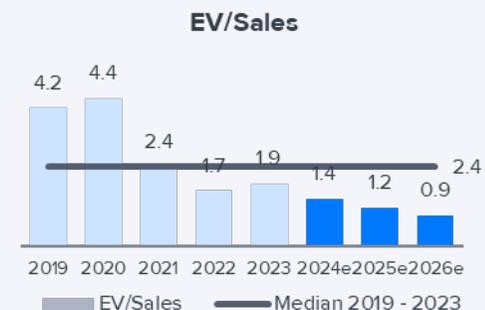
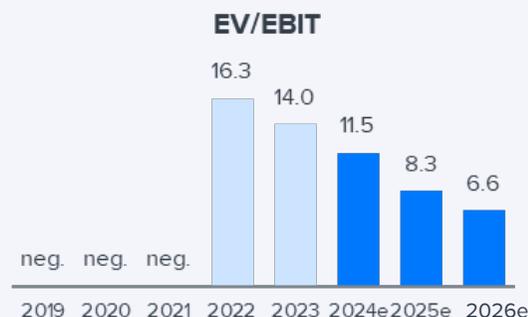
Based on the DCF model the current per share value of future cash flows is EUR 2.6 and indicates an upside in the share price. Our terminal growth assumption is 2.5%, based on the growth outlook of the health care needs of the aging population. For the terminal, we assume an EBIT margin of 17%, driven by the industry's mature companies and Biohit's high sales margin. We have used a weighted average cost of capital (WACC) of 10.5%. WACC is elevated by the risks related to the materialization of the estimates and the aging product portfolio. On the downside, the strong balance sheet, evidence of a turnaround in earnings and the defensive nature of the industry and its good profitability potential lower the WACC.

## Valuation summary

Our view on the fair value of Biohit's share is EUR 1.7-3.0, which corresponds to a 2024 EV/EBIT range of 10x-21x and an EV/S range of 1.3x-2.7x. Earnings and revenue multiples play a key role in our view and they indicate that the share is modestly valued relative to earnings and revenue growth. We feel that the discount to the peers and the company's own history is relatively high, although the peer group we use does not correspond particularly well with Biohit. The DCF model also indicates an upside in the share and meets our required return.

Valuation	2024e	2025e	2026e
Share price	2.01	2.01	2.01
Number of shares, millions	15.1	15.1	15.1
Market cap	30	30	30
EV	22	20	19
P/E (adj.)	15.9	15.4	13.4
P/E	15.9	15.4	13.4
P/B	2.6	2.3	1.9
P/S	2.0	1.7	1.5
EV/Sales	1.4	1.2	0.9
EV/EBITDA	9.5	7.2	5.4
EV/EBIT (adj.)	11.5	8.3	6.6
Payout ratio (%)	0.0 %	0.0 %	20.0 %
Dividend yield-%	0.0 %	0.0 %	1.5 %

