



ERIK PENSER BANK

Penser Access | Software | Sweden | 04 October 2023

Irisity

A new deal

Share issue provides further room to grow

During Q3, Irisity has received two capital injections – SEK 17.5m from the company's new CEO and a directed share issue of SEK 39m. This makes it possible for Irisity to accelerate its growth and reduce the company's financial risk, as it has previously taken on loans to finance its working capital. We believe the company can now focus on expanding its OEM partnerships internationally, which we consider an important source of future growth.

Strong belief in the technology

We have confidence in Irisity's technology, thanks to the technical validation it has received from several large players in the field. In Q4'22, the company signed two framework agreements with key players in the ecosystem. Moreover, interest in the industry for software investments that facilitate surveillance work is substantial. During 2022, Irisity had repeated problems with project delivery. We believe this was partly the result of winning larger and more complex projects for which it lacked the full delivery capacity and also the lack of strategy from the previous management. We consider the robust growth q/q proof that Irisity can deliver.

Faith in the new management

We believe the new management's security industry experience implies high credibility in executing the newly presented market strategy. This gives us confidence in guidance for the current year, partly driven by our belief that reported MRR has now the trough of the cycle. We expect the company will start seeing synergies from the Agent Vi acquisition in the coming year. Despite the substantial reduction in financial risk, we need to see the company reach guidance for the current year before we adjust the required rate of return further.

Estimate changes				Forecast (SEK m)					Valuation and risk										
	23e	24e	25e		2022	2023e	2024e	2025e	Fair value	SEK9,1 - 9,5									
Total revenue	0,0%	0,0%	0,0%	Total revenue	121	160	203	238	Share price	SEK5,0									
EBITDA, adj.	N.m.	0,0%	0,0%	Revenue growth	30%	32%	27%	17%	Risk level	High									
EPS, adj.	N.m.	N.m.	N.m.	EBITDA, adj.	-32	2	26	37	<div style="background-color: #004a99; color: white; padding: 5px; text-align: center;">12-mth share price development</div>										
Coming events				EBIT, adj.	-147	-122	-97	-87											
				Q3 - report	14 November 2023			EPS, adj.			-3,6	-2,7	-2,0	-1,8					
Company details (SEK m)				EPS growth, adj.	N.m.	N.m.	N.m.	N.m.			BV/share	19,3	13,7	11,6	9,8				
				Dividend per share	0,0	0,0	0,0	0,0			0,0	0,0	0,0						
Number of shares	49m			EBIT margin	Neg.	Neg.	Neg.	Neg.			Conflicts of interest								
Market capitalisation	250			ROE, adj.	Neg.	Neg.	Neg.	Neg.											
Net debt	28			ROCE, adj.	Neg.	Neg.	Neg.	Neg.											
EV	278			EV/Sales	2,1x	1,7x	1,4x	1,2x											
Free float	85%			EV/EBITDA	-	140,8x	10,5x	7,5x											
Daily trading volume, average	59k			P/BV	0,3x	0,4x	0,4x	0,5x											
Bloomberg Ticker	IRIS SS EQUITY			Net debt / EBITDA	0,1x	-3,8x	0,1x	0,2x											
Analyst									Market maker	Yes			No						
									Rikard Engberg						Certified adviser	✓			
									rikard.engberg@penser.se						Transactions, 12 mth	✓			

Investment case

Technical validation: We believe Irisity's technical platform holds a particularly solid position in the market. We base this on it having received technical validation from leading players like Axis and Milestone. We consider much of its share price performance in recent years as stemming from other factors. The solid technical validation partly explains the company's robust market position in the western world, where it is the fourth-largest player in the US market.

Integration and strategy finalised: We believe the protracted integration of Agent Vi has now been completed, with synergies visible from 2024 and on. We also believe the new management's strategic initiatives, focused on increasing sales and monetising existing products, will propel the company back to profitability and growth. A clear example of this is Irisity's partnership with Identiv, a US digital security company with more than 5,000 customers globally. By selling its products through partners, Irisity has the possibility to accelerate its growth and see solid economies of scale without having to build its own sales force. We believe the company will see more such agreements in the short term, representing a catalyst for robust growth.

New initiatives will generate growth: Irisity has expanded its offering to provide tailored AI solutions for customers. We believe these, particularly the applications not involving human activity, can imply further upside to our estimates.

