ENENTO GROUP

2/17/2025 11:30 am EET

This is a translated version of ”Ruotsin markkina määrää suunnan tänä vuonna” report, published on 2/17/2025

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INDERES CORPORATE CUSTOMER

COMPANY REPORT

Swedish market sets course for this year

Enento's Q4 numbers were below our expectations, and the 2025 guidance was weak compared to our previous expectations. Regulatory changes in the Swedish credit market continue to cloud the outlook and are likely to dampen demand support from a potential recovery in the economic environment. Our estimate revisions for the next few years were negative, and with current valuations and prospects, we do not consider the stock's risk/reward to be particularly attractive. We lower our target price to EUR 17.0 (was EUR 19.0) and lower our recommendation to Reduce (was Accumulate).

End-year performance below our forecasts

Enento's Q4 revenue decreased by 3% from the already weak comparison period to 37.8 MEUR, falling short of our 38.9 MEUR forecast. As expected, Consumer Insight continued to decline (-8%), although the magnitude of the decline surprised us. Business Insight (+1%) was more stable, but again slightly below our forecasts. However, the main reason for the weakness remains the Swedish credit market, which is undergoing structural changes in addition to the headwinds of a weak macroeconomic environment. With a weaker top-line development than we had forecast, the profit figures were also well below our forecasts, with an adjusted EBIT of 8.4 MEUR in Q4 (forecast: 9.9 MEUR), down significantly year-on-year (Q4'23: 10.5 MEUR). The gross margins in the Swedish credit information business are very high and their declining volumes have a strong impact on profitability. Non-recurring items amounted to 2.2 MEUR, and the result was burdened by a write-down of 1.6 MEUR related to the associate Goava Sales. Reported EPS were only marginally positive at EUR 0.02 (forecast: EUR 0.14).

Trends in the Swedish market set the tone for this year

Enento guided that its current year revenue will be 150-156 MEUR and adjusted EBITDA 50-55 MEUR. Guidance was weak relative to our expectations, with our previous forecasts at the high end of the range. The biggest variable for the current year is related to developments in the Swedish credit market. Here, changes will be driven by previously announced regulatory changes (including an interest rate cap) and a proposed new measure to tighten bank licensing requirements for lenders, which, if enacted, could further darken the outlook for next year. The full impact of the regulatory changes on the market and on Enento was not yet clear to the company. With regulatory changes, the changes are also structural and not just related to the economic environment. It is therefore likely that the changes will create headwinds for the Swedish market this year, even if the general economic environment picks up. We now expect Enento's revenue to grow by 1.5% to 152.6 MEUR and adjusted EBITDA to amount to 52.4 MEUR.

Risk/reward ratio not particularly attractive

Enento's adjusted EV/EBIT multiples for 2025-2026 are 13x-12x and the corresponding P/E multiples are 17x-14x. In our view, multiples for the current year are tight/neutral, as the achievement of operational earnings growth this year is still a question mark. We do not see any significant near-term drivers for the stock, especially as the regulatory changes in Sweden may dampen the recovery in the economic environment for Swedish operations. The dividend yield of around 6% is on a good level, but we think it is not enough, as last year's earnings level does not make the dividend sustainable. As the company returns to sustainable and clear earnings growth, the stock has clear upside potential at current valuations, but we believe that regulatory changes, near-term neutral valuation and lack of drivers make the stock's risk/reward unattractive at the moment.

Recommendation
Reduce
(was Accumulate)

Target price:
EUR 17.00
(was EUR 19.00)

Share price:
EUR 16.60

Business risk

Valuation risk

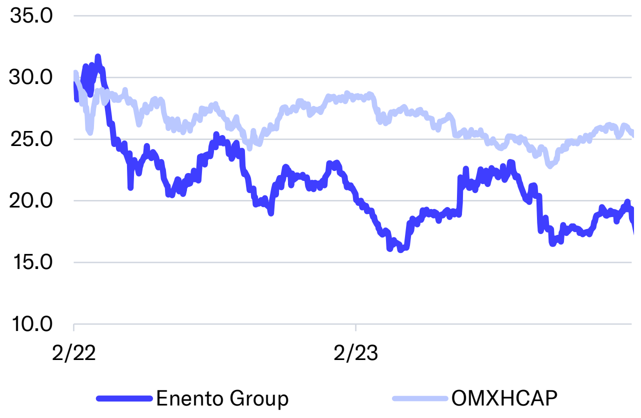
	2024	2025e	2026e	2027e
Revenue	150.4	152.6	158.6	165.0
growth-%	-4%	1%	4%	4%
EBIT adj.	39.6	40.4	43.3	47.2
EBIT-% adj.	26.4 %	26.5 %	27.3 %	28.6 %
Net income	12.2	17.8	22.2	26.1
EPS (adj.)	0.78	0.97	1.18	1.34
P/E (adj.)	22.3	17.1	14.1	12.4
P/B	1.6	1.5	1.5	1.5
Dividend yield-%	5.7 %	6.0 %	6.0 %	6.3 %
EV/EBIT (adj.)	14.8	13.3	12.3	11.1
EV/EBITDA	12.6	11.1	10.1	9.1
EV/S	3.9	3.5	3.3	3.2

Source: Inderes

Guidance (New guidance)

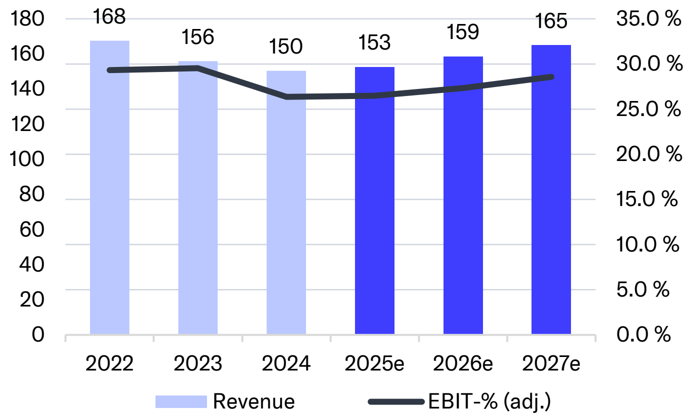
Enento estimates that 2025 revenue will be around 150-156 MEUR and adjusted EBITDA around 50-55 MEUR.

