TALENOM

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INDERES CORPORATE CUSTOMER

COMPANY REPORT

Unpleasant surprise in Spain clouded many positives

We reiterate our Buy recommendation and EUR 1.7 target price for Talenom. Q2 earnings would have significantly exceeded our expectations had it not been for the 1.2 MEUR write-down of Spanish trade receivables. Finnish profitability clearly exceeded our estimates, and Sweden indicated an impending earnings turnaround, which is important for the company's risk profile. We made only minor changes to our estimates (increasing Finnish estimates and decreasing Spanish estimates), and the value indicated by our sum-of-the-parts calculation increased slightly.

Many positives in Q2 result, but Spain delivered disappointment

Talenom's Q2 revenue increased by 2.8% to 30.6 MEUR, slightly below our forecast. This was due to weaker-than-expected growth in Finland (1.4% vs. estimate of 3.0%). The market situation in Finland remained challenging, as customers are going bankrupt and their business operations are shrinking. At the same time, according to our estimates, price pressure increased due to both service cutbacks and intensified competition. The positive effects of the turnaround in the Finnish economy will be reflected in the market with a delay, presumably not until during 2027. Revenue in Sweden matched that in Spain at the 5.9 MEUR level, as revenue in Sweden declined by approximately 10% as expected, while revenue in Spain grew by 26%. Revenue in Spain was slightly disappointing for us, likely due to higher customer churn resulting from acquisitions.

EBIT in Q2 was 2.3 MEUR, slightly below our forecast of 2.6 MEUR. The deviation was due to an unexpected 1.2 MEUR impairment of trade receivables in Spain, which directly burdened the comparable figures as well. This impairment was related to overdue receivables that accumulated during the acquisitions' integration phase. Otherwise, operational development in Spain was approximately as expected. Excluding this presumably one-time occurrence, Talenom's operating result (3.5 MEUR) clearly exceeded our expectations. Sweden offered another positive signal as, despite a decrease in revenue, EBITDA (0.7 MEUR) improved significantly (Q2'25: 0.4 MEUR) thanks to recovered customer retention and efficiency. There is still work to be done in Sweden, but the direction is right. Finland generated a suitably unexciting but strong EBIT of 3.4 MEUR in Q2, with a very good margin of 18.1%, as costs remained significantly better controlled than anticipated.

Estimate changes were minor due to strong results in Finland

Talenom reiterated its guidance, and the company estimates 2026 revenue to be 110-120 MEUR and comparable EBITDA to be 18-22 MEUR. We made only minor adjustments to our estimates because the significantly better-than-expected operational development offset the impact of the impairment in Spain Specifically, the Finnish earnings estimates increased thanks to improved profitability and a better outlook for demand in the coming years, and in Sweden, the company is progressing towards its targeted positive EBITDA. In regard to Spain, we lowered our forecasts, especially in terms of profitability, for the coming years as well. We will monitor Spain's profitability trends closely, as problems tend to recur. Although Finland will continue to account for the lion's share of Talenom's earnings and cash flows, a large portion of its investments (acquisitions) will be directed toward Spain. These will need to generate returns, not least to ensure the credibility of the company's internationalization strategy.

Slightly positive vibe around valuation

Our sum-of-the-parts analysis value rose slightly to EUR 1.9 (previously EUR 1.8), in line with Finland's strong development. High financial leverage leads to a wide range between positive and negative scenarios but Talenom, which is out of favor, also has significant upside potential. Additionally, when looking at operational cash flow, we believe the valuation is already attractive with 2026 forecasts, despite high earnings-based valuation multiples. We kept our target price (EUR 1.7) below the sum-of-the-parts average (EUR 1.9) and the DCF (EUR 2.0) to reflect the risks associated with Sweden, the recent challenges in Spain, and the continued weak sentiment surrounding the stock.

Recommendation

Buy
(was Buy)

Target price:

EUR 1.70
(was EUR 1.70)

Share price:

EUR 1.29

Business risk

●●●○○

Valuation risk

●●●○○

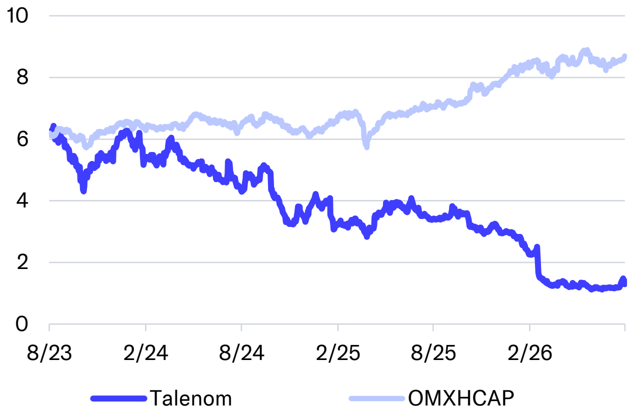
	2025	2026e	2027e	2028e
Revenue	108	113	119	126
growth-%	2%	5%	5%	7%
EBIT adj.	5.9	6.0	8.3	11.0
EBIT-% adj.	5.5 %	5.3 %	7.0 %	8.7 %
Net Income	2.0	2.2	3.9	6.3
EPS (adj.)	0.06	0.05	0.09	0.14
P/E (adj.)	53.5	26.5	15.1	9.4
P/B	3.7	1.5	1.4	1.3
Dividend yield-%	1.7 %	3.9 %	3.9 %	4.8 %
EV/EBIT (adj.)	36.6	22.4	15.5	11.1
EV/EBITDA	11.4	6.7	5.6	4.9
EV/S	2.0	1.2	1.1	1.0

Source: Inderes

Guidance (Unchanged)

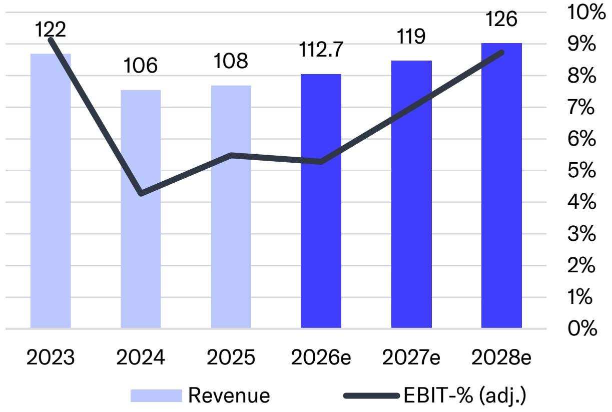
Talenom estimates that accounting firm revenue in 2026 will be around 110-120 MEUR and comparable EBITDA around 18-22 MEUR.