Company profile

Irisity is a software company that develops algorithms for surveillance cameras. These cameras can then be used to facilitate various types of surveillance work, reduce the need for data storage, and help prevent different unwanted activities. The company's technology has been validated by a number of leading players, such as Axis, to which it has delivered algorithms to calculate directly in Axis Cameras, reducing the need for server infrastructure. Moreover, it offers the possibility of integration with the market's leading VMS systems, reaching a vast number of cameras globally.

The international market for independent video analysis was worth USD 0.8bn in 2021, according to Omdia. Excluding China, which we consider a separate ecosystem, the market was worth some USD 0.45bn. The market is fragmented, with the Americas – where Irisity is strongest – estimated to represent a market share of about 5%, also according to Omdia. We believe AI technology in Irisity's context has reached maturity, with solid commercial benefits emerging from its implementation, suggesting market growth for Irisity's core products at 20–30% in 2020–2025. Given that Irisity's new strategy targets growth, we believe it could surpass this market growth in the near future.

Since its acquisition of Agent Vi, Irisity has suffered from the failure of this commercial and technological integration. This has resulted in a lack of revenue synergies and both operating entities losing sales – Irisity in the Swedish market and Agent Vi internationally. Concurrently, it has not realised any cost synergies, leaving the company to face two tough years operationally speaking. In connection with the recruitment of the new CEO in Q1 2023, the company has focused on its international strategy and turned around its performance in the Swedish market. We consider a huge leap to have been taken with the new OEM agreement with Identiv. We also see the new management having identified a lack of transparency in the company and that this will be addressed, which could drive the share price.

Valuation

We have chosen to use a combination of a multiples valuation and an IRR calculation to value Irisity. Given that Irisity is considerably earlier in the commercial phase than many of the Swedish software companies we look at, we believe it necessary to look two to three years ahead and apply a relatively high required rate of return. We believe a required rate of return of 30% reflects Irisity's commercial phase at present. We thus see a fair value of SEK 9.1–9.5 per share.

Review of Swedish market position

In our view, Irisity holds a robust position in the Swedish market and is a leading player in video analysis. This is based on two factors:

- **Range of customers:** SL, the operator of the Stockholm public transport network, has bought Irisity's services for surveillance of rail transport. Its services are used at a large number of SL's 100 metro stations and 54 commuter train stations. We believe SL is a solid reference customer for Irisity's rail transport products. Beyond SL, Irisity counts a number of other local authority and private entities as customers.
- **Market presence:** We believe Irisity has around 4,000 installed cameras in the Swedish market. This represents an MRR of some SEK 3–4m. These some 4,000 cameras are placed at around 600 locations across Sweden.

In our view, Irisity lost some focus on the Swedish market when it acquired Agent Vi. This can be seen in its declining MRR in 2022. We believe this sales drop can only be partly explained by the process initiated by the Swedish Authority for Privacy Protection against a municipality that bought an Irisity system. The key reason for the decrease in revenues was, in our view, that Irisity lacked a market strategy for Sweden. Historically, it sold directly to end-customers in Sweden, in contrast to the partnerships that Agent Vi has had. We see this strategy discrepancy between the merged entities having caused friction, thus hurting sales. Moreover, we believe the global semiconductor shortage has had some impact on the rollout of new projects for Irisity's end-customers, hurting sales in Sweden, a small part of which consist of hardware for project implementation.

We believe, however, the Swedish market remains attractive for Irisity. We conservatively estimate that 20,000–40,000 new cameras are sold and installed in Sweden annually that are partially compatible with Irisity's various algorithms. We thus consider Irisity the market leader, with its 4,000 installed cameras. One aspect that can render sales in Sweden more sluggish than in Latin America or the Middle East, for example, is that GDPR requires authorisation to conduct video surveillance, dragging out the time projects can take. The latest directive from IMY, however, considers anonymisation an aspect that facilitates authorisation, which can benefit Irisity.

Review of international market position

Agent Vi has historically sold its software via partners. Based on data from Omdia, it has held a relatively strong position in the US market, with a market share of some 4% in the Americas and of 1.5% globally. We believe Irisity's installed base globally totals around 100,000 cameras, some with perpetual licences and others linked to larger alarm centres, implying recurring revenues.

