VERVE

19.11.2025 08:10 CET

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INDERES CORPORATE CUSTOMER

COMPANY REPORT

Investor trust put to test

Heading into the Q3 report, we focused primarily on the pace of revenue recovery following the Q2 platform outage, its impact on Verve's client base and onboarding, and cash flows. In our view, the Q3 report, which fell short of our estimates on the key figures, did not sufficiently address these concerns. Although the SSP platform has remained stable since mid-August, several key indicators suggest that the recovery is progressing more slowly than anticipated. Uncertainties remain regarding near-term growth, customer behavior, and the sustainability of intake trends. We also feel that the timing of the change in revenue recognition could have been better, and the weak cash flows in Q3 also cast increased uncertainty on visibility and predictability going forward. Following the Q3 report, we have made downward adjustments to our estimates. That said, if management can restore investor confidence and deliver on our conservative estimates, the stock is very cheap. We continue to see attractive return potential over the next 12 months and reiterate our target price to SEK 26 (was SEK 36)

Softer figures across the board

Verve revenue decreased -3% year-on-year in Q3'25, reaching 110 MEUR, with FX-neutral organic growth amounting to -4%, which was below our estimate (120 MEUR). Key KPIs, including the net dollar expansion rate (NDER) and large software clients (LSC), showed a mixed performance in Q3 after the sharp Q2 drop caused by the platform outage, though we assume the unification still had some spillover effects in Q3. Meanwhile, while below the record high figure in Q2, customer retention remained high at 96% (Q2'25: 98%), which we consider especially important as it shows continued limited customer impact from the outage. Adjusted EBIT came in at 15 MEUR (Q3'24: 25 MEUR), translating to a 14% margin, which fell short of our 22 MEUR estimate. The lower EBIT was largely driven by the lower revenues, higher D&A costs, and a weaker gross margin than expected. Free cash flow was also much weaker than expected, primarily due to negative changes in working capital.

We lower our estimates on the back of the Q3 report

Following the Q3 results, management commentary, and outlook, we have cut our FY25-26e net revenue and adj. EBIT estimates by -2% and -7-12%, respectively, with a follow-through effect on the rest of the forecast period. Ad spending trends appear to continue to be relatively soft, albeit stabilizing alongside a more predictable macroeconomic backdrop after a turbulent start to the year. However, certain macro indicators, such as U.S. consumer sentiment and job growth, have softened, adding uncertainty to the outlook given the historical correlation with advertising budgets. Even so, we believe Verve is structurally well-positioned where its exposure to the faster-growing digital advertising channels, a strong competitive foothold in privacy-first advertising, and solid customer intake should support growth even in a softer market environment. We expect net revenue to grow by 18% in 2026 (9% organic) and 9% in 2027, with adjusted EBIT margin to improve from 2025e of 19% to 24% in 2027.

It is a clear high-risk/high-reward case at the moment

As we alluded to in our update following the profit warning in mid-August, the increased share price volatility we flagged as a risk has since materialized. Based on our updated estimates and continued share price weakness, Verve trades at an adjusted EV/EBIT of 5x and an EV/FCFF (excl. earn-outs) of 8x for 2026e, which are very low multiples in absolute terms, in relation to peers, and relative to our acceptable valuation range. As such, we see upside potential in the valuation multiples. Moreover, our DCF model, which captures Verve's long-term value creation, points to a potential upside with a fair value estimate of SEK 38 per share (was SEK 45). While Q3 did not do much in restoring credibility after Q2, as seen in the stock price reaction, we believe consistent delivery over the coming quarters is needed before we are comfortable setting the target price closer to our fair value. Nonetheless, we see meaningful upside should the operational trajectory improve going forward.

Recommendation
Buy
(prev. Buy)

Target price:
SEK 26
(prev. SEK 36)

Share price:
SEK 17.99

Business risk

Valuation risk

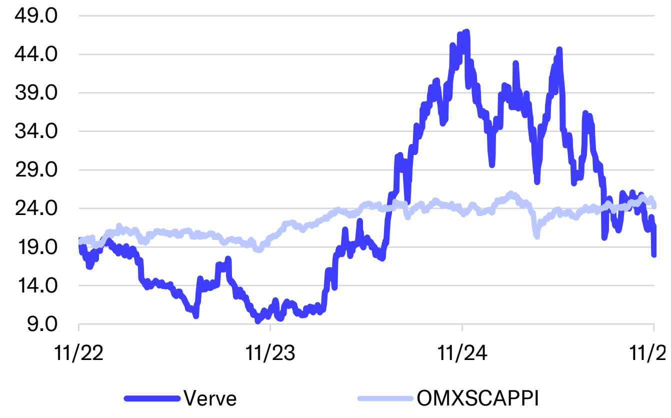
	2024	2025e	2026e	2027e
Revenue	437.0	560.3	722.7	784.0
growth-%	36%	28%	29%	8%
EBIT adj.	107.1	92.8	132.1	153.3
EBIT-% adj.	24.5 %	16.6 %	18.3 %	19.5 %
Net Income	28.8	9.0	56.6	73.5
EPS (adj.)	0.24	0.18	0.38	0.47
P/E (adj.)	12.8	9.3	4.3	3.5
P/B	1.3	0.7	0.6	0.5
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	8.7	7.5	5.1	3.9
EV/EBITDA	7.0	6.1	4.2	3.3
EV/S	2.1	1.2	0.9	0.8

Source: Inderes

Guidance (New guidance)

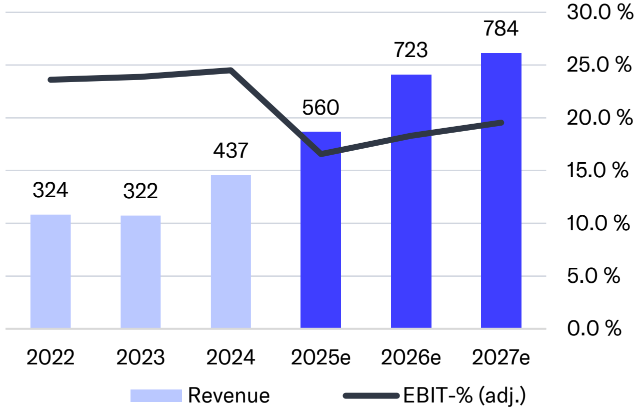
For FY25 Verve expects:
Revenue between 560-580 MEUR (was 485-515 MEUR)
Adjusted EBITDA between 125-140 MEUR

Share price



Source: Millistream Market Data AB

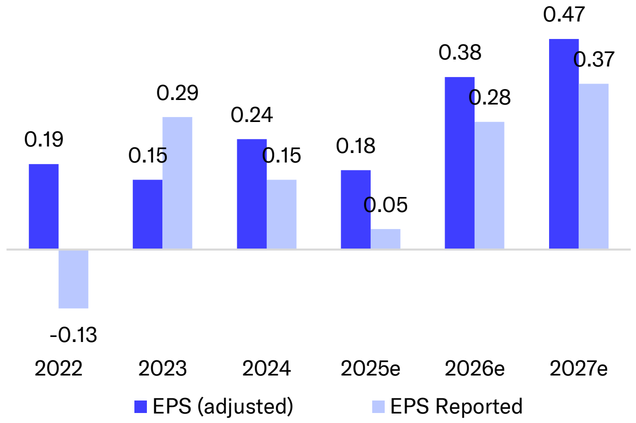
Revenues and operating profit-%*



Source: Inderes

*Note: Due to lack of comparable figures, 2022-2024 revenue is revenue before the revenue recognition (net) while 2025-2027e is after the change (gross)

Earnings per share



Source: Inderes

Value drivers

- High single-digit growth in the programmatic ad market over the medium to long term, with In-app and CTV markets growing even faster
- Market-leading mobile In-App SSP
- Several proprietary targeting solutions for a post-identifier and cookie-less world
- Strong and increasing industry recognition could boost revenue growth
- A trusted end-to-end omnichannel platform
- Own first-party content that provides data to the ad platform
- Improved quality of earnings and increased potential for synergies in coming years following the acquisition of Jun Group

Risk factors

- Failing to maintain/increase market share in programmatic advertising
- Market disruption due to technological or regulatory reasons
- Despite a partial recovery in ad spending, persistent low CPMs and evolving privacy regulations pose ongoing risks
- Rapid slowdown in first-party games revenue
- Macroeconomic challenges could constrain marketing budgets and decelerate growth
- Heightened execution risk following the platform outage, weak cash flow generation, and uncertain customer spending post-outage

Valuation	2025e	2026e	2027e
Share price (EUR)	1.64	1.64	1.64
Number of shares, millions	200.1	200.1	200.1
Market cap (MEUR)	328	328	328
EV (MEUR)	696	670	600
P/E (adj.)	9.3	4.3	3.5
P/E	36.3	5.8	4.5
P/B	0.7	0.6	0.5
P/S	0.6	0.5	0.4
EV/Sales	1.2	0.9	0.8
EV/EBITDA	6.1	4.2	3.3
EV/EBIT (adj.)	7.5	5.1	3.9
EV/FCFF (adj.)*	9.4	7.8	5.7
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Results below expectations though customer base remains intact 1/2

Slightly slower platform recovery than expected

Verve revenue decreased -3% year-on-year in Q3'25, reaching 110 MEUR. FX-neutral organic growth amounted to -4%, which was below our estimate (120 MEUR, flat growth). Following the platform unification, the company has changed its revenue recognition in line with IFRS 15, which essentially means that it will report revenue on the migrated platform on a gross basis rather than a net one. On this basis, revenue in Q3 amounted to 142 MEUR (25% y/y). However, we focus on the net figure in this report for better comparability with last year.

We feel reported organic growth suggests that the SSP recovery progressed slower than we had expected, and management noted that while market conditions were clearly softer than the comparison period, which included several seasonal events (e.g. political campaigns), demand remains at stable, albeit at lower levels. This in line with commentary from other open internet peers. However, broader uncertainty around the macro environment, particularly in the U.S. with e.g. weakened consumer sentiment and slowing job growth, continues to weigh on visibility going forward, in our view. That said, the company noted that from mid-August the company has seen notable benefits from the unification materialize and expects a strong finish to the year.

Key KPIs, including the net dollar expansion rate (NDER) and large software clients (LSC), showed a mixed performance in Q3 after the sharp Q2 drop caused by the platform outage, though we assume the unification still had some spillover effects in Q3. NDER declined sequentially to 90% (Q2'25: 92%, Q3'24: 108%) while LSC increased slightly to 983 (Q2'25: 954, Q1'25: 1,152). The former indicates that customers spent ~10% less than a year ago and the latter remained below previous highs. While below the record high figure in Q2, customer retention remained high at 96% (Q2'25: 98%, 2Y avg: 96%), which we consider especially important as it show continued limited customer impact from the outage and suggest maintained strong customer relationships. In addition, Verve served 288 billion ad impressions in Q3, representing an increase of 18% (y/y) and a 11% increase (q/q), suggesting softer CPMs during the quarter. On this topic, management noted that CPMs within particularly CTV was under pressure due to increased supply.