Share price



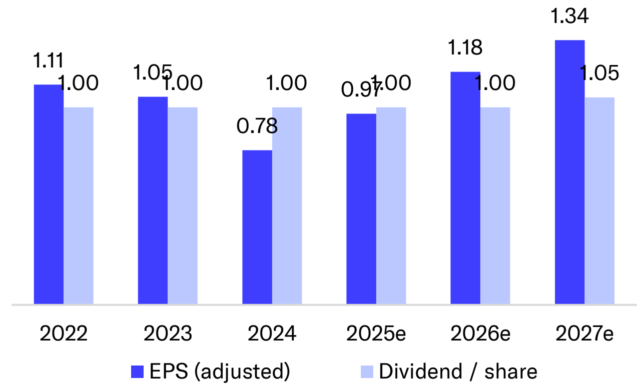
Source: Millistream Market Data AB

Revenue and EBIT-%



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Stable growth and strong profitability
- Stable cash flow enables investments for growth
- Well-known and respected brands in the Nordic countries
- Mainly defensive income streams
- Potential longer-term efficiency gains from building the new technology platform
- M&A option (potential buyer and target)

Risk factors

- In the short term, the growth outlook is weak in a challenging market environment
- Dependence on the Nordic banking sector
- Failure in building a unified technology platform
- Regulatory changes can lead to changes in the operating environment

Valuation	2025e	2026e	2027e
Share price	16.6	16.6	16.6
Number of shares, millions	23.7	23.7	23.7
Market cap	393	393	393
EV	536	531	523
P/E (adj.)	17.1	14.1	12.4
P/E	22.1	17.7	15.0
P/B	1.5	1.5	1.5
P/S	2.6	2.5	2.4
EV/Sales	3.5	3.3	3.2
EV/EBITDA	11.1	10.1	9.1
EV/EBIT (adj.)	13.3	12.3	11.1
Payout ratio (%)	132.9 %	106.8 %	95.1 %
Dividend yield-%	6.0 %	6.0 %	6.3 %

Source: Inderes

No cause for celebration in year-end performance

Revenue continued to decline

Enento's revenue decreased by 3% to 37.8 MEUR, below our forecast of 38.9 MEUR, which expected flat development. Currencies had very little impact on growth in the quarter. Revenue in Consumer Insight declined as we expected, although the rate of decline (-8%) was significantly higher than forecasted. In particular, changes in the Swedish credit market contributed to the decline. This is due to both macroeconomic challenges and structural changes in the market. Enento disclosed in its press conference that in Sweden alone, the revenue of credit information services has decreased by 12.9 MEUR between 2022 and 2024. The decline was particularly pronounced in the loan broker channel, where revenue still fell by 36% in 2024. By contrast, revenue outside brokers already grew by 10% last year.

Business Insight's revenue grew moderately by 1% to 22.8 MEUR. Here, too, the pace is slower in Sweden than in Finland, but the company's offering is different and narrower than in Finland.

Result clearly below expectations

Enento's adjusted EBIT declined to 8.4 MEUR in Q4 (Q4’23: 10.5 MEUR), which clearly fell short of both our and consensus estimates. The earnings miss was mainly due to lower-than-expected revenue, which together with high gross margins (Q4: 81.4%) had a strong impact on the bottom line. In Sweden, in particular, the gross margins in consumer information services are high, so the negative changes in volumes are clearly reflected in profitability. We did not observe any significant negative surprises in fixed costs.

Reported EBIT for Q4 was only 4.3 MEUR (forecast: 6.2 MEUR), burdened by one-off effects related to the transition of the company's technology platform (-2.2 MEUR) and the usual PPA amortization (1.9 MEUR, no cash flow impact). The bottom lines of the income statement were also burdened by a 1.6 MEUR write-down of the company's associate Goava Sales. Goava's development seems to have been rather sluggish, so no further investment in the company is expected. In the end, the reported earnings per share were only EUR 0.02, barely positive.

Dividend to be maintained as expected

Enento's Board of Directors has proposed a dividend of EUR 1.0 per share, of which the first installment of EUR 0.50 will be paid in the spring and the second installment in the fall, as decided by the Board. The dividend would be higher than the company's earnings last year and, according to our calculations, slightly higher than free cash flow in 2024 (FCF including interest). However, Enento clearly wants to maintain its profile as a steady dividend payer. We believe the company can well afford to pay a dividend, but for the proposed dividend level to be sustainable, earnings will need to recover from current levels. On the balance sheet side, the company has no concerns, although the balance sheet position has weakened slightly due to the weak earnings performance (net debt/adj. EBITDA Q4'24: 2.7x vs. Q4'23: 2.4x).

Estimates MEUR / EUR	Q4'23 Comparison	Q4'24 Actualized	Q4'24e Inderes	Q4'24e Consensus	Consensus Low	 High	Difference (%) Act. vs. inderes	2024e Inderes
Revenue	38.9	37.8	38.9	38.9	- -	-	-3%	150
EBITDA (adj.)	13.4	11.7	12.8	13.5	- -	-	-9%	53.2
EBIT (adj.)	10.5	8.4	9.9	10.6	- -	-	-15%	39.6
EBIT	5.9	4.3	6.2	7.8	- -	-	-30%	24.6
EPS (reported)	0.09	0.02	0.14	0.18	- -	-	-86%	
DPS	1.00	1.00	1.00	-	- -	-	0%	1.00
Revenue growth-%	-9.3 %	-2.9 %	-0.1 %	-0.1 %	-		-2.7 pp	-3.5 %
EBIT-% (adj.)	27.0 %	22.2 %	25.5 %	27.2 %	-		-3.3 pp	26.4 %

Source: Inderes & Enento
(6 analysts, consensus)

Enento Q4'24: Difficult ending for the year

Swedish market in transition continues to cloud outlook

Guidance slightly below our expectations

Enento's 2025 guidance is for revenue of 150-156 MEUR and adjusted EBITDA of 50-55 MEUR. Guidance was weak compared to our previous expectations, with our forecasts right at the top of the guidance ranges.

