

Posted solid growth figures

Innofactor's Q3 results were better than expected. Net sales turned to a clear growth of 21.5% y/y to EUR 16.7m (Evli EUR 14.9m) aided by improved invoicing rates after the more challenging first half of 2022. Q3 EBIT of EUR 1.0m was in line with our estimates (Evli EUR 1.1m).

- Net sales in Q3 amounted to EUR 16.7m (EUR 13.7m in Q3/21), clearly above our estimates (Evli EUR 14.9m). Net sales in Q3 grew 21.5% y/y and 13.4% organically. Net sales increased in all operating countries. Net sales growth was aided by improvements in invoicing rates.
- EBITDA in Q3 was EUR 1.8m (EUR 1.7m in Q3/21, in line with our estimates (Evli EUR 1.9m), at a margin of 10.7%. EBITDA was positive in all operating countries.
- Operating profit in Q3 amounted to EUR 1.0m (EUR 0.9m in Q3/21, in line with our estimates (Evli EUR 1.1m), at a margin of 5.8%.
- Order backlog at EUR 77.3m, up 7.3% y/y. New orders included for instance the Legal Register Centre (approx. EUR 4.0m) Aalto University Foundation's (approx. EUR 5.0m).
- **Guidance for 2022 (reiterated):** Innofactor's net sales is expected to increase from 2021 (EUR 66.4m) and EBITDA is expected to increase from EUR 7.5m, which would have been EBITDA without the proceeds of EUR 2.6m from the sale of the Prime business.

Rating					BUY
Q3/22	Actual	Evli	Year ago	Q2/22	
Net sales	16.7	14.9	13.7	17.5	
EBITDA	1.8	1.9	1.7	1.7	
EBIT	1.0	1.1	0.9	0.5	
Deviation	Actual	Evli	Year ago	Q2/22	
Net sales		12 %	22 %	-5 %	
EBITDA		-3 %	6 %	8 %	
EBIT		-9 %	9 %	91 %	
Share price, EUR (Last trading day's closing price)					0.91
Target price, EUR					1.25
Latest change in recommendation					05-Jun-19
Latest report on company					22-Jul-22
Research paid by issuer:					YES
No. of shares outstanding, '000's					36,588
No. of shares fully diluted, '000's					36,588
Market cap, EURm					33
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					25-Oct-22
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
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	67.9	4.7	6.9%	-3.9	0.09	10.3	0.7	10.3	-11.7	0.06
2023E	72.0	6.1	8.5%	4.1	0.12	7.9	0.6	7.5	12.3	0.08
2024E	73.8	6.6	9.0%	4.6	0.13	7.1	0.6	6.7	13.9	0.08
Market cap, EURm	33		BV per share 2022E, EUR		57.5		CAGR EPS 2021-24, %		2.2	
Net debt 2022E, EURm	15		Price/book 2022E		1.3		CAGR sales 2021-24, %		3.6	
Enterprise value, EURm	48		Dividend yield 2022E, %		6.3		ROE 2022E, %		12.7	
Total assets 2022E, EURm	59		Tax rate 2022E, %		20.0		ROCE 2022E, %		12.1	
Goodwill 2022E, EURm	30		Equity ratio 2022E, %		43.8		PEG, P/E 22/CAGR		0.7	

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

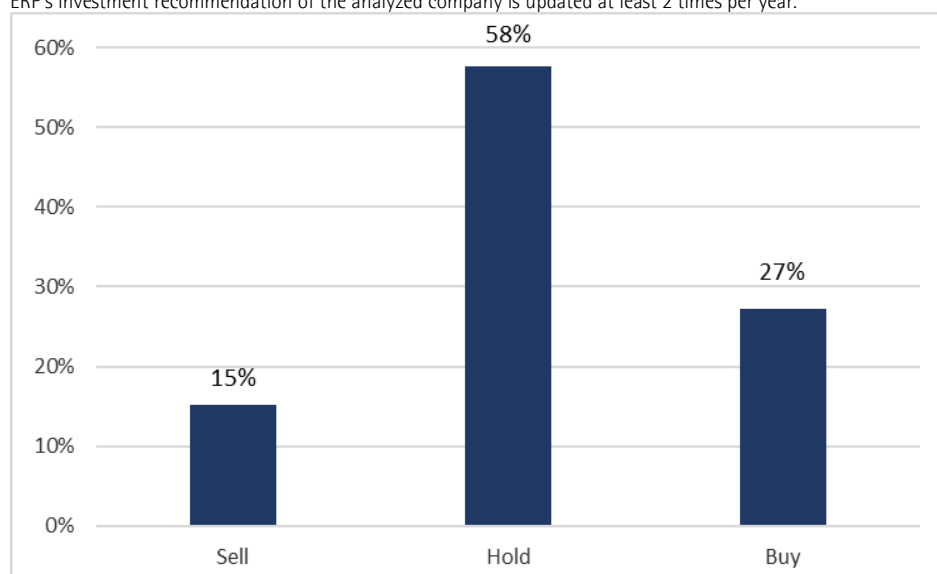
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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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

Arttu Heikura +358 40 082 8098
Joonas Ilvonen +358 44 430 9071
Jerker Salokivi +358 9 4766 9149

Evli Investment Solutions

Johannes Asuja +358 9 4766 9205



EVLI PLC
Aleksanterinkatu 19 A
P.O. Box 1081
FIN-00101 Helsinki, FINLAND
Phone +358 9 476 690
Internet www.evli.com
E-mail firstname.lastname@evli.com

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