

In line with our expectations

Innofactor's Q1 results were well in line with our expectations. Net sales were up ~5% y/y to EUR 21.2m (Evli EUR 21.0m) while EBITDA amounted to EUR 2.6m (Evli EUR 2.6m). Guidance for 2024 reiterated: Innofactor's net sales and EBITDA are expected to increase compared with 2023.

- Net sales in Q1 amounted to EUR 21.2m (EUR 20.2m in Q1/23), in line with our estimates (Evli EUR 21.0m). Net sales in Q1 grew 4.8%.
- EBITDA in Q1 was EUR 2.6m (EUR 2.5m in Q1/23), in line with our estimates (Evli EUR 2.6m), at a margin of 12.3%.
- Operating profit in Q1 amounted to EUR 1.8m (EUR 1.7m in Q1/23, in line with our estimates (Evli EUR 1.8m), at a margin of 8.7%.
- EBITDA was positive in Finland and Norway in Q1 but negative in the other countries.
- Innofactor saw challenges in new sales during the quarter due to the challenging market situation but was successful in sales to existing customers. Billing rates fell below expected levels due to the demand situation. Innofactor is expected to reduce the amount of personnel in Sweden by around 20% during Q2 due to continued profitability challenges.
- Order backlog at EUR 68.8m, down 9.8% y/y.
- **Guidance for 2024 (reiterated):** Innofactor's net sales is expected to increase from 2023 (EUR 80.3m) and EBITDA is expected to increase from 2023 (EUR 9.1m).

Rating + BUY

Q1/24	Actual	Evli	Year ago
Net sales	21.2	21.0	20.2
EBITDA	2.6	2.6	2.5
EBIT	1.8	1.8	1.7

Deviation	Actual	Evli	Year ago
Net sales		1 %	5 %
EBITDA		2 %	5 %
EBIT		0 %	5 %

Share price, EUR (Last trading day's closing price) 1.29

Target price, EUR 1.5

Latest change in recommendation 05-Jun-19

Latest report on company 09-Feb-24

Research paid by issuer: YES

No. of shares outstanding, '000's 35,744

No. of shares fully diluted, '000's 35,744

Market cap, EURm 46

Free float, % 47.0

Exchange rate EUR 0.000

Reuters code IFA1V.HE

Bloomberg code IFA1V.FH

Average daily volume, EURm 0.02

Next interim report 23-Apr-24

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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
2022	71.1	4.8	6.7%	-0.7	0.09	11.5	0.7	10.6	-1.9	0.06
2023	80.3	5.8	7.3%	6.1	0.09	13.0	0.7	9.2	13.6	0.07
2024E	83.8	6.7	8.0%	1.8	0.14	9.3	0.7	8.4	4.0	0.09
2025E	87.2	7.8	9.0%	5.8	0.16	7.9	0.6	6.8	12.6	0.11
2026E	89.4	8.0	9.0%	6.1	0.17	7.6	0.6	6.4	13.1	0.11

Market cap, EURm	46	BV per share 2024E, EUR	35.5	CAGR EPS 2023-26, %	21.6
Net debt 2024E, EURm	10	Price/book 2024E	1.7	CAGR sales 2023-26, %	3.6
Enterprise value, EURm	56	Dividend yield 2024E, %	7.0	ROE 2024E, %	18.5
Total assets 2024E, EURm	58	Tax rate 2024E, %	20.0	ROCE 2024E, %	18.3
Goodwill 2024E, EURm	27	Equity ratio 2024E, %	47.8	PEG, P/E 24/CAGR	1.1

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

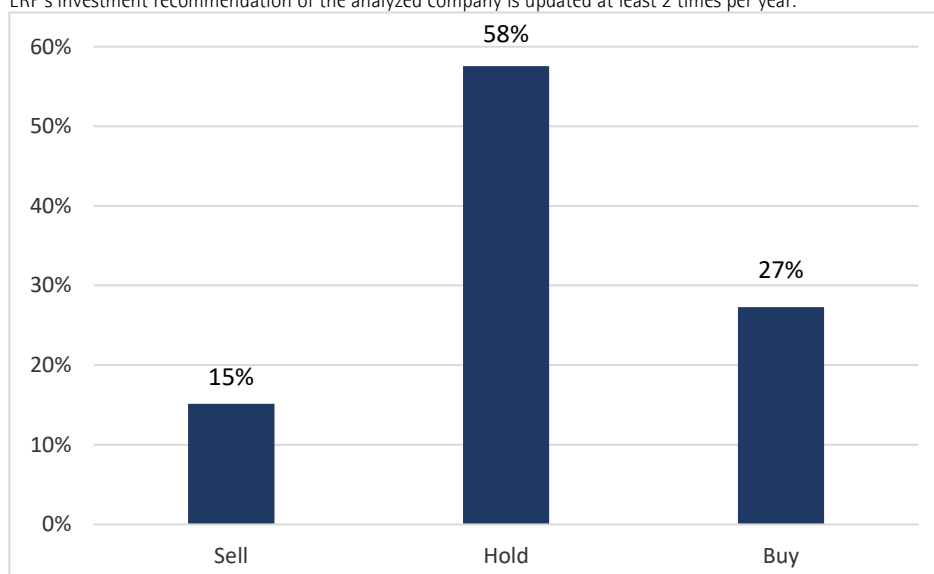
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Investment recommendations are defined as follows:

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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