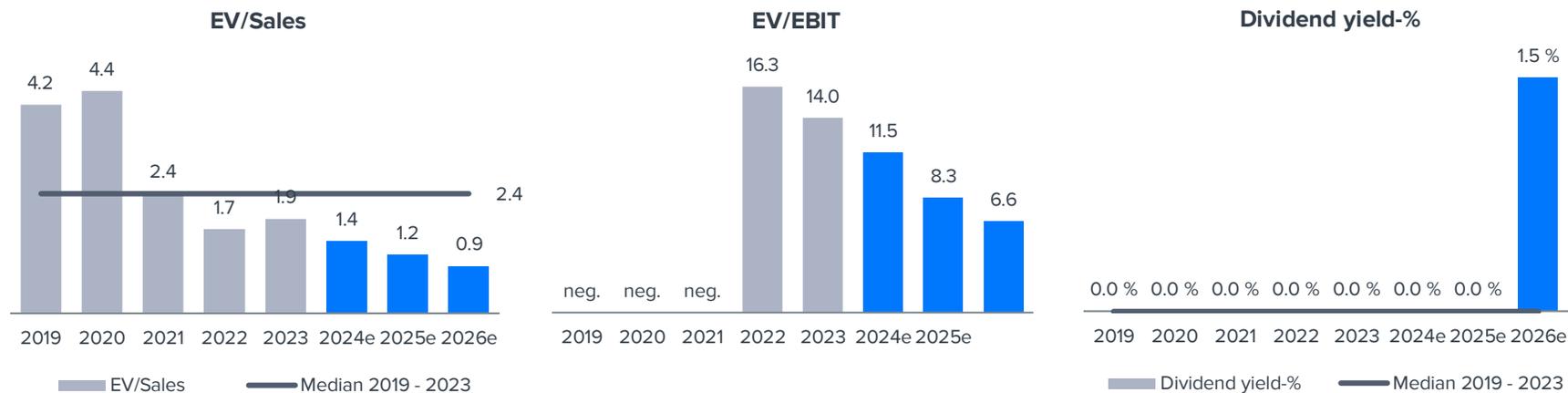
Source: Inderes



# Valuation table

Valuation	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e
Share price	3.36	2.48	1.84	1.57	1.92	2.01	2.01	2.01	2.01
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	30	30	30	30
EV	42	32	22	18	25	22	20	19	17
P/E (adj.)	neg.	neg.	neg.	39.3	16.6	15.9	15.4	13.4	11.5
P/E	neg.	neg.	neg.	39.3	16.6	15.9	15.4	13.4	11.5
P/B	3.4	4.2	3.8	3.1	3.1	2.6	2.3	1.9	1.7
P/S	5.0	5.2	3.0	2.2	2.2	2.0	1.7	1.5	1.4
EV/Sales	4.2	4.4	2.4	1.7	1.9	1.4	1.2	0.9	0.8
EV/EBITDA	70.5	neg.	44.0	11.4	11.7	9.5	7.2	5.4	4.2
EV/EBIT (adj.)	neg.	neg.	neg.	16.3	14.0	11.5	8.3	6.6	5.2
Payout ratio (%)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	20.0 %	30.0 %
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	1.5 %	2.6 %

Source: Inderes



# Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	MEUR	MEUR	2024e	2025e	2024e	2025e	2024e	2025e	2024e	2025e	2024e	2025e	2024e
Abbott Laboratories	180351	188264	21.8	19.6	18.6	17.0	4.8	4.5	24.2	21.8	1.9	2.0	5.0
bioMérieux SA	11978	12046	18.5	16.7	13.1	12.0	3.1	2.9	23.5	21.0	0.8	0.9	2.8
Bio Rad Laboratories Inc	8619	8092	22.3	20.2	16.7	15.1	3.2	3.0	27.3	24.0			1.0
Boule Diagnostics AB	34	45	11.0	8.4	7.1	5.9	0.9	0.8	12.2	8.9	2.1	3.5	0.8
DiaSorin SpA	4854	5739	21.6	18.3	14.9	13.2	4.9	4.5	25.6	21.3	1.0	1.2	2.8
Immunovia AB	7								0.2	0.1			0.2
Qiagen NV	8851	9261	18.2	16.6	13.7	12.6	4.9	4.6	20.2	18.6			2.4
Q-linea AB	26	16					3.3	1.1					0.4
SD Biosensor	1049	1056			26.6	17.3	2.1	1.8				1.2	0.8
Sysmex	10572	10511	21.2		14.6	13.3	3.7	3.4	32.4	28.1	1.0	1.1	4.0
Exact Sciences Corp	10032	11563		197.8	38.4	25.8	4.4	3.8		660.6			3.3
OraSure Technologies Inc	479	270			29.2	14.1	1.4	1.5					1.2
<b>Biohit Oyj (Inderes)</b>	<b>30</b>	<b>22</b>	<b>11.5</b>	<b>8.3</b>	<b>9.5</b>	<b>7.2</b>	<b>1.4</b>	<b>1.2</b>	<b>15.9</b>	<b>15.4</b>	<b>0.0</b>	<b>0.0</b>	<b>2.6</b>
<b>Average</b>			<b>19.2</b>	<b>42.5</b>	<b>19.3</b>	<b>14.6</b>	<b>4.6</b>	<b>2.9</b>	<b>20.7</b>	<b>89.4</b>	<b>1.4</b>	<b>1.6</b>	<b>2.0</b>
<b>Median</b>			<b>21.2</b>	<b>18.3</b>	<b>15.8</b>	<b>13.7</b>	<b>3.5</b>	<b>3.0</b>	<b>23.8</b>	<b>21.3</b>	<b>1.0</b>	<b>1.2</b>	<b>1.8</b>
<b>Diff-% to median</b>			<b>-46%</b>	<b>-55%</b>	<b>-40%</b>	<b>-47%</b>	<b>-59%</b>	<b>-62%</b>	<b>-33%</b>	<b>-28%</b>	<b>-100%</b>	<b>-100%</b>	<b>48%</b>

