REVENIO GROUP

2/12/2026 12:15 noon EET

This is a translated version of ”Markkina ei enää välitä iCaresta” report, published on 2/12/2026

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INDERES CORPORATE CUSTOMER

COMPANY REPORT

Market no longer cares about iCare

We reiterate our Buy recommendation for Revenio and revise our target price to EUR 24.0 (was EUR 26.0). The Q4 result was a clear disappointment, especially regarding profitability, and we estimate that cost pressures will continue in 2026 as FDA studies accelerate. However, the guidance for 2026 supported our growth expectations, and despite the uncertainty, we consider the company's outlook strong. The stock's valuation remains at its lowest levels of the iCare era, and we believe a potential acquisition could bring additional interest to the stock.

Q4 result was exceptionally weak

Revenio's Q4 revenue was 31.2 MEUR (+2.2%), which fell short of our estimate (31.8 MEUR). The negative impact of exchange rates was clearly greater than we anticipated, as currency-neutral revenue grew by 8.6%, which was more than we expected (forecast +7%). Overall, sales performed well in Q4, and the company achieved an all-time sales record in the United States in December. This reduces our concern about the weakening of the company's largest market.

The Q4 gross margin was only 67.6%, while market expectations were generally around 72%. According to the company, the impact of import tariffs and delayed price increases in the US on the margin was around 2 percentage points. The weaker-than-anticipated gross margin weighed on the result by over 0.5 MEUR, and there were also negative non-recurring items of 0.5 MEUR. When we also consider the FX headwinds, the total exceptional items relative to the comparison period amounted to around -2 MEUR. Q4 EBIT was ultimately 6.7 MEUR, while the corresponding figure for Q4'24 was 9.1 MEUR (same as our forecast). On the positive side, cash flow from operating activities was an excellent 15.9 MEUR, and the balance sheet strengthened further. Instead of a dividend proposal, the company's board is seeking authorization to pay a dividend of up to EUR 0.44 per share later in 2026. The rationale for this exceptional decision cited industry consolidation, leading us to believe that Revenio is accumulating cash for a potential acquisition. We kept our dividend estimate of EUR 0.42 per share unchanged, but the company may find better use for the money.

Guidance in line with expectations, but costs are also increasing

Revenio guided for 2026 constant currency revenue growth of 8-15% and good profitability excluding non-recurring items. In our earnings preview, we expected a range of 7-15%, so the guidance was almost entirely in line with our expectations. We still expect revenue growth of around 11% in 2026. However, profitability forecasts were pressured by persistent strong cost inflation and the significant, albeit temporary, expense of FDA studies for the ILLUME solution in 2026. As a result, the scalability of profitability will remain limited, and we have lowered our 2026 earnings estimates by approximately 10%. Nevertheless, we still expect a significant increase in earnings this year for the first time in a while.

Valuation has been pushed to lowest points of iCare era

The valuation has barely changed, as the decline in the share price and estimates practically canceled each other out. Revenio's EV/EBIT for the current year's forecast is only 15x, whereas during the iCare era, the corresponding multiple has mainly ranged between 20-30x. Although the company's earnings growth has slowed and there is more market uncertainty than usual, we believe this is a clear overreaction. Although the Q4 result was a clear disappointment, market-related uncertainty decreased significantly due to strong Q4 sales and guidance. As a result, we consider it increasingly unlikely that Revenio would suffer significantly from the market situation in the same way as Zeiss. We do not see any significant changes in the long-term drivers and consider Revenio's position in the industry to be very strong, which is why we view the prevailing uncertainty as a buying opportunity. Acquisitions always involve significant risks, but we also consider the strengthening of this option to be positive for Revenio.

Recommendation
Buy
(was Buy)

Target price:
EUR 24.00
(was EUR 26.00)

Share price:
EUR 18.02

Business risk

Valuation risk

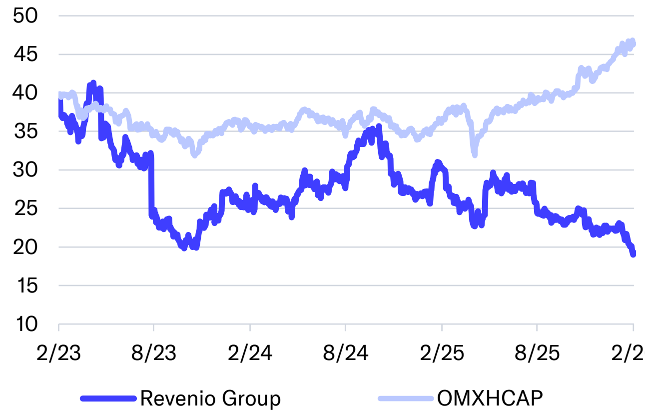
	2025	2026e	2027e	2028e
Revenue	110	122	137	153
growth-%	6%	11%	12%	12%
EBIT adj.	26.5	30.2	37.7	43.3
EBIT-% adj.	24.2 %	24.8 %	27.6 %	28.4 %
Net income	17.4	23.6	29.8	34.4
EPS (adj.)	0.70	0.89	1.12	1.29
P/E (adj.)	27.7	20.3	16.1	13.9
P/B	4.5	3.8	3.3	3.0
Dividend yield-%	2.2 %	2.8 %	3.4 %	4.3 %
EV/EBIT (adj.)	18.8	15.0	11.6	9.7
EV/EBITDA	16.7	13.0	10.4	8.9
EV/S	4.5	3.7	3.2	2.7

Source: Inderes

Guidance (New guidance)

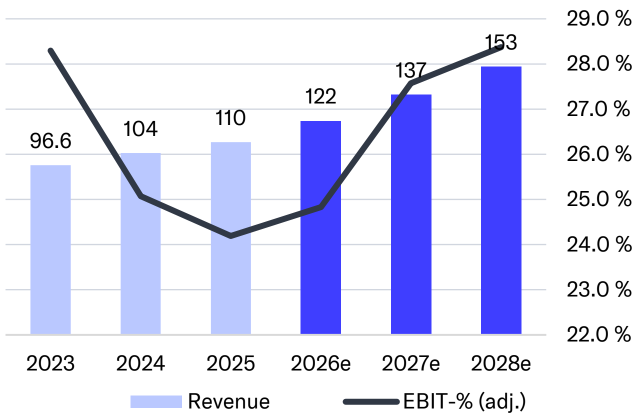
Revenio Group's exchange rate-adjusted net sales are estimated to grow 8-15% from the previous year and profitability, excluding non-recurring items, is estimated to remain at a good level.

