AALLON GROUP

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INDERES CORPORATE CUSTOMER

EXTENSIVE REPORT

Acquisition-driven growth amid the AI revolution

We reiterate our Accumulate recommendation and EUR 10.5 target price for Aallon Group. The profitability improvement seen in H1'26 indicates that the company's implemented reorganization is starting to bear fruit, and further efficiency is sought through the Lean development program. Slow organic growth in recent years and uncertainty surrounding the AI disruption have pushed the stock's valuation to a very low level (2026e-2027e EV/EBIT 9x-7x) and expectations for future development are very modest. We find this makes the risk/reward ratio attractive, as we believe the company will continue its activity on the M&A front, and the nascent recovery of the Finnish economy may also begin to gradually support performance starting next year.

The AI revolution creates uncertainty over defensive growth

Aallon Group's overall investment profile is interesting, as the company combines the defensive and stable nature of the accounting business, which is complemented by a systematic acquisition strategy to accelerate growth. The strategy has also yielded results, with revenue growing by an average of 14.5% per year in 2018-2025. The majority of revenue is recurring, which reflects a highly predictable business due to long-standing customer relationships. The return on capital of the business is at a good level and the cash flow is abundant. In addition, the company's strong balance sheet provides support for the implementation of its growth strategy. However, the ongoing AI revolution introduces significant uncertainty into the longer-term outlook for the entire accounting industry. On the one hand, this streamlines routines and increases the role of value-added services, but on the other hand, it weighs on the pricing of traditional accounting. We believe Aallon Group is well-positioned to respond to the disruption, but the outcome is difficult to estimate and is already reflected in the sector's decreased acceptable valuation multiples.

The accounting services market is consolidating step by step

The accounting services sector in Finland is highly fragmented, as we estimate that the 10 largest players account for some 45% of the total market of 1.5 BEUR. However, in light of industry trends, the step-by-step consolidation will inevitably continue. Aallon Group's personnel-driven and customer-focused approach provides it with a strong foundation for continued market share growth (2025: some 2.7%).

Currently, growth rests on the shoulders of acquisitions

This year, growth (2026e +5%) rests on acquisitions, as customer churn related to the real estate management sector weighs on development in H2 as well. Recently, there have been signs of a turnaround for the better in the Finnish economy, which will nevertheless affect the accounting industry with a delay. On the profitability side (2026e adj. EBITDA margin of 16.6%), the implementation of the reorganization supports development, and further efficiency is being sought through the Lean development program. Successful implementation of the program is also a precondition for the efficient deployment of AI and automation solutions at the group level.

Valuation appears very low

Uncertainty caused by the AI disruption is heavily priced into the valuations of Aallon Group and many other publicly listed service companies this year. In our view, Aallon Group's valuation is now weighed down, in part, by the negative organic growth. With our estimates, the adjusted P/E ratio for 2026 is 9.7x and EV/EBIT is 8.7x. In our view, the multiples are very moderate, and expectations for future development have been pushed to very modest levels. For 2027, the valuation (P/E 8.7x) drops to a very low level, provided that the slight earnings growth we expect materializes. Part of this should materialize through already completed acquisitions. We believe that the company's acquisition strategy creates value and that its consistent execution will increase the company's fair value in the coming years.

Recommendation
Accumulate
(was Accumulate)

Target price:
10.50 EUR
(was EUR 10.50)

Share price:
9.30 EUR

Business risk

Valuation risk

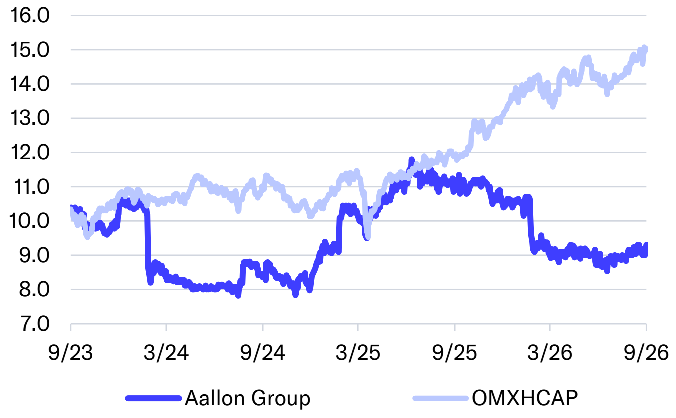
	2025	2026e	2027e	2028e
Revenue	39.6	41.8	43.0	43.4
growth-%	12.9 %	5.4 %	2.8 %	1.0 %
EBIT adj.	4.1	4.7	5.0	5.3
EBIT-% adj.	10.4 %	11.3 %	11.7 %	12.3 %
Net Income	2.3	2.4	2.8	3.1
EPS (adj.)	0.90	0.96	1.07	1.15
P/E (adj.)	11.8	9.7	8.7	8.1
P/B	2.5	2.0	1.8	1.6
Dividend yield-%	2.3 %	2.7 %	2.8 %	2.9 %
EV/EBIT (adj.)	11.5	8.7	7.4	6.4
EV/EBITDA	7.7	6.2	5.6	4.9
EV/S	1.2	1.0	0.9	0.8

Source: Inderes

Guidance (Unchanged)

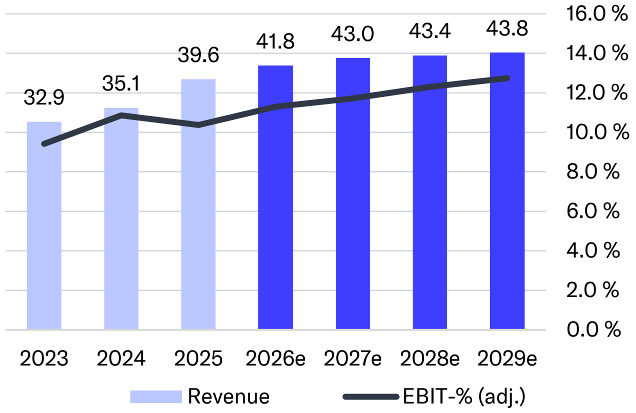
"The company targets an average annual revenue growth of 15-20% and an increasing EBITDA margin in the medium term."

Share price



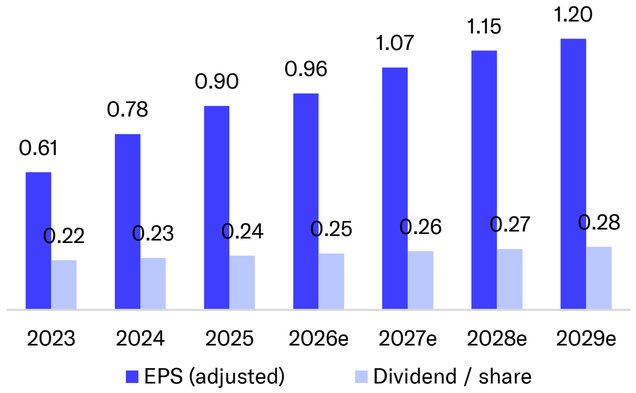
Source: Millistream Market Data AB

Revenue and EBIT % (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Continuous implementation of a proven acquisition strategy
- Reorganization seeks to enhance efficiency and achieve economies of scale from the increased size
- Room for improvement in profitability as digital processes, AI, and automation enhance operations
- Defensive and strong cash flow generating business model

Risk factors

- Long-term value creation potential is strongly dependent on success in the acquisition strategy and the availability of acquisition targets
- Risks related to the integration of acquisitions and customer churn
- Impact of AI on the accounting industry
- Tightening competitive situation and new challengers potentially attracted by industry disruption
- Organic growth partly dependent on the development of Finland's economy

Valuation	2026e	2027e	2028e
Share price	9.30	9.30	9.30
Number of shares, millions	3.82	3.82	3.82
Market cap	36	36	36
Enterprise value	41	38	34
P/E (adj.)	9.7	8.7	8.1
P/E	14.8	12.5	11.3
P/B	2.0	1.8	1.6
P/S	0.9	0.8	0.8
EV/Sales	1.0	0.9	0.8
EV/EBITDA	6.2	5.6	4.9
EV/EBIT (adj.)	8.7	7.4	6.4
Payout ratio (%)	39.8 %	34.9 %	32.9 %
Dividend yield-%	2.7 %	2.8 %	2.9 %

Source: Inderes

Contents

Aallon Group in brief

Aallon Group is one of the largest accounting firms in Finland, offering accounting services in Finland from 26 locally serving offices. The company aims to provide the expertise and know-how of a large accounting firm with local and personal service.

2019
Group is established and listed

39.6 MEUR (+13% vs. 2024)
Revenue 2025

+14.5%
Average revenue growth in 2018-2025

4.1 MEUR (10.4% of revenue)
EBITA 2025

434
Headcount at the end of H1'26

>8000
Number of customers

2019

Group is established and listed

The first two smaller acquisitions

2020-2022

Moderate acquisition pace during the COVID pandemic

The pace accelerates significantly in 2021-2022, when a total of 16 acquisitions are made

2023-2024

In 2023, cost inflation weighs on profitability

10 acquisitions in 2023-2024

Profitability development gets on the right track during 2024

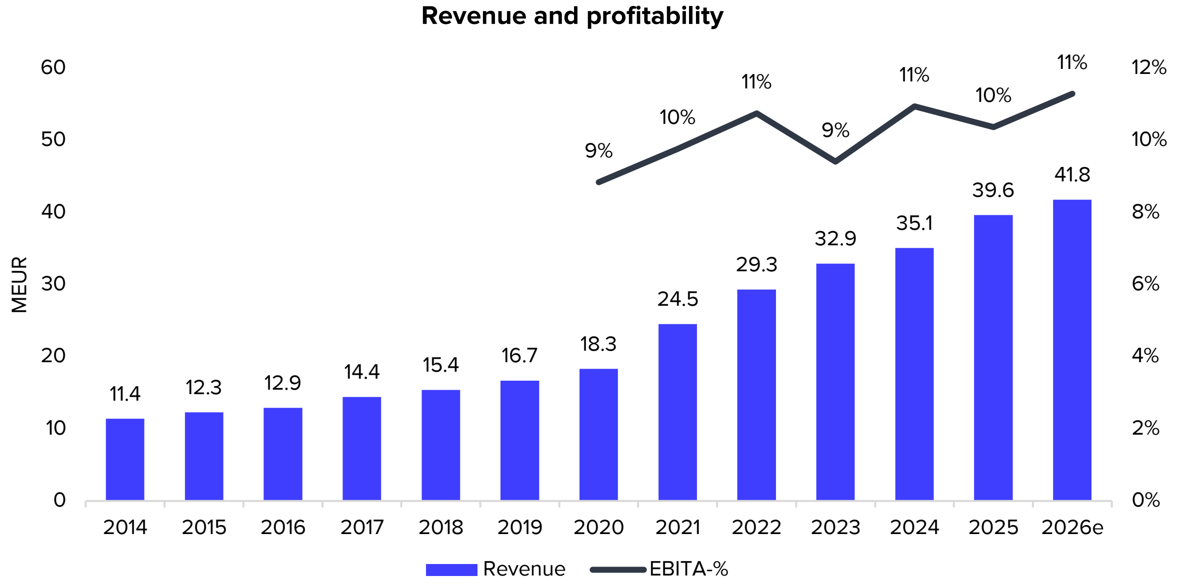
2025-2026

Implementation of the reorganization

Starting the development of proprietary accounting software

So far, 14 acquisitions in 2025-2026

Lean development program launched



Source: Aallon Group / Inderes
*Aallon Group founder companies' combined revenue for calendar years 2014-2016 and Aallon Group's pro forma revenue for calendar years 2017-2019

Company description and business model 1/3

An active consolidator in the Finnish accounting firm market

Aallon Group is a group originally formed from six long-standing and locally significant accounting firms, offering accounting services and supporting expert services in Finland. As the consolidation of the accounting firm sector progressed, these six entrepreneurial accounting firms decided to join forces instead of being acquired by larger competitors or private equity investors. The decision to merge was made in August 2018, and the merger was legally implemented in March 2019 through a share exchange, whereby the merging accounting firms became wholly-owned subsidiaries of Aallon Group. The company was listed on First North in April 2019.