Estimates MEUR / EUR	Q3'24 Comparison	Q3'25 Actualized	Q3'25e Inderes	Q3'25e Consensus	Difference (%) Act. vs. inderes	2025e Inderes
Revenue	114	110	120	118	-9%	560
EBITDA (adj.)	33.6	26.1	28.4	28.2	-8%	157
EBIT (adj.)	33.6	15.4	21.9	20.5	-30%	92.8
EBIT	36.2	6.5	17.4	N/A	-63%	66.6
PTP	9.8	-6.2	6.9	N/A	-189%	9.0
EPS (adj.)	0.05	0.01	0.05	N/A	-80%	0.18
EPS (reported)	0.04	0.00	0.03	N/A	-100%	0.05
Revenue growth-%	45.2 %	-3.3 %	5.9 %	3.3 %	-9.2 pp	28.2 %
EBIT-% (adj.)	29.6 %	14.0 %	18.2 %	17.4 %	-4.2 pp	16.6 %

Source: Inderes & Modular Finance IR (consensus include 8 estimates)

Results below expectations though customer base remains intact 2/2

Lower revenues combined with higher D&A costs and weaker gross margin behind lower operating margins than estimated

Adjusted EBIT came in at 15 MEUR (Q3'24: 25 MEUR), corresponding to a 14% margin (22%), below our estimate of 22 MEUR and a 18% margin, while adjusted EBITDA was 26 MEUR, corresponding to a 24% margin (Inderes est. 28 MEUR, 24%). The adjusted EBIT miss was largely driven by the lower revenue, higher D&A costs as well as weaker gross margin than expected (primarily due to lower CPMs). Even though personnel expenses were more or less in line with our estimates in absolute terms, the percentage share of revenue was above our estimates, which also impacted the lower-than-expected profitability. Given the front-loaded investments in its sales teams, particularly on the brand and agency side, the company naturally experiences more costs than revenue initially as these new recruitments ramp up.

Leverage increased due to acquisitions and weak cash flow in the operations

Operating cash flow (OCF) was 5 MEUR (Q3'24: 54 MEUR), with changes in working capital having a negative impact of -30 MEUR. After CAPEX of 11 MEUR, free cash flow was negative of -6 MEUR, which was well below our expectations as H2'25 is typically the strongest cash generating period for Verve. The clear negative impact from changes in working capital was surprising to us, as Verve typically experience working capital tie-ups during H1, followed by working capital releases in H2. On the earnings call, the management noted that the main reason of this was a lower utilization of its securitization program, (i.e. a facility that converts trade receivables into immediate cash), partly due to lower revenue but also some timing effects. While the platform unification issues could have caused a mismatch between invoice creation and securitization cycles, we feel that it is somewhat unclear of this lower utilization in Q3 given that receivables (trade receivables + other receivables) increased by 40% quarter-on-quarter and 65% year-on-year (partly as a result of the lower utilization). However, the management said that they are securitizing more in Q4 and expect notably stronger cash flow in the last quarter.

Against this backdrop, coupled with the acquisitions of Acardo and Captify, as well as paid contingent consideration related to Jun Group, net debt increased by 53 MEUR quarter-on-quarter, and the leverage ratio amounted to 3.5x (Q2'25: 2.7x). On a pro forma basis, leverage stood at 3.1x (Q2'25: 2.5x), which is above its target of 1.5-2.5x. With the platform unification complete and operating conditions gradually normalizing, coupled with the bond refinancing earlier this year, we expect leverage to trend lower over the coming quarters, driven by both earnings growth and improving cash conversion.

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EPS (adj.)	0.05	0.01	0.05	N/A	-80%	0.18
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Revenue growth-%	45.2 %	-3.3 %	5.9 %	3.3 %	-9.2 pp	28.2 %
EBIT-% (adj.)	29.6 %	14.0 %	18.2 %	17.4 %	-4.2 pp	16.6 %

Source: Inderes & Modular Finance IR (consensus include 8 estimates)

We lower our estimates following Q3

Estimate changes

- Following the change in revenue recognition, management raised its full-year revenue guidance to 560-580 MEUR (was 485-515 MEUR, 500 MEUR at the midpoint), while maintaining its 125-140 MEUR guidance for adjusted EBITDA. Unlike the previous guidance, the new guidance reflects gross revenue from its migrated in-app platforms (majority of its revenue base) from Q3 and onwards, as well as the impact of M&A. Based on the revenue recognition impact in Q3 (32 MEUR) and managements expectations in Q4 (~36 MEUR) the new guidance, on a like-for-like basis, would instead be 492-512 MEUR (502 MEUR at the midpoint). When also adjusting for what management expects in M&A revenue contributions from Acardo and Captify (~15 MEUR) the midpoint of the new guidance would be closer to 487 MEUR, i.e., the lower end of the previous guidance (which excluded M&A impact).
- Following the Q3 miss as well as the new guidance, we have trimmed our net revenue estimates by -2% for 2025e to 492 MEUR, with a follow-through effect on the forecast period (26-27e: -2%) However, as noted in the table below, our revenue estimates, when including gross revenue in Q3-Q4 as well as in the rest of the forecast period, increased on a reported basis by 11% in 2025e and 21-22% in 2026-2027e.
- In addition to the lowered revenue estimates and thus fewer scaling effects, we have lowered our profitability assumptions in 2025-2027e due to weaker expected gross margins (softer CPMs), lower capitalized in-house development, and slightly higher personnel expenses (as a % revenue).
- Due to higher working capital tie-ups in Q3, as well as what we consider to be lower visibility and predictability around cash flows, we have lowered our FCFF assumptions.

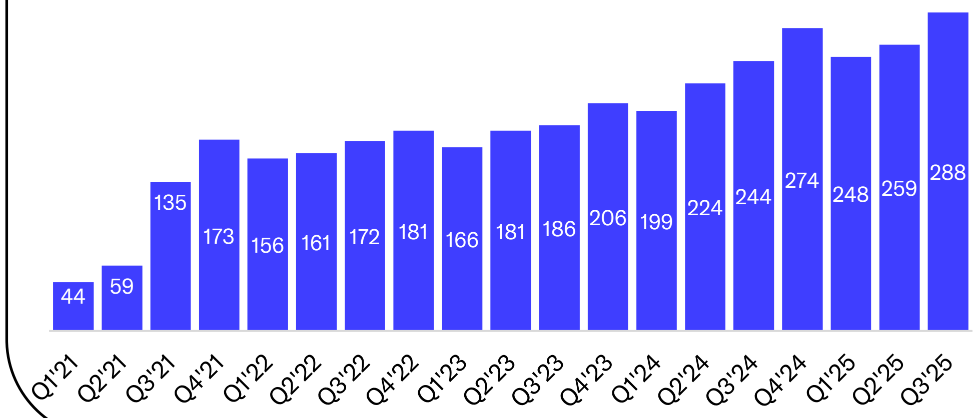
Estimate revisions MEUR / EUR	2025e Old	2025e New	Change %	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %
Revenue	505	560	11%	595	723	22%	648	784	21%
EBITDA	127	114	-10%	169	158	-7%	193	184	-5%
EBIT (exc. NRIs)	106	92.8	-12%	142	132	-7%	161	153	-5%
EBIT	85.1	66.6	-22%	122	112	-8%	141	133	-5%
PTP	30.0	9.0	-70%	85.0	75.5	-11%	105	98.0	-7%
EPS (excl. NRIs)	0.22	0.18	-21%	0.42	0.38	-9%	0.49	0.47	-6%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	0%

Source: Inderes

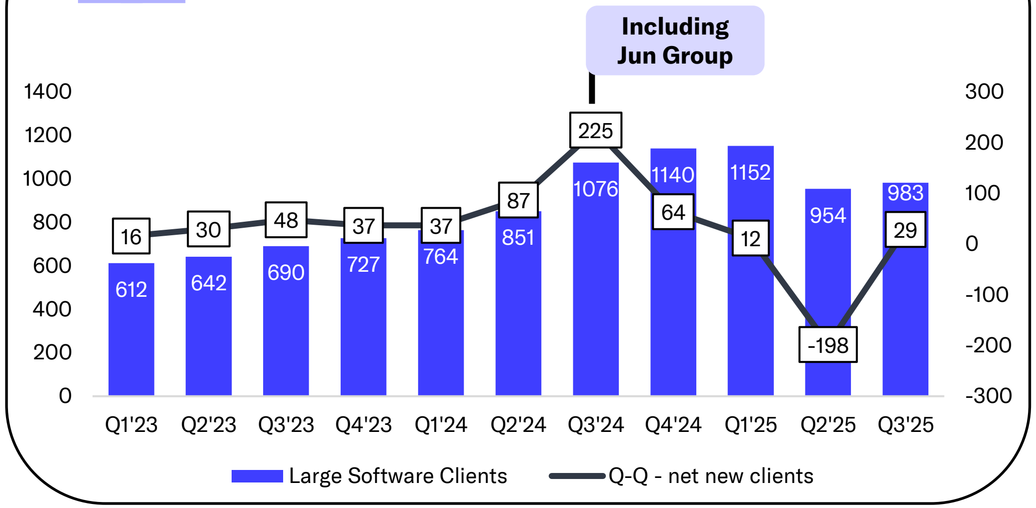
* New revenue estimates include the impact from the change in revenue recognition, starting from Q3'25 and onwards

Company KPI's

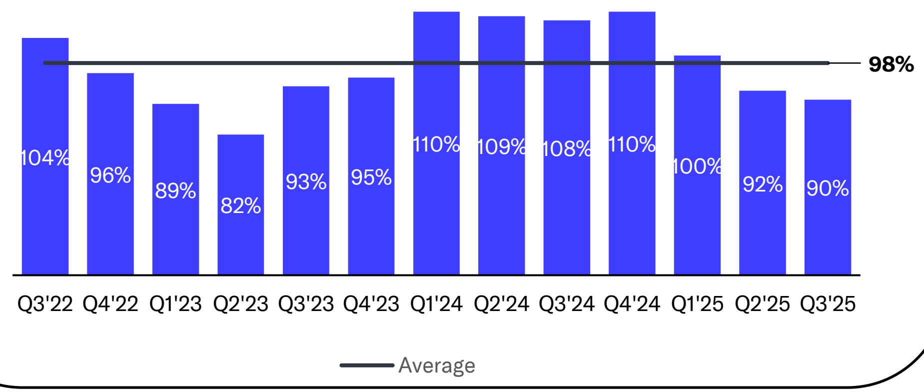
Ad Impressions (in bn)



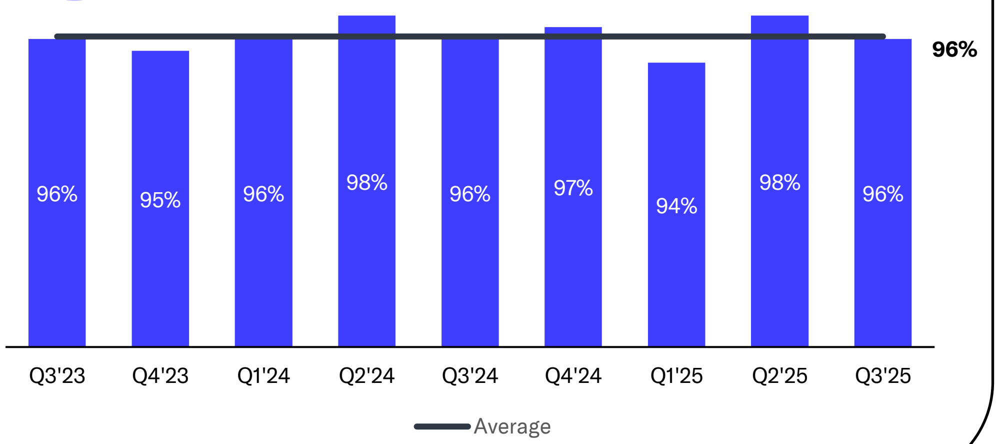
Large Software Clients



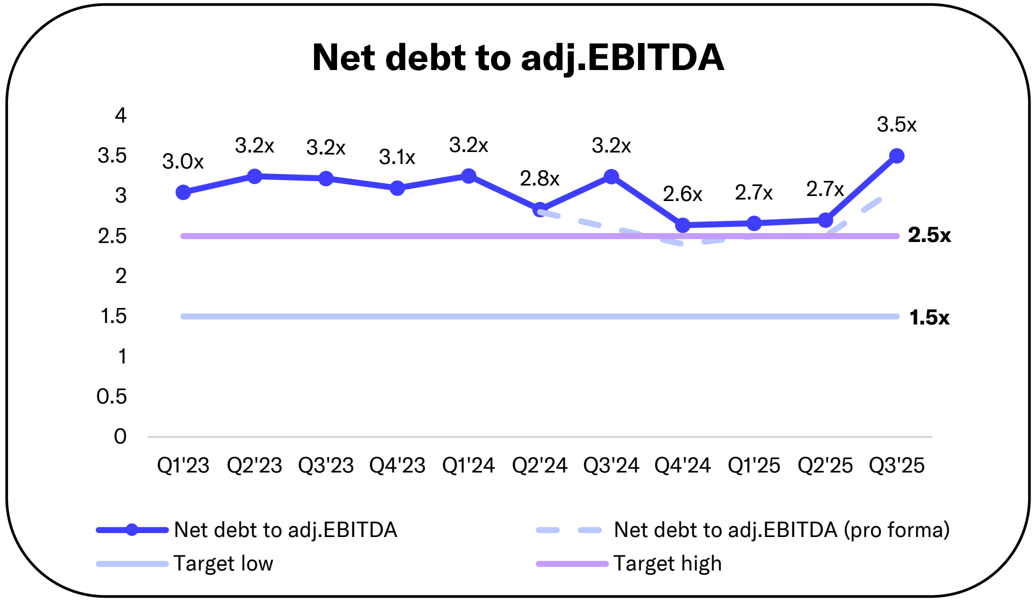
Net Dollar Expansion rate of Software Clients