Relatively solid position in an extremely fragmented market



Source: Omdia

Through its partnerships on international markets, its software is typically sold as a SaaS solution or paid up-front. Historically, licence sales have represented 30–40% of sales, often complemented with a support agreement that partly contributes to higher MRR. During 2022, we believe it lost a large share of these project-related revenues, as it had no clear international market strategy. In our view, its project revenues will be a solid contributor to it achieving the current year's guidance before an acceleration of MRR owing to the newly signed OEM agreements. Through these OEM partnerships, the end-customers access the simplest form of the algorithms – i.e., only detecting activity. The action or activation algorithms require a payment. This strategy aims to raise awareness of Irisity's products in the international markets.

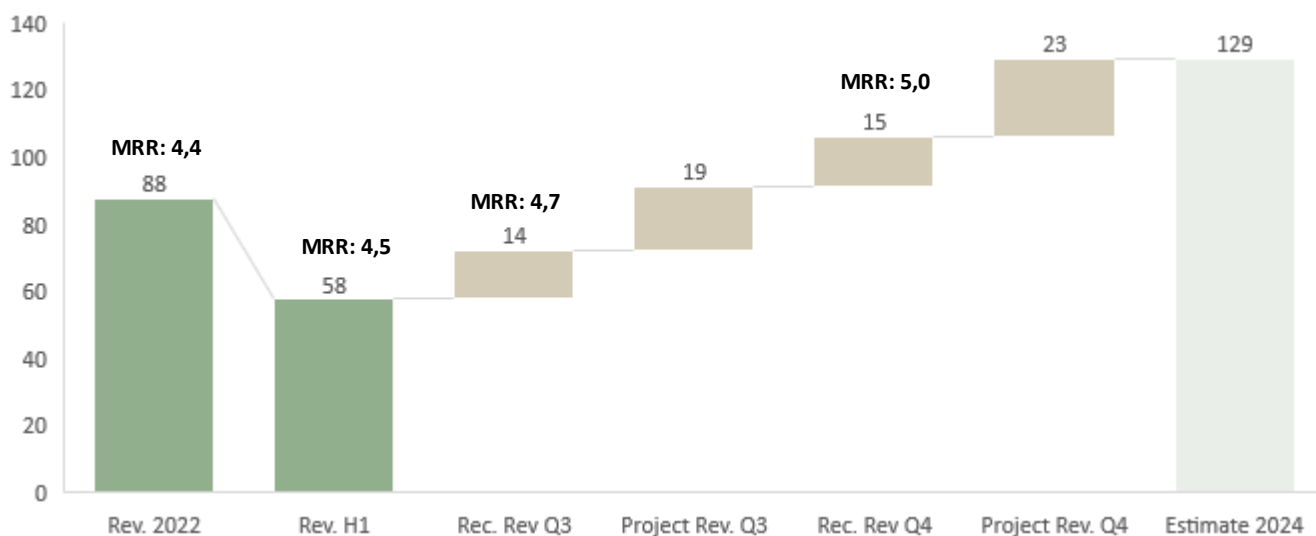
In September 2023, Irisity signed an OEM agreement with Identiv, a US company that sells technical security solutions and has more than 5,000 customers and 300 employees. We believe association with OEM players offers higher predictability in volume assumptions, making it possible to budget for a sales force expansion. In our view, these OEM agreements will be consistent with volume assumptions. We believe the pipeline for new OEM partners exceeds ten and that several can be added during the year. Given its experience from Milestone, we believe the new management has a solid network of international OEMs.

Achieving this year's guidance

We believe it is fully possible for Irisity to meet current-year guidance for two reasons:

- **Support from recurring revenues:** In our view, the company has halted the churn seen in the Swedish market that led to declining MRR in 2022. We assume it can successively grow MRR in the coming quarters, building the recurring revenue base.
- **Recovery in project revenues:** During H1 2023, we saw a healthy recovery in project revenues versus H2 2022. We believe this was partly the result of deferred deliveries from H2 2022 and that the new management has started to streamline processes, leading us to estimate that project revenues will bridge the gap between MRR estimates and guidance.

