

Nice finish to the year

Innofactor's Q4 results were in line with expectations. Net sales grew 17.1% y/y to EUR 20.5m (Evli EUR 20.5m). EBIT amounted to EUR 1.8m (Evli EUR 1.9m). Innofactor's net sales and EBITDA in 2023 are expected to increase compared with 2022. Dividend proposal EUR 0.06 per share (Evli EUR 0.06).

- Net sales in Q4 amounted to EUR 20.5m (EUR 17.5m in Q4/21), in line with our estimates (Evli EUR 20.5m). Net sales in Q4 grew 17.1% y/y and 12.7% organically. Net sales increased in Finland and Norway but declined in Sweden and Denmark.
- EBITDA in Q4 was EUR 2.6m (EUR 1.7m in Q4/21, in line with our estimates (Evli EUR 2.7m), at a margin of 12.7%.
- Operating profit in Q4 amounted to EUR 1.8m (EUR 0.5m in Q4/21, in line with our estimates (Evli EUR 1.9m), at a margin of 8.8%.
- Order backlog at EUR 75.8m, up 4.1% y/y. New orders included an information management solution for the Finnish Defence Forces Logistics Command, approximately EUR 22 million (not yet in order backlog, slightly over half estimated to be entered in Q1/2023).
- **Guidance for 2023:** Innofactor's net sales is expected to increase from 2022 (EUR 77.1m) and EBITDA is expected to increase from 2022 (EUR 7.8m).
- **Dividend proposal:** Innofactor's BoD proposes a distribution of EUR 0.06 per share a repayment of capital (Evli EUR 0.06).

Rating + BUY

Q4/22	Actual	Evli	Year ago	Q3/22
Net sales	20.5	20.5	17.5	16.7
EBITDA	2.6	2.7	1.7	1.8
EBIT	1.8	1.9	0.5	1.0
Deviation	Actual	Evli	Year ago	Q3/22
Net sales		0 %	17 %	23 %
EBITDA		-2 %	56 %	44 %
EBIT		-5 %	>100%	80 %
Share price, EUR (Last trading day's closing price)				1.17
Target price, EUR				1.25
Latest change in recommendation				05-Jun-19
Latest report on company				26-Oct-22
Research paid by issuer:				YES
No. of shares outstanding, '000's				36,647
No. of shares fully diluted, '000's				36,647
Market cap, EURm				43
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				09-Feb-23
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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
2020	66.2	2.5	3.8%	3.5	0.05	27.2	0.9	24.1	7.4	0.04
2021	66.4	6.5	9.8%	7.0	0.12	13.2	1.0	10.3	11.8	0.08
2022E	71.1	4.8	6.8%	-3.9	0.09	12.8	0.8	11.9	-9.1	0.06
2023E	75.4	6.2	8.2%	4.1	0.12	10.0	0.7	9.0	9.6	0.08
2024E	77.2	6.6	8.6%	4.6	0.13	9.1	0.7	8.1	10.8	0.08
Market cap, EURm	43		BV per share 2022E, EUR		57.2		CAGR EPS 2021-24, %		2.2	
Net debt 2022E, EURm	15		Price/book 2022E		1.7		CAGR sales 2021-24, %		5.2	
Enterprise value, EURm	58		Dividend yield 2022E, %		5.1		ROE 2022E, %		13.1	
Total assets 2022E, EURm	59		Tax rate 2022E, %		20.2		ROCE 2022E, %		12.5	
Goodwill 2022E, EURm	30		Equity ratio 2022E, %		43.3		PEG, P/E 22/CAGR		0.8	

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

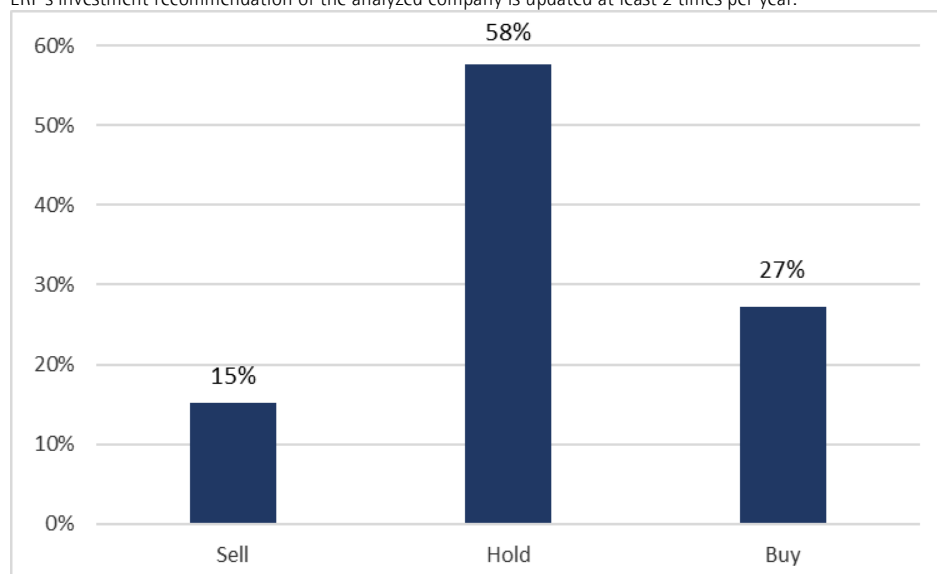
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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