Share price



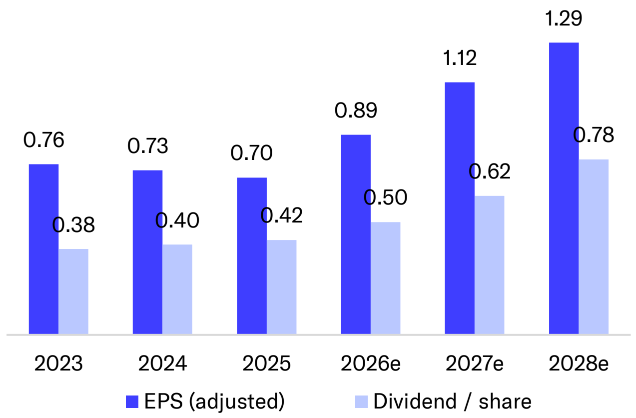
Source: Millistream Market Data AB

Revenue and EBIT-% (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

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

Risk factors

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

Valuation	2026e	2027e	2028e
Share price	18.0	18.0	18.0
Number of shares, millions	26.6	26.6	26.6
Market cap	479	479	479
EV	454	437	420
P/E (adj.)	20.3	16.1	13.9
P/E	20.3	16.1	13.9
P/B	3.8	3.3	3.0
P/S	3.9	3.5	3.1
EV/Sales	3.7	3.2	2.7
EV/EBITDA	13.0	10.4	8.9
EV/EBIT (adj.)	15.0	11.6	9.7
Payout ratio (%)	56.4 %	55.0 %	60.0 %
Dividend yield-%	2.8 %	3.4 %	4.3 %

Source: Inderes

Q4 result was exceptionally weak

Currency headwinds were stronger than expected in Q4

Revenio's Q4 revenue was 31.2 MEUR (+2.2%), which fell short of our estimate (31.8 MEUR). Nevertheless, the revenue level is good for the seasonally busiest period, especially considering that it did not include any major orders. The negative impact of exchange rates was clearly greater than we anticipated, as currency-neutral revenue grew by 8.6%, which was more than we expected (forecast +7%). This is partly explained by an accounting change at the end of 2024, when the company aimed to eliminate the revaluation of the balance sheet due to exchange rates. In Q4'24, this was included for the last time, with an impact of +0.86 MEUR across the entire income statement, which boosted the comparison period's revenue and earnings. On the positive side, this is the last time we need to consider this.

Overall, sales were strong in Q4, and the company achieved an all-time sales record in December in the United States, which has been subject to the most uncertainty. Only sales in the APAC region were relatively subdued in Q4, due to the strong appreciation of the euro against local currencies. This means customers have to digest a currency-based "price increase."

Customs duties dented the gross margin

Revenio's gross margin was only 67.6% in Q4, while expectations were generally over 70%. According to the company, the delayed price increases in the US impacted the margin by about 2 percentage points, but these price increases will take effect in early 2026. The company passes on customs costs directly to prices, but this will continue to put pressure on the gross margin, as the tariff increases did not include a "margin." This means the level will be around 70% going forward, whereas in recent years, we have been accustomed to a slightly higher level (~72%).

The weaker-than-anticipated gross margin created a "hole" of over 0.5 MEUR in the result, which also included negative non-recurring items of 0.5 MEUR. In total, exceptional items relative to the comparison period were roughly -2 MEUR. Q4 EBIT was ultimately 6.7 MEUR, while the corresponding figure for Q4'24 was 9.1 MEUR (same as our forecast). Overall, the Q4 result was a clear disappointment, but most of it can be explained by the aforementioned non-recurring items. However, it is clear that there have been too many negative surprises on the cost side in recent years, and "cost discipline" needs to improve. At the same time, we note that some of the costs are actually investments in the future, such as the development of the RetCAD AI algorithm.

Excellent cash flow and exceptional dividend proposal

Cash flow from operating activities in Q4 was an excellent 15.9 MEUR (Q4'24: 9.8 MEUR), further strengthening the balance sheet. The company's Board of Directors is seeking authorization to pay a dividend of up to EUR 0.44 per share later in 2026. The rationale for this exceptional solution cited industry consolidation, which makes us believe it is likely that Revenio is saving cash while considering an acquisition. For the time being, we kept our dividend estimate of EUR 0.42 per share unchanged, but we emphasize that a dividend may not be distributed at all for 2025.

Estimates	Q4'24	Q4'25	Q4'25e	Q4'25e	Consensus			Difference (%)	2025
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low		High	Act. vs. inderes	Actualized
Revenue	30.5	31.2	31.8	32.7	31.6	-	34.4	-2%	110
EBIT	9.1	6.7	9.1	9.4	8.9	-	9.9	-27%	25.4
EPS (reported)	0.25	0.21	0.26	0.27	0.25	-	0.29	-20%	0.89
DPS	0.40	0.42	0.42	0.42	0.40	-	0.44	0%	0.50
Revenue growth-%	4.8 %	2.3 %	4.0 %	7.1 %	3.5 %	-	12.6 %	-1.7 pp	6.0 %
EBIT-%	29.9 %	21.4 %	28.6 %	28.7 %	28.2 %	-	28.8 %	-7.3 pp	23.2 %

Source: Inderes & Modular Finance 2/3/2026 (consensus)

Guidance was in line with expectations, cost pressures remain

The outlook is good despite the uncertainty

Revenio guided for 2026 currency-adjusted revenue to grow by 8-15% and for profitability to be at a good level excluding non-recurring items. In the earnings preview, we estimated the guidance to be in the form of 7-15% FX-adjusted revenue growth and profitability at a good level, so the guidance was almost entirely in line with our expectations. The midpoint for revenue growth is 11.5%, while our forecast remains at 11%. Thus, no changes were needed for our growth estimates.

Otherwise, uncertainty continued to be highlighted in the outlook, but the company nevertheless seemed confident about good growth and the strength of its own sales and marketing efforts in the US market. The company expected growth from all business areas and had a strong sales pipeline, including for larger orders from the United States. Competitor Zeiss, in its profit warning at the end of January, complained about customers' reluctance to invest in the US, among other things, but Revenio achieved record sales in Q4 and continues to report strong demand.