Share price



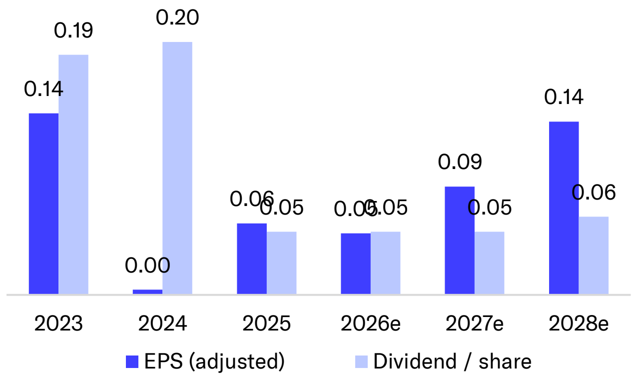
Source: Millistream Market Data AB

Revenue and EBIT % (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Growth in Finnish operations outside of Easor and abundant cash flow
- Strong growth in Spain and improving productivity towards Finnish levels
- Turnaround in profitability of the Swedish business
- Significant earnings growth as losses from international operations end
- We believe that the software-independent Talenom is well positioned for transformation

Risk factors

- Failure to turn around the Swedish business and significant goodwill associated with the country
- Risks related to the balance sheet and debt leverage
- Difficult predictability of the AI disruption
- Managing rapid growth in Spain and ensuring profitability
- Tightening competition in digital financial administration

Valuation	2026e	2027e	2028e
Share price	1.29	1.29	1.29
Number of shares, millions	45.6	45.6	45.6
Market cap	59	59	59
EV	133	129	123
P/E (adj.)	26.5	15.1	9.4
P/E	26.5	15.1	9.4
P/B	1.5	1.4	1.3
P/S	0.5	0.5	0.5
EV/Sales	1.2	1.1	1.0
EV/EBITDA	6.7	5.6	4.9
EV/EBIT (adj.)	22.4	15.5	11.1
Payout ratio (%)	103%	58.3 %	45.0 %
Dividend yield-%	3.9 %	3.9 %	4.8 %

Source: Inderes

Many positives in Q2 result, but Spain delivered disappointment

Profitability in Finland surprised positively

Revenue from Finland grew by 1.4%, settling at 18.7 MEUR and missing our 19.0 MEUR estimate slightly. Due to the challenging economic situation, customer churn stayed high, putting pressure on prices as companies reduced services.

Nevertheless, Finland remained the group's clear earnings engine, and operational profitability remained strong. Finland's Q2 EBIT was 3.4 MEUR, representing an excellent margin of 18.1% for the sector. This also significantly exceeded our estimate, as we expected an EBIT of only 2.7 MEUR from Finland (margin estimate 14.4%). Therefore, expenses were well below our expectations, and the fixed costs arising from the spin-off did not impact the result as expected. It seems that the company had succeeded in further streamlining its operations in Finland. Finland was also responsible for Talenom's cash flows, and overall, the company's development was positive yet pleasantly uneventful in its own way.

Large markdown overshadows Spain's growth story

Revenue from Spain grew by 26.2% to 5.9 MEUR, supported by acquisitions, missing our 6.1 MEUR estimate only slightly. The reason for this is likely post-acquisition churn, which weighed on organic growth and sends a slightly negative signal about Talenom's growth story.

Talenom's failure to invoice or collect from churned customers forced the company to record a 1.2 MEUR impairment of trade receivables in Q2. This lowered Spain's "comparable" (item not adjusted) EBIT to -1.0 MEUR, while our estimate was 0.3 MEUR. Excluding that item, profitability, which is presumably weighed down by ongoing integration costs, was roughly in line with expectations. The company believes that enhanced collection and operational models will significantly reduce such risk in the future. If this issue truly remains a one-time exception, it has no practical significance for the narrative. However, Sweden has taught us that problems can easily multiply, which is why we are monitoring developments in Spain very closely.

Swedish profitability turnaround on schedule

In line with our expectations, revenue in Sweden declined by 10% to 5.9 MEUR as a result of the lingering effects of a significant previous loss of a major customer. Despite the sharp revenue decline, Sweden's EBITDA increased to 0.7 MEUR (Q2'25: 0.4 MEUR), exceeding our forecast (0.5 MEUR) as customer retention and efficiency improved. This is important for the company's strategy and risk profile, particularly due to the significant goodwill related to Sweden. There is still a long way to go before achieving true success in Sweden, but the indicators suggest that the worst is now over.

Cash flow at the expected level

Talenom's cash flow from operations was significantly better than earnings in H1, as we expected. This is mainly due to a significant discrepancy between depreciation (8.7 MEUR) and investments (6.7 MEUR) for historical reasons.

Estimates	Q2'25	Q2'26	Q2'26e	Q2'26e	Consensus		Difference (%)	2026e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	29.7	30.6	31.0				-1%	113
EBITDA	6.2	5.7	6.1				-6%	19.8
EBIT	2.8	2.3	2.6				-12%	6.0
EPS (adj.)	0.03	0.03	0.03				6%	0.05
Revenue growth-%	-	2.8 %	4.3 %				-1.4 pp	4.7 %
EBIT-% (adj.)	9.4 %	7.6 %	8.5 %				-0.9 pp	5.3 %

Source: Inderes

Estimate changes remained small due to strong performance in Finland

The difference between depreciation and investments becomes even more significant when we eliminate the 3.6 MEUR used for acquisitions. Acquisitions are growth investments for which the company expects a good return in the future. This was not the case in Sweden, but we remain relatively confident in the rationality of the investments in Spain (despite the Q2 impairment).

Talenom's balance sheet is heavily leveraged, offering little buffer for failures. The equity ratio at the end of Q2 was 25.2% and gearing was 204%. Interest-bearing debt from financial institutions totaled 74 MEUR, which is currently causing fluctuations in the company's valuation and stock price as well. According to our assessment, the company is primarily seeking to resolve this situation by increasing its profits rather than reducing its debt.

No significant changes in the current year's outlook

Talenom reiterated its guidance issued in December, in which it estimates 2026 revenue to be around 110-120 MEUR and comparable EBITDA to be around 18-22 MEUR. Prior to the report, our projections estimated full-year revenue at 113 MEUR and comparable EBITDA at 20 MEUR. We made only minor adjustments to our estimates, although the 1.2 MEUR decrease in Spain was certainly unexpected. Operationally, the Q2 result was significantly better than we expected and supported our profitability estimates, particularly in Finland. In addition, the fact that Sweden's profitability turnaround is proceeding on schedule reinforces our positive view of the turnaround. The negative revenue trend should gradually level off, which would also support an improvement in profitability.

We slightly raised our forecasts for Finland and Sweden but significantly lowered them for Spain. Although this was essentially a one-time item, we believe that uncertainty regarding Spain's growth and profitability trends has increased. Spain's growth continues to be strong, supported by previous acquisitions, but we do not expect any significant new acquisitions in H2 (possibly towards the end of the year). We are closely monitoring the progress of the integrations and profitability trends, particularly with regard to any potential new one-off items.