Aallon Group is actively involved in industry consolidation and aims to provide accounting firms with a good home to grow and develop. Since the listing, the company has already completed 44 M&A transactions. Deals have also been possible at moderate valuation levels (around 5-6x EV/EBITDA), and generally, the acquisition strategy has proven effective.

Aallon Group's 2025 revenue was 39.6 MEUR and comparable EBITDA was 6.8 MEUR (17.1% of revenue). The company's revenue has grown by an average of 14.5% in 2018-2025, which clearly exceeds the average growth rate of the accounting services market (some 5%) during this period. During 2021-2025, growth has significantly accelerated, driven by acquisitions, while organic growth has been at an estimated low single-digit level, and slightly negative in 2025.

Aallon Group's revenue consists almost entirely of recurring contract invoicing, which, together with long customer relationships typical of the industry, makes the business model very defensive and predictable. This also enables good profitability, while the efficiency of accountants' work can be improved by investing in digital processes, automation, and, most recently, various AI tools. At the end of H1'26, Aallon Group employed a total of 434 people.

Accounting services close to the customer

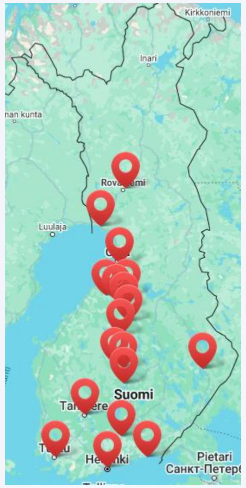
Aallon Group offers accounting and other expert services primarily as a fixed-price service package invoiced monthly. The company's operating model is to provide services close to the customer, ensuring that the customer always has direct access to a designated expert and an expert team responsible for delivering services to the customer. The company currently has offices in 26 locations. Sales were previously handled locally by key personnel at various offices, but with the reorganization, sales functions have been centralized.

Aallon Group has over 8,000 customers, most of whom are SMEs. The customer base is highly fragmented, and we estimate that the 10 largest customers account for less than 10% of revenue. We estimate that the average invoicing per customer is about EUR 5200-5500 per year. In our view, a broad, diversified, and very stable customer base is a clear strength for Aallon Group, which brings visibility and continuity to the business. The customer-centricity at the core of the company's strategy is also reflected in good results in customer satisfaction surveys. The company's good reputation in the industry also helps when competing for acquisition targets, and many entrepreneurs who have put their companies up for sale have ended up becoming part of Aallon Group.

Aallon

- The aim is to consolidate the fragmented accounting service market
- Comprehensive financial management services are provided close to the customer
- Digitalization, automation and AI enable efficiency in accounting processes
- Customer-centricity is reflected in high customer satisfaction and long customer relationships
- In software development, the focus is on systems that generate cost-efficiency and customer value (Aallon Portti)
- Accounting and payroll are still mainly handled using firmware, but proprietary software is under development

Customers



- Over 8,000 customers
- We estimate that the top 10 customers generate less than 10% of revenue
- The customer base is widely diversified across various sectors
- Most are SMEs
- Customer relationships in the industry are very long on average
- The company currently has offices in 26 locations.

Source: Inderes, Aallon Group

Company description and business model 2/3

Aallon Group's services

Aallon Group's financial management services include accounting, processing of sales and purchase invoices, invoice payment, internal accounting, and handling of tax and VAT matters. In practice, the company's service portfolio includes all services typical of the industry. Most of the revenue comes from typical accounting firm services.

The company offers payroll management services as customer-specific, tailored service packages. In addition to the basic payroll processes, the company offers expertise in personnel management. This includes, e.g., payroll administration advice and consulting, as well as the drafting of employment contracts and advice on employment-related legal issues.

The service offering also includes advisory services complementing financial management services, which are typically sold as an hourly-billed add-on service. Such services include, e.g., tax advice, legal services, employment advice, and advice on corporate restructuring. The scope of legal services was strengthened by acquiring Premium Group in December 2024, whose 6-person legal services team's expertise can now be offered more broadly across the entire group. The company also provides financial management services, including, e.g., outsourced controller, finance manager, and HR specialist services.

Aallon Group possesses specific industry expertise, which enables the provision of services that consider the unique characteristics of these industries. These industries include the IT sector, private equity companies, foundations, construction, travel industry, and real estate companies.

Digitalization and automation create efficiency in processes

Aallon Group handles all its service processes digitally, unless otherwise agreed with the customer. Digital financial management service refers to sending sales invoices as e-invoices, and electronic receipt, review, approval, and payment of purchase invoices. Submitting receipts to accounting and the creation, review, approval, and payment of travel expense reports also take place digitally.

A central part of Aallon Group's business model is the comprehensive digitalization and streamlining of the company's back-office processes. In its in-house system development, the company focuses on developing systems that generate customer value and cost-efficiency. Accounting and payroll have so far been handled using firmware, but the company is also currently developing its own accounting software. Digitalization of business operations and automation of routine accounting tasks improve efficiency and free up accountants' time to provide value-added services to clients, enabling partial scalability of profitability. In a fully digital world, revenue per customer typically also increases through transaction revenue as customers expand the scope of accounting services to include, e.g., purchase invoice processing and payment transaction management. Rapidly evolving AI tools are creating new opportunities to enhance efficiency, and in preparation for this, Aallon Group has a group-wide Lean development program underway.

Aallon Group's improving operational efficiency is reflected in the company's revenue development relative to the number of personnel. The company no longer reports this figure, but according to our calculations, it was some EUR 70,000-75,000 in 2019-2020 and rose to around EUR 90,000 in 2025.

Aallon Group's services

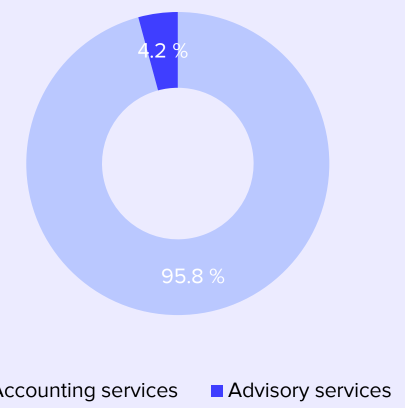
Financial management services and specialized industry solutions

- Accounting
- Payroll
- Performance monitoring
- Sales invoicing
- Accounts payable processing and payment
- Tax and VAT matters
- Specialized industry solutions

Consultancy and financial management services

- Tax advice
- Legal services
- Employment advice
- Outsourced controller, financial manager and HR services

Revenue breakdown, 2025



Source: Inderes, Aallon Group

Company description and business model 3/3

In our view, the increase in efficiency is partly explained by the growing share of fully digital customers.

We estimate that the company's profitability will gradually improve in the medium term due to economies of scale achieved through growth and as digital processes and AI tools enhance operations. With the reorganization largely implemented during 2025, the company also has the potential to better leverage its increased scale. In the reorganization, the previous organizational structure based on regional companies was replaced by a structure based on business functions. When a regional organization is abandoned, business operations and administrative work are no longer organized separately in each regional company. With the company's increased size, centralized operations can achieve clear efficiency gains in addition to steadily improving the quality of services. Resources freed up by the change are primarily directed towards accelerating organic growth, advancing the acquisition strategy, and customer care and work.

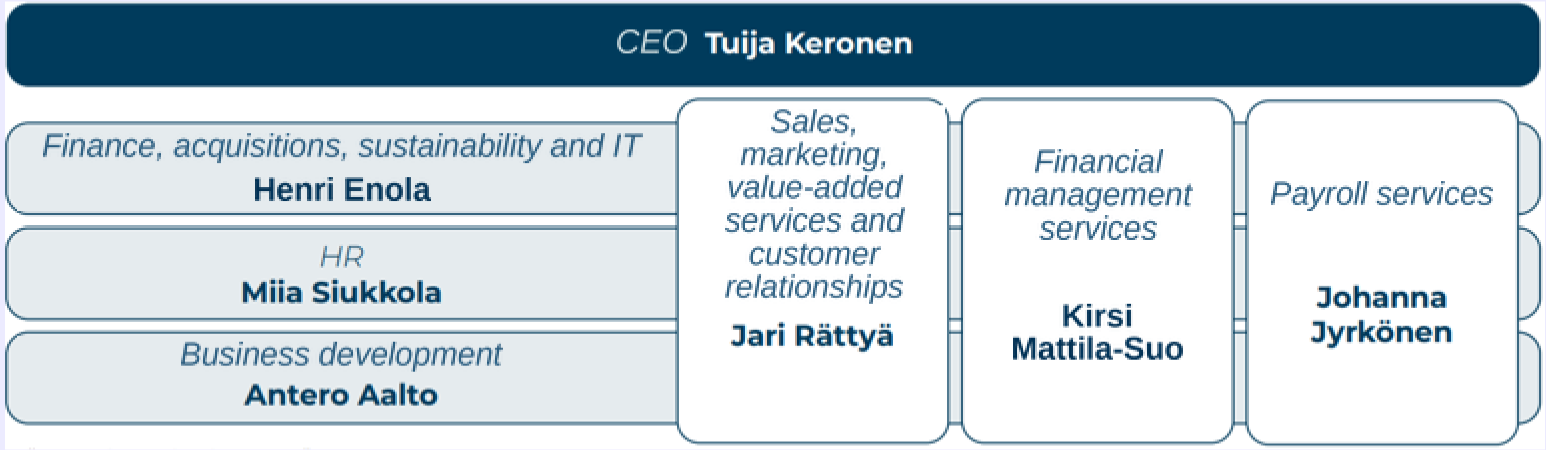
To unlock the efficiency benefits of the new organization, the company launched a Lean development program in spring 2026. The program aims to define standard processes for financial and payroll administration at the group level, identify best practices, and leverage automation opportunities more broadly. Implementing the program into the organization will take at least until the end of 2027, and succeeding in it is a key prerequisite for introducing AI and automation solutions in a controlled and productive manner.

The importance of advisory services increases in the future

Aallon Group's business model and sufficient scale enable the provision of value-added financial management services that SMEs need to support their businesses. Accountants' time can be increasingly directed at consultative work as routine tasks become automated through digitalization and AI. This creates additional earnings opportunities for both accountants (job satisfaction) and Aallon Group.

In SMEs, financial management often falls to the entrepreneurs, making additional services highly sought after. The entrepreneur can then focus on business operations instead of financial management. This makes a strong market position and large scale in the industry even more valuable, as small accounting firms are unable to offer similar services. In the largest companies with own financial management and experts, the key is generally cost-efficiency.

Aallon Group's organizational structure



Source: Aallon Group

Investment profile

A defensive growth company

Aallon Group's investment profile is interesting overall, as it combines a stable and defensive accounting business, whose growth is accelerated by a systematic acquisition strategy. The effectiveness of the acquisition strategy has already been clearly demonstrated in recent years. Aallon Group has found a successful formula for acquiring small and medium-sized accounting firms at moderate valuation multiples. Acquisitions have also been reflected in the company's figures as earnings growth.

A majority of Aallon Group's revenue is recurring, which reflects a defensive and predictable business, thanks to long customer relationships. The company's business is capital-light, which ensures a strong return on capital and cash flow generation. This also enables dividend payments, which, however, depend on the pace of the acquisition strategy. We currently see capital allocation to acquisitions as a significantly more sensible solution than dividend payments, although the current strong balance sheet allows for both.