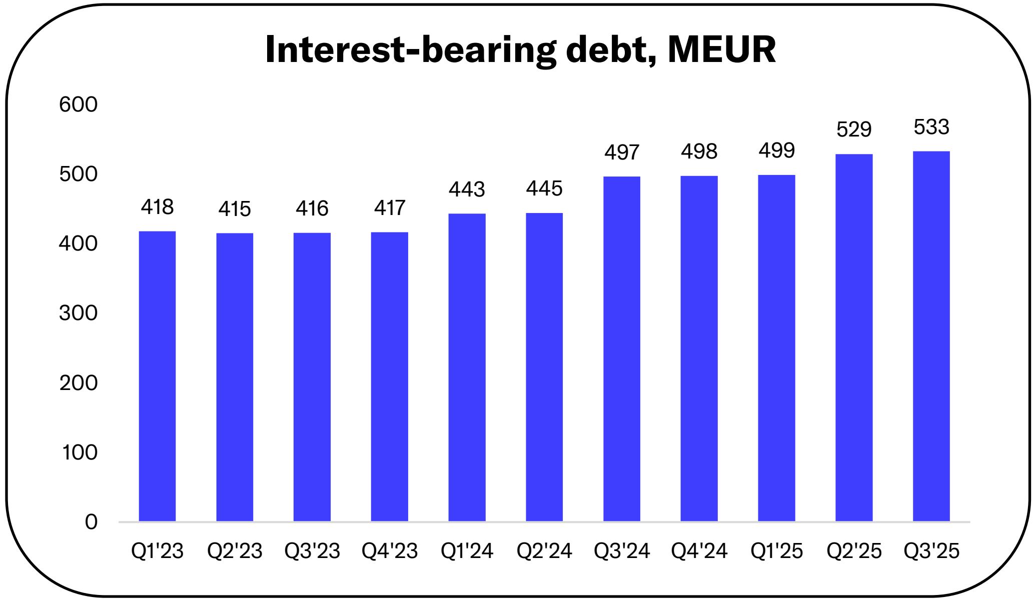


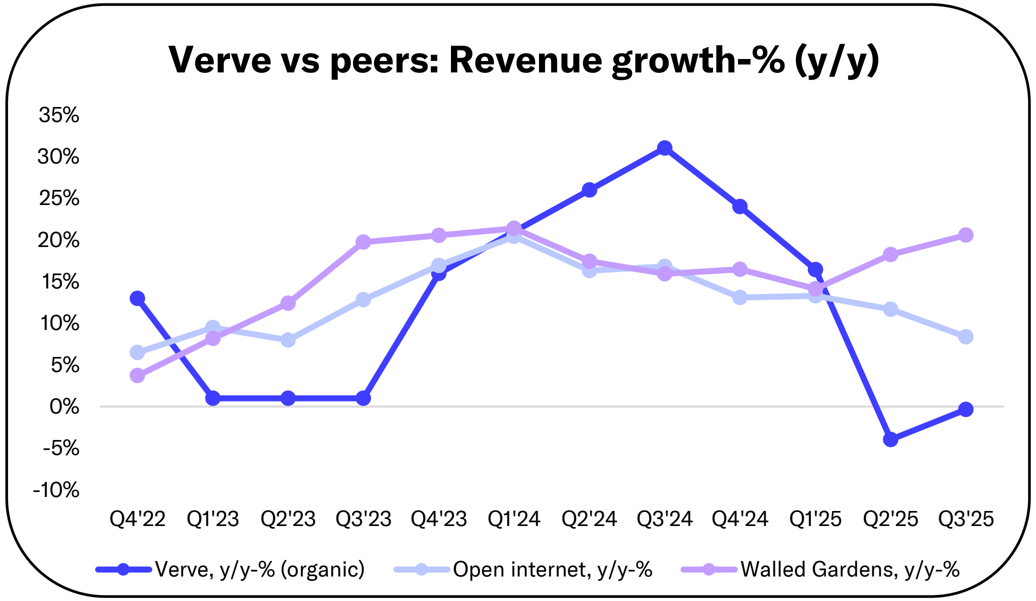
Retention rate of Software Clients

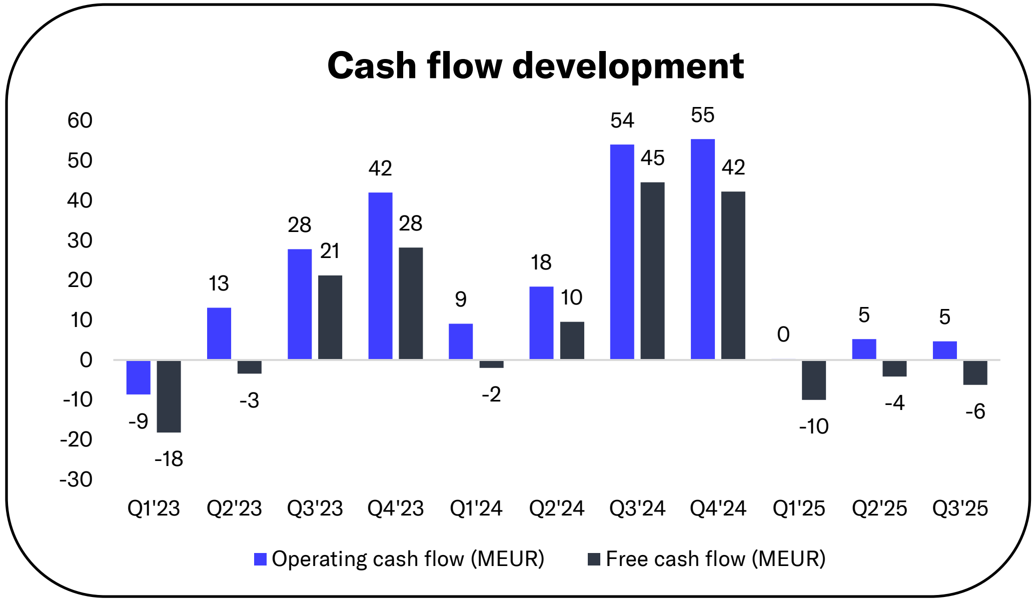


Other metrics



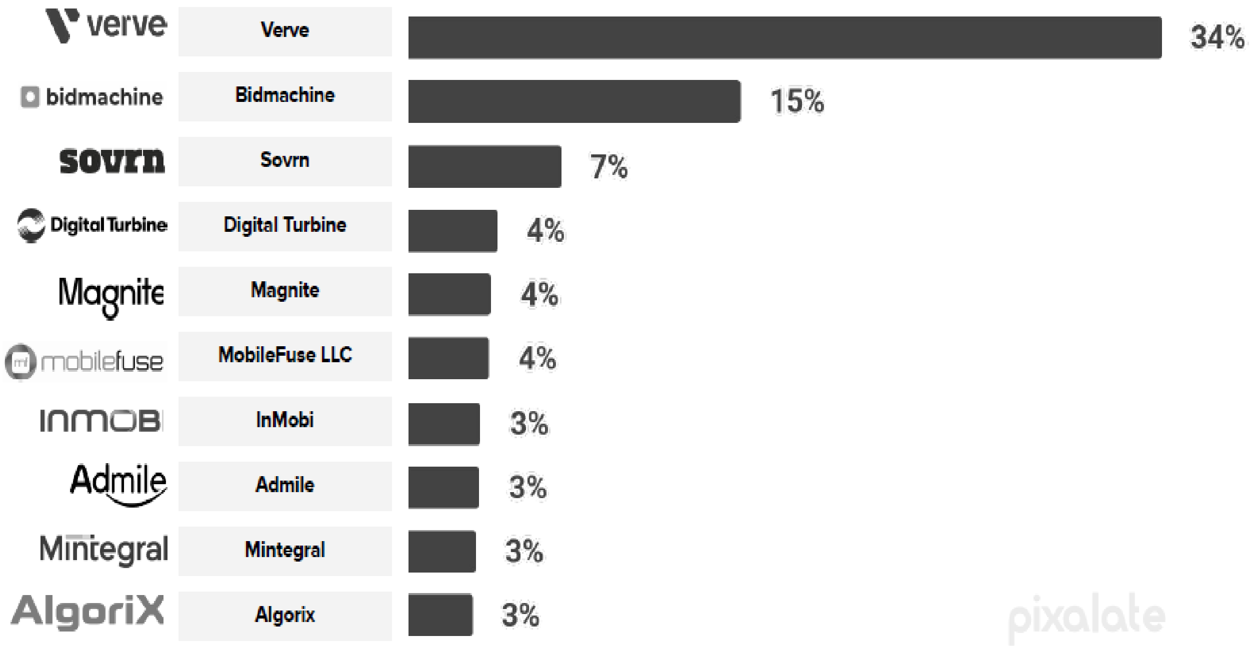




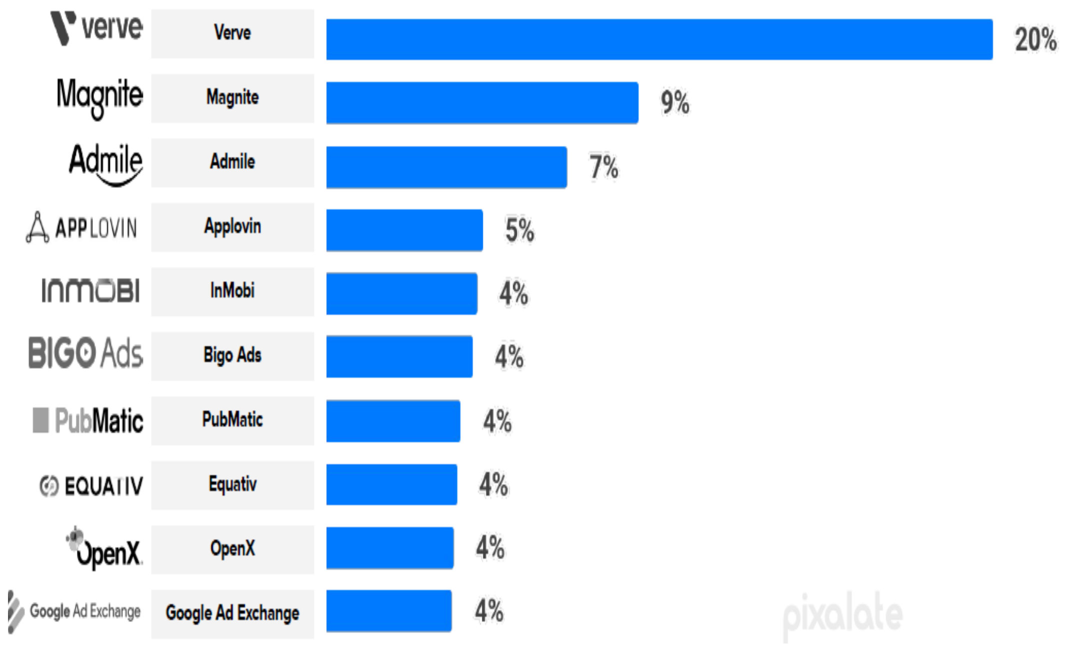


Pixalate's Mobile in-app SSP Market Share Q3'25 Report

Apple (North America)