Source: Refinitiv / Inderes

# Income statement

Income statement	H1'22	H2'22	2022	H1'23	H2'23	2023	H1'24e	H2'24e	2024e	H1'25e	H2'25e	2025e	2026e	2027e
Revenue	6.1	4.9	11.0	6.5	6.6	13.1	7.6	7.7	15.3	8.6	8.8	17.4	19.7	22.2
EBITDA	1.5	0.1	1.6	1.7	0.4	2.1	1.2	1.1	2.3	1.3	1.2	2.8	3.4	4.0
Depreciation	-0.2	-0.3	-0.5	-0.2	-0.2	-0.4	-0.2	-0.2	-0.4	0.0	0.0	-0.3	-0.6	-0.7
EBIT (excl. NRI)	1.3	-0.2	1.1	1.5	0.3	1.8	1.0	0.9	1.9	1.3	1.2	2.5	2.8	3.3
EBIT	1.3	-0.2	1.1	1.5	0.3	1.8	1.0	0.9	1.9	1.3	1.2	2.5	2.8	3.3
Net financial items	-0.2	-0.1	-0.3	0.2	0.2	0.4	0.1	0.1	0.2	0.0	0.0	0.0	0.0	0.0
PTP	1.1	-0.2	0.9	1.7	0.5	2.2	1.1	1.0	2.1	1.3	1.2	2.5	2.8	3.3
Taxes	-0.2	-0.1	-0.3	-0.3	0.0	-0.3	-0.1	-0.1	-0.2	0.0	0.0	-0.5	-0.6	-0.7
Net earnings	0.9	-0.3	0.6	1.3	0.5	1.8	1.0	0.9	1.9	1.3	1.2	2.0	2.3	2.6
EPS (rep.)	0.06	-0.02	0.04	0.09	0.03	0.12	0.06	0.06	0.13	0.09	0.08	0.13	0.15	0.17

Key figures	H1'22	H2'22	2022	H1'23	H2'23	2023	H1'24e	H2'24e	2024e	H1'25e	H2'25e	2025e	2026e	2027e
Revenue growth-%	52.5 %	-9.5 %	17.0 %	6.6 %	35.0 %	19.2 %	16.5 %	17.4 %	16.9 %	14.0 %	14.0 %	14.0 %	13.0 %	13.0 %
Adjusted EBIT growth-%	-208.3 %	-38.6 %	-176.2 %	15.4 %	-245.3 %	55.1 %	-34.6 %	271.1 %	9.0 %	31.2 %	27.2 %	29.2 %	15.0 %	16.2 %
EBITDA-%	24.6 %	2.2 %	14.7 %	26.2 %	6.1 %	16.1 %	15.6 %	14.7 %	15.1 %	14.9 %	13.5 %	16.2 %	17.5 %	18.2 %
Adjusted EBIT-%	21.3 %	-3.5 %	10.3 %	23.1 %	3.8 %	13.4 %	12.9 %	12.1 %	12.5 %	14.9 %	13.5 %	14.2 %	14.4 %	14.8 %
Net earnings-%	14.8 %	-6.2 %	5.5 %	20.0 %	6.9 %	13.4 %	12.9 %	12.1 %	12.5 %	14.9 %	13.5 %	11.3 %	11.5 %	11.9 %

Source: Inderes

# Balance sheet

Assets	2022	2023	2024e	2025e	2026e
<b>Non-current assets</b>	<b>1.1</b>	<b>1.1</b>	<b>1.4</b>	<b>1.8</b>	<b>1.9</b>
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	0.0	0.2	0.6	1.1	1.4
Tangible assets	1.0	0.9	0.8	0.6	0.5
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
<b>Current assets</b>	<b>9.9</b>	<b>11.8</b>	<b>12.9</b>	<b>14.7</b>	<b>17.0</b>
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	3.4	3.5	3.9
Cash and equivalents	6.2	6.8	8.4	10.0	11.7
<b>Balance sheet total</b>	<b>11.0</b>	<b>12.9</b>	<b>14.3</b>	<b>16.5</b>	<b>19.0</b>