In recent years, Aallon Group has invested significantly in building its group organization and common production systems, which have laid a solid foundation for acquisition-driven growth. With the numerous completed acquisitions, the company's size has also grown significantly, and following the reorganization, it is possible to extract even more efficiency from this entity. In addition, the company still has potential to improve its profitability as its size increases, with economies of scale and digital processes and AI tools gradually improving operations.

Aallon Group has become a key player in the consolidation of the Finnish accounting firm market, and the company's entrepreneurial approach has clearly resonated well with many accounting firm entrepreneurs. The company already has a good track record of executing acquisitions at moderate valuations, and the strategy has also delivered earnings growth. We believe transactions carried out at reasonable valuation multiples have good prerequisites for creating shareholder value when the acquired accounting firms begin to be valued at Aallon Group's higher multiples on the stock exchange.

The AI disruption creates uncertainty over an otherwise low risk profile

We have found the accounting services sector to be one of the most defensive sectors on Nasdaq Helsinki, as accounting is a legal obligation for all companies. Due to this and the factors already mentioned, Aallon Group's business risk profile seems low overall. However, with the rapid development of AI, we believe that uncertainty regarding long-term development has increased for both Aallon Group and other accounting firms. In our view, the key risks for an investor in Aallon Group are the following:

Risks associated with acquisitions: Aallon Group's long-term value creation potential relies heavily on success in the acquisition strategy. Consequently, there are always risks associated with the integration of acquisition targets and employee turnover. There are also several other players in the market competing for acquisition targets, which can lead to tightening valuation levels and make value creation difficult. So far, however, the company's track record speaks for itself, and reasonably priced acquisition targets have been found.

Impact of AI on the accounting industry: The ongoing AI revolution introduces significant uncertainty to the longer-term outlook of the entire accounting industry. On the one hand, this streamlines routines and increases the role of value-added services, but on the other hand, it weighs on the pricing of traditional accounting. We believe Aallon Group is well-positioned to respond to the disruption, but the outcome is difficult to estimate and is already reflected in the sector's decreased acceptable valuation multiples.

Tightening competition: In our view, competition in the accounting services market has not historically been particularly fierce, but the ongoing transformation driven by digitalization and the AI disruption may intensify competition or attract new disruptive players to the industry in the future. A fragmented industry can also attract larger foreign players. We generally view small local accounting firms lacking sufficient willingness to change as losers in the industry. Larger players, such as Aallon Group, have a good position in the transformation of the industry.

Weak organic growth: The weak economic development in Finland in recent years has been reflected in Aallon Group's slow organic growth. Recently, development has also been slowed down by customer churn resulting from the consolidation of the property management sector. We estimate that acquisition-related customer churn is also partly slowing down organic growth. In our view, the slow organic growth limits the acceptable valuation multiples for the company's share.

Investment profile

1. Good position in a defensive and steadily growing industry, although the AI transformation creates uncertainty

2. The acquisition strategy generates results and accelerates earnings growth

3. Stable profitability with gradual room for improvement

4. Low business risk profile, revenue almost fully recurring

5. The accounting business generates strong cash flow to be allocated to acquisitions and dividend payments

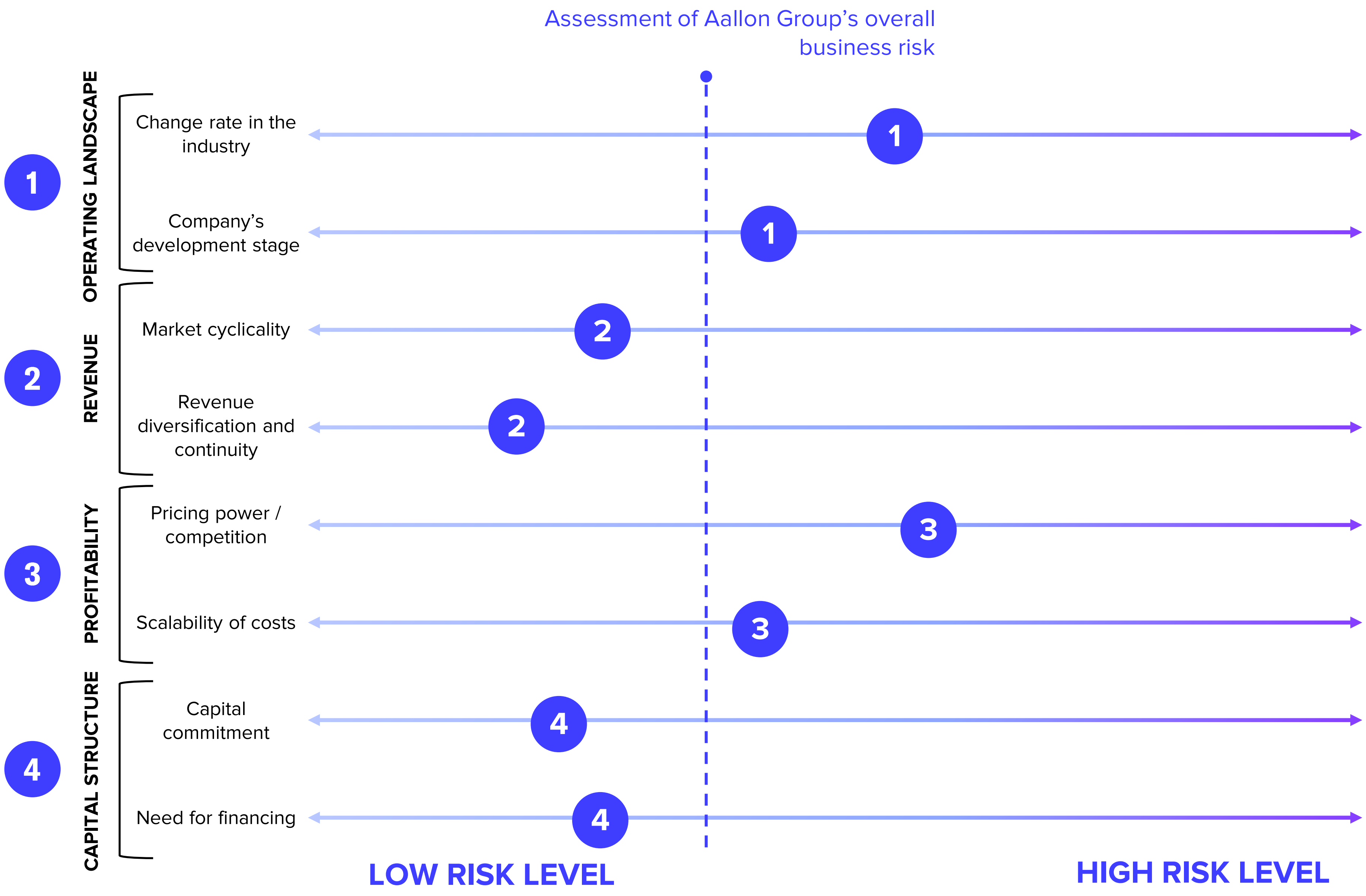
Potential

- Value creation potential of acquisitions
- Emphasizing an entrepreneurial spirit and the company’s good reputation in the industry serve as a competitive advantage when competing for acquisition targets
- Profitability improves gradually as the size increases, with economies of scale, digital processes and AI tools improving operations
- Defensive cash flows
- The industry has grown historically regardless of the economic cycle

Risks

- Long-term value creation relies heavily on the success of the acquisition strategy and the adequacy of the acquisition targets
- Risks related to the integration of acquisitions
- Impact of the AI disruption on the industry
- Tightening competitive situation and new challengers potentially attracted by the industry transformation
- Organic growth remaining at a weak level

Risk profile of the business



There is an AI transformation underway in the industry, but Aallon Group is well-positioned to respond to it.

Aallon Group is mainly formed of long-standing and stable accounting firms. The company's size enables it to capitalize on the opportunities offered by the fragmented market.

Accounting is statutory, so demand is steady. The industry has grown through various crises. However, the weak economic cycle has been reflected in the company's growth.

The customer base is highly fragmented, and customer relationships are typically very long. Revenue is almost entirely recurring.

Industry pricing has tightened, and AI could significantly change the pricing of routine tasks in the longer term.

The cost structure mainly consists of salaries and is relatively fixed, although it can be adjusted in problematic situations. Profitability has the potential to scale with growth.

The business ties up little capital. Acquisitions require capital, depending on the proportion of deals financed with cash and the company's shares.

A good balance sheet position enables the implementation of the acquisition strategy. The business generates good cash flow and growth investments are moderate.

Industry 1/4

A growing and highly defensive market

The Finnish market for accounting and financial reporting services was around 1.5 BEUR in 2024. Based on the size of accounting firm customers, the market consists mainly of micro, small, and some medium-sized companies. In mid-sized and large enterprises, financial management is still largely an internal activity, but the outsourcing trend progresses gradually. If the value of the financial management work carried out by customers themselves and the financial management work of non-outsourced companies (estimated outsourcing rate in Finland 70-80%) were considered when defining the market, the size would be considerably higher. The share of financial administration software in the total market is estimated at around 330-360 MEUR, or some 24%.

The market is inherently very defensive. Companies are legally obliged to keep their accounts, so the need remains as long as the tax man wishes to have his cut. In addition, a strong trust is typically formed between accountants and their customers, which makes customer retention very high. The industry has historically overcome the financial crisis and the euro crisis without a decrease in revenue. In connection with the COVID pandemic in 2020, the sector's revenue fell by close on 3% and recovered rapidly in 2021. According to the Finnish Association of Accounting Firms, companies in the industry experienced a revenue decrease of around 0.2% in 2025, marking a very weak year for the industry. Defensiveness and high customer retention make a strong market position valuable in the industry. However, it should be noted that as customers' businesses shrink, the accounting firm's invoicing also usually decreases, and work ceases after bankruptcy.

According to Statistics Finland, revenue in accounting and financial reporting services has grown by an average of about 5% p.a. in 2002-2024. In the short term, the weak performance of the Finnish economy may curb development, but in the long term, we expect moderate growth to continue.

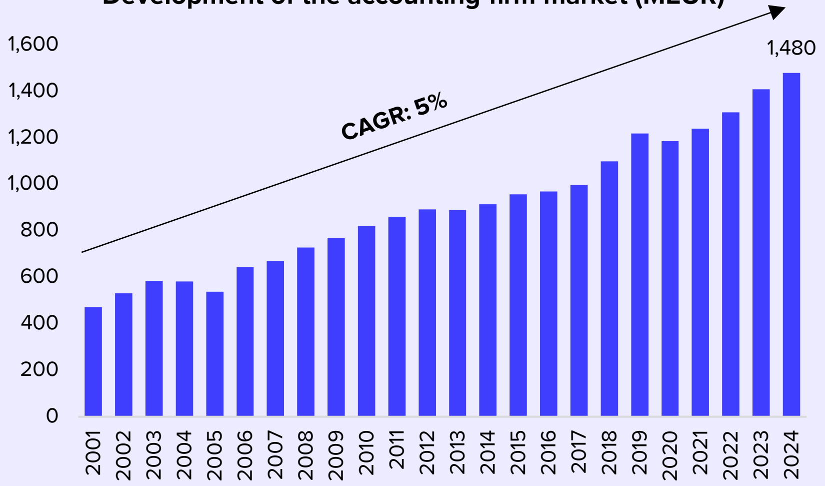
Growth drivers are changing

Historically, the stability and continuity of growth were largely explained by price increases, which we believe accounted for about half of market growth. Due to increased competition from the electrification and digitalization of accounting, it is more difficult to implement significant price increases. Accounting firms were strongly linked to the development of the number of accountants and salaries. However, we believe this linkage is gradually breaking as digitalization and automation clearly enhance the routine tasks of accountants. The accelerated development of AI in recent years further intensifies this trend. At the same time, digitalization has increased the scope of routine accounting services, which has supported the growth of transaction revenue.