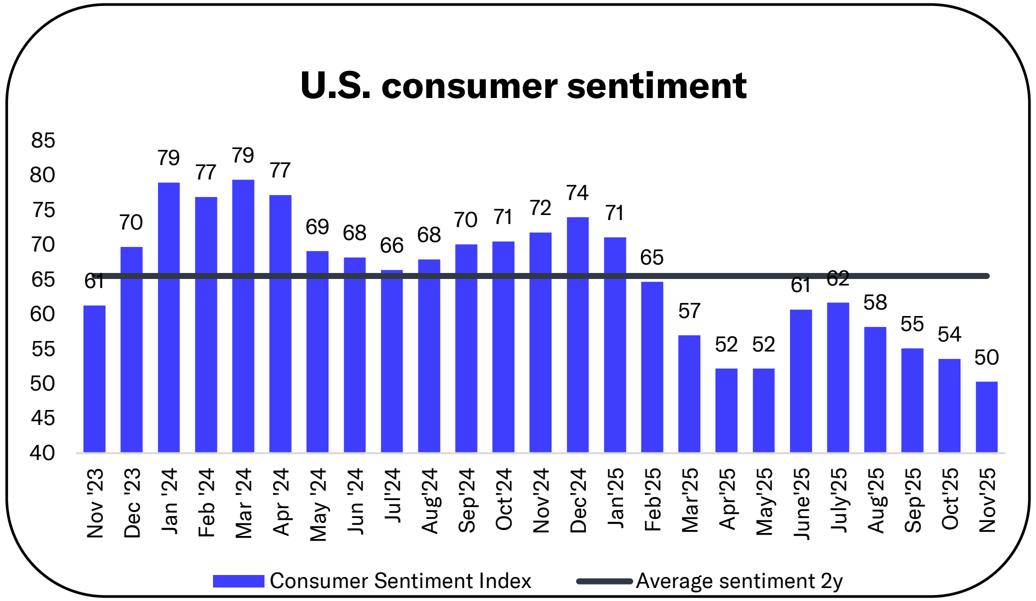


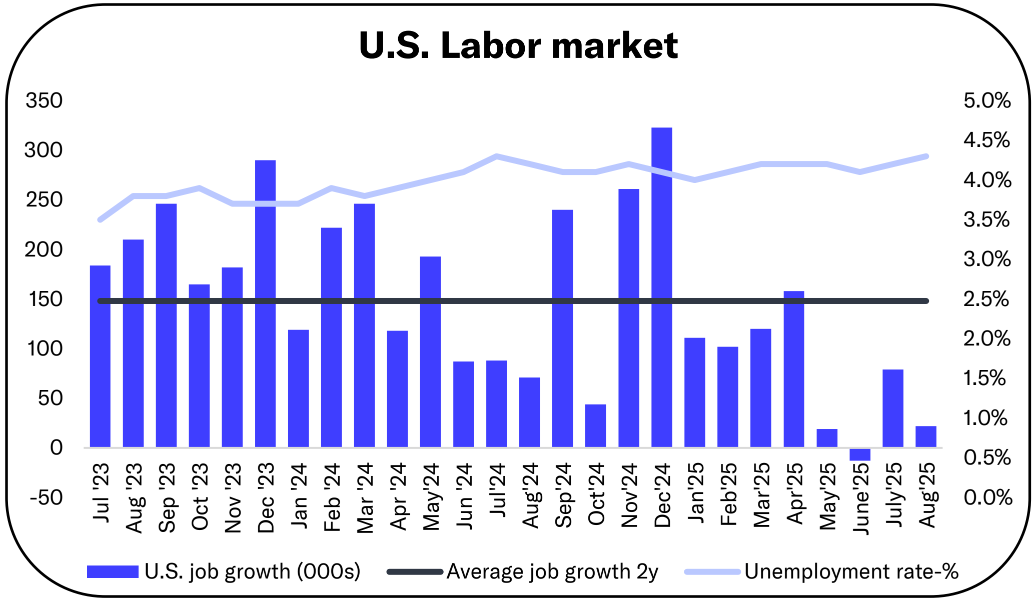
Google Play (North America)

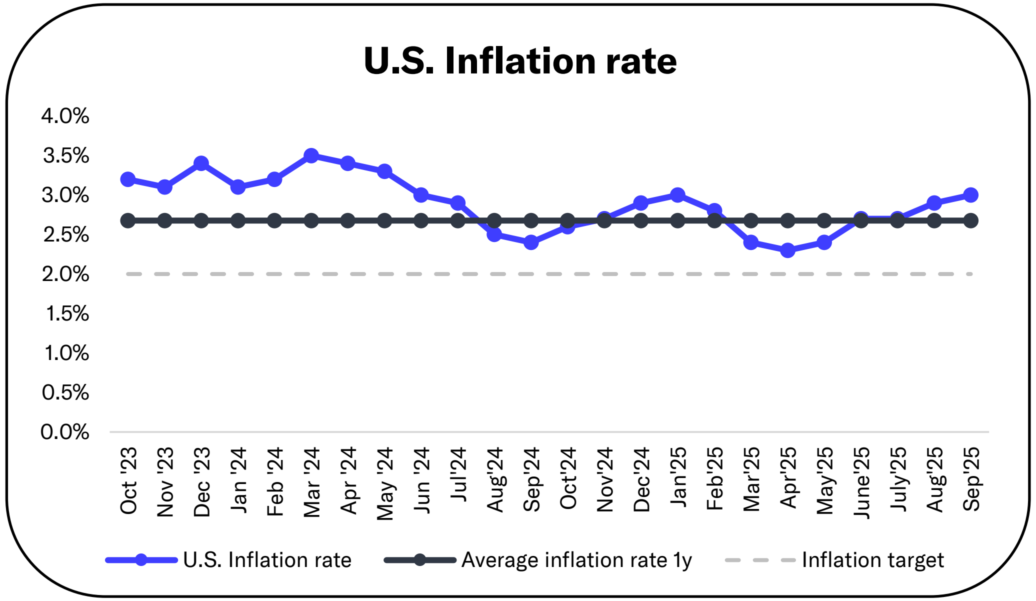


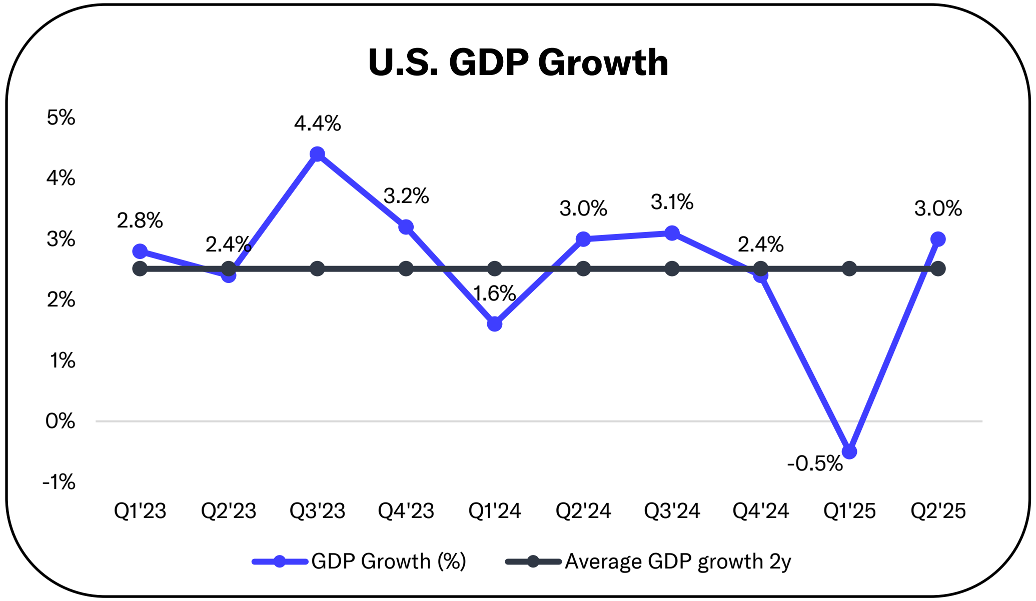
The report rank SSPs based on their share of voice of open programmatic ads sold on apps from the Apple App Store and Google Play Store, as measured by Pixalate.

Macro snapshot









Sources: U.S. Bureau of Labor Statistics, University of Michigan

Valuation 1/2

The company is in a better position today to deleverage its balance sheet

After several years of strong revenue growth, Verve faced a notable slowdown in 2023, as shrinking advertising budgets in an uncertain macro environment weighed on demand. Combined with the company's high leverage and rising interest rates, this resulted in a sharp contraction in both the stock price and valuation multiples. However, in 2024, Verve returned to strong growth, benefiting from improving market conditions and growing demand for its privacy-centric advertising solutions. During 2024-2025, management has also taken several steps in pushing down the high leverage, including: 1) the acquisition of Jun Group in 2024, which enhances the Groups earnings quality, 2) raising in total 810 MSEK in a directed share issues, 3) completed bond refinancing at better terms, which lowers its annual interest expenses going forward. While Verve's net debt remains high, these actions make it more manageable, positioning the company more favorably for deleveraging in the next years. This is particularly relevant for a valuation standpoint, as lower debt levels should support a gradual re-rating of Verve's current multiples.

Earnings- and FCFF-based multiples are on the low side

Verve's income statement contains several non-cash items and non-recurring costs, so we pay close attention to FCFF-based valuation methods such as DCF. However, we also approach the valuation through absolute valuation multiples and in relation to peers. Verve's median adjusted* EV/EBITDA and EV/EBIT ratios over the last five years are 7x and 9x, respectively. Furthermore, the three-year median EV/FCFF (excl. earn-outs) stands at 13x. Based on our updated 2025-2026 estimates, Verve's EV/adj. EBIT multiples for 2025-2026 are 8x and 5x, respectively. At the same time, the corresponding EV/EBITDA multiples are 6x and 4x, while the 2026e EV/FCFF multiple (excl. earn-outs) stands at 8x. As Verve records a relatively high PPA amortizations (16 MEUR LTM), the adjusted multiples are generally lower than the unadjusted ones. As a result, the unadjusted** EV/EBIT multiples for 2025-2026 are 10x-6x, respectively. Thus, we believe that the overall earnings-based valuation for the current and next years are on the low side, both in absolute numbers and compared to historical figures.