The biggest variable for the current year is the development of the Swedish credit information market, where the company itself has apparently weak visibility. In fact, the Swedish market is undergoing significant structural change as regulatory changes to prevent over-indebtedness shape the market. The previous proposed measures were adopted by the Swedish government in November 2024. In addition, new proposals have recently been made in Sweden, such as tightening bank licensing requirements, which could potentially drive smaller credit intermediaries out of the market. All these regulatory changes are likely to have a negative impact on Swedish market activity in 2025, which will contribute to creating headwinds for a possible gradual recovery in the market environment. Despite the challenges, the company was keen to emphasize that it had not lost any significant customers or market share.

Overall, the challenges have been mainly in Consumer Insight and Sweden. At the same time, Business Insight is much more stable and has managed to grow moderately even in a challenging economic environment. This was supported by new product launches around PSD2, compliance and ESG services, among others.

Negative revisions to estimates

With Q4 numbers coming in below expectations and guidance slightly weaker than expected, we made negative revisions to our earnings forecasts for the next few years (~10%), which has become an unfortunately familiar trend.

We now expect Enento's net sales for the current year to grow by 1.5% to 152.6 MEUR, slightly below the midpoint of the guidance range. In Consumer Insight, we expect revenue to be in line with the comparison period as structural changes in the Swedish market limit the market environment, which is otherwise expected to gradually improve as interest rates fall.

We expect Enento's adjusted EBITDA for the current year to be 52.4 MEUR, which is roughly at the midpoint of the company's guidance range. We expect adjusted EBIT to amount to 40.4 MEUR (26.5% of revenue). In other words, we expect the company to return to modest earnings growth on an adjusted earnings basis. On reported results, we are already expecting faster earnings growth with a moderate decline in one-offs and financial charges.

Estimate revisions MEUR / EUR	2024e Old	2024e New	Change %	2025e Old	2025e New	Change %	2026e Old	2026e New	Change %
Revenue	152	150	-1%	157	153	-3%	164	159	-3%
EBITDA	46.9	46.4	-1%	51.0	48.1	-6%	58.1	52.4	-10%
EBIT (exc. NRIs)	41.3	39.6	-4%	43.8	40.4	-8%	47.2	43.3	-8%
EBIT	26.6	24.6	-7%	31.0	28.5	-8%	37.6	33.0	-12%
PTP	19.1	15.8	-17%	24.3	22.6	-7%	32.0	28.0	-12%
EPS (excl. NRIs)	0.91	0.78	-14%	1.07	0.97	-9%	1.32	1.18	-11%
DPS	1.00	1.00	0%	1.00	1.00	0%	1.05	1.00	-5%

Source: Inderes

Valuation

Valuation multiples not particularly attractive

Given the stable and mature nature of Enento's business, we opt for earnings-based adjusted EV/EBIT and P/E multiples for valuation. The usefulness of the EV/EBIT multiple is supported by the fact that it considers Enento's significant net debt. The P/E ratio is also worth looking at, as it takes into account the bottom lines of the income statement. It is good to note that adjusted EBIT excludes the company's one-off items in addition to PPA amortization (adjusted P/E does not and is more useful in that sense).

We forecast Enento's adjusted P/E ratios for 2025-2026 to be 17x-14x and the corresponding adjusted EV/EBIT multiples to be 13x-12x. We think the multiples are reasonable, but we do not see significant upside, especially in the current year multiples. Next year's P/E is already moderate, but the visibility on our earnings growth forecast for next year is still poor.

A dividend yield of around 6% clearly supports the expected return. It should be noted, however, that the dividend is not sustainable compared to last year's earnings level and free cash flow. Therefore, maintaining the dividend at current levels would require an improvement in performance.

DCF model supports valuation

We also rely on the DCF model, which in the big picture is still very useful due to Enento's highly predictable cash flows. Our DCF model indicates a share value of EUR 19.5. The upside range implied by the model is relatively modest, considering it assumes a fairly strong improvement in cash flow performance in the coming years. The cost of equity in our model is set at 9.0% and WACC at 8.1, which we believe is a reasonable level in the current interest rate environment.

Risk/reward ratio not particularly attractive

The last few years have been challenging for Enento, with a clear downward trend in earnings. The public perception of the company's defensive business model has been tested. In terms of adjusted EBITDA, Enento is on track to reach 2019-2020 earnings levels this year, with higher non-recurring expenses (cash flow effect) and financing costs due to rising interest rates (now trending lower). Should the company returning to sustainable and clear earnings growth, we see clear upside potential in the stock at current valuations. However, in the short term, the regulatory changes in the Swedish market, the near-term neutral valuation and the lack of drivers do not make the stock's risk/reward attractive at the moment, in our view. We see an M&A opportunity in the stock, although we would not advise investors to rely too heavily on that alone.

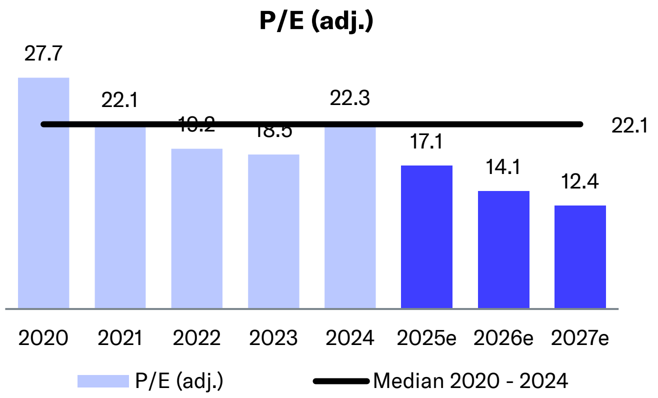
Valuation	2025e	2026e	2027e
Share price	16.6	16.6	16.6
Number of shares, millions	23.7	23.7	23.7
Market cap	393	393	393
EV	536	531	523
P/E (adj.)	17.1	14.1	12.4
P/E	22.1	17.7	15.0
P/B	1.5	1.5	1.5
P/S	2.6	2.5	2.4
EV/Sales	3.5	3.3	3.2
EV/EBITDA	11.1	10.1	9.1
EV/EBIT (adj.)	13.3	12.3	11.1
Payout ratio (%)	132.9 %	106.8 %	95.1 %
Dividend yield-%	6.0 %	6.0 %	6.3 %