Visibility to ILLUME's FDA timeline

Regarding growth drivers, the company for the first time disclosed figures for the iCare ILLUME screening solution, stating that it is already in use at 350 sites. This is a significant number considering it is a relatively recent launch and not yet in the US market. The complete solution (iCare DRSplus, RetCAD AI, and ILLUME software) does not have the required FDA approval for the US market, so the focus is currently on Europe. However, clinical trials aiming for FDA approval have begun with preliminary studies and are expected to progress to broader clinical trials in late H1'26. The company estimates that FDA approval is realistic by the end of H1'27, which was also our previous understanding of the timeline. In our opinion, screening solutions have performed well in Europe given the fragmented market, so this could become a strong earnings driver for Revenio as it expands into the US.

The company aims to return to scalable growth

In recent years, Revenio's earnings growth has been subdued as the company's cost base has grown faster than revenue. For example, in 2025, operating expenses grew by 9%, while reported revenue growth remained at 6%. Costs are also expected to increase significantly in 2026, partly due to a "temporary" cost of around 1.5 MEUR related to FDA studies. This will be specified as the project progresses.

In response to criticism regarding costs, Revenio's management stated that the company aims to return to being a scalable company. The company's management estimates that revenue will grow faster than operating expenses in 2026, even though salaries, in particular, will continue to rise significantly. However, the company excluded costs related to FDA studies from its estimate, the magnitude of which is still difficult to assess. In our forecasts, operating expenses are now rising by 8.6% and revenue by 11.0%.

Estimate revisions MEUR / EUR	2025 Old	2025e New	Change %	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %
Revenue	110	110	0%	122	122	0%	139	137	-1%
EBITDA	32.3	29.9	-7%	38.8	34.8	-10%	44.6	42.2	-6%
EBIT (exc. NRIs)	28.5	26.5	-7%	33.8	30.2	-11%	39.5	37.7	-5%
EBIT	27.8	25.4	-9%	33.8	30.2	-11%	39.5	37.7	-5%
PTP	25.0	22.8	-9%	34.1	30.6	-10%	40.2	38.2	-5%
EPS (excl. NRIs)	0.73	0.70	-4%	0.98	0.89	-10%	1.16	1.12	-3%
DPS	0.42	0.42	0%	0.50	0.50	0%	0.64	0.62	-3%

Source: Inderes

Revenio Financial Statements

Valuation remains at historic lows

Attractive valuation multiples

Revenio's 2026e EV/EBIT is very attractive to us at 15x. According to our calculations, the valuation has not been this low in the last 10 years, or effectively throughout the entire iCare era, as the forward-looking EV/EBIT multiple has mostly ranged between 20-30x during this period. Although Revenio's development and earnings growth rate have slowed in recent years amid a challenging market environment following a wave of investments, we still consider the valuation exceptionally low. We see clear upside in the valuation once the company proves it can maintain the earnings growth trajectory we expect.

In our view, Revenio's industry position and competitiveness have not weakened, as evidenced by the company's exceptionally high margins. Revenio has strong structural long-term growth drivers and deep moats (patents, brand, slow-moving nature and high barrier to entry). In the coming years, we believe the earnings growth prospects are good as new products slowly start to drive growth. In addition, Revenio will continue to expand its product portfolio through both in-house product development and acquisitions, which we believe are well positioned to create shareholder value.

Relative valuation is quite neutral

Revenio has historically traded at a premium to the peer group we use, which we believe is justified as long as the size of the premium remains reasonable. The company is growing faster than the industry and its long-term prospects are strong, while many of its future earnings drivers are still maturing. Compared to its competitors, Revenio's performance has also been good recently. The median 2026e EV/EBIT for the peer group is now around 17x, which is slightly higher than Revenio (15x).

Zeiss, previously among the best in the group, has faced difficulties in recent years, causing its stock to plummet and its valuation to be low. However, after the recent profit warning, it is difficult to say what level the company's 2026 consensus estimate will reach. With Topcon delisted, there are even fewer relevant peers. We consider Revenio's relative valuation to be moderate at the moment, but changes in peer valuations do not drive our view on the stock.

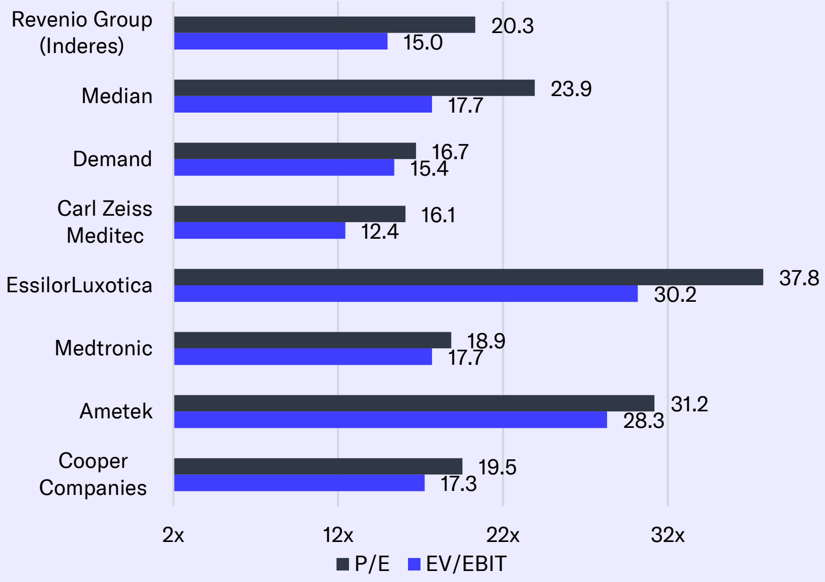
DCF could support an even higher target price

Our DCF calculation gives Revenio's share a value of around EUR 27, even though we have already lowered our long-term margin assumptions and our required return of 8.4% is reasonably high given the company's risk profile. The company's business generates strong free cash flow because it does not tie up significant capital, and the majority of R&D costs are expensed directly.