Trading at a discount to peers, but is justified to some extent

Relative to its peer group, Verve currently trades at a discount on earnings-based multiples. The peer group's median EV/EBITDA and EV/EBIT multiples for 2025 and 2026 stand at 9x-8x and 21x-16x, respectively. However, it is important to note that there is considerable variation among peers, which influences the median values. A similar pattern is observed in FCFF-based multiples, where the median stands at 18x-14x for the same period, though the spread in multiples remains high within the peer group. At first glance, Verve's current valuation discount to peers appears excessive given its revenue and earnings growth outlook. However, considering that Verve, relative to the peer group, currently (LTM) has significantly more leverage and is expected to have higher leverage going forward (2025-2027e), a larger portion of Verve's earnings and FCFF is allocated to interest expenses, which reduces its ability to return capital to shareholders. As a result, we believe that a valuation discount to peers is justified, as Verve's current earnings and FCFF should be valued lower relative to peers, who typically maintain very minimal debt or net cash positions.

*Adjusted for PPA amortization and non-recurring costs. ** Including PPA amortization and non-recurring costs.

Valuation	2025e	2026e	2027e
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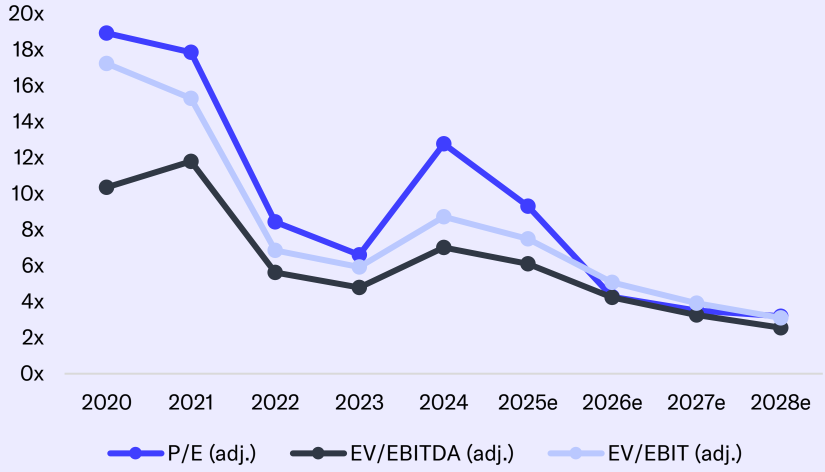
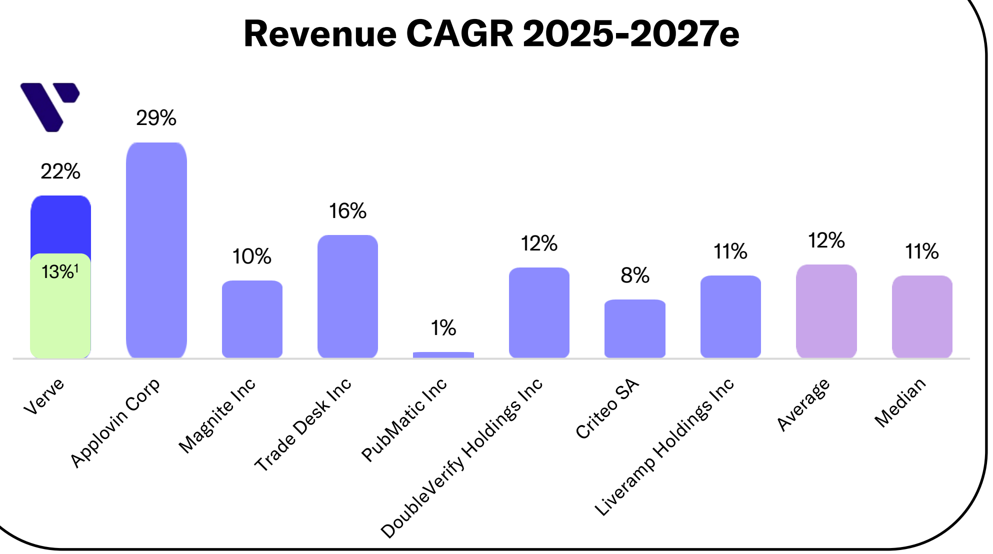
P/S	0.6	0.5	0.4
EV/Sales	1.2	0.9	0.8
EV/EBITDA	6.1	4.2	3.3
EV/EBIT (adj.)	7.5	5.1	3.9
EV/FCFF (adj.)*	9.4	7.8	5.7
Dividend yield-%	0.0 %	0.0 %	0.0 %

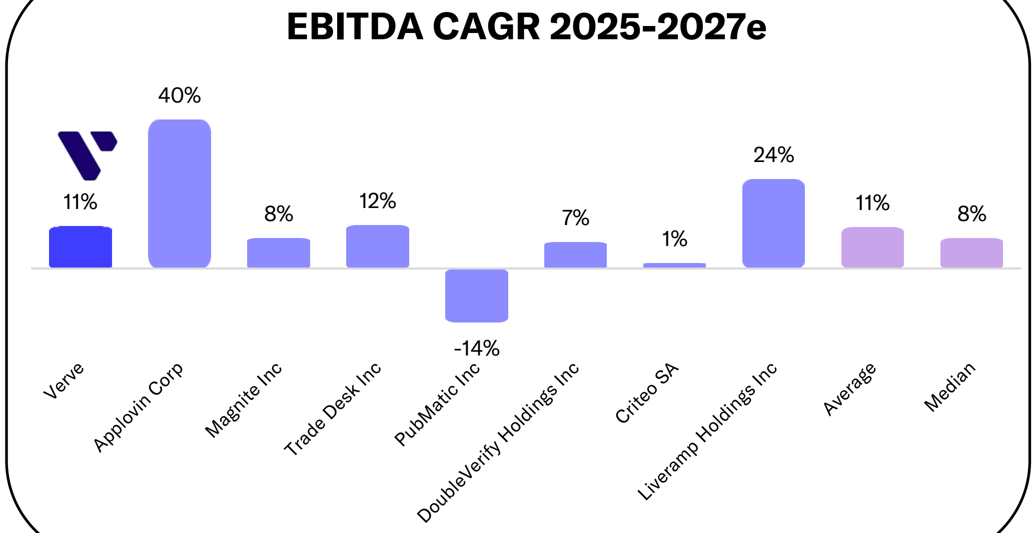
Source: Inderes

Development of valuation multiples

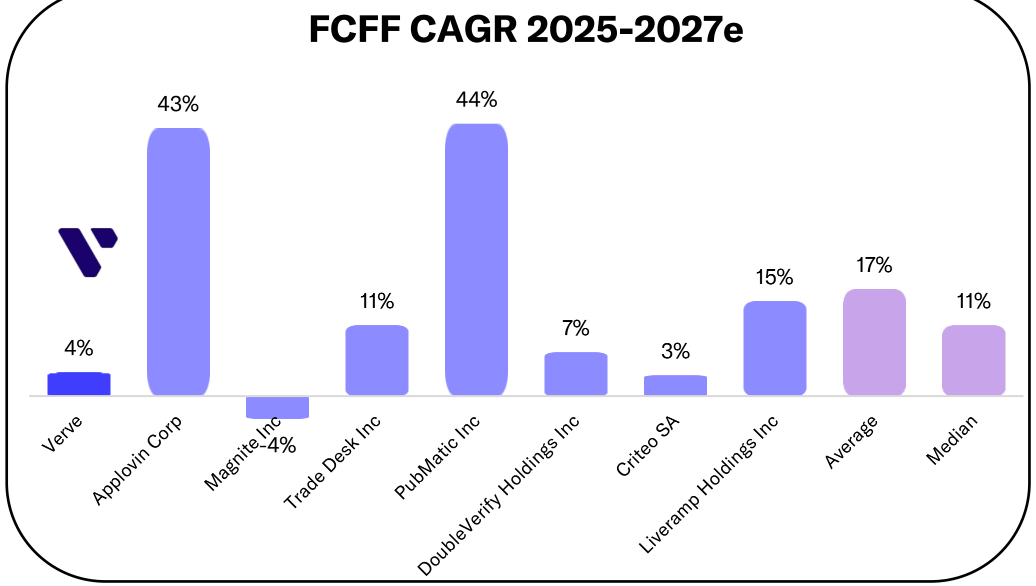


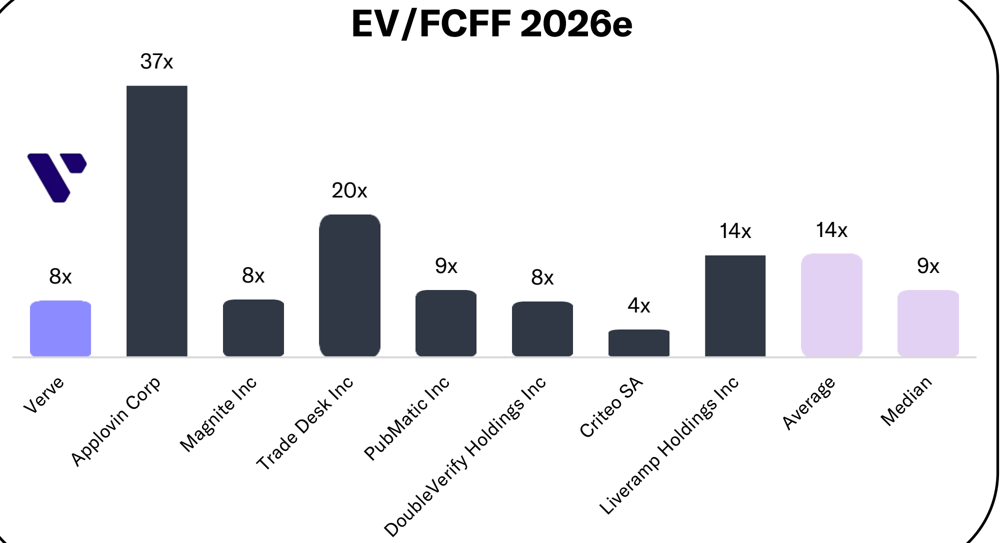
Verve vs Peers: At a glance





[1]Net revenue CAGR





Source: Inderes, Bloomberg

*Adjusted for earn-outs

Valuation 2/2

However, if deleveraging unfolds as we expect, we believe the valuation gap should gradually narrow over the next few years.

Expected return in the coming years and DCF model

We have also looked at an investor's expected return over the next few years by simplifying an acceptable valuation and our 2027 earnings estimates. In our current view, Verve could be valued around 6x-7x EV/EBITDA, 8-9x EV/EBIT and 9x-10x EV/FCFF at the end of 2027 based on our current estimates, if the profitability improvement is still intact and there are no major changes in the company's growth outlook.