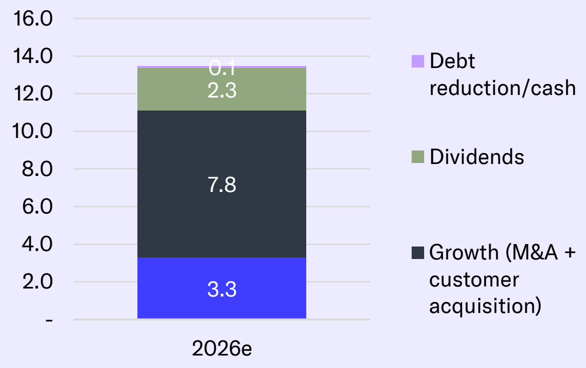
Slight positivity in Finland for the coming years

We anticipate that the Finnish market will remain subdued in the coming quarters, which will clearly limit the company's short-term growth outlook. However, the slight acceleration in Finland's growth that we expect next year seems even more likely now that economic growth picked up significantly in Q2. An uptick in activity is usually reflected in the accounting firm market with a lag of 6–9 months, meaning that, in practice, positive momentum should begin to show early next year. We also slightly raised our estimates for Finland for the coming years, which positively impacted the group due to the significant role of the domestic market. Conversely, we also lowered our estimates for Spain in the coming years slightly.

Estimate revisions MEUR / EUR	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %	2028e Old	2028e New	Change %
Revenue	113	113	0%	120	119	-1%	128	126	-2%
EBITDA	20.2	19.8	-2%	22.4	22.8	2%	24.6	25.0	2%
EBIT (exc. NRIs)	6.2	6.0	-4%	8.1	8.3	3%	10.6	11.0	4%
EBIT	6.2	6.0	-4%	8.1	8.3	3%	10.6	11.0	4%
PTP	2.8	2.7	-4%	4.8	4.9	3%	7.6	7.9	4%
EPS (excl. NRIs)	0.05	0.05	7%	0.08	0.09	3%	0.13	0.14	4%
DPS	0.05	0.05	0%	0.05	0.05	0%	0.06	0.06	4%

Source: Inderes

Cash flow allocation 2026e (MEUR)



Slightly positive vibe around valuation

Sum of the parts

The most valuable part of Talenom is the Finnish core business, which we now estimate to have an enterprise value (EV) of 121 MEUR (was 112 MEUR). This would imply an EV/EBIT multiple of 11x based on our 2026 forecasts. In our view, an acceptable valuation continues to depend on business growth and cash flows. Acceptable valuations for accounting firms are moderate, partly due to concerns related to the AI disruption, and for example, Aallon Group's valuation is low (2026e adj. EV/EBIT 8–9x). While we accept a premium for Talenom based on what we believe is a stronger growth outlook and competitive advantage, we do not see grounds for a large premium at this stage.

We estimate the EV of the Swedish accounting firm business to be 12 MEUR, with a valuation range of 10-15 MEUR, based on a 2026e EV/S multiple of 0.5-0.75x. We estimate that Talenom could sell the business for at least this value once the business has stabilized. The company has provided guidance that Swedish EBITDA will be positive in 2026, and the business is progressing toward that goal. Still, the value of the business is speculative for now, as cash flow is negative. We value the Spanish accounting firm business at 28 MEUR, or in a range of 25-30 MEUR (EV) (was 31 MEUR). In Spain, the growth story is progressing moderately overall, and operational profitability has been on the rise, though Q2 did not strengthen confidence in this development. We slightly decreased the acceptable multiples (2026e EV/S 1.2-1.4x), but the company still has enormous potential in the large Spanish market. However, we emphasize that the story in Spain is still far from over and that there remains much for the company to prove. In our view, the success in Spain is also crucial for Talenom's overall internationalization given the previous failure in Sweden.

Talenom has around 75 MEUR of interest-bearing debt from financial institutions. The company's capital allocation decisions, such as acquisitions and dividends, will influence its performance in 2026. Due to high financial leverage, there is a significant difference in market value between a negative scenario (EUR 1.4/share) and a positive scenario (EUR 2.3/share), but the average of these is roughly EUR 1.9/share (was EUR 1.8). We maintain our 12-month target price at EUR 1.7. This is slightly below the sum-of-the-parts average, but in our view, reaching this value requires the company to have good cash flow, stabilization in Sweden, and positive development in Spain. The company did not achieve the latter in Q2.

Valuation multiples and cash flow

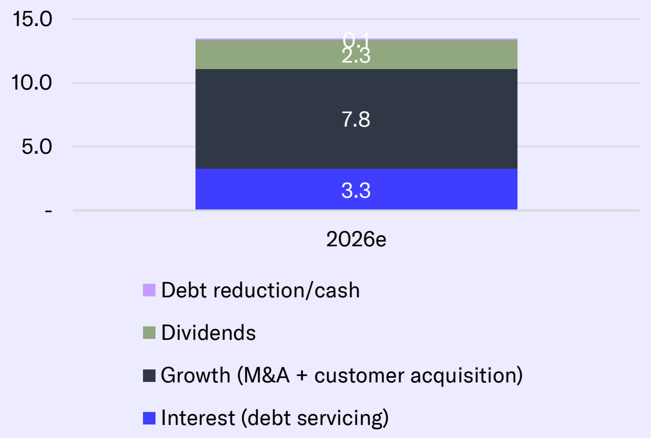
Talenom's traditional earnings-based valuation multiples (2026e adj. EV/EBIT 22x and P/E 27x) are high, given that the international business has no earnings contribution and the company has a lot of debt. In our view, this limits the stock's upside, especially given the current low investor confidence in the company. With 2027 estimates, the multiples already look significantly more moderate (2027e adj. EV/EBIT 16x and P/E 15x), which are essential for the share price 12 months from now.

On the other hand, we estimate that Talenom's business generates robust cash flow, and we believe a market capitalization of approximately 59 MEUR is reasonable, given its cash flow. Although the market remains reluctant towards Talenom, we see significant upside leverage if the story can get on the right track. After Q1, the worst of the selling pressure eased, and the stock price increased, which is encouraging.