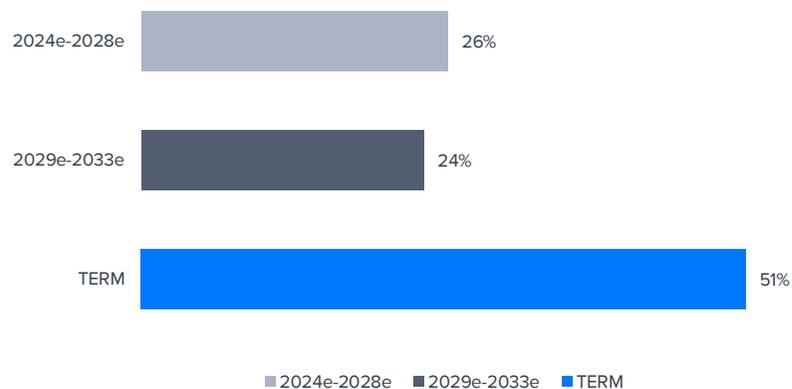
Source: Inderes

Liabilities & equity	2022	2023	2024e	2025e	2026e
<b>Equity</b>	<b>7.6</b>	<b>9.5</b>	<b>11.5</b>	<b>13.5</b>	<b>15.7</b>
Share capital	2.4	2.4	2.4	2.4	2.4
Retained earnings	1.8	3.8	5.7	7.7	9.9
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
<b>Non-current liabilities</b>	<b>0.6</b>	<b>0.3</b>	<b>-0.1</b>	<b>-0.1</b>	<b>-0.1</b>
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
<b>Current liabilities</b>	<b>2.9</b>	<b>3.1</b>	<b>2.9</b>	<b>3.1</b>	<b>3.3</b>
Interest bearing debt	0.3	1.9	0.0	0.0	0.0
Payables	2.6	1.2	2.9	3.1	3.3
Other current liabilities	0.0	0.0	0.0	0.0	0.0
<b>Balance sheet total</b>	<b>11.0</b>	<b>12.9</b>	<b>14.3</b>	<b>16.5</b>	<b>19.0</b>

# DCF calculation

DCF model	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	TERM
Revenue growth-%	19.2 %	16.9 %	14.0 %	13.0 %	13.0 %	8.0 %	6.0 %	4.0 %	2.0 %	2.0 %	2.0 %	2.0 %
EBIT-%	13.4 %	12.5 %	14.2 %	14.4 %	14.8 %	15.0 %	17.0 %	18.0 %	19.0 %	17.0 %	17.0 %	17.0 %
<b>EBIT (operating profit)</b>	<b>1.8</b>	<b>1.9</b>	<b>2.5</b>	<b>2.8</b>	<b>3.3</b>	<b>3.6</b>	<b>4.3</b>	<b>4.8</b>	<b>5.1</b>	<b>4.7</b>	<b>4.8</b>	
+ Depreciation	0.4	0.4	0.3	0.6	0.7	0.9	0.8	0.9	0.9	0.9	1.0	
- Paid taxes	-0.3	-0.2	-0.5	-0.6	-0.7	-0.7	-0.9	-1.0	-1.0	-0.9	-1.0	
- 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	2.2	0.0	-0.4	-0.5	-0.4	-0.4	-0.1	-0.1	-0.1	-0.1	
<b>Operating cash flow</b>	<b>-0.9</b>	<b>4.3</b>	<b>2.4</b>	<b>2.5</b>	<b>2.9</b>	<b>3.3</b>	<b>3.9</b>	<b>4.5</b>	<b>4.9</b>	<b>4.6</b>	<b>4.7</b>	
+ Change in other long-term liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-0.4	-0.7	-0.7	-0.8	-0.8	-0.8	-0.9	-0.9	-1.0	-1.0	-0.8	
<b>Free operating cash flow</b>	<b>-1.2</b>	<b>3.6</b>	<b>1.6</b>	<b>1.7</b>	<b>2.1</b>	<b>2.5</b>	<b>3.0</b>	<b>3.6</b>	<b>4.0</b>	<b>3.6</b>	<b>3.9</b>	
+/- 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	3.6	1.6	1.7	2.1	2.5	3.0	3.6	4.0	3.6	3.9	47.2
<b>Discounted FCFF</b>		<b>3.3</b>	<b>1.4</b>	<b>1.3</b>	<b>1.4</b>	<b>1.5</b>	<b>1.7</b>	<b>1.8</b>	<b>1.8</b>	<b>1.5</b>	<b>1.5</b>	<b>17.6</b>
Sum of FCFF present value		34.8	31.5	30.1	28.9	27.4	25.9	24.2	22.4	20.6	19.1	17.6
<b>Enterprise value DCF</b>		<b>34.8</b>										
- Interest bearing debt		-2.3										
+ Cash and cash equivalents		6.8										
-Minorities		0.0										
-Dividend/capital return		0.0										
<b>Equity value DCF</b>		<b>39.3</b>										
<b>Equity value DCF per share</b>		<b>2.6</b>										