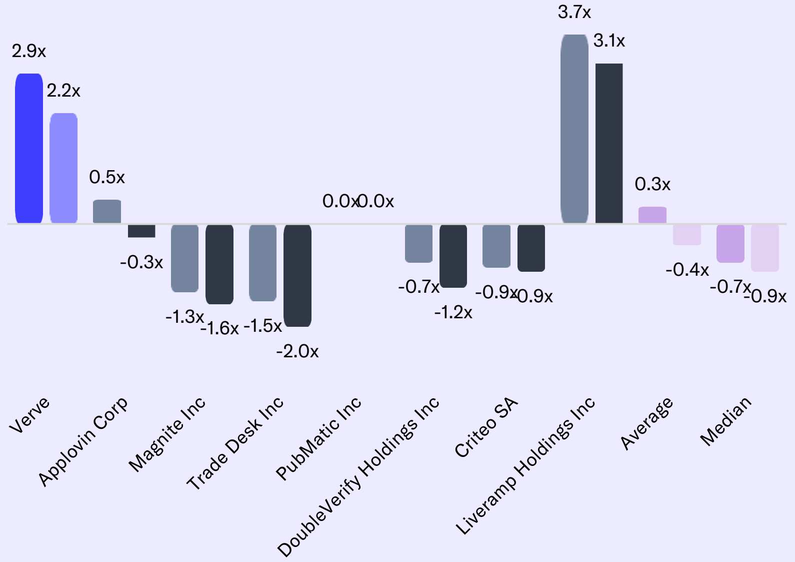
Given this and our current estimates, we believe that Verve could be valued at roughly SEK 45-53 per share at the end of 2027 (at current EUR/SEK exchange rate). Hence, in this scenario, the total annual expected return would, on average, be well above the cost of equity that we use. However, given Verve's high exposure to the digital advertising market, which is inherently volatile and currently relatively soft, we believe it is premature to place significant reliance on this scenario. Moreover, the continued uncertainty around the economic outlook in the U.S. (e.g. low consumer sentiment and slowing job growth), which is Verve's largest market, coupled with 2025's geopolitical turmoil, introduces additional risks to this valuation path. The recovery path following platform outage, current margins pressures, and the weak cash flows YTD also cast some additional uncertainty. This could, in our view, weigh on investor sentiment in the near term. Furthermore, the expected return is somewhat back-loaded and depends on an EV-based valuation, which adds further uncertainty, e.g., regarding the capital structure, which is difficult to accurately forecast over a longer period of time.

We find further support to the valuation in our DCF model, indicating a value of SEK 38 per share (was SEK 45), assuming, on average, a 12% annual growth during 2025-2028 (net revenue), which then gradually tapers toward of 2% terminal growth rate. Our assumptions also imply a gradual margin expansion in the near term, followed by a gradual convergence to our used terminal EBIT margin of 14%* (was 18.5%. In our model, the weight of the terminal period is at a reasonable 41%. We note that the DCF model is quite sensitive to the required rate of return used, as illustrated by the figure to the right.

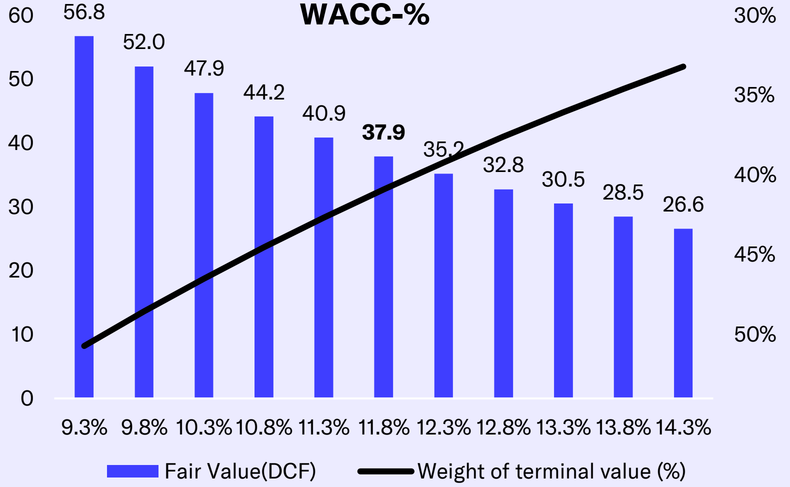
No changes in recommendation but we lower the target price

We reiterate our Buy recommendation but lower our target price to SEK 26. At this target price, the estimated earnings and FCFF multiples are at the low end of our acceptable valuation range. We believe this is justified at this point considering the continued uncertain market environment and the added risks stemming from the pace of revenue recovery following the platform outage, weak cash flows and rising leverage as well as, while no immediate impact, potential implications for customer trust and relations going forward. We also believe that the stock price reaction on Q3 figures and the fact that Verve is already trading at low earnings/FCFF-based multiples highlights short-term challenges for management to regain trust and confidence among its investor base, which could continue to create short-term volatility in the share price. However, should management succeed in restoring investor confidence, we see upside towards our estimated fair value range. As of now, though, we believe the DCF provides limited near-term support to the share price due to the aforementioned factors.

Net debt/ EBITDA 2025-2026e



Sensitivity of DCF to changes in the WACC-%

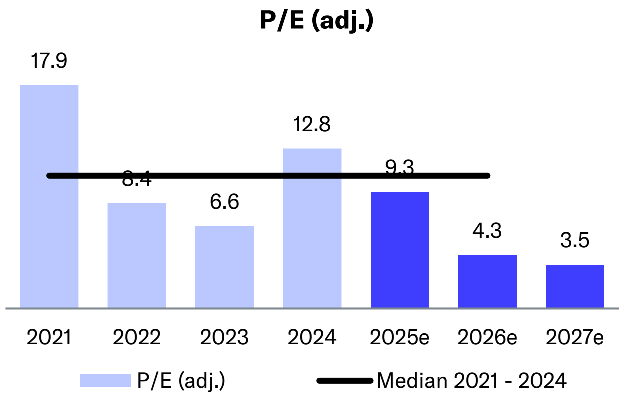


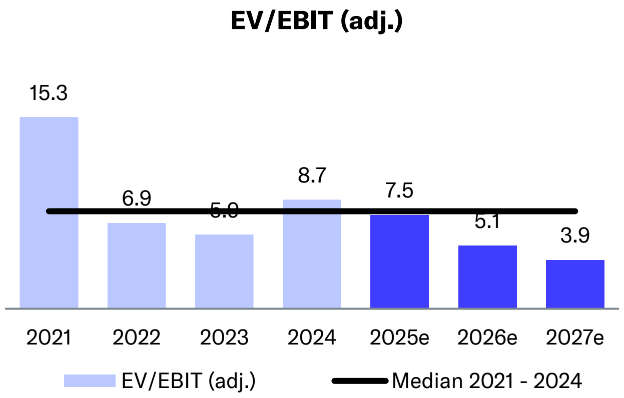
* The updated revenue recognition naturally means a higher revenue base in our estimates but at the expense of lower margins as it is based on gross revenue.

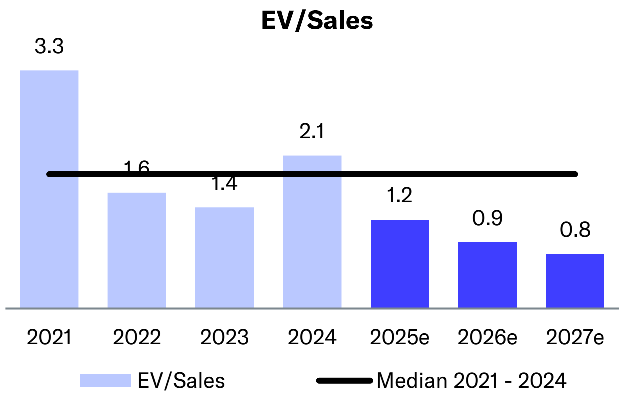
Valuation table

Valuation	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price (EUR)	4.30	1.60	1.02	3.12	1.64	1.64	1.64	1.64
Number of shares, millions	141.7	156.2	159.2	186.7	200.1	200.1	200.1	200.1
Market cap (MEUR)	644	255	163	583	328	328	328	328
EV (MEUR)	840	525	456	934	696	670	600	509
P/E (adj.)	17.9	8.4	6.6	12.8	9.3	4.3	3.5	3.2
P/E	37.9	neg.	3.5	20.2	36.3	5.8	4.5	4.0
P/B	2.1	0.8	0.5	1.3	0.7	0.6	0.5	0.5
P/S	2.6	0.8	0.5	1.3	0.6	0.5	0.4	0.4
EV/Sales	3.3	1.6	1.4	2.1	1.2	0.9	0.8	0.6
EV/EBITDA	11.8	5.6	4.8	7.0	6.1	4.2	3.3	2.6
EV/EBIT (adj.)	15.3	6.9	5.9	8.7	7.5	5.1	3.9	3.1
EV/FCFF (adj.)*	33.6	12.9	19.9	9.9	9.4	7.8	5.7	4.4
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

Source: Inderes







*Excl. earn-outs

The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years.

Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		P/B
Company	**MEUR**	**MEUR**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**
Applovin Corp	157,139	158,730	46.1	30.9	40.9	28.9	32.2	23.7	57.3	36.9	91.4
Magnite Inc	1,655	1,719	22.5	17.1	8.7	7.7	3.0	2.7	15.3	12.5	2.2
Trade Desk Inc	16,766	15,526	33.3	25.2	15.2	13.3	6.2	5.4	22.8	19.5	6.8
PubMatic Inc	368	250			5.7	5.8	1.0	1.0			1.3
DoubleVerify Holdings Inc	1,422	1,262	18.8	14.2	6.0	5.3	1.9	1.8	32.9	22.4	1.5
Criteo SA	902	701	4.1	4.0	2.0	2.0	0.7	0.7	4.3	4.2	0.9
Liveramp Holdings Inc	1,577	1,252	10.6	8.1	10.3	7.9	2.0	1.8	16.7	12.9	2.0
Verve (Inderes)	**328**	**696**	**7.5**	**5.1**	**6.1**	**4.2**	**1.2**	**0.9**	**9.3**	**4.3**	**0.7**
Average			**22.6**	**16.6**	**12.7**	**10.1**	**6.7**	**5.3**	**24.9**	**18.1**	**15.1**
Median			**20.7**	**15.6**	**8.7**	**7.7**	**2.0**	**1.8**	**19.7**	**16.2**	**2.0**
Diff-% to median			***-64%***	***-68%***	***-30%***	***-45%***	***-37%***	***-48%***	***-53%***	***-74%***	***-66%***

Source: Refinitiv / Inderes

Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25	Q4'25e	2025e	2026e	2027e	2028e
Revenue	**322**	**82.5**	**96.6**	**114**	**144**	**437**	**109**	**106**	**142**	**203**	**560**	**723**	**784**	**851**
EBITDA (excl. NRI)	93.2	19.1	21.3	23.1	31.7	133	22.0	29.1	33.6	45.1	125	158	184	199
EBITDA	**128**	**20.2**	**28.1**	**36.2**	**44.1**	**129**	**27.5**	**27.0**	**21.8**	**37.8**	**114**	**158**	**184**	**198.9**
Depreciation	-29.5	-7.9	-8.5	-11.7	-10.1	-38.2	-10.8	-10.4	-15.4	-11.0	-47.5	-45.6	-50.6	-54.9
EBIT (excl. NRI)	**76.9**	**16.6**	**23.2**	**25.2**	**42.1**	**107**	**23.3**	**22.8**	**15.4**	**31.3**	**92.8**	**132**	**153**	**164**
EBIT	**99.0**	**12.3**	**19.6**	**24.5**	**33.9**	**90.3**	**16.7**	**16.6**	**6.5**	**26.8**	**66.6**	**112**	**133**	**144**
Net financial items	-50.1	-14.1	-12.9	-14.6	-16.8	-58.5	-13.2	-20.8	-12.6	-11.0	-57.7	-36.7	-35.4	-34.0
PTP	**48.9**	**-1.9**	**6.7**	**9.8**	**17.1**	**31.8**	**3.5**	**-4.2**	**-6.2**	**15.8**	**9.0**	**75.5**	**98.0**	**110**
Taxes	-2.7	2.5	-0.4	-2.2	-2.8	-3.0	-3.3	4.6	2.6	-3.8	0.1	-18.9	-24.5	-27.5
Minority interest	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	**46.7**	**0.61**	**6.3**	**7.6**	**14.3**	**28.8**	**0.2**	**0.4**	**-3.6**	**12.0**	**9.0**	**56.6**	**73.5**	**82.5**
EPS (adj.)	**0.15**	**0.03**	**0.05**	**0.04**	**0.12**	**0.24**	**0.03**	**0.03**	**0.03**	**0.08**	**0.18**	**0.38**	**0.47**	**0.51**
EPS (rep.)	**0.29**	**0.00**	**0.03**	**0.04**	**0.08**	**0.15**	**0.00**	**0.00**	**-0.02**	**0.06**	**0.05**	**0.28**	**0.37**	**0.41**

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	-0.8 %	20.0 %	26.8 %	45.2 %	46.1 %	35.7 %	32.2 %	9.9 %	24.8 %	40.9 %	28.2 %	29.0 %	8.5 %	8.6 %
Adjusted EBIT growth-%	0.5 %	9.7 %	39.9 %	36.6 %	57.3 %	39.2 %	40.2 %	-1.7 %	-38.8 %	-25.6 %	-13.3 %	42.4 %	16.0 %	7.0 %
EBITDA-%	39.9 %	24.5 %	29.1 %	31.8 %	30.6 %	29.4 %	25.2 %	25.4 %	15.4 %	18.6 %	20.4 %	21.8 %	23.5 %	23.4 %
Adjusted EBIT-%	23.9 %	20.2 %	24.0 %	22.1 %	29.2 %	24.5 %	21.4 %	21.5 %	10.9 %	15.4 %	16.6 %	18.3 %	19.5 %	19.3 %
Net earnings-%	14.5 %	0.7 %	6.5 %	6.7 %	9.9 %	6.6 %	0.2 %	0.4 %	-2.5 %	5.9 %	1.6 %	7.8 %	9.4 %	9.7 %

Source: Inderes

Full-year earnings per share are calculated using the number of shares at year-end.

