

## Well in line with expectations

Innofactor's Q1 results were in line with our expectations. Net sales amounted to EUR 17.8m (Evli EUR 17.9m), while EBITDA amounted to EUR 4.7m (Evli EUR 4.8m). EBITDA included a one-off of approx. EUR 2.6m related to the Prime business divestment.

- Net sales in Q1 amounted to EUR 17.8m (EUR 17.2m in Q1/20), in line with our estimates (Evli EUR 17.9m). Net sales in Q1 grew 3.8% y/y. The growth was fully attributable to Finland but Innofactor expects to achieve growth also outside Finland from Q2 onwards.
- EBITDA in Q1 was EUR 4.7m (EUR 2.0m in Q1/20), in line with our estimates (Evli EUR 4.8m), at a margin of 26.2%. EBITDA included a one-off of approx. EUR 2.6m relating to the Prime business divestment. EBITDA excl. NRI's would have been EUR 2.1m, 7.3% higher y/y.
- Operating profit in Q1 amounted to EUR 3.8m (EUR 0.8m in Q1/20), in line with our estimates (Evli EUR 3.6m), at a margin of 21.4%. EBIT excl. NRI's would have been EUR 1.3m, 53% higher y/y.
- Order backlog at EUR 68.9m, up 27.4% y/y. Innofactor succeeded well in sales during the first quarter and also received its largest order in history from the Finnish Tax Administration.
- Innofactor expects that the COVID-19 pandemic will not cause significant harm to Innofactor's business in 2021.
- **Guidance reiterated:** Innofactor's net sales and EBITDA in 2021 are estimated to increase compared to 2020 (net sales and EBITDA EUR 66.3m and EUR 7.2m respectively).

### Rating + BUY

Q1/21	Actual	Evli	Year ago	Q4/20
Net sales	17.8	17.9	17.2	17.3
EBITDA	4.7	4.8	2.0	2.2
EBIT	3.8	3.6	0.8	1.4

Deviation	Actual	Evli	Year ago	Q4/20
Net sales		-1%	4%	3%
EBITDA		-1%	>100%	>100%
EBIT		6%	>100%	>100%

Share price, EUR (Last trading day's closing price)	1.98
Target price, EUR	2.2
Latest change in recommendation	05-Jun-19
Latest report on company	23-Apr-21
Research paid by issuer:	YES
No. of shares outstanding, '000's	37,388
No. of shares fully diluted, '000's	37,388
Market cap, EURm	74
Free float, %	47.0
Exchange rate EUR	0.000
Reuters code	IFA1V.HE
Bloomberg code	IFA1V FH
Average daily volume, EURm	0.04
Next interim report	27-Apr-21
Web site	www.innofactor.com
Analyst	Jerker Salokivi
E-mail	jerker.salokivi@evli.com
Telephone	+358 9 4766 9149

+ BUY   + HOLD   - SELL

### PRE-REPORT KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2019	64.2	0.8	1.2%	4.4	0.01	64.6	0.7	53.8	16.3	0.00
2020	66.2	2.5	3.8%	4.0	0.05	27.2	0.9	24.1	8.4	0.04
2021E	68.4	8.1	11.8%	10.3	0.16	12.7	1.1	9.6	13.9	0.06
2022E	71.1	6.8	9.5%	4.8	0.13	14.8	1.1	11.1	6.5	0.07
2023E	73.3	7.0	9.5%	5.2	0.14	13.9	1.0	10.4	7.0	0.07

Market cap, EURm	74	BV per share 2021E, EUR	12.9	CAGR EPS 2020-23, %	44.6
Net debt 2021E, EURm	4	Price/book 2021E	2.7	CAGR sales 2020-23, %	3.5
Enterprise value, EURm	78	Dividend yield 2021E, %	3.0	ROE 2021E, %	22.8
Total assets 2021E, EURm	59	Tax rate 2021E, %	21.0	ROCE 2021E, %	20.3
Goodwill 2021E, EURm	24	Equity ratio 2021E, %	46.9	PEG, P/E 21/CAGR	-5.8

All the important disclosures can be found on the last pages of this report.

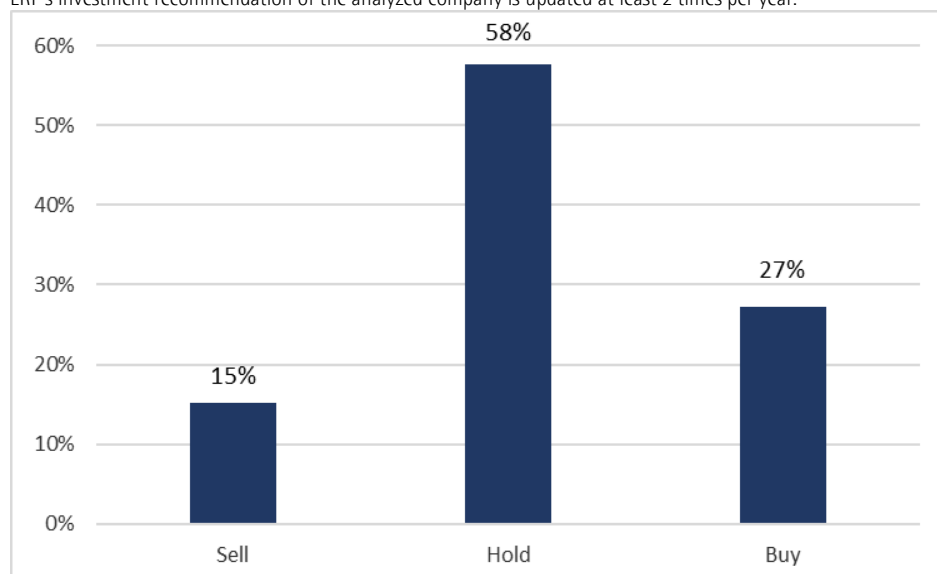
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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Name(s) of the analyst(s): Salokivi

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## Contact information

### SALES, TRADING AND RESEARCH

#### Equity, ETF and Derivatives Sales

Joachim Dannberg +358 9 4766 9123  
Ari Laine +358 9 4766 9115  
Kimmo Lilja +358 9 4766 9130

#### Trading

Lauri Vehkaluoto (Head) +358 9 4766 9120  
Pasi Väisänen +358 9 4766 9120  
Antti Kässi +358 9 4766 9120  
Miika Ronkanen +358 9 4766 9120

#### Structured Investments

Heikki Savijoki +358 9 4766 9726  
Aki Lakkisto +358 9 4766 9123

#### Equity Research

Jonas Forslund +358 9 4766 9314  
Joonas Ilvonen +358 44 430 9071  
Jerker Salokivi +358 9 4766 9149  
Anna-Liisa Rissanen +358 40 157 9919  
Teemu Reiman +358 40 352 6175

#### Evli Investment Solutions

Johannes Asuja +358 9 4766 9205  
Markku Reinikainen +358 9 4766 9669



**EVLI BANK PLC**  
Aleksanterinkatu 19 A  
P.O. Box 1081  
FIN-00101 Helsinki, FINLAND  
Phone +358 9 476 690  
Fax +358 9 634 382  
Internet [www.evli.com](http://www.evli.com)  
E-mail [firstname.lastname@evli.com](mailto:firstname.lastname@evli.com)

**EVLI BANK PLC,  
STOCKHOLMSFILIAL**  
Regeringsgatan 67 P.O. Box 16354  
SE-103 26 Stockholm  
Sverige  
[stockholm@evli.com](mailto:stockholm@evli.com)  
Tel +46 (0)8 407 8000  
Fax +46 (0)8 407 8001