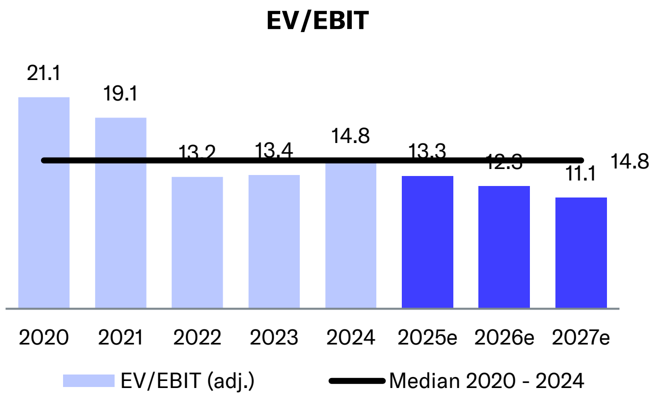
Source: Inderes

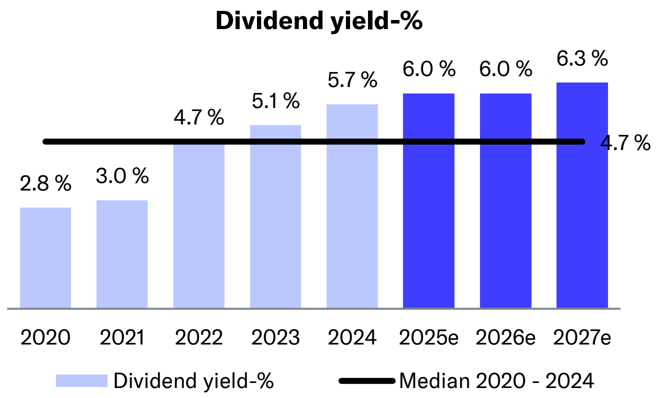
Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	33.6	33.0	21.4	19.5	17.5	**16.6**	**16.6**	**16.6**	**16.6**
Number of shares, millions	24.0	24.0	24.0	23.8	23.7	**23.7**	**23.7**	**23.7**	**23.7**
Market cap	807	793	514	464	414	**393**	**393**	**393**	**393**
EV	950	935	646	615	587	**536**	**531**	**523**	**516**
P/E (adj.)	27.7	22.1	19.2	18.5	22.3	**17.1**	**14.1**	**12.4**	**11.4**
P/E	41.5	30.7	29.6	26.4	34.0	**22.1**	**17.7**	**15.0**	**13.6**
P/B	2.6	2.5	1.7	1.6	1.6	**1.5**	**1.5**	**1.5**	**1.5**
P/S	5.3	4.9	3.1	3.0	2.8	**2.6**	**2.5**	**2.4**	**2.3**
EV/Sales	6.3	5.7	3.9	3.9	3.9	**3.5**	**3.3**	**3.2**	**3.0**
EV/EBITDA	19.3	16.1	11.6	12.1	12.6	**11.1**	**10.1**	**9.1**	**8.6**
EV/EBIT (adj.)	21.1	19.1	13.2	13.4	14.8	**13.3**	**12.3**	**11.1**	**10.6**
Payout ratio (%)	117.3 %	92.9 %	138.5 %	135.5 %	194.8 %	**132.9 %**	**106.8 %**	**95.1 %**	**89.8 %**
Dividend yield-%	2.8 %	3.0 %	4.7 %	5.1 %	5.7 %	**6.0 %**	**6.0 %**	**6.3 %**	**6.6 %**

Source: Inderes







Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	**MEUR**	**MEUR**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**
Dun & Bradstreet	4524	7753	10.1	9.6	8.6	8.1	3.4	3.2	10.5	9.7	3.4	1.9	1.4
Fair Isaac Corp	42192	44336	54.3	43.0	51.0	42.5	27.0	23.3	75.9	62.4			
Equifax Inc	29816	34574	27.9	26.2	19.5	18.3	6.3	6.0	34.5	33.0	0.7	0.7	6.1
Experian Plc	43665	48126	26.6	24.6	20.5	18.9	7.1	6.7	34.2	31.6	1.2	1.3	10.0
TransUnion	18746	23113	33.2	25.3	16.1	14.8	5.8	5.4	25.6	22.7	0.4	0.5	4.5
Moody's Corp	91610	95718	32.6	29.8	29.3	26.9	14.2	13.2	43.0	38.7	0.7	0.7	24.7
Intrum AB	303	4830	11.9	11.8	7.7	7.8	3.0	3.1	30.8	4.1			0.2
Credit Corp Group Ltd	636	855	11.8	8.6	10.4	6.5	2.9	2.5	14.9	11.2	3.3	4.6	1.3
Kruk S.A.	2092	3456	10.3	8.7	9.9	8.3	4.8	4.5	7.7	7.6	3.9	4.1	1.9
Alma Media	903	1029	13.4	15.0	11.3	12.3	3.3	3.6	16.2	18.3	4.2	3.7	4.2
F-Secure	312	479	10.1	9.5	9.2	8.3	3.3	2.9	10.9	9.8	2.2	3.0	4.6
Enento Group (Inderes)	**393**	**536**	**13.3**	**12.3**	**11.1**	**10.1**	**3.5**	**3.3**	**17.1**	**14.1**	**6.0**	**6.0**	**1.5**
Average			**22.0**	**19.3**	**17.6**	**15.7**	**7.4**	**6.8**	**27.7**	**22.6**	**2.2**	**2.3**	**5.9**
Median			**13.4**	**15.0**	**11.3**	**12.3**	**4.8**	**4.5**	**25.6**	**18.3**	**2.2**	**1.9**	**4.3**
Diff-% to median			**-1%**	**-18%**	**-2%**	**-17%**	**-27%**	**-25%**	**-33%**	**-23%**	**169%**	**222%**	**-65%**