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	**814**	**1013**	**1057**	**1057**	**1053**
Goodwill	578	718	751	751	751
Intangible assets	219	269	281	279	275
Tangible assets	4.0	4.3	4.2	5.2	5.4
Associated companies	1.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	1.4	4.9	4.9	4.9	4.9
Deferred tax assets	10.5	17.0	17.0	17.0	17.0
Current assets	**194**	**239**	**276**	**327**	**398**
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	39.5	31.7	33.6	43.4	47.0
Receivables	32.3	60.9	101	116	123
Cash and equivalents	122	147	142	168	228
Balance sheet total	**1007**	**1252**	**1334**	**1384**	**1451**

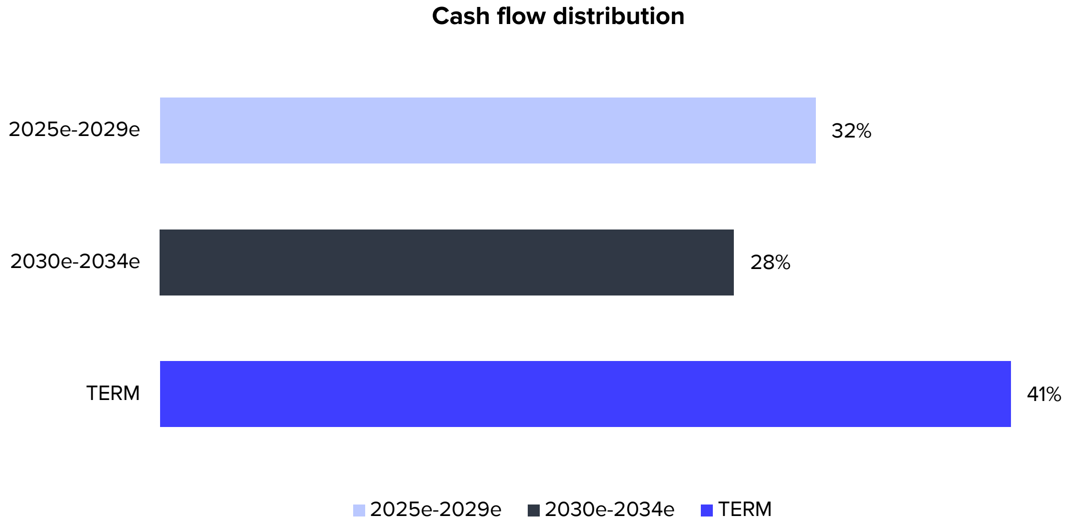
Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	**352**	**451**	**493**	**550**	**623**
Share capital	159	1.6	1.6	1.6	1.6
Retained earnings	48.1	76.9	85.9	143	216
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	145	372	405	405	405
Minorities	0.2	0.2	0.2	0.2	0.2
Non-current liabilities	**414**	**499**	**562**	**537**	**528**
Deferred tax liabilities	28.9	21.7	21.7	21.7	21.7
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	348	446	500	500	500
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	36.9	31.0	40.4	15.3	5.9
Current liabilities	**241**	**303**	**279**	**297**	**300**
Interest bearing debt	66.5	52.0	10.0	10.0	0.0
Payables	102	145	177	202	216
Other current liabilities	72.4	106	92.1	84.8	84.8
Balance sheet total	**1007**	**1253**	**1334**	**1384**	**1451**

DCF-calculation

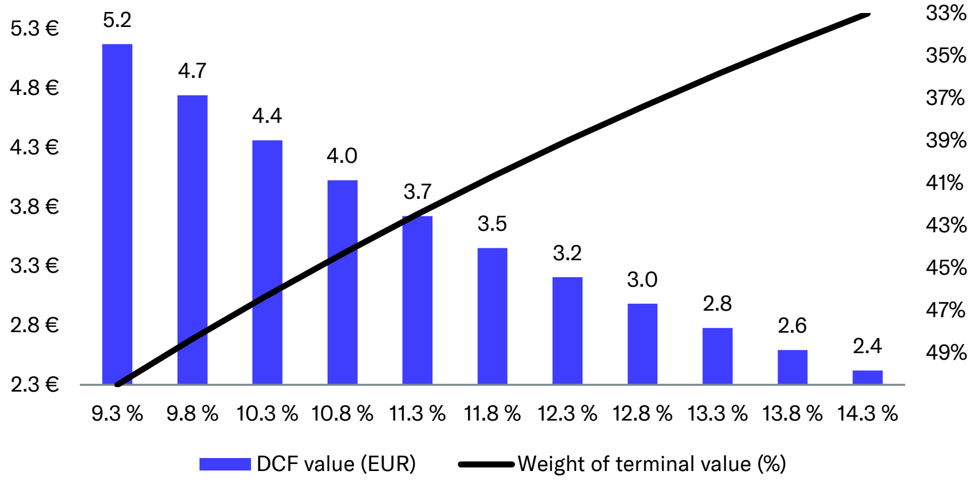
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	35.7 %	28.2 %	29.0 %	8.5 %	8.6 %	7.5 %	6.5 %	4.0 %	3.5 %	3.0 %	2.0 %	2.0 %
EBIT-%	20.7 %	11.9 %	15.5 %	17.0 %	16.9 %	17.1 %	16.6 %	15.6 %	15.6 %	13.9 %	13.9 %	13.9 %
EBIT (operating profit)	**90.3**	**66.6**	**112**	**133**	**144**	**156**	**162**	**158**	**164**	**150**	**153**	
+ Depreciation	38.2	47.5	45.6	50.6	54.9	59.6	64.0	62.3	65.6	63.9	58.1	
- Paid taxes	-16.7	0.1	-18.9	-24.5	-27.5	-30.7	-32.7	-32.5	-34.3	-31.5	-32.7	
- Tax, financial expenses	-5.5	0.4	-9.2	-8.8	-8.5	-8.4	-7.7	-7.1	-6.6	-6.1	-5.6	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	56.0	-24.3	-6.0	2.1	3.9	5.5	2.6	3.3	3.2	1.9	0.2	
Operating cash flow	**162**	**90.3**	**124**	**153**	**167**	**182**	**188**	**184**	**192**	**178**	**173**	
+ Change in other long-term liabilities	-5.9	9.4	-25.1	-9.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-232.3	-91.6	-45.0	-47.1	-50.2	-52.7	-54.1	-56.8	-61.0	-62.0	-60.0	
Free operating cash flow	**-75.9**	**8.1**	**53.7**	**96.3**	**117**	**130**	**134**	**127**	**131**	**116**	**113**	
+/- Other	40.0	33.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-35.9	41.1	53.7	96.3	117	130	134	127	131	116	113	1175
Discounted FCFF		**40.6**	**47.4**	**76.1**	**82.4**	**82.1**	**75.8**	**64.5**	**59.2**	**47.2**	**41.0**	**426**
Sum of FCFF present value		1043	1002	955	879	796	714	638	574	515	467	426
Enterprise value DCF		**1043**										
- Interest bearing debt		-497.9										
+ Cash and cash equivalents		147										
-Minorities		-0.1										
-Dividend/capital return		0.0										
Equity value DCF		**691**										
Equity value DCF per share		**3.5**										
Equity value DCF per share (SEK)		**37.9**										

WACC	
Tax-% (WACC)	25.0 %
Target debt ratio (D/(D+E)	15.0 %
Cost of debt	8.2 %
Equity Beta	1.80
Market risk premium	4.75%
Liquidity premium	1.70%
Risk free interest rate	2.5 %
Cost of equity	**12.8 %**
Weighted average cost of capital (WACC)	**11.8 %**

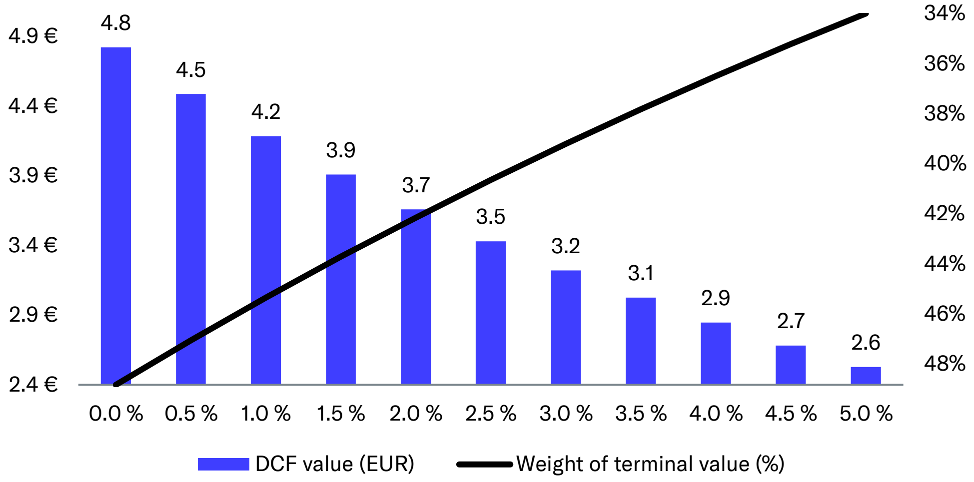


DCF sensitivity calculations and key assumptions in graphs

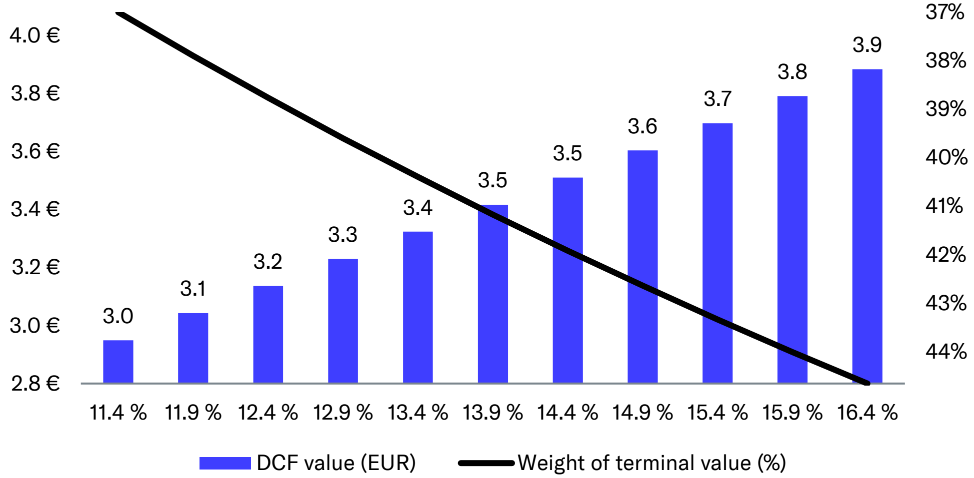
Sensitivity of DCF to changes in the WACC-%