Guidance indicates growth of 47% y/y from the low 2022 level

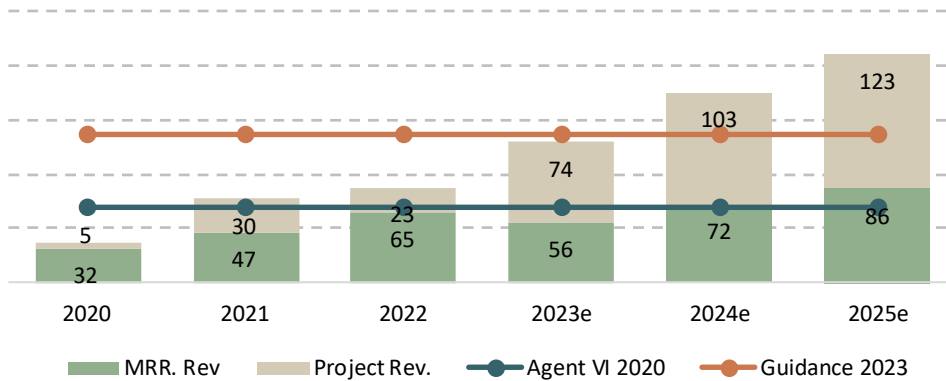


Source: EPB

Remainder of the forecast period

In our view, Irisity can continue to grow just above market growth in the coming years. According to Omdia, the area in software that Irisity focuses on will grow by 20–30% in 2020–2025. We believe the company can continue to surpass market growth in 2024 thanks to the new strategy being implemented, while we expect it to grow more in line with the market in 2025. We see upside potential to our estimates if its OEM strategy starts to bear fruit and the tailored algorithm strategy for customers picks up speed.

We believe Irisity will continue growing from current levels...



Source: EPB

...given the robust market growth we see globally

Stand alone analytics software market size and growth

Irisity's Core Market

	Americas	EMEA	Asia (excluding China)	World (excluding China) 2020	World (excluding China) 2025	5-Year trend (20-25) CAGR	
Software analytics	Edge Based Software	\$12.8ml	\$9.3ml	\$11.4ml	\$34ml	\$70ml	15.7%
	Recorder / Server Based Software	\$76.8ml	\$69.3ml	\$65.1ml	\$211ml	\$339ml	9.9%
	Cloud-Based Software	\$8.7ml	\$8.9ml	\$14.8ml	\$32ml	\$106ml	26.7%
	Hybrid software	\$36.1ml	\$32ml	\$22.9ml	\$91ml	\$320ml	28.6%
Embedded analytics	Cameras with embedded analytics	4.2 ml units	4.6 ml units	3.9 ml units	13 million units	37 million units	23.7%
	Recorder / Servers with embedded analytics	0.6 ml units	0.7 ml units	0.7 ml units	2 million units	6 million units	24.3%

Source: Omdia

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Source: Omdia

Valuation

We have chosen to value Irisity using a peer valuation based on the 2025 sales estimate. We have then discounted this back to current value to arrive at our fair value.

- In our view, Irisity should be valued at a multiple of 3.5x EV/Sales. This represents a discount to the listed SaaS companies. We consider this realistic since Irisity has a higher variable component in its revenues and is not profitable at present.
- IRR of 25%, previously 30%. We see the conducted share issue reducing the financial risk in Irisity. We expect, however, that a high IRR is still warranted as the company and its new management must prove the initiatives taken will be visible in revenues.

These two assumptions suggest a value of SEK 9.1–9.5 per share. Despite the high required rate of return, we remain confident in the company's products owing to the technical validation received from Axis and Mobotix and other industry partners. This is bolstered by the performance we have seen from the products, the example projects from G4S and other customers, and the projects Irisity has won in recent years. We believe the required rate of return can decrease if the company delivers on its guidance, given financial risk in the company is now considerably lower thanks to the recently completed share issue.