Valuation	2026e	2027e	2028e
Share price	1.29	1.29	1.29
Number of shares, millions	45.6	45.6	45.6
Market cap	59	59	59
EV	133	129	123
P/E (adj.)	26.5	15.1	9.4
P/E	26.5	15.1	9.4
P/B	1.5	1.4	1.3
P/S	0.5	0.5	0.5
EV/Sales	1.2	1.1	1.0
EV/EBITDA	6.7	5.6	4.9
EV/EBIT (adj.)	22.4	15.5	11.1
Payout ratio (%)	103%	58.3 %	45.0 %
Dividend yield-%	3.9 %	3.9 %	4.8 %

Source: Inderes

Cash flow allocation 2026e (MEUR)

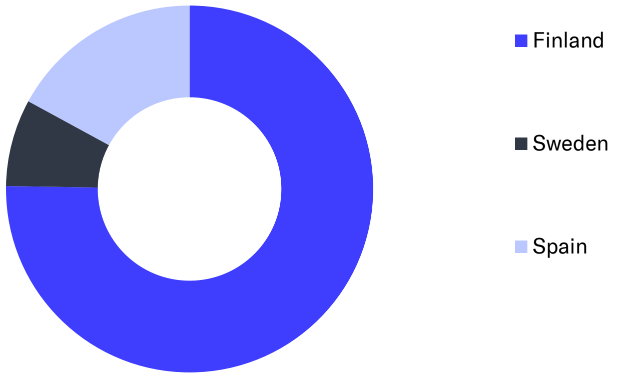


Sum-of-the parts analysis

Talenom's SOTP

Country value (EV, MEUR)	Lower end	Average	Upper end	Method
Finland	110	121	132	2026e EBIT 10-12x
Sweden	10	12	15	2026e EV/S 0.5-0.75x
Spain	25	28	30	2026e EV/S 1.2-1.4x
Total	146	161	177	
Interest-bearing liabilities (MEUR, 2026e)	80	75	70	
Market value (MEUR)	66	86	107	
Number of shares (millions)	45.6	45.6	45.6	
Value per share	EUR 1.4	EUR 1.9	EUR 2.3	

Breakdown of Talenom's value
(Inderes' view, MEUR)



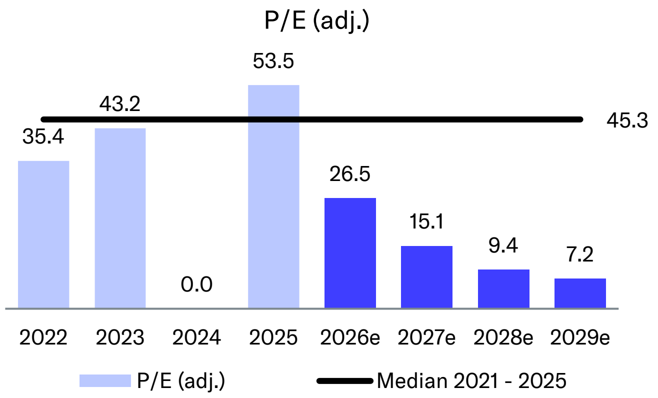
Talenom's valuation multiples at average

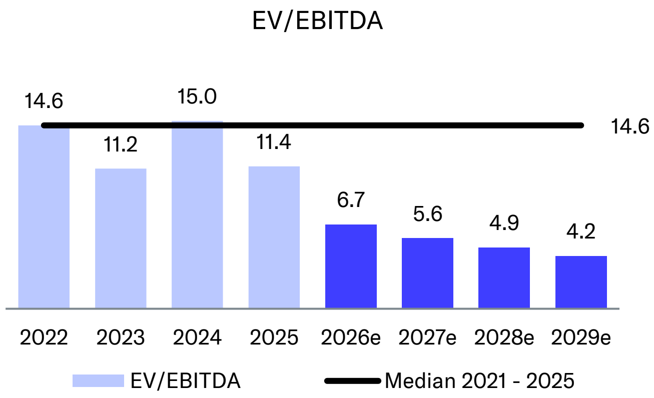
Multiple	2025e	2026e	2027e
EV/S (x)	1.5	1.4	1.4
EV/EBITDA (x)	8.3	8.2	7.2
EV/EBIT (x)	27.8	27.6	19.5
EV/ Cash flow after investments (x)	15.1	15.2	12.9

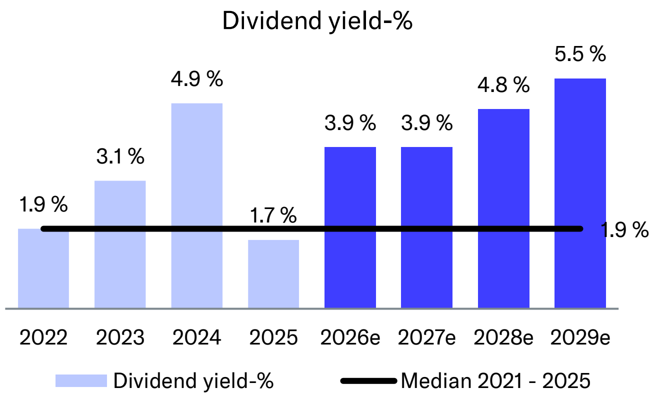
Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	11.7	9.39	6.20	4.06	3.03	1.29	1.29	1.29	1.29
Number of shares, millions	43.8	44.5	45.4	45.6	45.6	45.6	45.6	45.6	45.6
Market cap	512	420	282	185	138	59	59	59	59
EV	552	475	357	273	216	133	129	123	115
P/E (adj.)	47.5	35.4	43.2	>100	53.5	26.5	15.1	9.4	7.2
P/E	47.5	35.4	83.7	>100	69.7	26.5	15.1	9.4	7.2
P/B	11.5	7.5	5.0	3.4	3.7	1.5	1.4	1.3	1.2
P/S	6.2	4.1	2.3	1.8	1.3	0.5	0.5	0.5	0.4
EV/Sales	6.7	4.6	2.9	2.6	2.0	1.2	1.1	1.0	0.9
EV/EBITDA	19.9	14.6	11.2	15.0	11.4	6.7	5.6	4.9	4.2
EV/EBIT (adj.)	37.4	31.1	32.1	60.4	36.6	22.4	15.5	11.1	8.8
Payout ratio (%)	69.0 %	68.3 %	256.6 %	4906.3 %	115.0 %	102.7 %	58.3 %	45.0 %	40.0 %
Dividend yield-%	1.5 %	1.9 %	3.1 %	4.9 %	1.7 %	3.9 %	3.9 %	4.8 %	5.5 %