Source: Refinitiv / Inderes

Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25e	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue	**156**	**37.3**	**38.5**	**36.8**	**37.8**	**150**	**37.2**	**38.9**	**37.5**	**39.0**	**152.6**	**159**	**165**	**171**
Business Insight	88.6	22.2	23.0	21.5	22.8	89.5	22.6	23.6	22.0	23.6	91.8	95.5	99.3	103
Consumer Insight	67.3	15.1	15.4	15.4	15.0	60.9	14.6	15.3	15.5	15.4	60.7	63.0	65.7	67.7
Adjusted EBITDA	**57.1**	**12.4**	**14.1**	**13.8**	**11.7**	**52.0**	**11.8**	**14.4**	**13.7**	**12.5**	**52.4**	**55.4**	**59.3**	**61.1**
Depreciation	-20.6	-5.1	-5.3	-5.0	-6.4	-21.9	-4.9	-4.9	-4.9	-4.9	-19.6	-19.4	-19.2	-19.4
EBIT (excl. NRI)	**46.0**	**9.4**	**10.9**	**10.9**	**8.4**	**39.6**	**8.8**	**11.4**	**10.7**	**9.5**	**40.4**	**43.3**	**47.2**	**48.5**
EBIT	**30.4**	**5.2**	**7.8**	**7.2**	**4.3**	**24.6**	**5.4**	**8.1**	**8.1**	**6.9**	**28.5**	**33.0**	**38.1**	**40.7**
Share of profits in assoc. compan.	-0.8	-0.2	-0.1	-0.1	-1.7	-2.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net financial items	-7.4	-1.2	-2.1	-2.0	-1.5	-6.7	-1.5	-1.5	-1.5	-1.4	-5.9	-5.0	-5.0	-4.0
PTP	**22.2**	**3.9**	**5.6**	**5.1**	**1.1**	**15.8**	**3.9**	**6.6**	**6.6**	**5.5**	**22.6**	**28.0**	**33.1**	**36.7**
Taxes	-4.7	-0.8	-1.3	-0.9	-0.6	-3.6	-0.8	-1.4	-1.4	-1.2	-4.8	-5.9	-6.9	-7.7
Net earnings	**17.6**	**3.1**	**4.4**	**4.2**	**0.5**	**12.2**	**3.1**	**5.2**	**5.2**	**4.3**	**17.8**	**22.2**	**26.1**	**29.0**
EPS (adj.)	**1.05**	**0.20**	**0.26**	**0.24**	**0.09**	**0.78**	**0.18**	**0.27**	**0.28**	**0.24**	**0.97**	**1.18**	**1.34**	**1.45**
EPS (rep.)	**0.74**	**0.13**	**0.19**	**0.18**	**0.02**	**0.51**	**0.13**	**0.22**	**0.22**	**0.18**	**0.75**	**0.94**	**1.10**	**1.22**

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25e	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	-6.9 %	-6.8 %	-3.0 %	-1.3 %	-2.9 %	-3.5 %	-0.2 %	1.1 %	1.9 %	3.1 %	1.5 %	3.9 %	4.1 %	3.6 %
Adjusted EBIT growth-%	-6.3 %	-21.7 %	-7.5 %	-7.1 %	-19.9 %	-13.9 %	-6.2 %	4.7 %	-2.4 %	12.9 %	1.9 %	7.2 %	8.8 %	2.7 %
EBITDA-%	32.7 %	27.7 %	34.2 %	33.2 %	28.4 %	30.9 %	27.7 %	33.6 %	34.6 %	30.3 %	31.5 %	33.1 %	34.7 %	35.1 %
Adjusted EBITDA-%	36.6 %	33.3 %	36.7 %	37.5 %	30.9 %	34.6 %	31.7 %	37.2 %	36.4 %	32.1 %	34.3 %	34.9 %	36.0 %	35.7 %
Adjusted EBIT-%	29.5 %	25.1 %	28.4 %	29.7 %	22.2 %	26.4 %	23.6 %	29.4 %	28.4 %	24.4 %	26.5 %	27.3 %	28.6 %	28.3 %
Net earnings-%	11.3 %	8.2 %	11.4 %	11.3 %	1.4 %	8.1 %	8.2 %	13.5 %	13.8 %	11.1 %	11.7 %	14.0 %	15.8 %	17.0 %

Source: Inderes

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	**443**	**423**	**416**	**410**	**406**
Goodwill	341	336	336	336	336
Intangible assets	88.7	78.5	71.9	66.5	62.5
Tangible assets	10.5	7.5	7.4	7.3	7.1
Associated companies	3.2	1.0	1.0	1.0	1.0
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.1	0.1	0.0	0.0	0.0
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
Current assets	**47.0**	**36.9**	**38.6**	**41.4**	**44.7**
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	29.7	25.6	26.4	27.1	28.2
Cash and equivalents	17.4	11.3	12.2	14.3	16.5
Balance sheet total	**490**	**460**	**455**	**452**	**451**

Source: Inderes

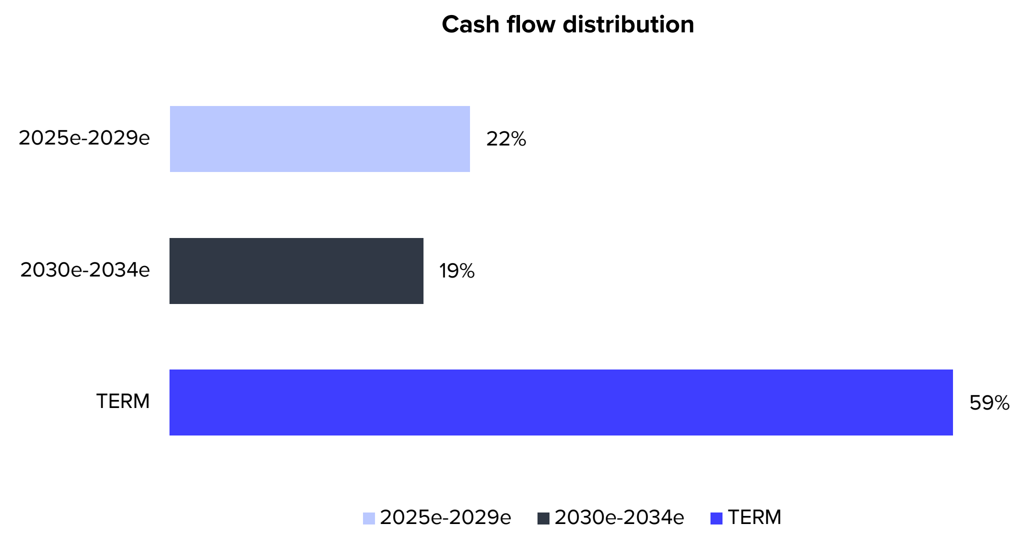
Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	**283**	**263**	**257**	**256**	**258**
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	55.8	44.4	38.5	37.0	39.5
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	227	219	219	219	219
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	**170**	**164**	**165**	**164**	**158**
Deferred tax liabilities	15.6	12.9	12.9	12.9	12.9
Provisions	0.4	0.6	0.0	0.0	0.0
Interest bearing debt	154	151	152	151	145
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long-term liabilities	0.0	0.0	0.0	0.0	0.0
Current liabilities	**37.0**	**32.1**	**32.1**	**32.4**	**34.5**
Interest bearing debt	2.6	4.7	3.1	1.5	1.5
Payables	34.4	27.4	29.0	30.9	33.0
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	**490**	**460**	**455**	**452**	**451**