Cash flow distribution

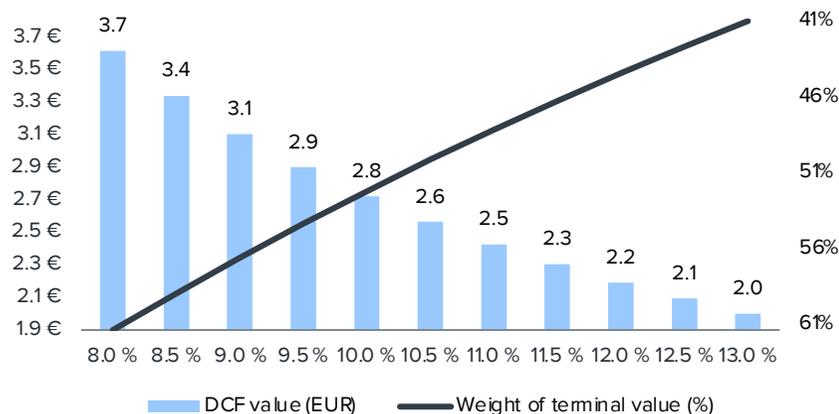


WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	10.0 %
Cost of debt	6.0 %
Equity Beta	1.60
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	2.5 %
<b>Cost of equity</b>	<b>11.1 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>10.5 %</b>

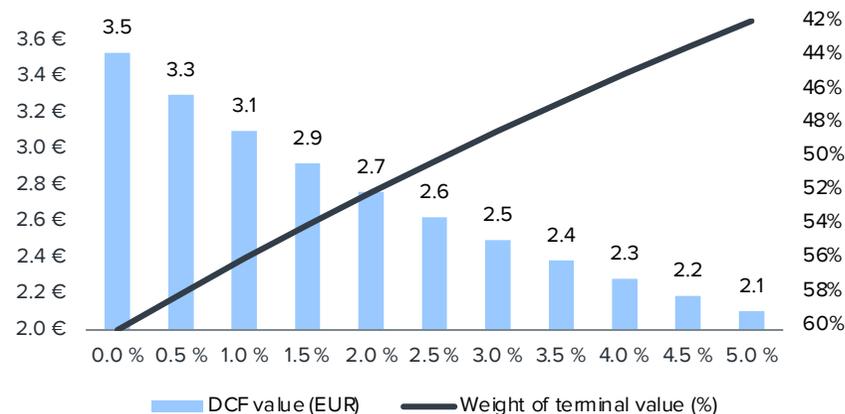
Source: Inderes

# DCF sensitivity calculations and key assumptions in graphs

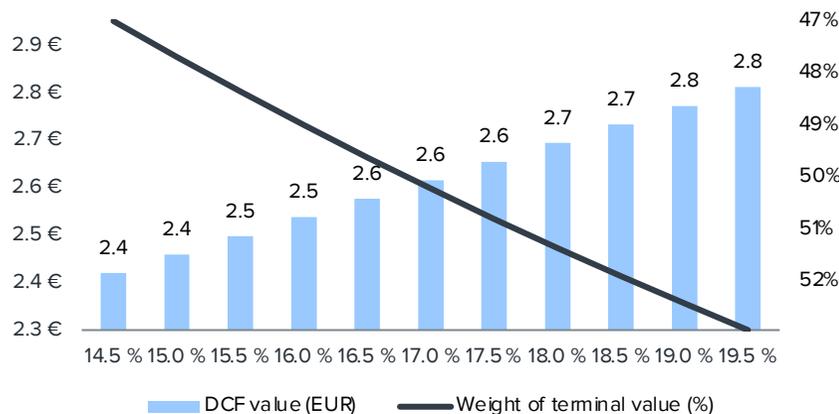
Sensitivity of DCF to changes in the WACC-%