Valuation	2026e	2027e	2028e
Share price	18.0	18.0	18.0
Number of shares, millions	26.6	26.6	26.6
Market cap	479	479	479
EV	454	437	420
P/E (adj.)	20.3	16.1	13.9
P/E	20.3	16.1	13.9
P/B	3.8	3.3	3.0
P/S	3.9	3.5	3.1
EV/Sales	3.7	3.2	2.7
EV/EBITDA	13.0	10.4	8.9
EV/EBIT (adj.)	15.0	11.6	9.7
Payout ratio (%)	56.4 %	55.0 %	60.0 %
Dividend yield-%	2.8 %	3.4 %	4.3 %

Source: Inderes

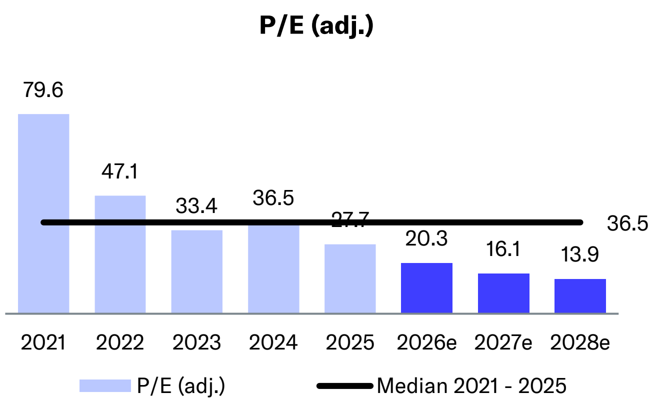
Peer group valuation multiples (2026e)

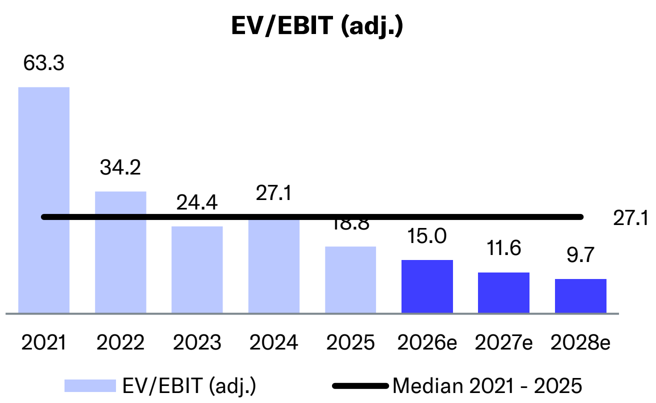


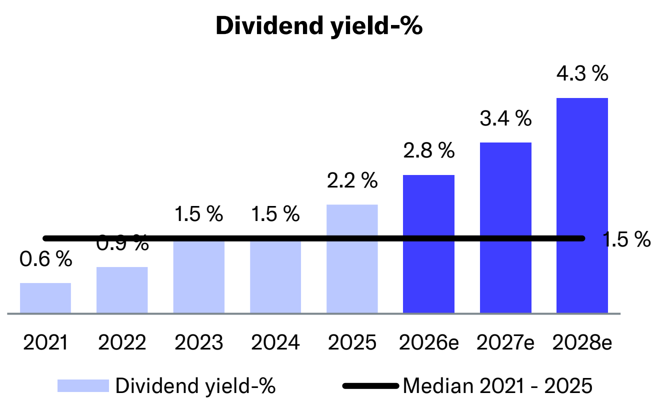
Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	55.6	38.6	25.2	26.6	19.3	**18.0**	**18.0**	**18.0**	**18.0**
Number of shares, millions	26.7	26.6	26.6	26.7	26.6	**26.6**	**26.6**	**26.6**	**26.6**
Market cap	1482	1026	670	709	513	**479**	**479**	**479**	**479**
EV	1482	1015	667	702	499	**454**	**437**	**420**	**401**
P/E (adj.)	79.6	47.1	33.4	36.5	27.7	**20.3**	**16.1**	**13.9**	**12.0**
P/E	85.7	47.1	35.1	38.2	29.5	**20.3**	**16.1**	**13.9**	**12.0**
P/B	18.9	11.3	6.7	6.6	4.5	**3.8**	**3.3**	**3.0**	**2.6**
P/S	18.8	10.6	6.9	6.9	4.7	**3.9**	**3.5**	**3.1**	**2.8**
EV/Sales	18.8	10.5	6.9	6.8	4.5	**3.7**	**3.2**	**2.7**	**2.3**
EV/EBITDA	57.6	30.6	22.0	23.2	16.7	**13.0**	**10.4**	**8.9**	**7.4**
EV/EBIT (adj.)	63.3	34.2	24.4	27.1	18.8	**15.0**	**11.6**	**9.7**	**8.0**
Payout ratio (%)	52.4 %	43.9 %	52.9 %	57.5 %	64.2 %	**56.4 %**	**55.0 %**	**60.0 %**	**80.0 %**
Dividend yield-%	0.6 %	0.9 %	1.5 %	1.5 %	2.2 %	**2.8 %**	**3.4 %**	**4.3 %**	**6.7 %**

Source: Inderes







The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years.

Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%	
Company	**MEUR**	**MEUR**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**
Revenio Group	507	505	17.2	14.9	14.8	12.9	4.5	4.1	23.9	19.6	2.3	2.6
Cooper Companies	13312	15343	17.3	15.8	14.5	13.3	4.4	4.2	19.5	17.7		
Ametek	44858	46406	28.3	25.9	23.5	21.5	7.5	6.9	31.2	28.6	0.5	0.6
Medtronic	111922	129742	17.7	16.9	15.8	15.0	4.6	4.2	18.9	18.2	2.7	2.8
EssilorLuxotica	119807	131053	30.2	27.0	19.2	17.3	4.7	4.3	37.8	33.8	1.5	1.7
Carl Zeiss Meditec	2426	2921	12.4	12.5	8.0	7.8	1.3	1.3	16.1	16.1	2.4	2.4
Demand	5507	8131	15.4	13.6	11.2	10.0	2.7	2.4	16.7	14.3		
Optomed (Inderes)	83	79				2004.7	4.6	4.2				
Revenio Group (Inderes)	**479**	**454**	**15.0**	**11.6**	**13.0**	**10.4**	**3.7**	**3.2**	**20.3**	**16.1**	**2.8**	**3.4**
Average			**21.8**	**19.8**	**17.0**	**214.3**	**4.4**	**4.0**	**26.4**	**23.9**	**1.5**	**1.6**
Median			**17.7**	**16.9**	**15.8**	**16.1**	**4.5**	**4.2**	**23.9**	**19.6**	**1.5**	**1.7**
Diff-% to median			**-15%**	**-31%**	**-18%**	**-36%**	**-18%**	**-24%**	**-15%**	**-18%**	**86%**	**107%**