DCF-calculation

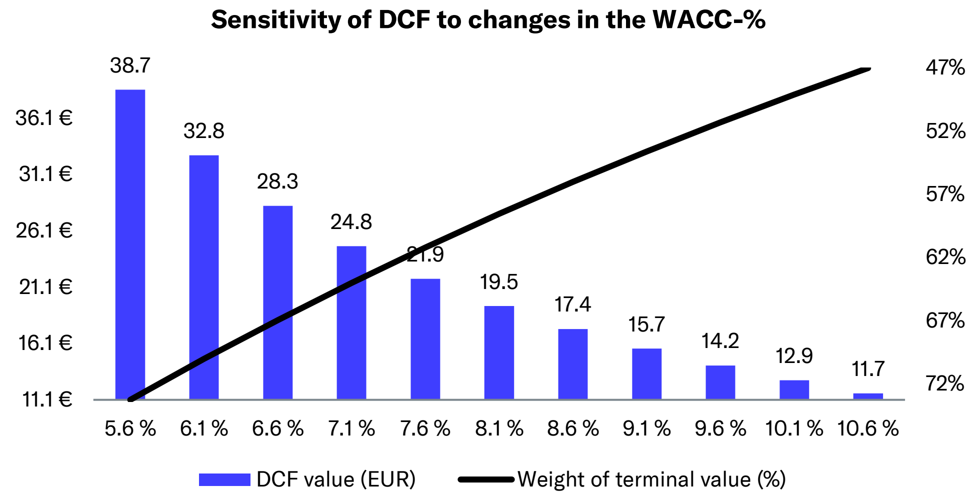
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	-3.5 %	1.5 %	3.9 %	4.1 %	3.6 %	3.8 %	3.7 %	3.7 %	3.5 %	3.5 %	2.2 %	2.2 %
EBIT-%	16.3 %	18.7 %	20.8 %	23.1 %	23.8 %	24.5 %	25.8 %	26.7 %	27.0 %	26.5 %	26.5 %	26.5 %
EBIT (operating profit)	**24.6**	**28.5**	**33.0**	**38.1**	**40.7**	**43.5**	**47.5**	**51.0**	**53.3**	**54.2**	**55.4**	
+ Depreciation	21.9	19.6	19.4	19.2	19.4	19.4	19.1	18.0	17.3	17.2	17.1	
- Paid taxes	-6.3	-4.8	-5.9	-6.9	-7.7	-8.3	-9.1	-9.9	-10.4	-10.5	-11.0	
- Tax, financial expenses	-1.4	-1.3	-1.1	-1.1	-0.8	-0.8	-0.8	-0.8	-0.8	-0.8	-0.6	
+ 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	-2.9	0.7	1.2	1.0	0.3	0.2	0.2	0.2	0.2	0.2	0.1	
Operating cash flow	**35.9**	**42.8**	**46.7**	**50.3**	**51.9**	**53.9**	**56.8**	**58.5**	**59.7**	**60.2**	**61.0**	
+ Change in other long-term liabilities	0.3	-0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-3.5	-12.8	-13.9	-15.0	-16.5	-16.8	-17.0	-17.0	-17.0	-17.0	-17.1	
Free operating cash flow	**32.7**	**29.4**	**32.8**	**35.3**	**35.4**	**37.1**	**39.8**	**41.5**	**42.7**	**43.2**	**43.9**	
+/- Other	-3.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	28.9	29.4	32.8	35.3	35.4	37.1	39.8	41.5	42.7	43.2	43.9	763
Discounted FCFF		**27.5**	**28.4**	**28.3**	**26.2**	**25.4**	**25.2**	**24.3**	**23.2**	**21.7**	**20.4**	**354**
Sum of FCFF present value		605	577	549	521	495	469	444	420	396	375	354
Enterprise value DCF		**605**										
- Interest bearing debt		-155.5										
+ Cash and cash equivalents		11.3										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		**461**										
Equity value DCF per share		**19.5**										

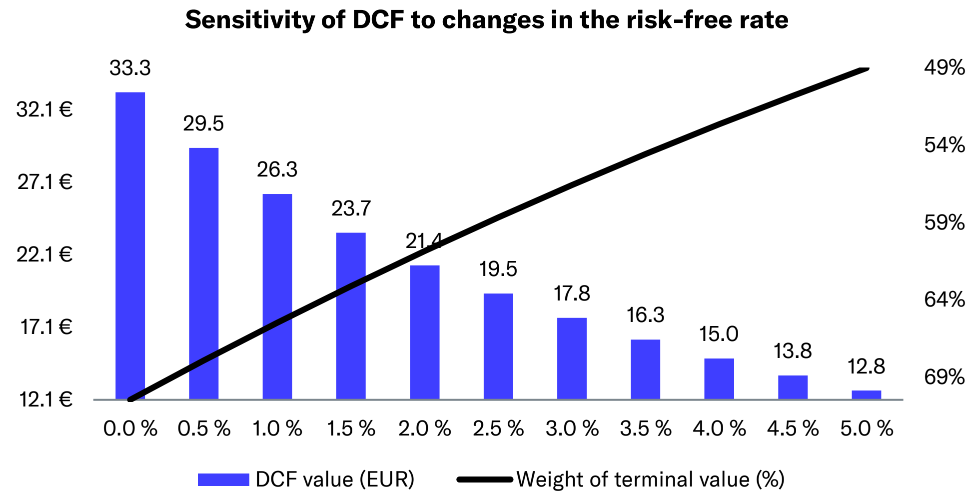
WACC	
Tax-% (WACC)	21.0 %
Target debt ratio (D/(D+E)	18.0 %
Cost of debt	5.0 %
Equity Beta	1.05
Market risk premium	4.75%
Liquidity premium	1.50%
Risk free interest rate	2.5 %
Cost of equity	**9.0 %**
Weighted average cost of capital (WACC)	**8.1 %**