Source: Inderes







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		Dividend yield-%	
Company	MEUR	MEUR	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e
Aallon Group	34	38	8.3	6.8	6.0	5.2	0.9	0.8	9.4	8.1	2.8	2.9
Admicom	134	122	10.2	8.3	10.8	7.8	3.2	2.8	13.7	11.8	1.2	1.6
Administer	38	46	22.9	11.5	6.1	4.6	0.4	0.4	111.0	21.1	2.3	2.9
Enento	367	504	18.2	13.4	9.4	8.4	3.2	3.1	19.9	14.2	6.6	6.7
Fondia	19	17	8.2	7.3	6.0	5.5	0.7	0.6	11.7	10.7	6.0	6.0
Vincit	16	17	33	7	5	3	0.3	0.3	116	11		4.1
Gofore	168	179	9.4	7.6	7.2	6.1	0.8	0.8	13.9	10.6	4.9	5.1
Etteplan	205	266	10.6	8.9	7.5	6.2	0.7	0.7	12.4	10.6	2.7	3.7
Talenom (Inderes)	59	133	22.4	15.5	6.7	5.6	1.2	1.1	26.5	15.1	3.9	3.9
Average			15.1	8.9	7.2	5.8	1.3	1.2	38.4	12.2	3.8	4.1
Median			10.4	7.9	6.7	5.8	0.8	0.7	13.8	10.6	2.8	3.9
Diff-% to median			114%	96%	1%	-3%	55%	52%	92%	41%	37%	0%

Source: Refinitiv / Inderes

Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	106	29.0	29.7	24.6	24.4	108	30.3	30.6	26.0	25.9	112.7	119	126	134
Finland	67.0	19.5	18.5	15.9	16.0	69.8	20.2	18.7	16.3	16.5	71.7	74.6	78.3	81.4
Sweden	24.3	6.0	6.5	4.3	4.5	21.4	5.4	5.9	4.1	4.4	19.8	19.6	20.0	20.4
Spain	14.5	3.5	4.7	4.4	3.9	16.5	4.6	5.9	5.6	5.0	21.2	24.4	28.0	32.2
EBITDA	18.2	5.6	6.2	4.8	2.3	19.0	5.5	5.7	4.9	3.7	19.8	22.8	25.0	27.2
Depreciation	-13.7	-3.3	-3.4	-3.4	-3.5	-13.7	-3.5	-3.4	-3.4	-3.4	-13.8	-14.5	-13.9	-14.1
EBIT (excl. NRI)	4.5	2.3	2.8	1.4	-0.6	5.9	2.0	2.3	1.4	0.2	6.0	8.3	11.0	13.1
EBIT	4.5	2.3	2.8	1.4	-1.2	5.3	2.0	2.3	1.4	0.2	6.0	8.3	11.0	13.1
Finland	9.7	3.5	2.9	2.6	1.8	10.7	3.6	3.4	2.3	1.8	11.0	11.4	12.6	13.5
Sweden	-4.1	-0.9	-0.4	-1.0	-1.6	-3.9	-0.9	0.0	-0.8	-0.9	-2.6	-2.3	-1.9	-1.5
Spain	-1.1	-0.3	0.3	-0.1	-0.8	-1.0	-0.7	-1.0	-0.1	-0.6	-2.5	-0.8	0.4	1.2
Unallocated	0.0	0.0	0.0	0.0	-0.5	-0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net financial items	-4.5	-1.0	-0.9	-0.9	-0.9	-3.8	-0.9	-0.7	-0.9	-0.9	-3.3	-3.3	-3.1	-2.8
PTP	0.0	1.3	1.9	0.5	-2.1	1.5	1.1	1.6	0.6	-0.6	2.7	4.9	7.9	10.3
Taxes	0.2	-0.3	-0.4	-0.1	1.2	0.4	-0.4	-0.1	-0.1	0.1	-0.5	-1.0	-1.7	-2.2
Minority interest	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	0.0
Net earnings	0.2	1.0	1.5	0.4	-0.9	2.0	0.8	1.5	0.5	-0.5	2.2	3.9	6.3	8.1
EPS (adj.)	0.00	0.02	0.03	0.01	-0.01	0.06	0.02	0.03	0.01	-0.01	0.05	0.09	0.14	0.18
EPS (rep.)	0.00	0.02	0.03	0.01	-0.02	0.04	0.02	0.03	0.01	-0.01	0.05	0.09	0.14	0.18

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	-13.2 %	-14.9 %	-12.3 %	-15.6 %	180.6 %	1.8 %	4.5 %	2.8 %	6.0 %	6.0 %	4.7 %	5.2 %	6.6 %	6.1 %
Adjusted EBIT growth-%	-59.3 %	-36.0 %	-28.8 %	-32.3 %	88.2 %	30.7 %	-13.7 %	-16.6 %	0.0 %	137.5 %	0.8 %	39.1 %	33.3 %	18.9 %
EBITDA-%	17.2 %	19.4 %	20.9 %	19.6 %	9.5 %	17.6 %	18.0 %	18.8 %	18.7 %	14.2 %	17.5 %	19.2 %	19.8 %	20.3 %
Adjusted EBIT-%	4.3 %	7.9 %	9.4 %	5.8 %	-2.5 %	5.5 %	6.5 %	7.6 %	5.5 %	0.9 %	5.3 %	7.0 %	8.7 %	9.8 %
Net earnings-%	0.2 %	3.5 %	5.0 %	1.7 %	-3.8 %	1.8 %	2.5 %	4.9 %	1.8 %	-1.9 %	2.0 %	3.3 %	5.0 %	6.1 %

Source: Inderes

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

Balance sheet

Assets	2025	2026e	2027e	2028e
Non-current assets	120	122	121	119
Goodwill	67.3	69.9	71.9	73.9
Intangible assets	31.1	30.1	26.8	23.2
Tangible assets	4.6	4.8	4.5	4.4
Associated companies	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0
Other non-current assets	12.9	12.9	12.9	12.9
Deferred tax assets	4.3	4.5	4.5	4.5
Current assets	25.3	24.8	26.1	27.8
Inventories	0.0	0.0	0.0	0.0
Other current assets	0.0	0.0	0.0	0.0
Receivables	18.3	18.0	19.0	20.2
Cash and equivalents	7.0	6.8	7.1	7.6
Balance sheet total	147	148	146	146

Source: Inderes

Liabilities & equity	2025	2026e	2027e	2028e
Equity	37.6	39.8	41.5	45.4
Share capital	0.1	0.1	0.1	0.1
Retained earnings	16.1	16.0	17.7	21.6
Hybrid bonds	0.0	0.0	0.0	0.0
Revaluation reserve	-0.1	0.0	0.0	0.0
Other equity	21.5	23.7	23.7	23.7
Minorities	0.0	0.0	0.0	0.0
Non-current liabilities	84.3	79.0	75.4	67.3
Deferred tax liabilities	3.9	3.9	3.9	3.9
Provisions	0.0	0.0	0.0	0.0
Interest bearing debt	80.4	75.1	71.5	63.4
Convertibles	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	0.0	0.0	0.0
Current liabilities	25.3	28.6	29.4	33.3
Interest bearing debt	4.3	5.9	5.5	7.8
Payables	20.9	22.5	23.7	25.3
Other current liabilities	0.1	0.2	0.2	0.2
Balance sheet total	147	148	146	146