Source: Refinitiv / Inderes

Income statement

Income statement	2023	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26e	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	**96.6**	**104**	**26.1**	**26.5**	**25.9**	**31.2**	**110**	**28.2**	**29.7**	**28.9**	**34.9**	**122**	**137**	**153**	**171**
Tonometers (estimate)	57.4	61.3	16.4	15.9	13.6	17.3	63.2	17.2	17.4	15.1	19.2	68.9	75.1	82.6	92.5
Imaging devices (estimate)	36.6	39.2	8.9	9.8	11.4	13.0	43.0	10.0	11.3	12.7	14.4	48.3	54.6	60.1	67.2
Software (estimate)	2.6	3.0	0.8	0.8	0.9	1.0	3.5	1.0	1.0	1.1	1.3	4.5	7.0	10.0	11.2
Other products (estimate)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	**30.3**	**30.2**	**7.7**	**7.2**	**7.2**	**7.8**	**29.9**	**7.5**	**8.3**	**8.5**	**10.5**	**34.8**	**42.2**	**47.4**	**54.2**
Depreciation	-3.9	-5.2	-1.1	-1.1	-1.1	-1.1	-4.5	-1.2	-1.2	-1.2	-1.2	-4.6	-4.4	-4.1	-4.1
EBIT (excl. NRI)	**27.3**	**26.0**	**6.6**	**6.6**	**6.2**	**7.1**	**26.5**	**6.4**	**7.2**	**7.4**	**9.3**	**30.2**	**37.7**	**43.3**	**50.1**
EBIT	**26.3**	**25.0**	**6.6**	**6.1**	**6.0**	**6.7**	**25.4**	**6.4**	**7.2**	**7.4**	**9.3**	**30.2**	**37.7**	**43.3**	**50.1**
Net financial items	-1.0	-0.4	-1.1	-1.7	0.0	0.1	-2.6	0.1	0.1	0.1	0.1	0.4	0.5	0.8	1.2
PTP	**25.4**	**24.6**	**5.6**	**4.4**	**6.0**	**6.8**	**22.8**	**6.5**	**7.3**	**7.5**	**9.4**	**30.6**	**38.2**	**44.1**	**51.3**
Taxes	-6.3	-6.1	-1.4	-1.3	-1.4	-1.3	-5.4	-1.5	-1.7	-1.7	-2.2	-7.0	-8.4	-9.7	-11.3
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	**19.1**	**18.5**	**4.2**	**3.1**	**4.6**	**5.6**	**17.4**	**5.0**	**5.6**	**5.8**	**7.2**	**23.6**	**29.8**	**34.4**	**40.0**
EPS (adj.)	**0.76**	**0.73**	**0.16**	**0.13**	**0.18**	**0.23**	**0.70**	**0.19**	**0.21**	**0.22**	**0.27**	**0.89**	**1.12**	**1.29**	**1.50**
EPS (rep.)	**0.72**	**0.70**	**0.16**	**0.12**	**0.17**	**0.21**	**0.65**	**0.19**	**0.21**	**0.22**	**0.27**	**0.89**	**1.12**	**1.29**	**1.50**

Key figures	2023	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26e	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	-0.4 %	7.2 %	10.5 %	4.2 %	8.1 %	2.3 %	6.0 %	8.2 %	12.2 %	11.9 %	11.6 %	11.0 %	12.3 %	11.7 %	12.0 %
Adjusted EBIT growth-%		-5.0 %	28.6 %	9.7 %	11.5 %	-22.8 %	2.2 %	-3.6 %	9.2 %	18.6 %	30.4 %	13.9 %	24.7 %	14.9 %	15.6 %
EBITDA-%	31.4 %	29.2 %	29.6 %	27.3 %	27.7 %	24.9 %	27.2 %	26.7 %	28.0 %	29.4 %	30.0 %	28.6 %	30.8 %	31.0 %	31.7 %
Adjusted EBIT-%	28.3 %	25.1 %	25.4 %	24.7 %	24.0 %	22.9 %	24.2 %	22.6 %	24.1 %	25.5 %	26.7 %	24.8 %	27.6 %	28.4 %	29.3 %
Net earnings-%	19.8 %	17.9 %	16.0 %	11.6 %	17.8 %	17.8 %	15.9 %	17.7 %	18.8 %	19.9 %	20.8 %	19.4 %	21.8 %	22.5 %	23.4 %

Source: Inderes

Full-year earnings per share are calculated using the number of shares at year-end.

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	**83.7**	**88.3**	**88.1**	**87.9**	**87.8**
Goodwill	63.3	62.9	62.9	62.9	62.9
Intangible assets	11.4	13.8	13.3	12.8	12.3
Tangible assets	2.4	2.1	2.4	2.7	3.1
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.6	0.8	0.8	0.8	0.8
Other non-current assets	2.6	5.0	5.0	5.0	5.0
Deferred tax assets	3.4	3.7	3.7	3.7	3.7
Current assets	**47.0**	**52.8**	**65.5**	**85.5**	**107**
Inventories	10.1	10.8	11.6	13.0	14.5
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	16.2	15.8	18.3	20.5	22.9
Cash and equivalents	20.7	26.2	35.6	52.0	69.8
Balance sheet total	**141**	**151**	**162**	**181**	**202**

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	**108**	**115**	**127**	**144**	**162**
Share capital	5.3	5.3	5.3	5.3	5.3
Retained earnings	52.2	59.4	71.8	88.3	106
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	50.2	50.0	50.0	50.0	50.0
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	**12.6**	**10.9**	**11.3**	**11.3**	**11.3**
Deferred tax liabilities	3.6	3.5	3.5	3.5	3.5
Provisions	0.6	0.8	0.8	0.8	0.8
Interest bearing debt	8.4	6.6	7.0	7.0	7.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	0.0	0.0	0.0	0.0
Current liabilities	**21.0**	**25.0**	**23.7**	**26.2**	**29.0**
Interest bearing debt	5.5	5.7	3.0	3.0	3.0
Payables	15.5	19.3	20.7	23.2	26.0
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	**141**	**151**	**162**	**181**	**202**