Peer group													
Name	Share price (USD)	LTM	L6M	LTM	M-cap (USD)	2023	2024	2025	2023	2024	2025	2023	2024
Carasent	1,5	-41,0%	-10,1%	-4,5%	115	2,28	1,93	1,64	14,8	7,9	5,5	30,4%	18,0%
AVTECH Sweden	0,3	21,6%	21,1%	-13,7%	17	nm	nm	nm	nm	nm	nm	-	-
Fortnox	5,7	67,4%	31,5%	-9,2%	3 543	22,78	17,27	13,62	45,5	33,2	25,5	30,3%	31,9%
SmartCraft	2,0	16,2%	34,2%	4,7%	350	8,64	7,50	6,46	20,9	17,3	14,5	19,7%	14,5%
Kahoot	3,3	47,5%	39,6%	56,5%	1 622	nm	nm	nm	nm	nm	nm	17,5%	15,9%
Lime Technologies	24,0	8,2%	42,6%	14,7%	311	6,21	5,49	4,86	19,8	17,5	15,3	16,7%	13,2%
SimCorp	107,6	33,2%	55,0%	49,6%	4 235	6,37	5,86	5,39	27,2	22,6	20,0	9,0%	8,9%
Admicom	40,5	-38,5%	-21,1%	-14,4%	202	5,43	5,05	4,56	14,4	13,2	11,6	8,9%	6,0%
Lemonsoft	8,6	-43,3%	-19,9%	-1,1%	nm	5,29	4,70	4,40	18,6	15,3	14,0	16,6%	12,7%
Efecte	9,7	-27,2%	-1,6%	-18,1%	62	2,17	1,89	1,63	537,9	28,3	15,4	14,8%	14,5%
FormPipe Software	2,5	-14,5%	18,3%	3,6%	134	2,77	2,55	2,32	13,1	10,3	8,4	10,6%	8,9%
Vitec Software Group	55,0	54,9%	56,9%	12,7%	1 804	nm	nm	nm	nm	nm	nm	40,3%	15,9%
Karnov Group	4,5	-12,8%	-14,6%	-6,7%	488	2,91	2,81	2,73	11,9	11,0	9,7	121,7%	4,5%
Litium	0,8	-35,3%	-15,7%	-15,3%	15	2,13	1,66	1,32	21,3	7,5	6,2	7,7%	28,6%
Bambuser	0,2	-81,3%	-54,9%	-42,6%	36	0,32	0,31	0,25	nm	nm	nm	-1,8%	3,6%
Upsales Technology	3,8	-21,7%	-35,4%	-40,2%	65	nm	nm	nm	nm	nm	nm	11,6%	16,0%
Checkin.com Group	3,0	19,6%	8,6%	-21,8%	90	9,10	4,86	2,69	34,7	15,9	8,7	47,1%	87,4%
Irisity	0,5	-82,9%	6,7%	-24,9%	20	1,54	1,19	1,01	neg	neg	neg		
Median						4,10	3,76	3,57	19,78	15,30	14,01	17%	15%
medel						5,61	4,75	4,10	67,77	16,74	13,29	24%	14%
Vs Irisity						-73%	-75%	-75%	nm	nm	nm		

Source: Factset

Sensitivity table

X-WACC, Y EV/Sales 2025

	15%	20%	25%	30%	35%
2,8	9,1	8,2	7,5	6,9	6,3
3,0	9,9	8,9	8,1	7,4	6,8
3,5	11,4	10,3	9,4	8,6	7,9
3,5	11,4	10,3	9,4	8,6	7,9
4,0	13,0	11,7	10,7	9,7	8,9

Source: EPB

DCF (I/II)

Valuation output		WACC assumptions		Terminal value assumptions	
Sum of PV of FCF (explicit period)	266	Risk free nominal rate	2,5%	Long term growth rate	2,0%
PV of terminal value (perpetuity formula)	231	Risk premium	5,5%	Long term EBIT margin	25,0%
Enterprise value	498	Small cap premium	6,0%	Depreciation (% of sales)	7,5%
Latest net debt	28	Extra Risk	1%	Capex (% of sales)	8,0%
Minority interests & other	0	WACC	15,0%	Working cap. (% of sales)	8,0%
Equity value	469			Tax rate	21%
No. of shares outstanding (millions)	49				
Equity value per share	9,5				

Source: EPB

DCF (II/II)