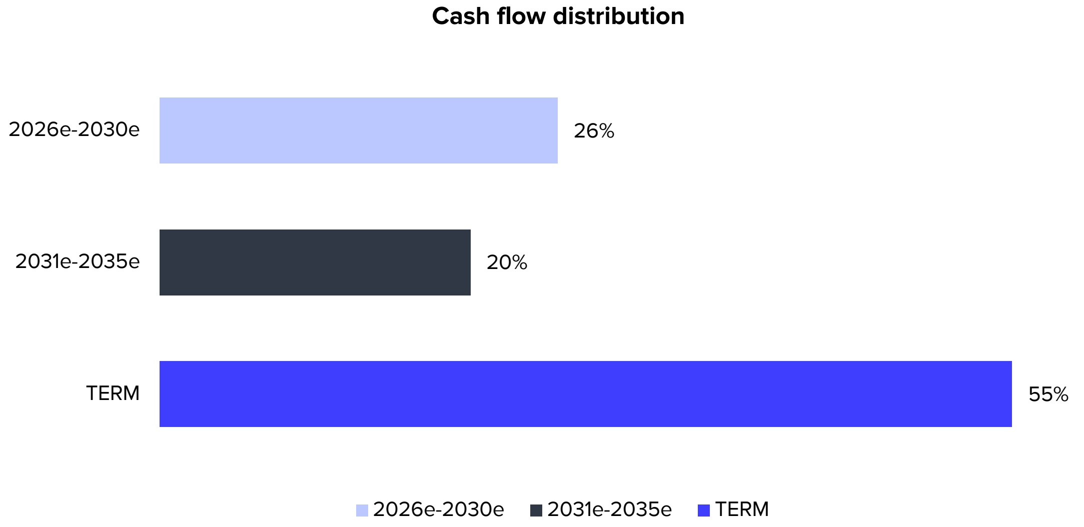
DCF-calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	1.8 %	4.7 %	5.2 %	6.6 %	6.1 %	5.3 %	4.9 %	4.0 %	3.0 %	3.0 %	2.0 %	2.0 %
EBIT-%	4.9 %	5.3 %	7.0 %	8.7 %	9.8 %	10.3 %	10.8 %	10.0 %	9.5 %	9.0 %	9.0 %	9.0 %
EBIT (operating profit)	5.3	6.0	8.3	11.0	13.1	14.6	15.9	15.4	15.1	14.7	15.0	
+ Depreciation	13.7	13.8	14.5	13.9	14.1	14.5	12.4	11.3	10.4	11.1	11.4	
- Paid taxes	-1.6	-0.7	-1.0	-1.7	-2.2	-2.6	-2.9	-2.9	-2.8	-2.7	-2.8	
- Tax, financial expenses	1.1	-0.6	-0.7	-0.7	-0.6	-0.5	-0.5	-0.4	-0.4	-0.4	-0.4	
+ 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	-2.1	2.1	0.2	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.1	
Operating cash flow	16.4	20.6	21.3	23.0	24.8	26.3	25.2	23.7	22.5	22.9	23.4	
+ Change in other long-term liabilities	-0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	17.8	-14.5	-11.9	-12.1	-12.2	-11.3	-11.4	-11.6	-11.8	-11.7	-11.9	
Free operating cash flow	33.5	6.1	9.3	10.9	12.6	15.0	13.8	12.1	10.7	11.1	11.5	
+/- Other	-30.0	-0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	3.5	5.6	9.3	10.9	12.6	15.0	13.8	12.1	10.7	11.1	11.5	192
Discounted FCFF		5.5	8.4	9.1	9.7	10.7	9.1	7.4	6.0	5.8	5.5	92.7
Sum of FCFF present value		170	164	156	147	137	127	117	110	104	98.3	92.7

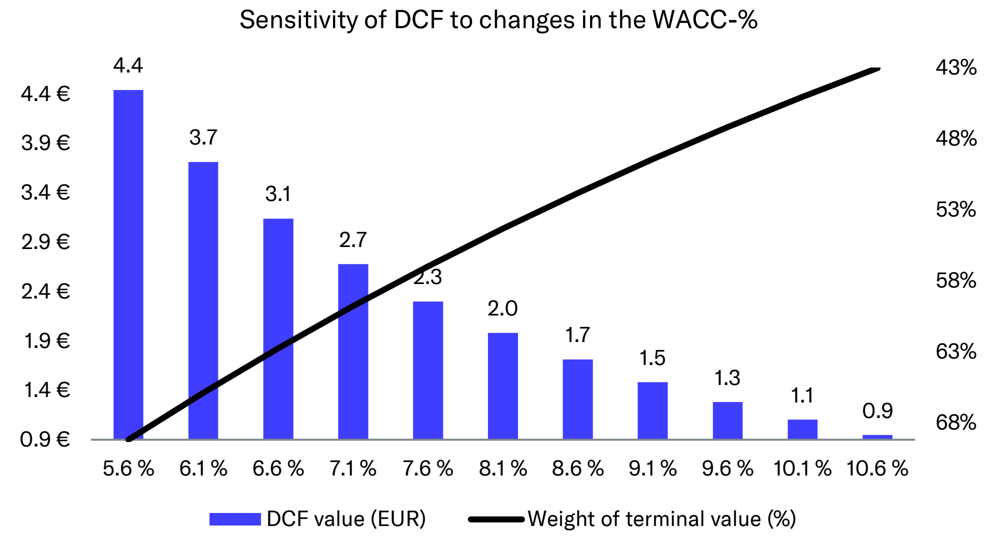
Enterprise value DCF		170
- Interest bearing debt		-84.7
+ Cash and cash equivalents		7.0
+ Associated companies		0.0
-Minorities		0.0
-Dividend/capital return		-2.3
Equity value DCF		89.8
Equity value DCF per share		2.0