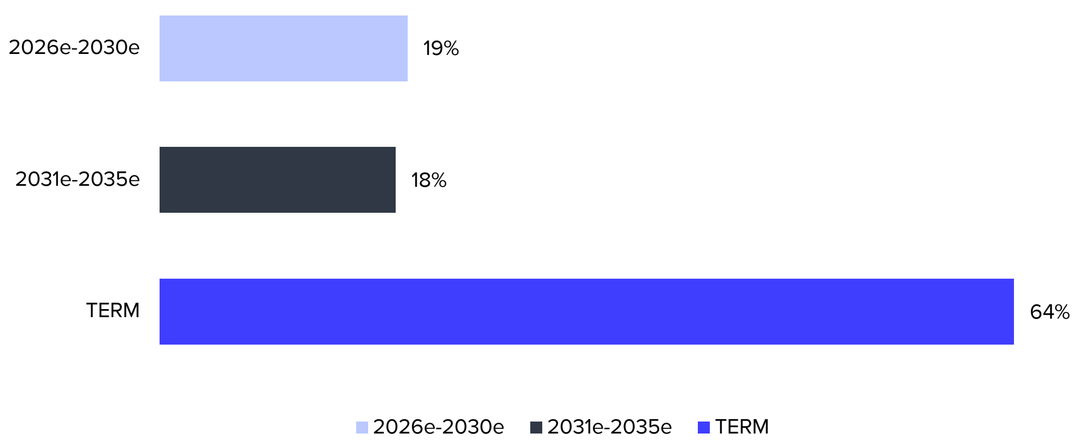
DCF calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	6.0 %	11.0 %	12.3 %	11.7 %	12.0 %	10.0 %	8.0 %	5.0 %	5.0 %	5.0 %	3.2 %	3.2 %
EBIT-%	23.2 %	24.8 %	27.6 %	28.4 %	29.3 %	29.0 %	28.0 %	28.0 %	27.0 %	27.0 %	27.0 %	27.0 %
EBIT (operating profit)	**25.4**	**30.2**	**37.7**	**43.3**	**50.1**	**54.5**	**56.9**	**59.7**	**60.5**	**63.5**	**65.5**	
+ Depreciation	4.5	4.6	4.4	4.1	4.1	4.1	4.1	4.4	4.5	4.7	4.8	
- Paid taxes	-5.8	-7.0	-8.4	-9.7	-11.3	-12.3	-12.9	-13.5	-13.7	-14.4	-14.9	
- Tax, financial expenses	-0.7	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	
+ Tax, financial income	0.1	0.1	0.2	0.3	0.3	0.4	0.4	0.5	0.5	0.5	0.5	
- Change in working capital	3.5	-1.8	-1.1	-1.2	-1.4	-1.3	-1.1	-0.8	-0.8	-0.8	-0.6	
Operating cash flow	**27.0**	**26.0**	**32.7**	**36.7**	**41.8**	**45.4**	**47.4**	**50.2**	**50.9**	**53.3**	**55.4**	
+ Change in other long-term liabilities	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-7.7	-3.4	-3.4	-3.2	-3.4	-3.2	-4.8	-4.7	-4.9	-5.2	-5.1	
Free operating cash flow	**19.5**	**22.6**	**29.3**	**33.5**	**38.4**	**42.2**	**42.6**	**45.5**	**46.0**	**48.2**	**50.3**	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	19.5	22.6	29.3	33.5	38.4	42.2	42.6	45.5	46.0	48.2	50.3	991
Discounted FCFF		**21.1**	**25.2**	**26.5**	**28.0**	**28.4**	**26.4**	**26.1**	**24.3**	**23.5**	**22.6**	**445**
Sum of FCFF present value		697	676	651	624	596	568	542	516	491	468	445
Enterprise value DCF		**697**										
- Interest bearing debt		-12.3										
+ Cash and cash equivalents		26.2										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		**711**										
Equity value DCF per share		**26.7**										