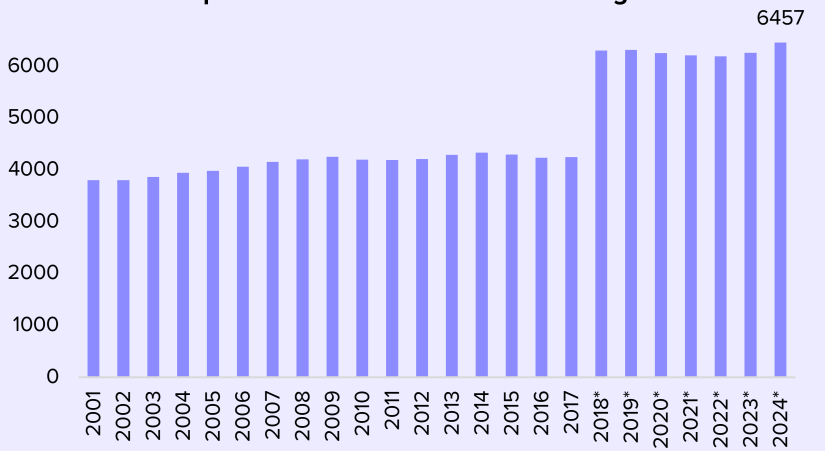
The other half of the growth comes from the increase in transaction volumes, which correlates with economic activity. The economic recovery should be reflected in transaction volumes with approximately a six-month lag. A temporary fall in transaction volumes was seen due to the COVID pandemic in 2020, which was visible in the industry figures. In the weakened economic environment of 2023-2024, transaction volumes have declined according to companies in the sector, but the overall market has nevertheless grown. However, in 2025, a slight decrease occurred, with both transaction volumes and bankruptcies pulling the industry down.

We expect sales of additional services to complement conventional accounting and the outsourcing of financial management to be the growth drivers for the industry in the coming years. Companies are increasingly outsourcing their support activities (e.g. IT) as they focus on their core business. For accounting firms, this would mean a growing demand for controller, finance manager and HR specialist services.

Development of the accounting firm market (MEUR)



Development of the number of accounting firms



* The group of statistical units in the industry has expanded, and the figures are based on a new calculation method from 2018 onwards. The biggest impact of the change was on the number of companies. The impact on the size of the market was small.

Source: Statistics Finland, Association of Finnish Accounting Firms

Industry 2/4

The industry is undergoing a major transformation

The accounting industry is facing a major transformation driven by Ai with digitalization, growing importance of service offering and consulting, legislative changes, and entrepreneurs retiring. Even though one could assume that the electrification of accounting transactions is already the prevailing practice, paper documents are still part of everyday life in many accounting firms. In recent years, development toward electronic and more efficient processing has progressed and will inevitably continue. Electrification is transforming accounting firms' services, processes, competence needs, and the division of labor in client relationships. We believe that the role of the traditional accountant will lose some value, but the work of consultants becomes more important. This will free up resources to provide value-added services. However, it's worth remembering that a professional and personal service cannot be replaced by automation. The client/accounting firm relationship can become very close, and personal service is very important.

Most small and local accounting firms are mainly concerned with keeping their existing accounts. For many, technological development and the requirements brought by legislative changes are a significant challenge, and companies may lack the required resources to challenge other accounting firms. In contrast, the largest players in the industry master electronic services and want to expand their operations in the transition.

The market is still very fragmented

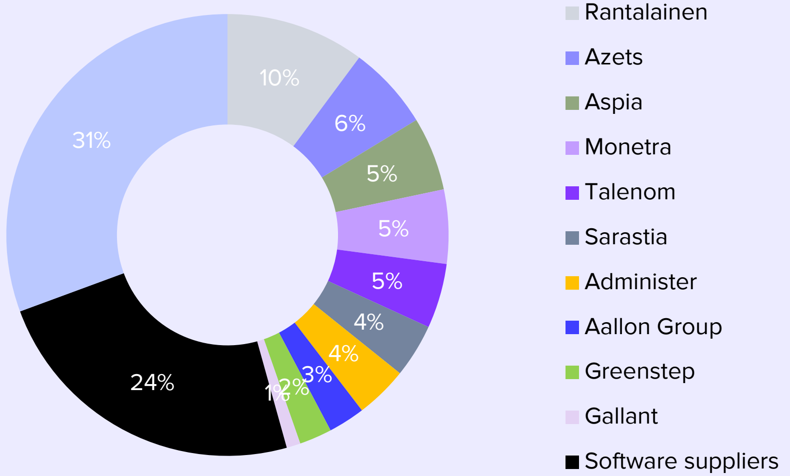
The industry structure is highly fragmented because being close to your accountant has been a major competitive factor and, thus, the sector has been characterized by locality. According to Statistics Finland, there were 6,457 companies in the accounting services market in 2024. The figures have been affected by a change in the reporting method since 2018, and there are still over 4,000 accounting firms actively operating in Finland. The average company has just over 2 employees. We believe the industry will continue to drive many small businesses to the wall, as they don't have sufficient resources or technological know-how to develop their IT systems or for software purchases, nor meet additional requirements imposed by regulation. On the regulatory side, challenges are posed by issues such as money laundering, customer identification, data security, and processing of customer data. Despite these factors, the number of accounting firms has not decreased significantly in recent years, but the share of the largest companies in the overall market has increased.

Key players in the industry in Finland are Rantalainen, Talenom, Aspia (former Accountor), Azets, Administer, Aallon Group, and Greenstep, as well as Monetra and Sarastia, which focus on the public sector. These companies are also Aallon Group's key competitors, except for Monetra and Sarastia. In our view, Aallon Group is positioned as a significant, established player.

The industry is gradually consolidating

We estimate that the 10 large players shown on the right held around 46% of the market in 2025. The share of large players in the market has been gradually increasing for a long time. After the software companies' share (~24%), we thus estimate that around 31% of the market is held by small and mid-sized accounting firms. Not all companies have the resources to meet the challenges that the industry transition brings, which is why we expect consolidation to continue. Accounting firm entrepreneurs retiring is also one of the factors contributing to the consolidation of the sector. Acquisitions have also become a very normal practice in the industry, and in some cases, smaller players have merged to make the entity look like a more attractive acquisition target for larger companies.

Estimate of the market shares of accounting firms in Finland in 2025



Source: Companies' financial statement data and websites, Inderes. The figures aim to account for only revenue generated from financial management and payroll services.

Industry 3/4

The importance of economies of scale is emphasized

Size matters in the accounting services business today, as economies of scale support the profitability of automated accounting firm and expert services. Economies of scale in automation enable very strong profitability in the core business and a growing price competition if automation becomes more common and at some point, imposes a so-called “limit price”. Talenom, for example, estimated years ago that in 10 years' time, no substantial fees will be paid for the basic accounting tasks because they are fully automated. In professional services, economies of scale are limited to human resources, but can still be significant for overall competition. Economies of scale can also be achieved in sales and marketing. Larger size gives better opportunities to invest in software or own technological development, even though, in the age of AI, direct software development costs have decreased and the differences between software have narrowed. Mandatory costs caused by regulation also scale with size, but they can be an insurmountable obstacle to growth for small accounting firms when scaling operations from some one million euros in revenue to several million is being planned.

We estimate that the industry's transformation and fragmentation turns the accounting services market into a growth market for larger operators for the next 5-10 years. The transformation pressures challenge the industry and leave small accounting firms with a decision: Leave the market, specialize or diversify. Those who have already achieved a significant position are also well-positioned for the future. All of these still have the potential to increase their market share at the expense of small players and by acquiring them. At some point, the limits to growth in consolidation will be reached in this respect, and in the longer term, the industry may well see corporate transactions between larger players as well.

Competition in the sector remains rather limited

In the accounting services market, competition for customers has always been limited. Among the larger players in the industry, Talenom was, in practice, the only genuinely active new sales company on a significant scale for a long time. However, the situation has changed in this respect towards more active sales for others, although many large players have focused their growth mainly on acquisitions. Most small companies, on the other hand, have focused on protecting their own "territory".

Thus, we estimate that the large number of players in the industry is maintained to some extent by the lack of competition and its regional nature. Finnish corporate customers are often still used to meeting their accountants face-to-face, making competition regional. Competition may also be restricted due to the still conservative practices and habits of the industry. The small size of accounting firms and the fragmentation of the industry also reflect the small size of the companies’ target market. However, small companies ability to consolidate the industry is weak, and smaller companies in small towns aren’t necessarily very attractive acquisition targets to larger operators. In our view, however, price competition has clearly intensified in the challenging market of last year.

Seasonal variation around financial statements

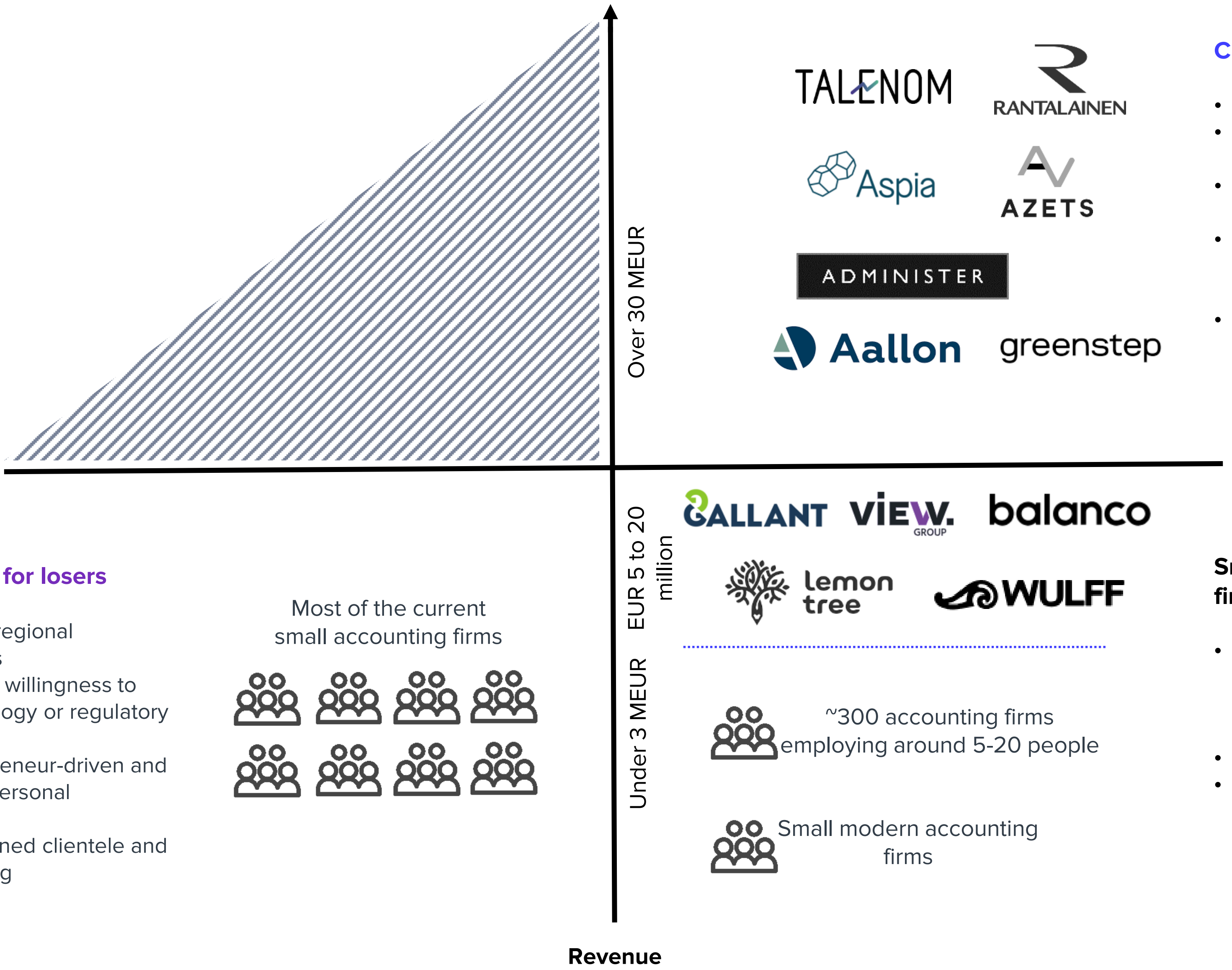
There is clear seasonal variation in the accounting business. The preparation and closure of financial statements create a regular demand spike for December-March. This underscores the first quarter's share of invoicing and profitability. This is also reflected in Aallon Group’s revenue and earnings, which are typically more focused on H1.