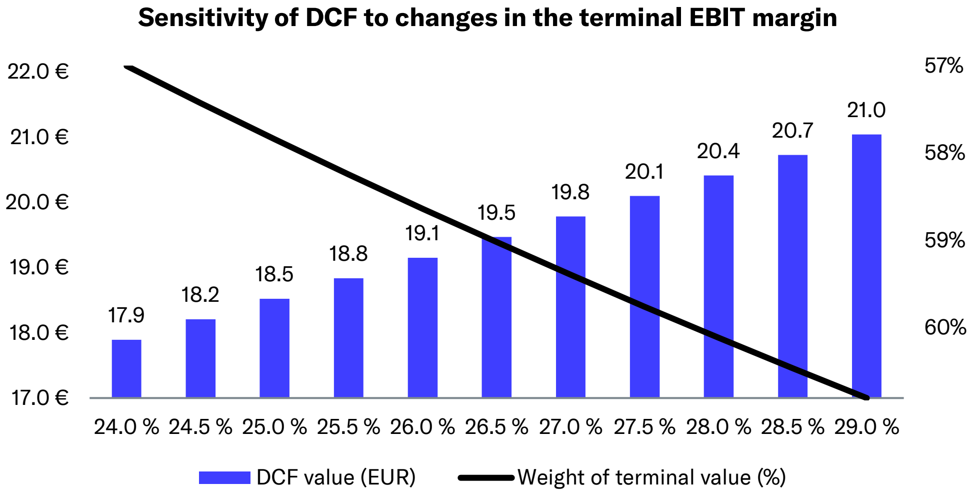
Source: Inderes

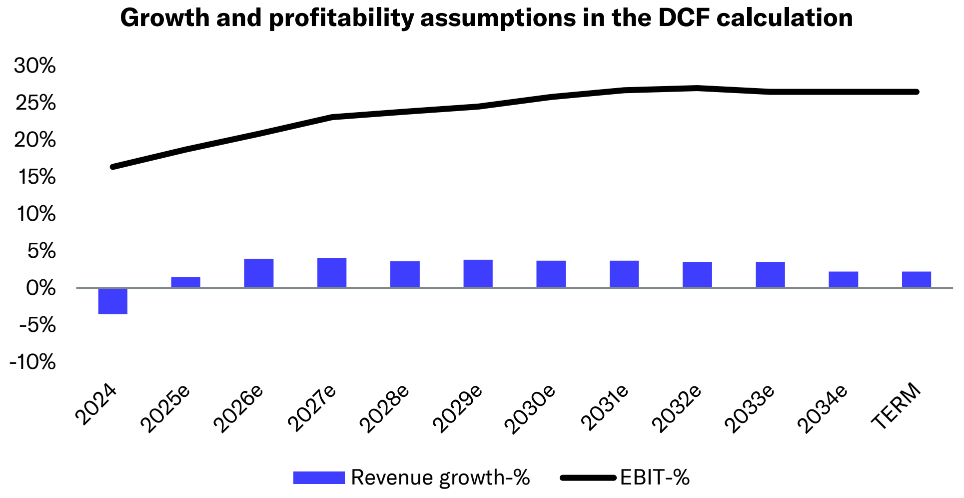


DCF sensitivity calculations and key assumptions in graphs









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

Summary

Income statement	2023	2024	2025e	2026e	2027e
Revenue	155.9	150.4	**152.6**	**158.6**	**165.0**
EBITDA	51.1	46.4	**48.1**	**52.4**	**57.3**
EBIT	30.4	24.6	**28.5**	**33.0**	**38.1**
PTP	22.2	15.8	**22.6**	**28.0**	**33.1**
Net Income	17.6	12.2	**17.8**	**22.2**	**26.1**
Extraordinary items	-15.6	-4.2	**-3.1**	**-3.7**	**-4.1**

Balance sheet	2023	2024	2025e	2026e	2027e
Balance sheet total	490.3	459.6	**454.5**	**451.8**	**450.9**
Equity capital	282.9	263.2	**257.3**	**255.8**	**258.3**
Goodwill	340.9	335.6	**335.6**	**335.6**	**335.6**
Net debt	139.7	144.2	**143.1**	**137.9**	**130.2**

Cash flow	2023	2024	2025e	2026e	2027e
EBITDA	51.1	46.4	**48.1**	**52.4**	**57.3**
Change in working capital	0.7	-2.9	**0.7**	**1.2**	**1.0**
Operating cash flow	43.2	35.9	**42.8**	**46.7**	**50.3**
CAPEX	-15.9	-3.5	**-12.8**	**-13.9**	**-15.0**
Free cash flow	22.5	28.9	**34.4**	**32.8**	**35.3**

Valuation multiples	2023	2024	2025e	2026e	2027e
EV/S	3.9	3.9	**3.5**	**3.3**	**3.2**
EV/EBITDA	12.1	12.6	**11.1**	**10.1**	**9.1**
EV/EBIT (adj.)	13.4	14.8	**13.3**	**12.3**	**11.1**
P/E (adj.)	18.5	22.3	**17.1**	**14.1**	**12.4**
P/B	1.6	1.6	**1.5**	**1.5**	**1.5**
Dividend-%	5.1 %	5.7 %	**6.0 %**	**6.0 %**	**6.3 %**