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

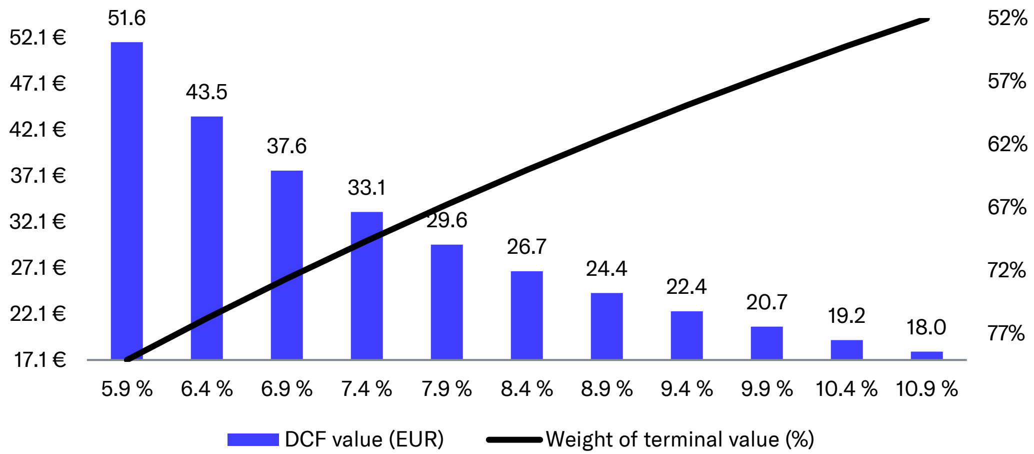
Source: Inderes

Cash flow distribution

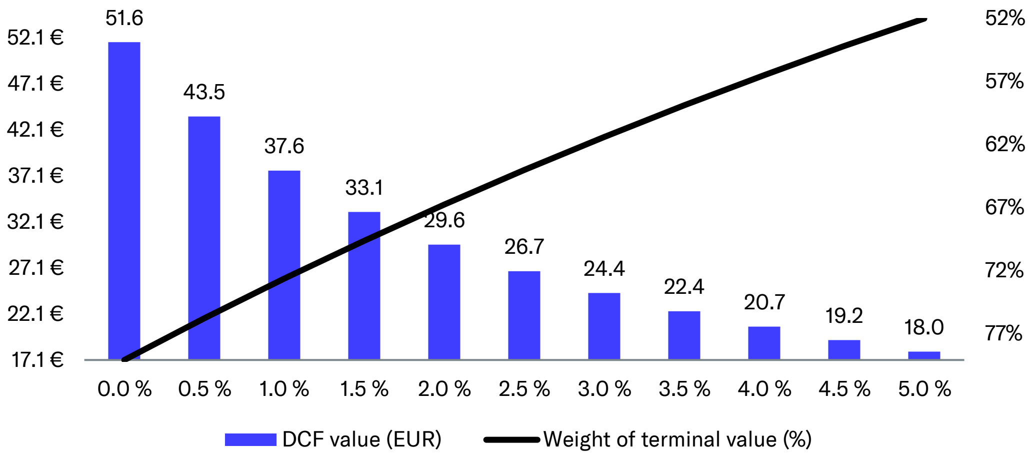


DCF sensitivity calculations and key assumptions in graphs

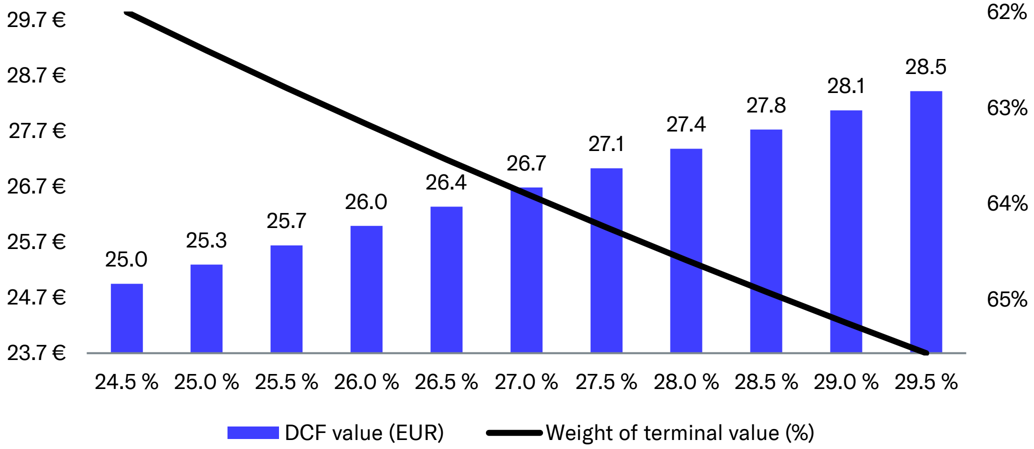
Sensitivity of DCF to changes in the WACC-%



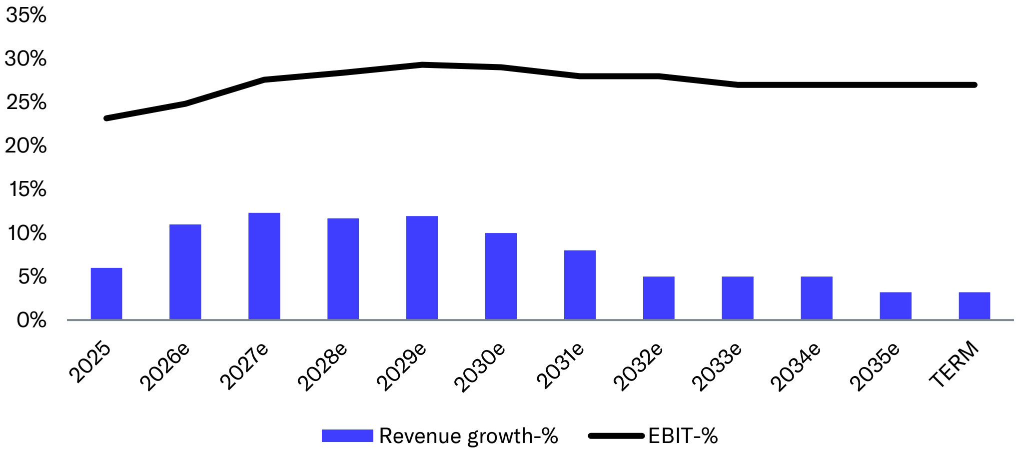
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



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

Summary

Income statement	2023	2024	2025	2026e	2027e
Revenue	96.6	103.5	109.7	**121.8**	**136.7**
EBITDA	30.3	30.2	29.9	**34.8**	**42.2**
EBIT	26.3	25.0	25.4	**30.2**	**37.7**
PTP	25.4	24.6	22.8	**30.6**	**38.2**
Net Income	19.1	18.5	17.4	**23.6**	**29.8**
Extraordinary items	-1.0	-0.9	-1.1	**0.0**	**0.0**

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	0.72	0.70	0.65	**0.89**	**1.12**
EPS (adj.)	0.76	0.73	0.70	**0.89**	**1.12**
OCF / share	0.40	0.93	1.01	**0.98**	**1.23**
OFCF / share	0.09	0.56	0.73	**0.85**	**1.10**
Book value / share	3.76	4.04	4.31	**4.78**	**5.40**
Dividend / share	0.38	0.40	0.42	**0.50**	**0.62**

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	137.4	141.3	150.6	**162.1**	**181.1**
Equity capital	99.9	107.7	114.7	**127.1**	**143.6**
Goodwill	59.4	63.3	62.9	**62.9**	**62.9**
Net debt	-2.9	-6.8	-13.9	**-25.6**	**-42.0**

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	0%	7%	6%	**11%**	**12%**
EBITDA growth-%	-9%	0%	-1%	**17%**	**21%**
EBIT (adj.) growth-%	-8%	-5%	2%	**14%**	**25%**
EPS (adj.) growth-%	-8%	-3%	-4%	**27%**	**26%**
EBITDA-%	31.4 %	29.2 %	27.2 %	**28.6 %**	**30.8 %**
EBIT (adj.)-%	28.3 %	25.1 %	24.2 %	**24.8 %**	**27.6 %**
EBIT-%	27.3 %	24.2 %	23.2 %	**24.8 %**	**27.6 %**
ROE-%	20.0 %	17.9 %	15.6 %	**19.5 %**	**22.0 %**
ROI-%	23.3 %	21.3 %	20.8 %	**23.4 %**	**26.5 %**
Equity ratio	72.7 %	76.2 %	76.2 %	**78.4 %**	**79.3 %**
Gearing	-2.9 %	-6.3 %	-12.1 %	**-20.2 %**	**-29.3 %**

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	30.3	30.2	29.9	**34.8**	**42.2**
Change in working capital	-11.6	1.0	3.5	**-1.8**	**-1.1**
Operating cash flow	10.5	24.7	27.0	**26.0**	**32.7**
CAPEX	-8.2	-9.8	-7.7	**-3.4**	**-3.4**
Free cash flow	2.4	14.9	19.5	**22.6**	**29.3**

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	6.9	6.8	4.5	**3.7**	**3.2**
EV/EBITDA	22.0	23.2	16.7	**13.0**	**10.4**
EV/EBIT (adj.)	24.4	27.1	18.8	**15.0**	**11.6**
P/E (adj.)	33.4	36.5	27.7	**20.3**	**16.1**
P/B	6.7	6.6	4.5	**3.8**	**3.3**
Dividend-%	1.5 %	1.5 %	2.2 %	**2.8 %**	**3.4 %**

Source: Inderes

The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years. Per-share figures are calculated using the number of shares at year-end.

