

Figures as expected

Innofactor's Q2 results were as expected. Net sales amounted to EUR 17.3m (Evli EUR 17.3m), while EBITDA amounted to EUR 2.1m (Evli EUR 2.2m). The order backlog continued to grow well, up 28% y/y to EUR 72.7m.

- Net sales in Q2 amounted to EUR 17.3m (EUR 16.8m in Q2/20), in line with our estimates (Evli EUR 17.3m). Net sales in Q2 grew 3.2% y/y and 7.6% organically. Revenue grew in all countries.
- EBITDA in Q2 was EUR 2.1m (EUR 2.0m in Q2/20), in line with our estimates (Evli EUR 2.2m), at a margin of 12.1%. EBITDA was positive in Finland, Norway and Denmark.
- Operating profit in Q2 amounted to EUR 1.3m (EUR 0.9m in Q2/20), in line with our estimates (Evli EUR 1.4m), at a margin of 7.4%.
- Order backlog at EUR 72.7m, up 28% y/y. Innofactor succeeded well in sales during the second quarter and received several significant orders.
- Innofactor expects that the COVID-19 pandemic will not cause significant harm to Innofactor's business in 2021.
- Innofactor made an early repayment of loans for EUR 2.7m, improving the company's equity ratio to 49.9% and net gearing to 30.5%.
- **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

Q2/21	Actual	Evli	Year ago	Q1/21
Net sales	17.3	17.3	16.8	17.8
EBITDA	2.1	2.2	2.0	4.7
EBIT	1.3	1.4	0.9	3.8
Deviation	Actual	Evli	Year ago	Q1/21
Net sales		0 %	3 %	-3 %
EBITDA		-2 %	5 %	-55 %
EBIT		-7 %	47 %	-66 %
Share price, EUR (Last trading day's closing price)				1.91
Target price, EUR				2.2
Latest change in recommendation				05-Jun-19
Latest report on company				28-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				71
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				22-Jul-21
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+ 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%	3.5	0.05	27.2	0.9	24.1	7.4	0.04
2021E	68.4	8.2	12.0%	6.8	0.15	12.5	1.1	9.6	9.5	0.06
2022E	71.1	6.8	9.5%	4.7	0.13	15.0	1.1	11.2	6.6	0.06
2023E	73.3	7.0	9.5%	5.1	0.14	13.9	1.0	10.5	7.1	0.07
Market cap, EURm	71		BV per share 2021E, EUR		25.4		CAGR EPS 2020-23, %		42.9	
Net debt 2021E, EURm	7		Price/book 2021E		2.6		CAGR sales 2020-23, %		3.5	
Enterprise value, EURm	78		Dividend yield 2021E, %		3.1		ROE 2021E, %		22.3	
Total assets 2021E, EURm	59		Tax rate 2021E, %		21.2		ROCE 2021E, %		20.6	
Goodwill 2021E, EURm	27		Equity ratio 2021E, %		46.8		PEG, P/E 21/CAGR		-6.6	

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

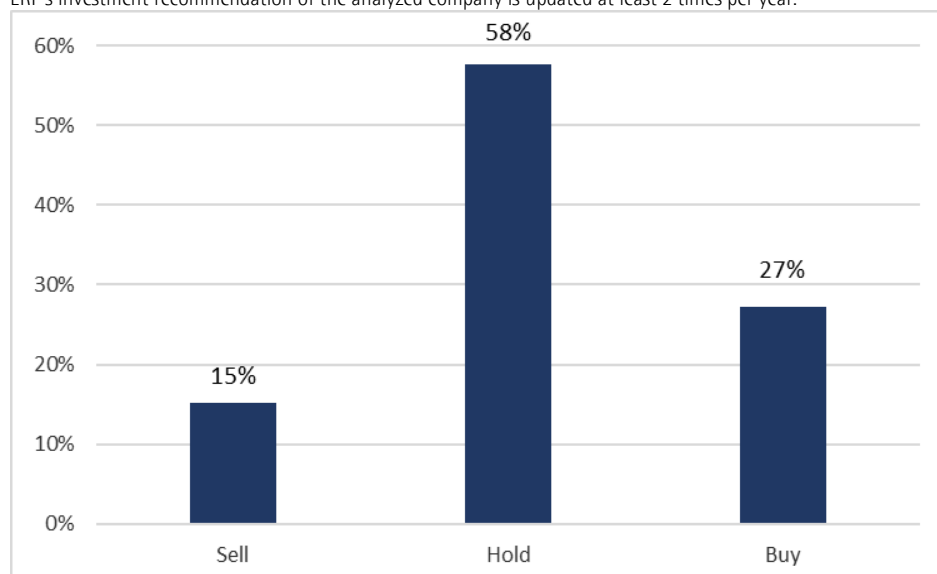
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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