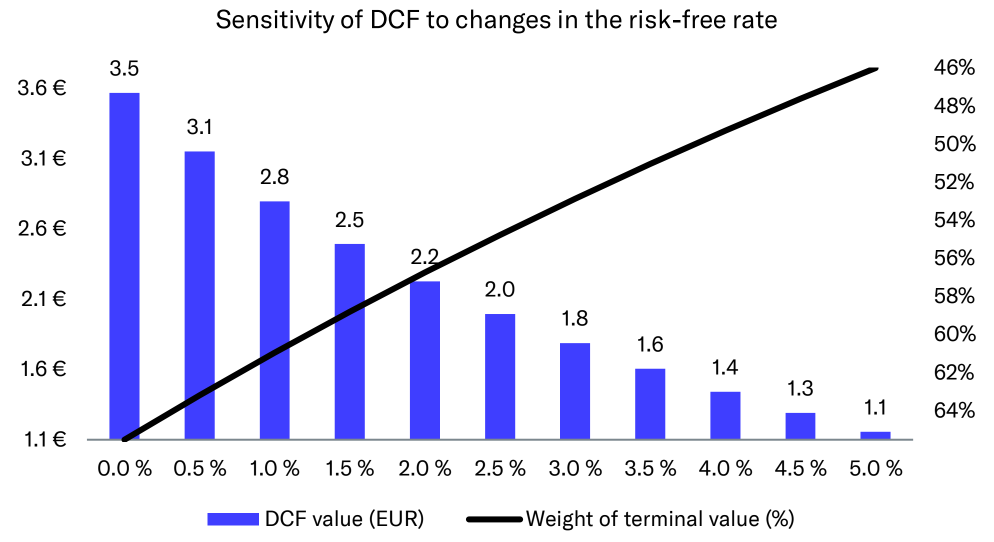
WACC	
Tax-% (WACC)	22.0 %
Target debt ratio (D/(D+E)	25.0 %
Cost of debt	4.5 %
Equity Beta	1.35
Market risk premium	4.75%
Liquidity premium	0.70%
Risk free interest rate	2.5 %
Cost of equity	9.6 %
Weighted average cost of capital (WACC)	8.1 %

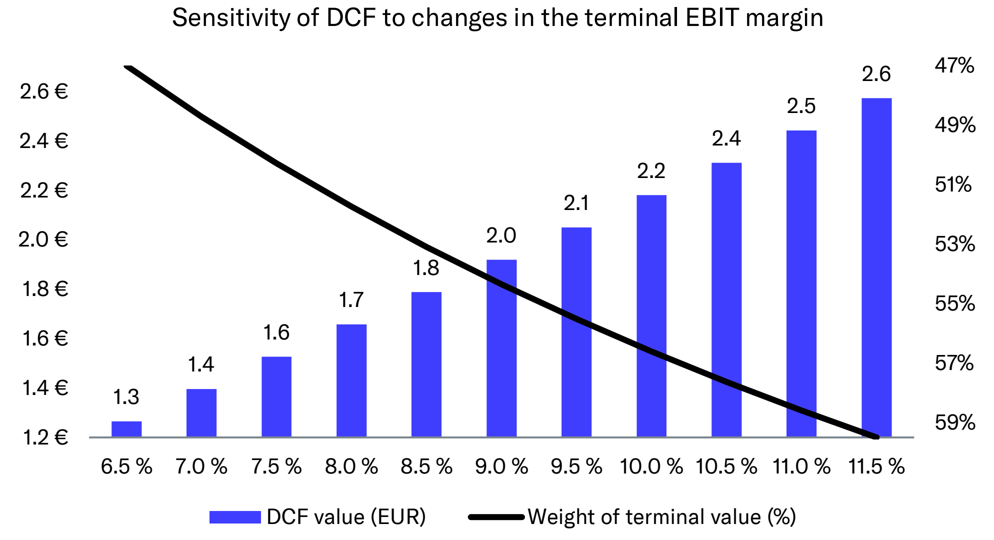
Source: Inderes

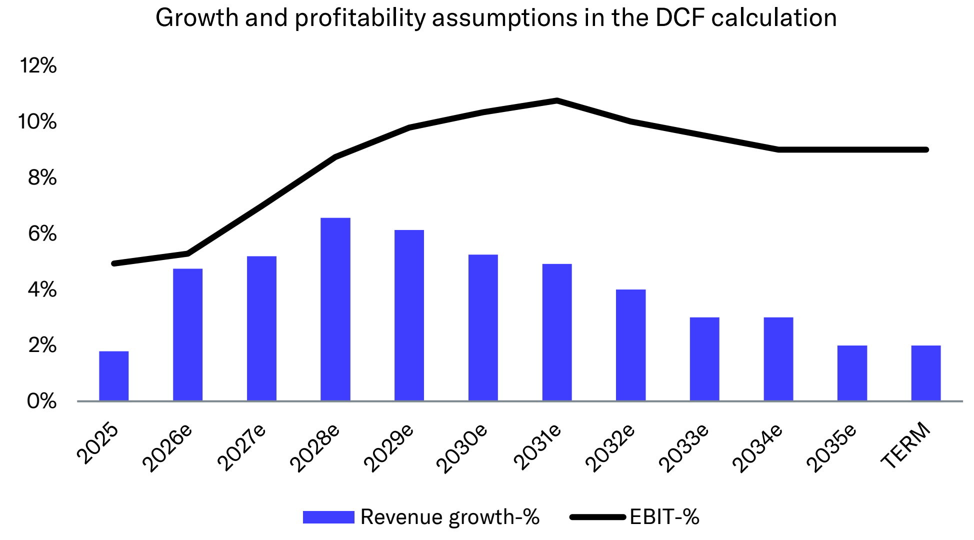


DCF sensitivity calculations and key assumptions in graphs









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

Summary

Income statement	2023	2024	2025	2026e	2027e
Revenue	121.7	105.7	107.6	112.7	118.6
EBITDA	31.9	18.2	19.0	19.8	22.8
EBIT	8.0	4.5	5.3	6.0	8.3
PTP	4.3	0.0	1.5	2.7	4.9
Net Income	3.4	0.2	2.0	2.2	3.9
Extraordinary items	-3.2	0.0	-0.6	0.0	0.0

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	175.7	178.0	147.1	147.5	146.2
Equity capital	55.8	54.4	37.6	39.8	41.5
Goodwill	66.6	68.6	67.3	69.9	71.9
Net debt	75.2	87.6	77.7	74.3	69.8

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	31.9	18.2	19.0	19.8	22.8
Change in working capital	0.6	-5.8	-2.1	2.1	0.2
Operating cash flow	31.1	10.4	16.4	20.6	21.3
CAPEX	-43.5	-17.7	17.8	-14.5	-11.9
Free cash flow	-14.6	-7.3	3.5	5.6	9.3

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	2.9	2.6	2.0	1.2	1.1
EV/EBITDA	11.2	15.0	11.4	6.7	5.6
EV/EBIT (adj.)	32.1	60.4	36.6	22.4	15.5
P/E (adj.)	43.2	>100	53.5	26.5	15.1
P/B	5.0	3.4	3.7	1.5	1.4
Dividend-%	3.1 %	4.9 %	1.7 %	3.9 %	3.9 %

Source: Inderes

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	0.07	0.00	0.04	0.05	0.09
EPS (adj.)	0.14	0.00	0.06	0.05	0.09
OCF / share	0.68	0.23	0.36	0.45	0.47
OFCF / share	-0.32	-0.16	0.08	0.12	0.20
Book value / share	1.23	1.19	0.82	0.87	0.91
Dividend / share	0.19	0.20	0.05	0.05	0.05