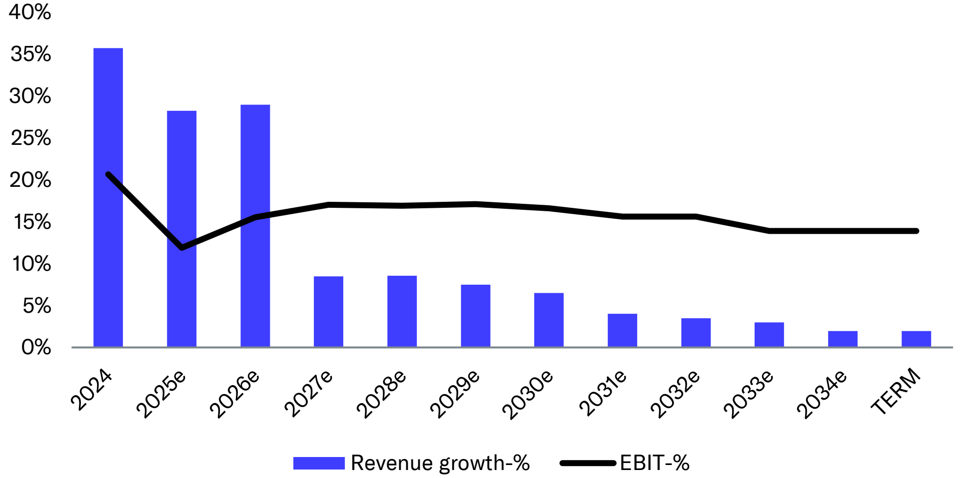
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



Source: Inderes. Note that the weight of the terminal value (%) is shown on an inverse scale for clarity.

Summary

Income statement	2022	2023	2024	2025e	2026e
Revenue	324.4	322.0	437.0	**560.3**	**722.7**
EBITDA	84.8	128.5	128.5	**114.1**	**157.8**
EBIT	26.6	99.0	90.3	**66.6**	**112.2**
PTP	-11.3	48.9	31.8	**9.0**	**75.5**
Net Income	-20.3	46.7	28.8	**9.0**	**56.6**
Extraordinary items	-49.9	22.1	-16.8	**-26.2**	**-19.9**

Balance sheet	2022	2023	2024	2025e	2026e
Balance sheet total	1044.7	1007.0	1252.4	**1333.6**	**1383.8**
Equity capital	321.7	352.5	450.9	**492.9**	**549.5**
Goodwill	587.7	578.0	718.0	**750.6**	**750.6**
Net debt	271.3	292.8	351.2	**368.1**	**341.9**

Cash flow	2022	2023	2024	2025e	2026e
EBITDA	84.8	128.5	128.5	**114.1**	**157.8**
Change in working capital	8.6	-14.1	56.0	**-24.3**	**-6.0**
Operating cash flow	80.9	109.5	162.3	**90.3**	**123.8**
CAPEX	-236.3	-15.5	-232.3	**-91.6**	**-45.0**
Free cash flow	-81.8	41.3	-35.9	**41.1**	**53.7**

Valuation multiples	2022	2023	2024	2025e	2026e
EV/S	1.6	1.4	2.1	**1.2**	**0.9**
EV/EBITDA	5.6	4.8	7.0	**6.1**	**4.2**
EV/EBIT (adj.)	6.9	5.9	8.7	**7.5**	**5.1**
P/E (adj.)	8.4	6.6	12.8	**9.3**	**4.3**
P/B	0.8	0.5	1.3	**0.7**	**0.6**
Dividend-%	0.0 %	0.0 %	0.0 %	**0.0 %**	**0.0 %**

Source: Inderes

Per share data	2022	2023	2024	2025e	2026e
EPS (reported)	-0.13	0.29	0.15	**0.05**	**0.28**
EPS (adj.)	0.19	0.15	0.24	**0.18**	**0.38**
OCF / share	0.52	0.69	0.87	**0.45**	**0.62**
OFCF / share	-0.52	0.26	-0.19	**0.21**	**0.27**
Book value / share	2.07	2.21	2.41	**2.46**	**2.75**
Dividend / share	0.00	0.00	0.00	**0.00**	**0.00**

Growth and profitability	2022	2023	2024	2025e	2026e
Revenue growth-%	29%	-1%	36%	**28%**	**29%**
EBITDA growth-%	30%	52%	0%	**-11%**	**38%**
EBIT (adj.) growth-%	40%	0%	39%	**-13%**	**42%**
EPS (adj.) growth-%	-21%	-18%	58%	**-28%**	**117%**
EBITDA-%	26.1 %	39.9 %	29.4 %	**20.4 %**	**21.8 %**
EBIT (adj.)-%	23.6 %	23.9 %	24.5 %	**16.6 %**	**18.3 %**
EBIT-%	8.2 %	30.7 %	20.7 %	**11.9 %**	**15.5 %**
ROE-%	-6.4 %	13.8 %	7.2 %	**1.9 %**	**10.9 %**
ROI-%	3.7 %	13.1 %	10.5 %	**6.8 %**	**10.9 %**
Equity ratio	30.8 %	35.0 %	36.0 %	**37.0 %**	**39.7 %**
Gearing	84.3 %	83.1 %	77.9 %	**74.7 %**	**62.2 %**

The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years. Per-share figures are calculated using the number of shares at year-end.

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Buy	The 12-month risk-adjusted expected shareholder return of the share is very attractive
Accumulate	The 12-month risk-adjusted expected shareholder return of the share is attractive
Reduce	The 12-month risk-adjusted expected shareholder return of the share is weak
Sell	The 12-month risk-adjusted expected shareholder return of the share is very weak

The assessment of the 12-month risk-adjusted expected total shareholder return based on the above-mentioned definitions is company-specific and subjective. Consequently, similar 12-month expected total shareholder returns between different shares may result in different recommendations, and the recommendations and 12-month expected total shareholder returns between different shares should not be compared with each other. The counterpart of the expected total shareholder return is Inderes' view of the risk taken by the investor, which varies considerably between companies and scenarios. Thus, a high expected total shareholder return does not necessarily lead to positive performance when the risks are exceptionally high and, correspondingly, a low expected total shareholder return does not necessarily lead to a negative recommendation if Inderes considers the risks to be moderate.

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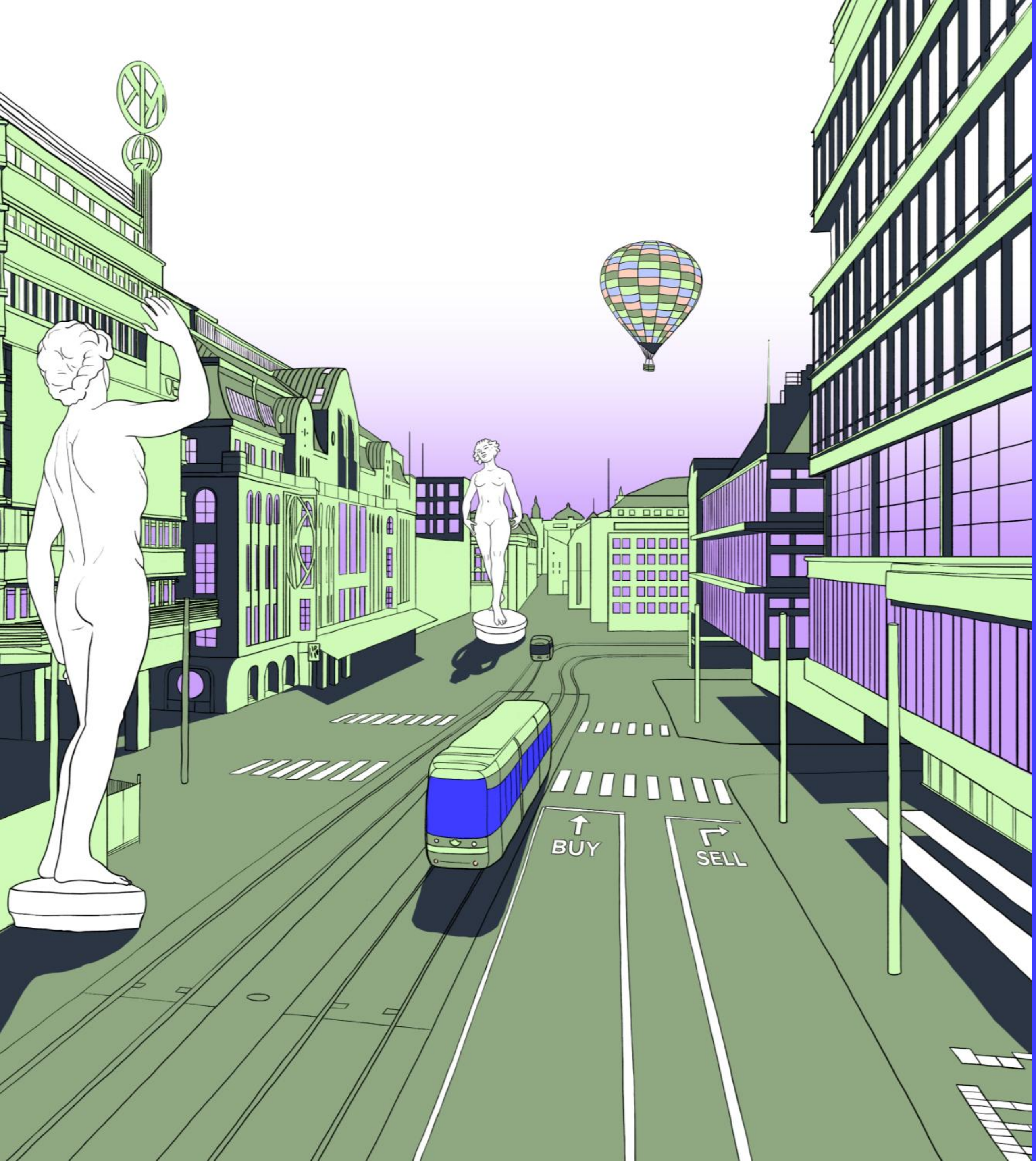
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
2022-12-12	Buy	23 kr	16.90 kr
2023-01-03	Buy	26 kr	18.00 kr
2023-06-01	Buy	22 kr	12.70 kr
2023-09-01	Buy	21 kr	15.20 kr
2023-12-01	Buy	16 kr	10.10 kr
2024-03-01	Buy	17 kr	12.09 kr
2024-03-21	Buy	20 kr	16.98 kr
Change of Analyst			
2024-05-08	Accumulate	24 kr	20.85 kr
2024-06-24	Buy	28 kr	18.52 kr
2024-07-05	Accumulate	29 kr	25.25 kr
2024-08-13	Accumulate	35 kr	31.55 kr
2024-08-30	Accumulate	38 kr	33.65 kr
2024-10-31	Accumulate	50 kr	45.20 kr
2024-11-29	Accumulate	50 kr	41.00 kr
2025-02-28	Buy	57 kr	42.85 kr
2025-04-09	Buy	45 kr	29.60 kr
2025-05-28	Buy	45 kr	34.24 kr
2025-08-18	Buy	32 kr	20.20 kr
2025-09-19	Buy	36 kr	25.70 kr
2025-11-19	Buy	26 kr	17.99 kr



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