Source: Inderes

Per share data	2023	2024	2025e	2026e	2027e
EPS (reported)	0.74	0.51	**0.75**	**0.94**	**1.10**
EPS (adj.)	1.05	0.78	**0.97**	**1.18**	**1.34**
OCF / share	1.82	1.52	**1.81**	**1.97**	**2.13**
FCF / share	0.95	1.22	**1.24**	**1.38**	**1.49**
Book value / share	11.89	11.12	**10.87**	**10.81**	**10.91**
Dividend / share	1.00	1.00	**1.00**	**1.00**	**1.05**

Growth and profitability	2023	2024	2025e	2026e	2027e
Revenue growth-%	-7%	-4%	**1%**	**4%**	**4%**
EBITDA growth-%	-8%	-9%	**4%**	**9%**	**9%**
EBIT (adj.) growth-%	-6%	-14%	**2%**	**7%**	**9%**
EPS (adj.) growth-%	-6%	-26%	**24%**	**22%**	**14%**
EBITDA-%	32.7 %	30.9 %	**31.5 %**	**33.1 %**	**34.7 %**
EBIT (adj.)-%	29.5 %	26.4 %	**26.5 %**	**27.3 %**	**28.6 %**
EBIT-%	19.5 %	16.3 %	**18.7 %**	**20.8 %**	**23.1 %**
ROE-%	6.1 %	4.5 %	**6.8 %**	**8.6 %**	**10.2 %**
ROI-%	6.7 %	5.2 %	**6.9 %**	**8.1 %**	**9.4 %**
Equity ratio	58.9 %	58.6 %	**56.6 %**	**56.6 %**	**57.3 %**
Gearing	49.4 %	54.8 %	**55.6 %**	**53.9 %**	**50.4 %**

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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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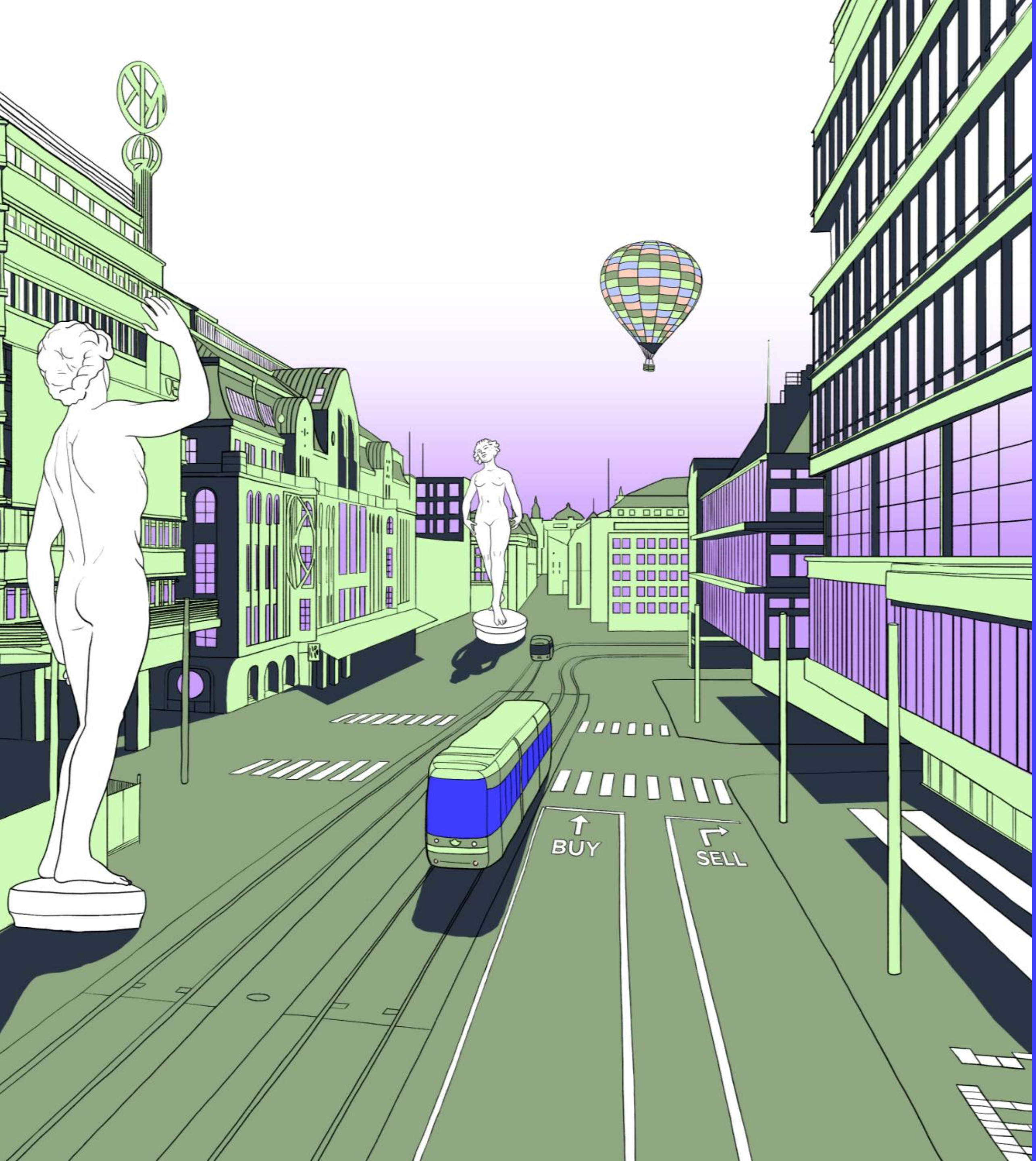
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
9/1/2023	Accumulate	24.50 €	23.15 €
10/11/2023	Accumulate	21.00 €	18.22 €
10/30/2023	Buy	21.00 €	16.50 €
2/6/2024	Accumulate	21.00 €	19.34 €
2/12/2024	Accumulate	20.00 €	18.26 €
4/24/2024	Accumulate	19.00 €	16.82 €
7/17/2024	Accumulate	19.00 €	17.10 €
10/16/2024	Reduce	19.00 €	19.10 €
10/30/2024	Reduce	19.00 €	18.72 €
12/9/2024	Accumulate	19.00 €	17.52 €
2/17/2025	Reduce	17.00 €	16.60 €



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