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	19%	-13%	2%	5%	5%
EBITDA growth-%	-2%	-43%	4%	4%	15%
EBIT (adj.) growth-%	-27%	-59%	31%	1%	39%
EPS (adj.) growth-%	-46%	-97%	1289%	-14%	76%
EBITDA-%	26.2 %	17.2 %	17.6 %	17.5 %	19.2 %
EBIT (adj.)-%	9.1 %	4.3 %	5.5 %	5.3 %	7.0 %
EBIT-%	6.5 %	4.3 %	4.9 %	5.3 %	7.0 %
ROE-%	6.0 %	0.3 %	4.3 %	5.7 %	9.6 %
ROI-%	6.1 %	3.2 %	3.9 %	5.0 %	7.0 %
Equity ratio	31.8 %	30.6 %	25.6 %	27.0 %	28.4 %
Gearing	134.7 %	161.1 %	206.8 %	186.5 %	168.4 %
Net debt/EBITDA	2.4	4.8	4.1	3.8	3.1
EBITDA/net financials	8.6	4.0	5.1	6.0	6.8

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

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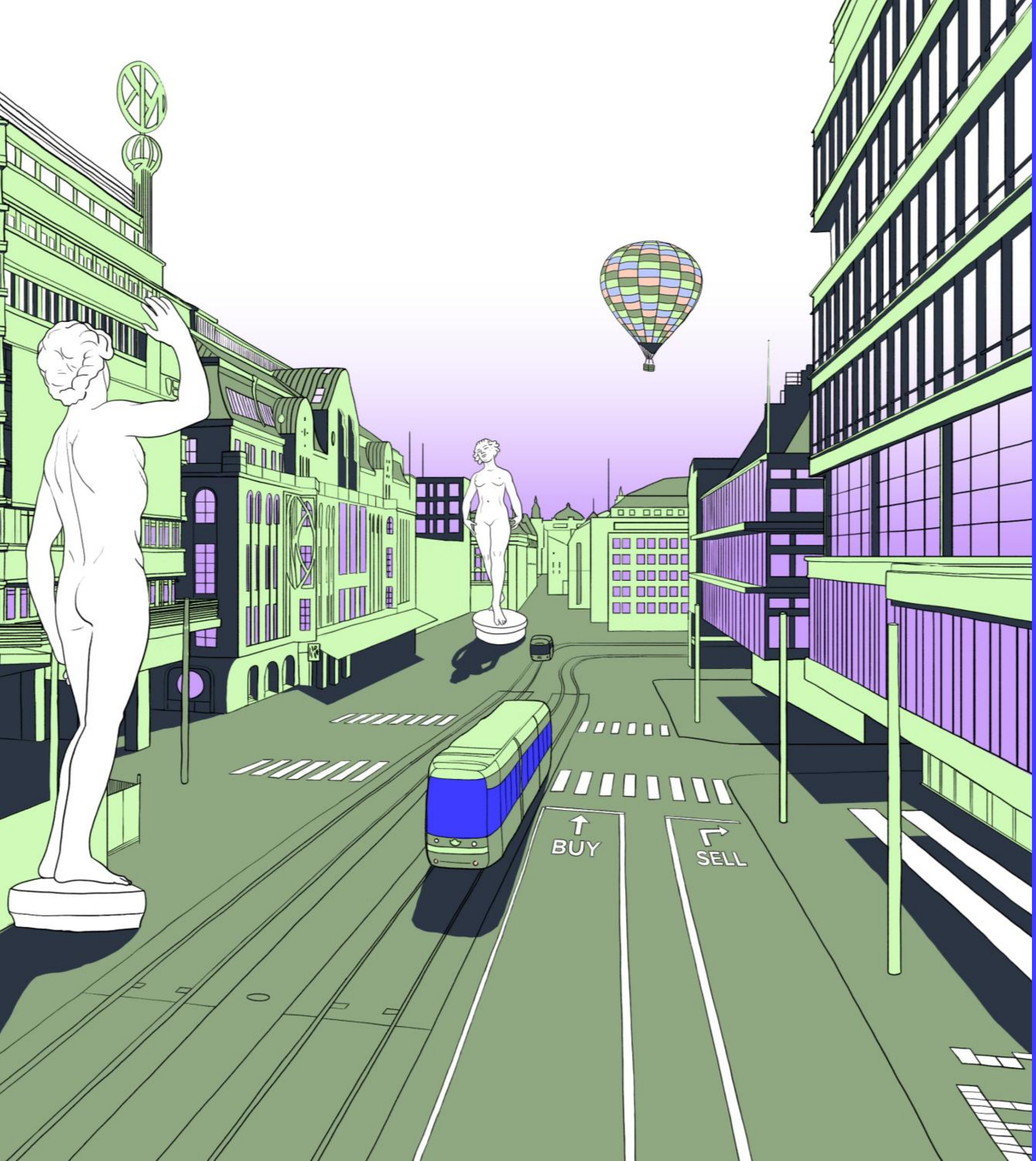
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
8/3/2022	Reduce	12.50 €	12.30 €
10/26/2022	Reduce	9.50 €	9.39 €
2/1/2023	Reduce	9.00 €	9.09 €
3/27/2023	Accumulate	9.00 €	7.69 €
4/21/2023	Accumulate	8.80 €	7.88 €
7/24/2023	Accumulate	8.00 €	6.96 €
10/13/2023	Buy	6.00 €	4.65 €
10/23/2023	Buy	6.00 €	4.70 €
12/28/2023	Accumulate	6.50 €	6.03 €
2/2/2024	Reduce	6.30 €	6.20 €
3/19/2024	Buy	6.30 €	5.18 €
4/19/2024	Accumulate	6.30 €	5.60 €
7/22/2024	Accumulate	6.00 €	5.28 €
8/20/2024	Buy	5.60 €	4.38 €
10/10/2024	Buy	5.30 €	4.34 €
11/1/2024	Buy	5.20 €	3.63 €
1/31/2025	Buy	4.60 €	3.53 €
4/25/2025	Buy	4.60 €	3.46 €
7/21/2025	Accumulate	4.20 €	3.65 €
10/20/2025	Reduce	3.80 €	3.60 €
12/1/2025	Buy	3.80 €	3.02 €
12/19/2025	Accumulate	3.40 €	3.02 €
2/24/2026	Buy	3.00 €	2.28 €
Talenom demerger: Talenom/Easor			
3/3/2026	Accumulate	1.90 €	1.67 €
3/12/2026	Buy	1.70 €	1.42 €
5/7/2026	Buy	1.80 €	1.33 €
6/18/2026	Buy	1.70 €	1.16 €
8/14/2026	Buy	1.70 €	1.29 €



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