Summary of the accounting firm sector

- According to our estimates, the accounting industry will grow at a moderate annual rate in the medium term, with the potential impact of AI being the most significant uncertainty factor
- The majority of revenue are continuous/recurring
- The industry is still highly fragmented
- One of the most defensive sectors on Nasdaq Helsinki, as accounting is a legal obligation for all companies
- Competition is calm and regional, and investments in new customer acquisition are not particularly aggressive, and price competition is usually relatively moderate.
- Customer relationships are normally very long, and churn is often due to an acquisition or bankruptcy
- Due to defensiveness, growth and healthy profitability, a strong market position in the industry is valuable
- In our view, the role of consulting services will increase in the coming years as routine accounting tasks are automated
- More widespread outsourcing of financial management to accounting offices offers a potential growth driver for the industry
- In our view, the importance of economies of scale will be further emphasized in the future as automation progresses, which is accelerated by the development of AI
- We estimate that the value of the industry will be concentrated in large companies, although the number of companies in the industry may remain high

Source: Inderes

Competitive landscape of accounting firms in Finland



Characteristics of large players

- Strong IT systems
- Past investments in electrification and digitalization
- Sufficient size for continuous development
- A business model utilizing economies of scale or the opportunity to benefit from the size
- Appetite for acquisitions high

Common factors for losers

- Mostly small or regional accounting firms
- No resources or willingness to invest in technology or regulatory requirements
- Strongly entrepreneur-driven and dependent on personal relationships
- Often old-fashioned clientele and paper accounting

Small and medium-sized modern firms

- Growth-hungry challengers, some of whom have the opportunity to invest in technology and software, and meet increasing regulatory requirements
- A digital operating model
- Most interesting acquisition targets for large players

Source: Inderes

Industry 4/4

Both opportunities and threats come with the AI revolution

AI or automation fundamentally shifts value to software because software can be scaled at nearly zero marginal cost. On the other hand, AI is increasingly commoditizing core accounting, and software is becoming more uniform (converging). Thus, differentiation and value shift back to service, trust, advice, and responsibility, where the combination of people, data, and customer relationships is crucial. At least for now, software alone, without service, is not enough, and conversely, service without cutting-edge technology does not scale.

As AI technology advances, we believe the software industry will also transform. Traditional "accounting software" can evolve into an AI-native platform, and agents can transcend the boundaries of a single software program. In this case, data and integration management become more valuable than the user interface. In practice, accounting firms can build the best AI layer on top of any core system and focus their value on service and data. We believe that, in principle, value does not flow directly away from the service provider if it retains ownership of the customer relationship, data interpretation, and responsibility. The winners will combine cutting-edge technology with reliable service.

At the same time, artificial intelligence also creates opportunities for accounting firms, as the value of data increases. For example, Aallon Group has a lot of accounting, payroll, and financial data on SMEs. This is excellent raw material for AI in use cases such as benchmarking, predictive advice, anomaly and fraud detection, cash flow forecasts, tax and investment planning, and industry comparisons. However, data must be utilized securely and in a trustworthy manner.

In addition to cybersecurity concerns, many open questions remain about AI and its use, and the answers will affect how companies are positioned.

Shift in pricing models: As work becomes automated, hourly-based pricing will eventually fade away, while value-based/fixed pricing and volume-based software billing will become more prominent. Aallon Group is positioned for this already with fixed-price contracts, enabling it to better capture efficiency gains for itself.

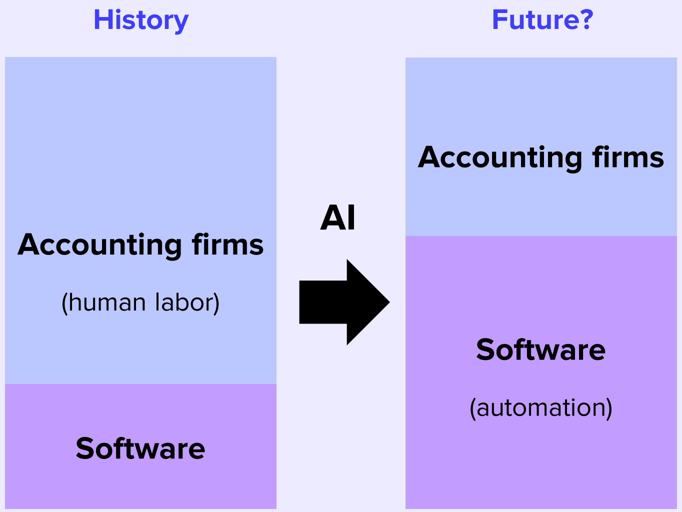
Responsibility and regulation: Auditability, explainability, and regulation (e.g., the EU AI Act) favor a hybrid AI model, meaning human oversight and a service company that bears responsibility. AI agents will not take responsibility for errors, so responsible parties (accounting firms) will still be needed in the future. At the same time, AI errors can pose trust and reputational risks, making strong process control a significant factor.

Competitive dynamics: AI lowers the barrier to entry (AI-native challengers) but raises the bar for trust, responsibility, and data. Established players are protected by scale, data, and brand, but they also face pressure to increase productivity and deal with price competition.

Change management and workforce: Renewing expertise and personnel is a significant enabler and a potential problem. At its best, AI improves the employee experience by eliminating tedious work, but it can also be perceived as a significant threat.

Data quality and integrations: AI is never better than the data it uses, so integration with banks, government agencies, and core systems, as well as data standardization, are critical factors.

Threats and opportunities for accounting firms



- Value creation shifts from routine human labor to automation ➔ hourly billing is eroding.
- Structural advantage of software companies: near-zero-margin scalability vs. service companies' 30–50% margins and growth tied to recruitment.
- The flip side: legal liability, tax interpretation, and interfacing with authorities require an accredited person.
- This is about the distribution of "margin," not the disappearance of the industry.

Key opportunities

- Transitioning from a compliance provider to a consultant offering value-based pricing (CFO-as-a-service, forecasting, tax and financial structuring).
- Adopting AI as a production tool ➔ customer volume and margin growth.
- Building vertical expertise.
- Hybrid partnerships with software platforms; positioning as an interpreter between the software and the customer.

Source: Inderes

Strategy 1/3

Strategy and financial targets

Aallon Group's vision is to be the most recommended partner and employer in its industry. The company strengthens customer satisfaction, which is at the core of its strategy, by focusing particularly on digitalized efficient processes, high-quality and personalized expert services, as well as employee satisfaction and well-being.

Aallon Group aims for organic growth faster than the average growth of the accounting firm market, which is accelerated by acquisitions. The company's medium-term target is an average annual revenue growth of 15-20% and a growing EBITDA-%. The average growth rate over the past six years (15.5%) has been in line with the targets. Comparable EBITDA has been stable in the big picture in recent years, fluctuating between approximately 16-18% in 2022-2025.

Success in the acquisition strategy is key for Aallon Group's long-term value creation. The company has found an effective formula for acquisitions, allowing it to acquire targets at a moderate price, and the integration has gone well in the big picture. The company no longer typically discloses the prices of transactions but historically, acquisitions were typically made at EV/EBITDA multiples of around 4-6x. We believe the situation has not materially changed from this. According to the company, there are still also good targets available in the market, and the implementation of the strategy will continue as before.

In-house accounting software under development alongside commercial software

Aallon Group's technology strategy is to focus on developing systems that improve customer value and systems that improve its cost-efficiency Business digitalization streamlines operations and frees up accountants' time to provide value-added services to clients. This enables the company to gradually scale its profitability as the strategy progresses.

Aallon Group has been developing its own customer interface called Aallon Portti for quite some time. Currently, Aallon Portti offers efficient tools for the most important financial management processes, such as processing purchase invoices and sales invoicing. In addition, it serves as a secure customer service, communication, and material channel. In early 2026, Aallon Group announced that a proprietary general ledger is also being developed for the system, which will turn Aallon Portti into a full-scale financial management system.

Previously, Aallon Group's technology strategy was to rely on third-party accounting systems. Now, however, the company sees an opportunity to achieve a competitive advantage with its own software, as the share of software in the total costs of financial administration is rising. With its own system, Aallon Group could continue offering a competitive price to current Aallon Portti users once current software suppliers are replaced. This could also provide Aallon Group with an opportunity to take a larger share of the value chain. Currently, fewer than 10% of Aallon Group's approximately 7,500 customers use Aallon Portti's paid accounting, reporting, and purchase and sales invoicing functions. If Aallon Group were to successfully increase this figure by 10 pp, the company estimates it would achieve a positive earnings impact of around 0.5-0.6 MEUR. This would consist of savings from third-party systems, economies of scale in software maintenance costs, and growing license billing.

In our view, it can be a lengthy process to attract customers accustomed to the solutions of other software providers (e.g., Netvisor, Procountor, and Fennoa) to switch software. For customers already using Aallon Portti, the change is significantly easier, as only the accountant has to adapt to using the new system. A key question is how Aallon Group can develop a sufficiently competitive software with significantly fewer resources compared to established players in the software market. According to Aalto Group, decades of technical expertise in its own development unit is combined with extensive financial management experience and knowledge of customers' needs. With this combination, the company believes it can develop a very cost-efficient system that serves customer needs and provides accountants with the best possible tool for efficient work. Aallon Group has not disclosed the size of its internal software development team, but the investments capitalized on the balance sheet for 2025 (0.5 MEUR) indicate that development investments remain on a very moderate scale. Thus, in our view, the company has something to prove regarding software development, although the pace of development has clearly accelerated with current modern AI tools. For its own accounting software, the company has its first customer pilots underway this year, which will be expanded towards the end of the year.

In addition to its proprietary system development, Aallon Group started implementing the Lean operating model in several teams this year. The goal is to streamline existing processes and improve the quality of work through AI and traditional automation. One of the key drivers of the reorganization was to better pursue efficiency and economies of scale at the group level following the harmonization of operating models and systems.

Technology strategy

Aallon Group's system development

- Focusing on systems that generate cost-efficiency and customer value.
- The partial automation of accountants' work frees up human resources to provide higher value-added services.
- The implementation of the Lean development program enables the efficient deployment of AI and automation solutions at the group level.
- Improved operational efficiency and increased value-added services enable the gradual scalability of profitability.