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

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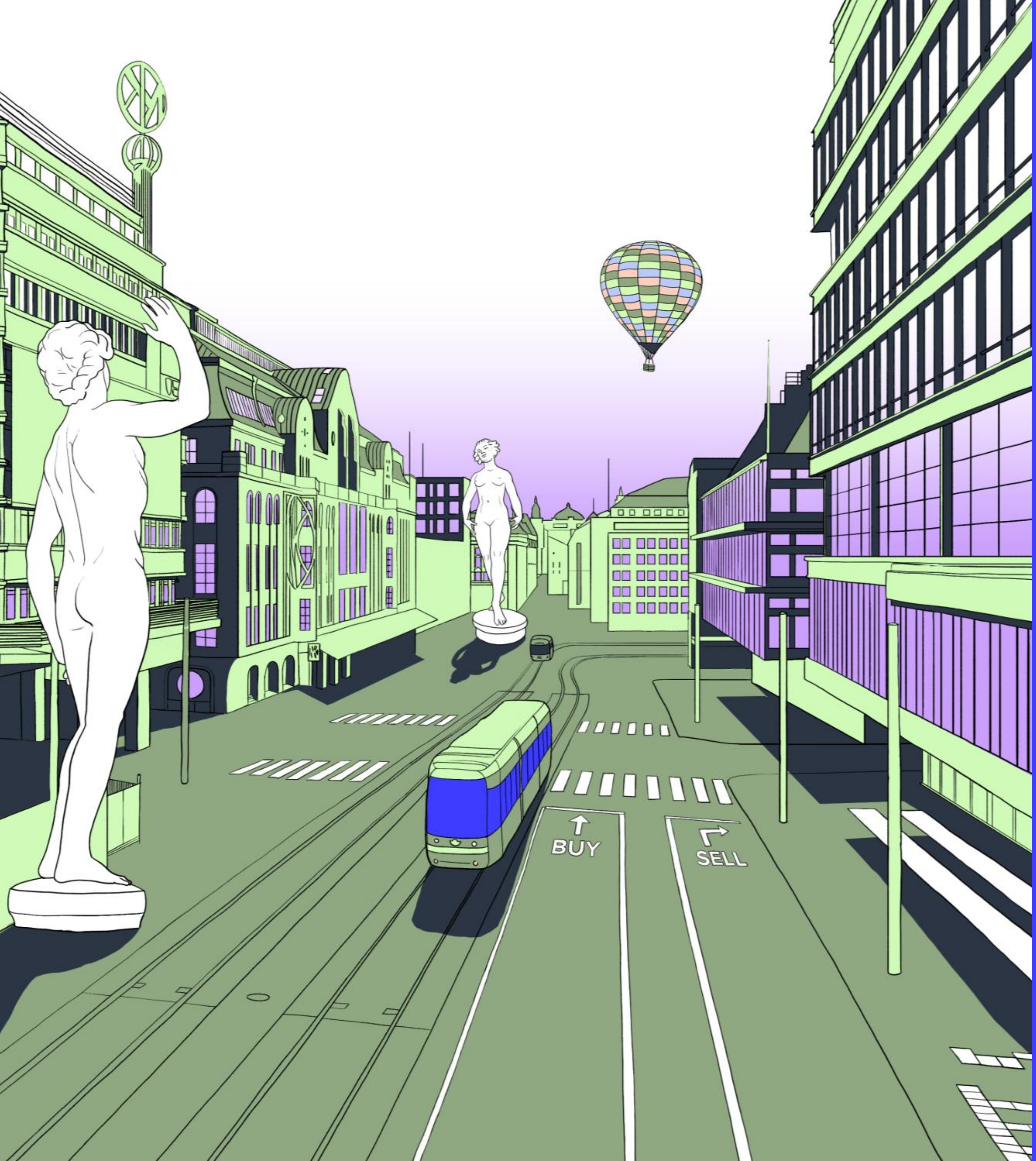
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
2/21/2020	Accumulate	31.00 €	28.85 €
3/19/2020	Buy	24.00 €	18.48 €
4/23/2020	Accumulate	25.00 €	22.75 €
8/7/2020	Reduce	34.00 €	33.50 €
10/23/2020	Reduce	36.00 €	38.05 €
12/21/2020	Reduce	44.00 €	48.65 €
2/12/2021	Accumulate	60.00 €	53.00 €
4/26/2021	Accumulate	65.00 €	59.20 €
Analyst changed			
6/9/2021	Accumulate	65.00 €	59.50 €
8/6/2021	Reduce	65.00 €	64.80 €
10/22/2021	Accumulate	58.00 €	55.40 €
2/11/2022	Accumulate	48.00 €	44.30 €
4/7/2022	Reduce	48.00 €	47.96 €
4/29/2022	Reduce	48.00 €	47.58 €
8/5/2022	Reduce	52.00 €	54.30 €
10/28/2022	Reduce	40.00 €	39.48 €
1/27/2023	Reduce	40.00 €	37.62 €
2/10/2023	Reduce	38.00 €	37.26 €
1/27/2023	Reduce	40.00 €	37.62 €
2/10/2023	Reduce	38.00 €	37.26 €
3/20/2023	Accumulate	38.00 €	34.66 €
4/28/2023	Reduce	38.00 €	39.24 €
8/3/2023	Accumulate	26.00 €	24.08 €
8/11/2023	Accumulate	26.00 €	23.20 €
10/4/2023	Buy	26.00 €	19.81 €
10/27/2023	Buy	24.50 €	19.90 €
12/7/2023	Accumulate	25.50 €	23.66 €
2/16/2024	Reduce	28.00 €	27.94 €
4/4/2024	Accumulate	28.00 €	25.86 €
4/26/2024	Accumulate	28.00 €	23.86 €
8/9/2024	Accumulate	32.00 €	28.82 €
11/1/2024	Accumulate	32.00 €	29.50 €
1/20/2025	Accumulate	32.00 €	28.18 €
2/14/2025	Accumulate	30.00 €	27.60 €
4/30/2025	Accumulate	30.00 €	27.40 €
8/8/2025	Accumulate	28.00 €	24.60 €
10/31/2025	Accumulate	28.00 €	24.35 €
2/9/2026	Buy	26.00 €	19.28 €
2/12/2026	Buy	24.00 €	18.02 €



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