Sensitivity analysis

		Long-term growth rate					Long-term EBIT margin						
		1,0%	1,5%	2,0%	2,5%	3,0%			20,0%	22,5%	25,0%	27,5%	30,0%
WACC	13,0%	11,4	11,8	12,2	12,7	13,3	13,0%	10,2	11,2	12,2	13,3	14,3	
	14,0%	10,1	10,4	10,8	11,2	11,6	14,0%	9,0	9,9	10,8	11,7	12,6	
	15,0%	9,0	9,2	9,5	9,9	10,2	15,0%	8,0	8,7	9,5	10,3	11,1	
	16,0%	8,0	8,2	8,5	8,8	9,0	16,0%	7,1	7,8	8,5	9,2	9,9	
	17,0%	7,2	7,4	7,6	7,8	8,1	17,0%	6,4	7,0	7,6	8,2	8,8	

Source: EPB

Income statement

	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
Net sales	35	45	35	37	77	88	129	175	210
Other operating income	0	0	16	13	16	34	31	28	28
Total revenue	35	45	52	50	93	121	160	203	238
Cost of goods sold	-8	-9	-13	-15	-22	-18	-21	-28	-34
Gross profit	27	36	39	35	71	103	139	175	204
Other Operating Expenses	-27	-44	-43	-41	-65	-135	-137	-149	-167
EBITDA	1	-8	-5	-6	6	-32	2	26	37
EBITDA, adjusted	1	-8	-5	-6	6	-32	2	26	37
EBITA, adjusted	1	-8	-5	-6	6	-32	2	26	37
Amortization	-4	-6	-12	-13	-13	-49	-39	-39	-39
EBIT	-3	-14	-17	-19	-26	-147	-122	-97	-87
EBIT, adjusted	-3	-14	-17	-19	-26	-147	-122	-97	-87
Net Financial Items	-1	-1	-1	0	-1	0	-3	-2	-2
Profit before tax	-4	-14	-17	-20	-26	-148	-125	-99	-89
Profit before tax, adjusted	-4	-14	-17	-20	-26	-148	-125	-99	-89
Taxes	0	0	0	0	3	11	6	0	0
Net income	-4	-14	-18	-20	-24	-137	-119	-99	-89
Net income, adjusted	-4	-14	-18	-20	-24	-137	-119	-99	-89
<i>Sales Growth</i>	-	29%	14%	-4%	88%	30%	32%	27%	17%
<i>Gross Margin</i>	77,7%	79,4%	>100%	94,5%	92,3%	>100%	>100%	100,0%	97,4%
<i>EBIT Margin, Adjusted</i>	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.
<i>EPS, Adjusted</i>	-0,22	-0,81	-0,76	-0,76	-0,62	-3,57	-2,72	-2,02	-1,80
<i>EPS Growth, Adjusted</i>	-	N.m.	N.m.	N.m.	N.m.	N.m.	N.m.	N.m.	N.m.

Source: Irisity, EPB

Cash flow statement

	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
EBIT	-3	-14	-17	-19	-26	-147	-122	-97	-87
Other Cash flow Items	4	6	12	13	31	116	121	122	122
Changes in working capital	-3	1	3	-5	-33	-10	-18	-4	-13
Cash flow from operating activities	-2	-7	-2	-11	-27	-42	-18	20	22
Investments in Fixed Assets	-	-	-	-	0	-1	-1	-1	0
Investments in intangible fixed assets	-11	-20	-18	-10	-15	-25	-28	-28	-28
Other Cash flow from investments	-	-	-	-	-74	0	0	0	0
Cash Flow From Investments	-11	-20	-18	-10	-90	-26	-29	-29	-28
Free cash flow	-14	-27	-20	-21	-118	-68	-48	-10	-6
New share issue / repurchase	0	54	27	47	125	0	53	0	0
Change in liabilities	-	-	-	-	-1	14	59	-15	0
Cash flow from financing	0	54	27	47	124	14	111	-15	0
Cash flow	-14	26	8	25	6	-54	63	-25	-6
Net debt	8	-21	-34	-63	-70	-3	-8	2	8