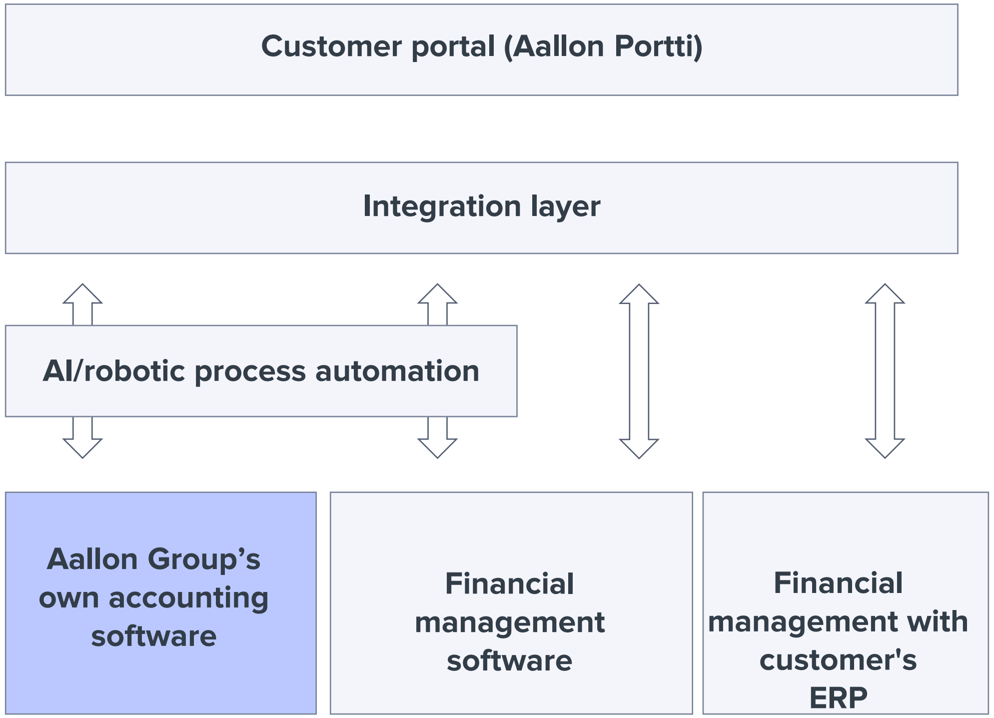
In-house accounting software under development next to commercial software

Pros and cons of firmware:

- Significant system integration is not required in connection with acquisitions
- Customer acquisition costs are low when the customer does not need to be moved into a proprietary back-end system
- Some of the economies of scale enabled by digitalization will not be achieved in the long term
- Constantly rising software costs

Pros and cons of proprietary software:

- Proprietary software can capture a share of the software vendors' value chain while combating rising software costs
- Easy transition for existing Aallon Portti customers (the user interface will not change)
- Engaging customers even more strongly as part of Aallon Group's service offering
- With the help of AI tools, proprietary software can be developed for Aallon Portti with a small and efficient team
- Aallon Group's proprietary software competes against software houses equipped with significantly larger resources
- Proprietary software requires investments and continuous maintenance
- It remains unclear how Aallon Group will succeed in migrating customers to its proprietary software in the coming years



Source: Inderes

Strategy 2/3

Acquisition strategy

Aallon Group's approach to the consolidation of the accounting firm market differs from private equity-backed companies. The company sees its competitive advantage in that accounting firm entrepreneurs find it easier to join an entrepreneurial company like itself than to sell their company to, e.g., a private equity investor. This "softer" approach gives Aallon Group a competitive advantage in certain targets in the acquisition market. We estimate that almost all slightly larger accounting firms have already been approached with acquisition intentions, but for everyone, money alone is not sufficient compensation to give up their business. For example, a retiring accounting firm entrepreneur often wants to find a good successor to their life's work.

Historically, in some transactions, Aallon Group has used its shares as a means of payment in addition to cash, which allows accounting firm entrepreneurs to retain ownership. In recent years, however, transactions have been mostly made in cash. We suspect this indicates that the company believes the share's valuation has not been at a sufficient level to warrant using its shares as a means of payment. We also believe that favoring cash has been well-justified.

The majority of Aallon Group's acquisition targets have so far had a revenue of 0.5-2 MEUR. The targets have also generally been very profitable, with EBITDA margins often above 15%. As the company grows, the size or number of acquisitions must also increase to continue to achieve the percentage growth target. In the long term, the number of acquisition targets may become a factor slowing down growth as industry consolidation progresses further. We believe there are still around 1,000 accounting firms in Finland that employ more than just the entrepreneur. Of these, around 300 employ more than 5 people and are the most interesting acquisition targets. Despite consolidation, we believe the number of medium-sized firms has remained fairly stable. This indicates that new, growing players are emerging beneath the surface, both organically and through mergers.

With the acquisitions, Aallon Group expands its presence in Finland's largest cities. This also enables the acquisition and integration of smaller firms into these larger entities. Indeed, the company has taken this approach in many of its acquisitions in cities such as Helsinki, Tampere, Oulu, Jyväskylä, and Turku. In recent years, the company has expanded, for example, Joensuu, Lahti, Kotka, and Rovaniemi through acquisitions.

Synergies and economies of scale of acquisitions

In addition to growth, Aallon Group believes that acquisitions will generate synergy benefits and economies of scale, especially in HR, sales and marketing, and technology development. As the company grows in size, it can also offer accounting firm entrepreneurs visibility and investment capacity. In addition, the larger scale enables serving even larger customers.

From a personnel perspective, acquisitions also serve as alternatives to recruitment, as in our view, there is a shortage of skilled accountants in the industry. From the employees' perspective, synergies are achieved by balancing the workload of personnel between different units and sharing best practices and expertise among all units. Acquisitions also offer the opportunity to acquire industry-specific expertise.

In marketing, a unified Aallon brand improves brand awareness and allows for more centralized marketing. In the new organizational model, sales, marketing, and customer care have been centralized into a single unit that can serve an ever-larger entity. A centralized model should also facilitate the provision of value-added services across the group.

In terms of technology, economies of scale are achieved when the company's efficiency-enhancing processes are rolled out to acquired entities. The costs and benefits of software development are also constantly distributed to a larger entity. In addition, economies of scale can be achieved in software procurement, where the increasing size of purchases brings more negotiating power.

The acquisition strategy works and creates value

Aallon Group already has a good track record of the strategy's effectiveness, and we estimate that determined strategy execution will continue to create value in the future. Theoretically, the logic for creating shareholder value from acquisitions is clear, as the earnings of companies acquired at low multiples begin to be priced on the stock exchange at Aallon Group's higher multiples. At the same time, a larger entity enables economies of scale and synergies. We believe that Aallon Group's transactions so far have overall created shareholder value and supported the company's growth and profitability.

Naturally, there are also risks involved in the success of the transactions, but overall, the integrations have proceeded in line with the company's expectations. Most of the acquisitions have been made at moderate valuations, which reduces the risk of overpaying if the acquired target's earnings were to weaken after the transaction.

Strategy 3/3

The key risks in M&As are related to the integration of target companies into Aallon Group. The integration may generate more costs than expected, or the acquisition may result in employee or customer churn. However, the company advances further in M&A negotiations only with targets whose corporate culture is compatible with that of Aallon Group. So far, no major problems have emerged in the integrations, which in our view indicates that Aallon Group's acquisition processes are in order. However, acquisitions always involve a certain amount of customer churn after the transactions, and we estimate that Aallon Group's sluggish organic growth in recent years has partly been due to this.

Dividend distribution policy

Aallon Group’s dividend policy is to strive to pay a steady, increasing dividend. The company has acted accordingly, and since 2019 (EUR 0.18 per share), the dividend per share has been increased by one cent annually. However, profit distribution is naturally assessed annually so that it does not compromise the objectives set in the company’s strategy. The accounting business generates stable cash flow and has low investment needs, giving the company a good basis for implementing its dividend policy. However, the dividend level depends on the pace of the company’s acquisition strategy. At the company's current development stage, we see capital allocation to acquisitions as a significantly better alternative than paying dividends.

Aallon Group's financial targets

- Organic growth faster than the average growth of the accounting services market, accelerated by acquisitions
- Average annual revenue growth of 15-20% over the medium term
- Growing EBITDA-% in the medium term
- The goal is to pay a steady, increasing dividend

Summary of Aallon Group’s acquisition strategy

Entrepreneurial culture
- A lower threshold to join for accounting firm entrepreneurs
- Entrepreneurial spirit as a competitive advantage when competing for targets against private equity investors

Integration synergies
- HR, sales, marketing, technology development, economies of scale

Enabling growth
- Visibility
- Investment capacity
- Ability to serve larger customers

Valuation below the company's valuation multiples
- Lower risk of overpaying
- Aallon Group’s transactions have mainly been completed with moderate valuation (around 5-6x EV/EBITDA)

Source: Inderes, Aallon Group

Aallon Group's acquisitions

Date	Target	Location	Revenue (MEUR)	Profitability	EV (MEUR)	EV/S	EV/EBIT	EV/EBITDA
9/2019	eControllers	Helsinki	0.50	EBIT 31%	0.49	1.0	3.1	
11/2019	Avion Oy	Helsinki	0.50	EBIT 38%	0.64	1.3	3.4	
6/2020	Tili-Koivu Oy	Turku	1.92	EBITDA 20%	2.00	1.0		5.2
9/2020	Akipo Oy	Turku	0.19	neg.	0.08	0.4		
1/2021	Kymppikirjanpito Oy	Tampere	1.47	EBITDA 14%	1.10	0.7		5.2
1/2021	TalousNosturi Oy	Helsinki	1.00	EBITDA 15%	0.80	0.8		5.3
3/2021	J.A. Castrén Oy	Oulu	0.26	EBITDA 19%	0.24	0.9		4.8
4/2021	Rätinki-Yhtiöt Oy	Oulu	2.30	EBITDA 17%	3.01	1.3		7.5
5/2021	Aboma Control Oy	Helsinki	0.93	EBITDA 24%	1.05	1.1		4.8
11/2021	Hulkkonen Consulting	Jyväskylä	0.46	EBITDA 23%	0.48	1.0		4.6
11/2021	Forssi Oy	Kemi	0.10	-	-			
12/2021	Tilipalvelu Marja-Leena	Äänekoski	0.12	-	-			
1/2022	Rakennus-Rätinki Oy	Oulu	0.50	EBITDA 25%	0.63	1.3		5.0
2/2022	Tiliamppari Oy	Helsinki	0.70	EBITDA 28%	0.91	1.3		4.6
2/2022	Kasvun Kaverit Oy (20%)	Rovaniemi	-	-	-			
3/2022	HM-Tilipalvelu Oy	Helsinki	0.99	EBITDA 22%	1.07	1.1		4.9
4/2022	Pirkkalan Tilitoimisto Ky	Tampere	0.30	-	-			
9/2022	Peca Oy	Oulu	0.25	-	-			
11/2022	Meritili Oy	Kotka	0.45	EBITDA 14%	0.30	0.7		4.6
12/2022	Rousu Oy	P-Pohjanmaa	1.13	EBITDA 19%	0.97	0.9		4.5
4/2023	TulotAn Oy	Lahti	0.27	-	-			
4/2023	Rätinki Kainuu Oy	Sotkamo	0.20	-	-			
6/2023	Tiliborg Oy	Joensuu	0.33	-	-			
10/2023	Tili-Counter Oy	Helsinki	0.15	-	-			
3/2024	Kasvun Kaverit Oy	Rovaniemi	0.95	-	-			
6/2024	Countmaster Oy	Helsinki	1.10	-	-			
10/2024	Online Accounting J&K Oy	Helsinki	1.02	-	-			
11/2024	Tilkon Oy	Tampere	0.52	-	-			
11/2024	TalousCom	Kuusamo	0.33	-	-			
12/2024	Premium Group	Helsinki	2.28	EBITDA 28%	2.8-3.4	1.2-1.5		4.3-5.3
4/2025	AVJ Controllerit	Helsinki	0.49	-	-			
5/2025	Keuruun Tilitupa Oy	Keuruu	0.32	-	-			
5/2025	Koillis Protili Oy	Rovaniemi	0.12	-	-			
6/2025	Laskentasatama Oy	Jyväskylä	0.46	-	-			
8/2025	Edustustili Oy	Helsinki	1.20	EBITDA 27%	-			
8/2025	CoAccounting Oy Ab	Porvoo	0.20	-	-			
8/2025	Yrityspalvelut Instament Oy	E-Pohjanmaa	0.77	-	-			
9/2025	Accounteria	Jyväskylä	0.52	-	-			
1/2026	V&S Tilitoimisto Oy	Vantaa	0.20	-	-			
1/2026	Tekodo Oy	Oulu	0.44	-	-			
4/2026	Taloushallinta Leiska Oy	Lahti	0.51	-	-			
4/2026	Taloushallinto Halli	Oulu	0.06	-	-			
6/2026	Tilitori Oy	Rovaniemi	0.53	-	-			
7/2026	Ab Memera Oy	Turku	0.98	-	-			