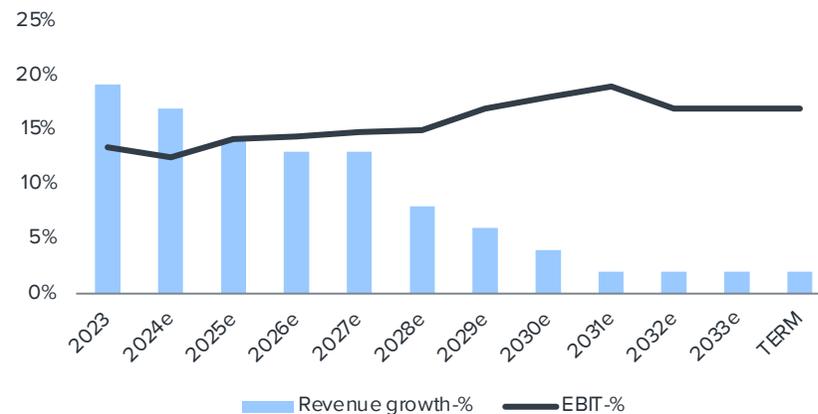
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



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

# Summary

Income statement	2021	2022	2023	2024e	2025e	Per share data	2021	2022	2023	2024e	2025e
Revenue	9.4	11.0	13.1	15.3	17.4	EPS (reported)	-0.10	0.04	0.12	0.13	0.13
EBITDA	0.5	1.6	2.1	2.3	2.8	EPS (adj.)	-0.10	0.04	0.12	0.13	0.13
EBIT	-1.5	1.1	1.8	1.9	2.5	OCF / share	-0.03	0.10	-0.06	0.29	0.16
PTP	-1.3	0.9	2.2	2.1	2.5	FCF / share	-0.04	0.04	-0.09	0.24	0.11
Net Income	-1.5	0.6	1.8	1.9	2.0	Book value / share	0.49	0.50	0.63	0.76	0.89
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	14.3	16.5	Revenue growth-%	31%	17%	19%	17%	14%
Equity capital	7.4	7.6	9.5	11.5	13.5	EBITDA growth-%	-143%	217%	31%	10%	22%
Goodwill	0.0	0.0	0.0	0.0	0.0	EBIT (adj.) growth-%	-53%	-176%	55%	9%	29%
Net debt	-5.3	-5.3	-4.5	-8.4	-10.0	EPS (adj.) growth-%	-55%	-140%	190%	9%	3%
Cash flow	2021	2022	2023	2024e	2025e	EBITDA-%	5.4 %	14.7 %	16.1 %	15.1 %	16.2 %
EBITDA	0.5	1.6	2.1	2.3	2.8	EBIT (adj.)-%	-15.8 %	10.3 %	13.4 %	12.5 %	14.2 %
Change in working capital	-0.8	0.3	-2.7	2.2	0.0	EBIT-%	-15.8 %	10.3 %	13.4 %	12.5 %	14.2 %
Operating cash flow	-0.5	1.6	-0.9	4.3	2.4	ROE-%	-18.5 %	8.0 %	20.6 %	18.2 %	15.8 %
CAPEX	-0.1	-1.0	-0.4	-0.7	-0.7	ROI-%	-17.7 %	14.3 %	19.1 %	16.4 %	19.8 %
Free cash flow	-0.6	0.6	-1.3	3.6	1.6	Equity ratio	76.7 %	68.7 %	73.1 %	80.4 %	81.6 %
						Gearing	-72.4 %	-69.8 %	-47.6 %	-72.9 %	-74.4 %
Valuation multiples	2021	2022	2023	2024e	2025e						
EV/S	2.4	1.7	1.9	1.4	1.2						
EV/EBITDA (adj.)	44.0	11.4	11.7	9.5	7.2						
EV/EBIT (adj.)	neg.	16.3	14.0	11.5	8.3						
P/E (adj.)	neg.	39.3	16.6	15.9	15.4						
P/B	3.8	3.1	3.1	2.6	2.3						
Dividend-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %						

Source: Inderes

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

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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 €



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