Source: Irisity, EPB

Balance sheet

	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
ASSETS									
Goodwill	12	25	59	59	311	310	271	232	194
Other intangible assets	-	-	-	-	425	446	389	332	275
Tangible fixed assets	7	8	5	2	1	0	0	0	0
Financial assets	0	0	0	0	34	39	39	39	39
Other fixed assets	-	-	-	-	2	2	3	5	5
Total fixed assets	19	33	64	61	772	797	703	608	512
Accounts receivable	8	9	6	8	40	19	48	51	69
Other current assets	37	3	2	4	15	30	35	54	60
Cash and cash equivalents	6	32	40	65	71	18	81	57	51
Total current assets	51	44	48	77	127	66	164	161	180
TOTAL ASSETS	69	77	112	138	899	863	866	769	692
EQUITY AND LIABILITIES									
Equity	36	47	87	118	762	739	673	573	485
Total equity	36	47	87	118	762	739	673	573	485
Long-term interest-bearing liabilities	8	6	3	1	0	11	70	55	55
Other long-term liabilities	0	0	0	0	85	76	70	70	70
Total long-term liabilities	8	6	3	1	85	87	139	124	124
Short-term interest-bearing liabilities	6	5	3	1	1	4	4	4	4
Accounts payable	4	4	4	4	12	5	14	15	21
Other current liabilities	16	14	14	14	38	29	36	53	59
Total current liabilities	25	24	22	19	52	38	54	72	83
TOTAL EQUITY AND LIABILITIES	69	77	112	138	899	863	866	769	692

Source: Irisity, EPB

Growth and margins

	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
Revenue growth	-	29%	14%	-4%	88%	30%	32%	27%	17%
EBITDA growth, adjusted	-	N.m.	N.m.	N.m.	N.m.	N.m.	N.m.	>100%	41%
EBIT growth, adjusted	-	N.m.	N.m.	N.m.	N.m.	N.m.	N.m.	N.m.	N.m.
EPS growth, adjusted	-	N.m.	N.m.	N.m.	N.m.	N.m.	N.m.	N.m.	N.m.
Gross margin	77,7%	79,4%	>100%	94,5%	92,3%	>100%	>100%	100,0%	97,4%
EBITDA margin	2,1%	Neg.	Neg.	Neg.	8,3%	Neg.	1,5%	15,1%	17,8%
EBITDA margin, adjusted	2,1%	Neg.	Neg.	Neg.	8,3%	Neg.	1,5%	15,1%	17,8%
EBIT margin	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.
EBIT margin, adjusted	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.
Profit margin, adjusted	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.

Source: Irisity, EPB

Return

	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
ROE, adjusted	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.
ROCE, adjusted	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.
ROIC, adjusted	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.

Source: Irisity, EPB

Capital efficiency

	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
Accounts receivable / total revenue	22%	19%	12%	17%	43%	16%	30%	25%	29%
Accounts payable / COGS	46%	47%	34%	24%	57%	30%	67%	53%	61%
Total short-term liabilities / total cost	74%	45%	39%	34%	60%	25%	34%	41%	41%
Working capital / total revenue	72%	-16%	-19%	-12%	5%	12%	20%	18%	21%
Capital turnover rate	0,7x	0,8x	0,6x	0,4x	0,1x	0,2x	0,2x	0,3x	0,4x

Source: Irisity, EPB

Financial position

	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
Net debt	8	-21	-34	-63	-70	-3	-8	2	8
Equity ratio	52%	61%	78%	85%	85%	86%	78%	75%	70%
Net debt / equity	0,2x	-0,5x	-0,4x	-0,5x	-0,1x	0,0x	0,0x	0,0x	0,0x
Net debt / EBITDA	10,5x	2,6x	6,9x	10,6x	-11,0x	0,1x	-3,8x	0,1x	0,2x

Source: Irisity, EPB

Per share data

	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
EPS	-0,22	-0,81	-0,76	-0,76	-0,62	-3,57	-2,72	-2,02	-1,80
EPS, adjusted	-0,22	-0,81	-0,76	-0,76	-0,62	-3,57	-2,72	-2,02	-1,80
FCF per share	-0,85	-1,56	-0,84	-0,82	-3,07	-1,78	-1,09	-0,19	-0,12
Dividend per share	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Book value per share	2,27	2,67	3,77	4,56	19,9	19,3	13,7	11,6	9,85
Number of shares, m	16,0	17,6	23,2	25,8	38,3	38,3	49,2	49,2	49,2
Number of shares after dilution, average	16,0	17,6	23,2	25,8	38,3	38,3	43,8	49,2	49,2