Source: Inderes

Financial position 1/2

Acquisition strategy has accelerated growth in recent years

Aallon Group's revenue has grown by an average of 12% annually in 2014-2025. In 2015-2020, growth was slightly calmer (8.2% on average) and largely driven by new customer relationships and price increases. In 2021-2025, the average annual growth rate (16.7%) accelerated significantly, when the acquisition strategy has truly started to be reflected in the company's figures. Organically, revenue growth slowed down during the COVID pandemic, but picked up to 3-4% in 2022-2023. In 2024, we estimate that the weak development of the Finnish economy pushed organic growth close to zero and negative in 2025. Organic growth was also negative in H1'26, influenced by a new factor: customer churn related to consolidation in the property management sector. As a result, several of the company's significant property management agency customers have been acquired by larger property management agencies, which has led to the internalization of services for these clients.

When examining the development of Aallon Group's revenue per employee ratio, the 2019 listing and the subsequent establishment of the group organization at that time are reflected in the decline in efficiency. Since then, we believe efficiency has increased year after year, as efficiency and economies of scale have been achieved through growth. In our view, the increase in efficiency is partly explained by the increasing share of fully digital customers and the above-average efficiency of some of the acquired companies.

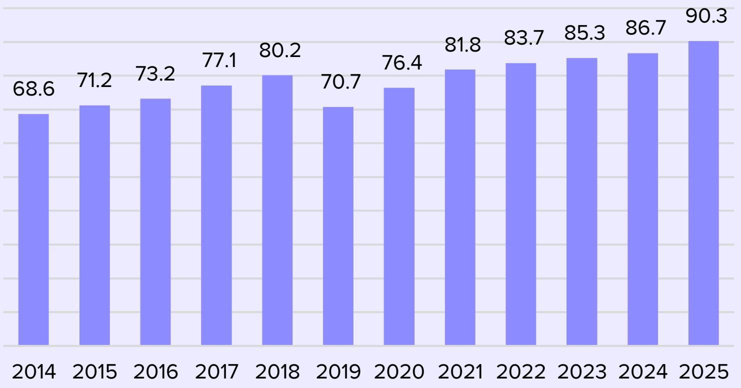
There is still room for improvement in long-term profitability

Comparing Aallon Group's historical margin is difficult due to the company's transition to IFRS accounting in 2023 (IFRS figures available from 2022). This clearly raised the EBITDA as rental costs moved from other expenses to depreciation. With IFRS, goodwill from acquisitions is no longer amortized, but instead, intangible assets related to customer relationships are amortized. However, amortization related to acquisitions is now significantly lower than during FAS accounting (around 1.1 MEUR in 2025).

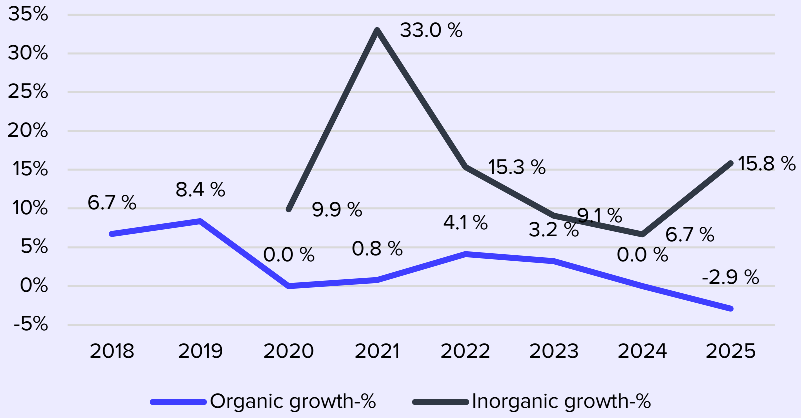
However, EBITA is still a fairly comparable indicator. After weakened profitability following the 2019 listing, Aallon Group's EBITA-% gradually improved from 8.8% in 2020 to 10.8% in 2022 due to economies of scale brought by increased size, acquisitions supporting profitability, and an increase in the number of customers using electronic financial management services. In 2023, profitability development took a significant setback (EBITA-%: 9.4%), as software and wage-related cost inflation created upward pressure on practically all cost lines. However, in 2024, the situation was corrected and EBITA rose to 10.9%. In 2025, EBITA was relatively stable at 10.4%.

Overall, we consider Aallon Group's margin level seen last year to be only moderately good. We find that, in the context of the accounting industry and incorporating the economies of scale enabled by Aallon Group's growing size, at least a 15% EBITA margin should be an achievable level in the long term with good strategy execution. For example, Talenom's EBIT margin in its Finnish business has been around 20%. However, the transformation brought by AI to the accounting industry creates uncertainty regarding the long-term profitability development of industry players.

Revenue/employee (TEUR, Inderes' estimate)



Breakdown of revenue growth (Inderes' estimate)



Source: Inderes

Financial position 2/2

Cost structure

Aallon Group's cost structure primarily consists of personnel costs, which is typical for a service company, so the cost structure is quite fixed, at least in the short term. In 2025, personnel costs corresponded to some 64% of revenue. The personnel costs related to technology development are mainly reflected directly in the income statement, as the development costs capitalized on the company's balance sheet are very small. We believe that personnel costs are the most scalable cost item in the long term, as AI and automation enhance accountants' work processes.

Materials and services mainly consist of software costs and other costs charged to customers. It also includes subcontracting expenses, as a small portion of the accountants are not directly employed by Aallon Group. Materials and services accounted for about 11.6% of revenue in 2025. The expense item is likely to increase in the coming years along with revenue growth, and its relative share may also increase somewhat as the proportion of customers switching to electronic financial management grows.

Other operating expenses represented 10.1% of revenue last year. We believe this cost item only has slight scalability potential as the company grows in size.

Aallon Group's depreciation and amortization amounted to 3.2 MEUR in 2025, or 8% of revenue. Depreciation has increased significantly with the IFRS16 transition, as leases are now primarily recognized here in the income statement instead of other expenses. In addition, amortizations related to acquisitions from customer contracts increase the level of depreciation, which is otherwise very low.

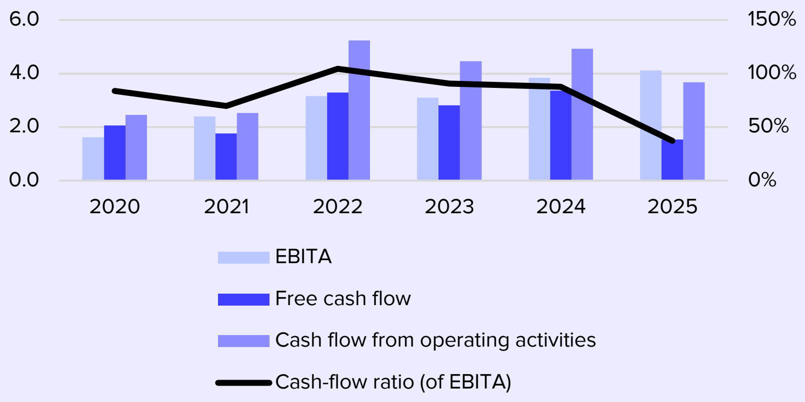
Balance sheet and financial position

Aallon Group's balance sheet structure is simple and the financial position is stable. At the end of H1'26, the equity ratio was 43.8% and net gearing 42.8%. When examining the indebtedness of the balance sheet, however, lease liabilities should be considered. Adjusted for these, net debt was only 4.2 MEUR, which translates to a net debt/EBITDA ratio of 0.6x calculated using the comparable EBITDA of the last 12 months. A strong balance sheet, coupled with the accounting firm business's stable cash flow generation capability, enables growth investments, acquisitions, and dividend payments. Aallon Group's free cash flow in recent years has largely reflected the company's reported EBITA, so the cash conversion is at a very strong level. In 2025, the costs caused by the reorganization and working capital fluctuations due to timing factors weighed on free cash flow, which was nonetheless strong again in H1'26 (2.7 MEUR).

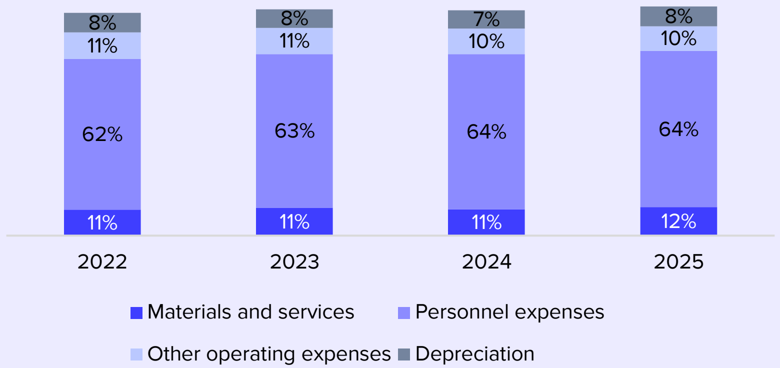
In our view, given Aallon Group's profitability and cash flow profile, the net debt/EBITDA ratio could well rise to at least 2.5x if needed. Relative to our 2026 comparable EBITDA estimate (6.9 MEUR), this would mean that net debt could be at least around 17 MEUR. So, the balance sheet has plenty of firepower for acquisitions if needed. The company currently has 8 MEUR in credit facilities available for new acquisitions.

The balance sheet total at the end of H1'26 was 39 MEUR. Goodwill accounted for 17.6 MEUR of the balance sheet, and other intangible assets were 9.8 MEUR. Property, plant and equipment (leases) on the balance sheet amounted to 3.6 MEUR Current receivables amounted to 4.9 MEUR and cash to 3.3 MEUR. The liabilities side of the balance sheet consisted of equity (17.2 MEUR), non-interest-bearing liabilities (8.5 MEUR), lease liabilities (3.2 MEUR), deferred tax liabilities (2.9 MEUR), and interest-bearing debt (7.5 MEUR).