Source: Irisity, EPB

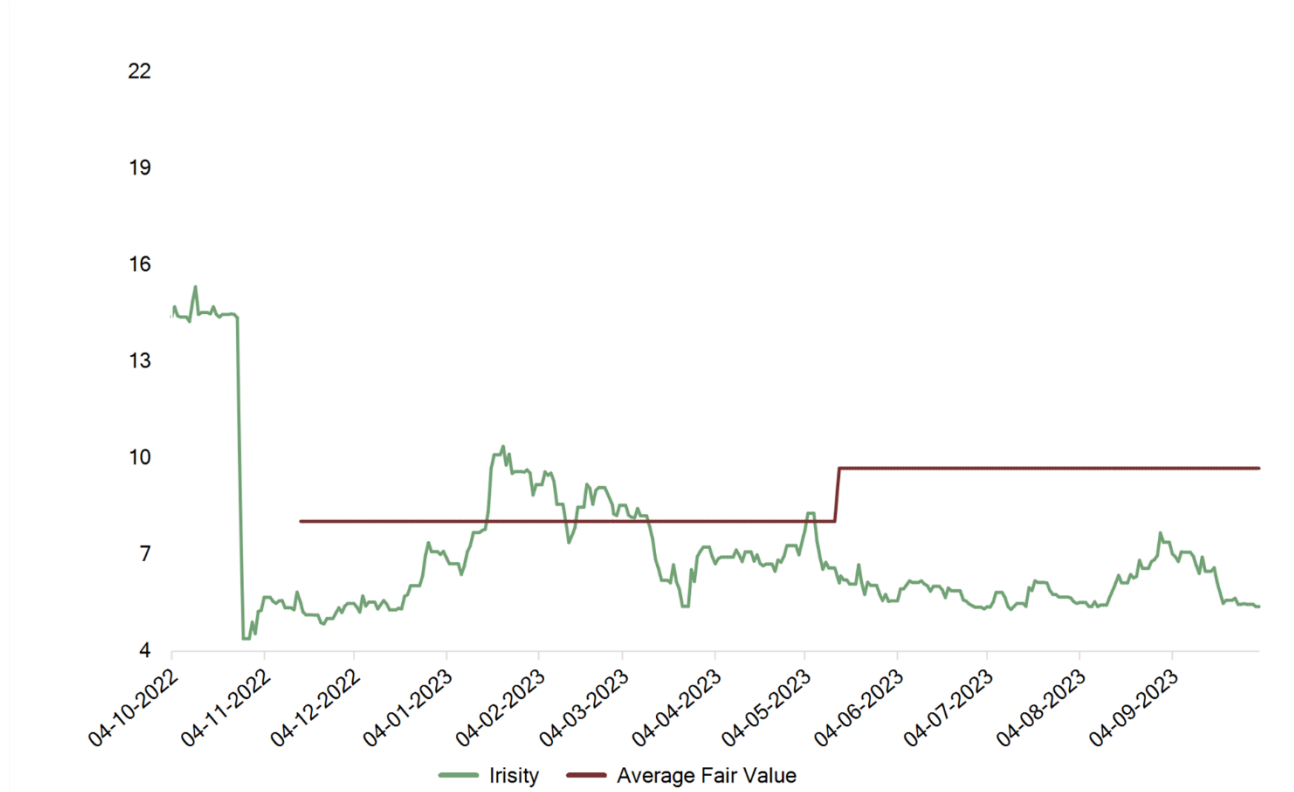
Valuation

	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
P/E, adjusted	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.
P/BV	4,1x	5,4x	2,4x	8,1x	3,1x	0,3x	0,4x	0,4x	0,5x
P/FCF	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.
FCF-yield	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.
Dividend yield	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Payout ratio, adjusted	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
EV/Sales	4,4x	5,1x	3,4x	18,0x	24,7x	2,1x	1,7x	1,4x	1,2x
EV/EBITDA, adjusted	213,7x	Neg.	Neg.	Neg.	359,4x	Neg.	140,8x	10,5x	7,5x
EV/EBIT, adjusted	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.
EV	156	234	178	893	2 301	254	278	278	278
Share price, year end	9,3	14,5	9,1	37,0	61,9	6,7	5,1	5,1	5,1

Source: Irisity, EPB

Share price and average fair value

Irisity (IRIS SS EQUITY)IRIS SS EQUITY



Source: EPB, IDC

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