Cash flow development (MEUR)*

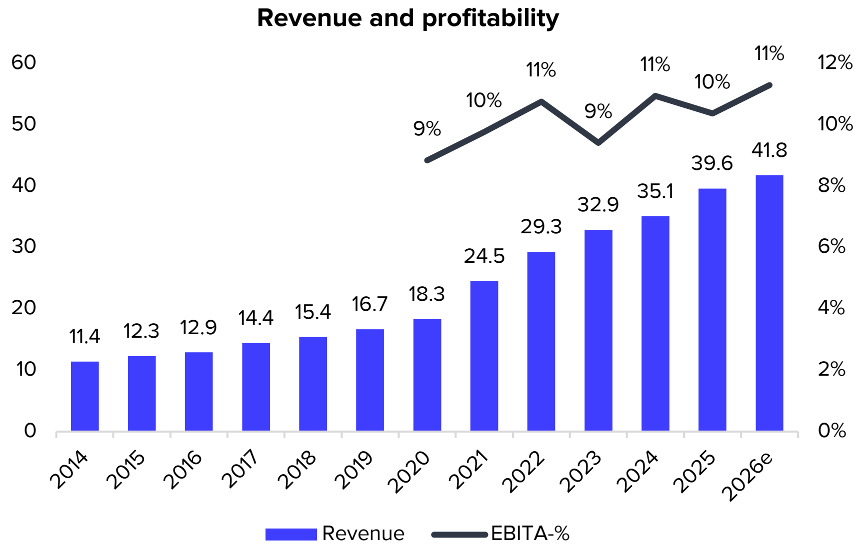


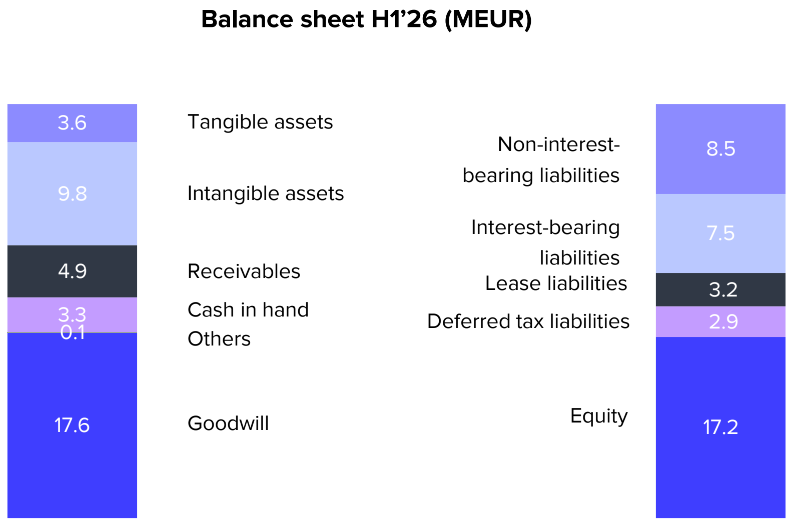
Cost structure (% of revenue)

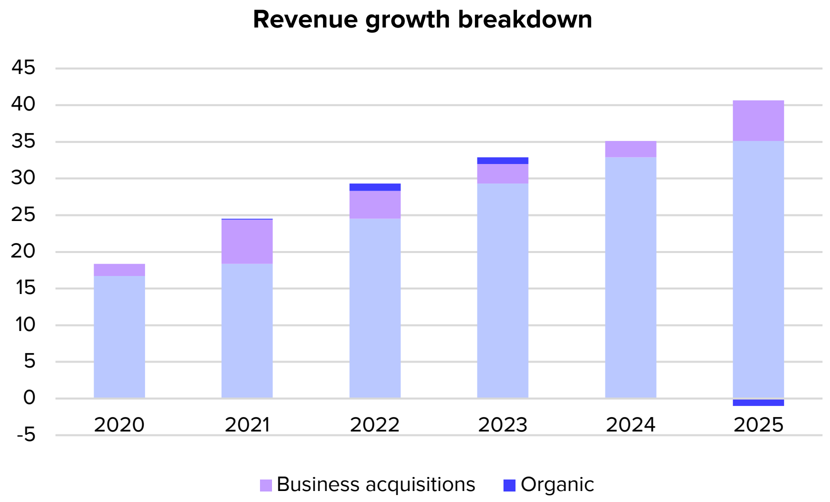


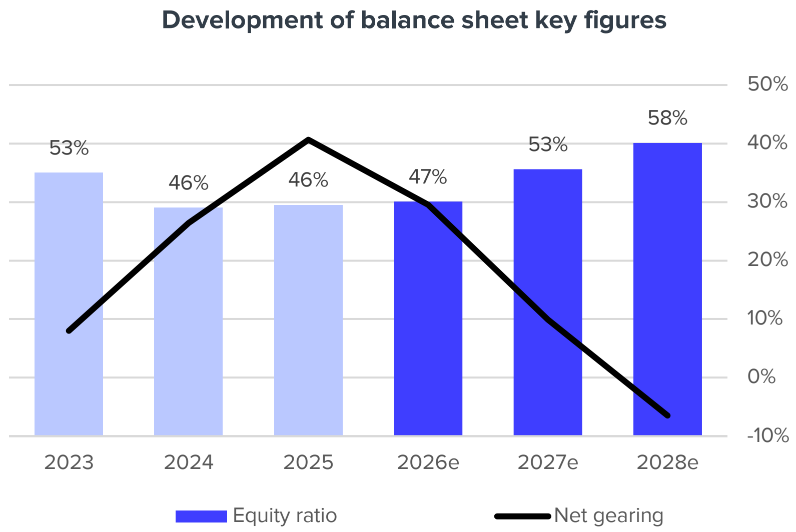
Source: Inderes, *Cash flow from operating activities not comparable as figures are in accordance with IFRS starting from 2022

Financial position









Source: Inderes

Estimates 1/2

Basis for the estimates

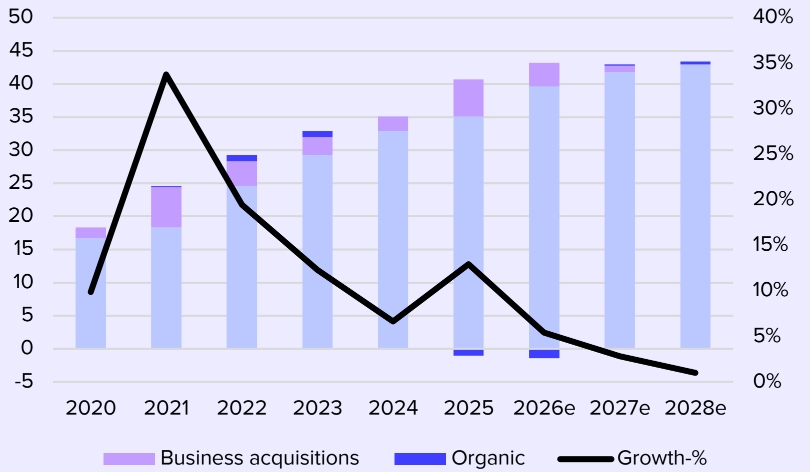
We haven't made any adjustments to our estimates. Aallon Group's medium-term target is an average annual revenue growth of 15-20%. The growth target consists of organic growth faster than average industry growth and inorganic growth from acquisitions. Our estimates are based solely on organic growth and completed acquisitions, as simulating future acquisitions is impossible without visibility into the size class and terms of the acquisitions. However, acquisitions are likely to be made on a semi-regular basis also in the future, which is worth bearing in mind when looking at estimates.

Aallon Group has a proven track record of strong organic growth, but following the development of recent years, our expectations in this regard are cautious. Due to the weak performance of the Finnish economy in recent years, transaction income in particular has been under pressure, and customer churn has also increased. Due to the post-cyclical nature of the accounting services market, the effects of a weakening economy are also reflected in business development only with a delay. Recently, there have been signs of a turnaround for the better in the Finnish economy, which will nevertheless affect the accounting industry with a delay. Thus, the economic recovery is likely to support Aallon Group's development at the earliest during next year. Improving new sales also creates the preconditions for a return to organic growth at that time. At the same time, the business model, which is almost entirely based on recurring invoicing, provides a good basis for short-term revenue forecasts.

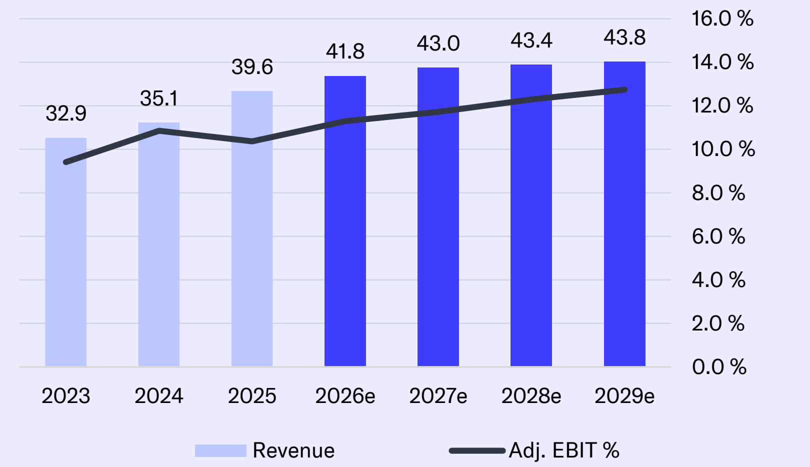
In terms of profitability, Aallon Group aims for a growing EBITDA margin in the medium term. After the inflation hiccup in 2023, profitability development is back on track, and we expect the gradual improvement to continue in the coming years. We believe the increasing economies of scale associated with the company's size and the processes made more efficient by AI and automation provide good prerequisites for improving profitability in the medium term. In terms of profitability, Aallon Group's development in H1'26 was promising, which we believe indicates that the reorganization is starting to yield results. In the spring, the company also launched a Lean development program aimed at defining standard financial and payroll management processes at the group level, identifying best practices, and leveraging automation opportunities more broadly. Implementing the program in the organization will take until the end of 2027 at least, and succeeding in it is a key requirement for introducing AI and automation solutions in a controlled and productive manner. The program will generate some one-off costs, but it builds the foundation for continuing longer-term profitability improvements. In our view, significantly streamlining operations is also crucial because the competitive environment is likely to tighten at some point due to the AI transformation, which may create pressure on service pricing. Aallon Group's proprietary accounting software under development will also help in defending profitability in the long run, if the company successfully attracts its customers to use it.

Thanks to its scale, Aallon Group is well-positioned to respond to the industry's AI-driven transformation and combat cost inflation by streamlining its operations. However, the AI disruption creates uncertainty over the company's long-term growth and profitability outlook, so we estimate that the company's EBITDA margin will no longer improve in the coming years, even though there should be clear opportunities for this as the strategy progresses. At the EBITA level, profitability will improve as the relative share of depreciation decreases.

Revenue growth breakdown



Revenue and profitability



Source: Inderes

Estimates 2/2

Estimates for 2026

Aallon Group has no numerical guidance, but the company's medium-term target is 15-20% annual growth and an improving EBITDA margin. This year, growth rests on acquisitions, as customer churn related to the property management sector also weighs on performance in H2. In 2026, inorganic growth is driven by 14 different M&A transactions, the majority of which are small acquisitions.

We expect Aallon Group's revenue to grow by 5.4% to 41.8 MEUR this year, driven by acquisitions. We expect organic growth to be -3.5%, which weighs on comparable EBITDA in H2 (14.6% vs. 16.2%) from the comparison period. Thus, for the full year, we estimate the comparable EBITDA margin (16.6% vs. 17.1%) weakening slightly, even though profitability weakening slightly, even though profitability (18.4% vs. 17.9%) improved at the beginning of the year. The implementation of the Lean program may also begin to show more in the H2 margin. However, we expect the EBITA margin (11.3%) to improve mainly as the relative share of depreciation decreases.

After taxes and financial expenses, we arrive at an adjusted EPS of EUR 0.96, adjusted for amortization related to customer relationships from acquisitions (2026e -0.3 MEUR). These have no cash flow effect.

Estimates for 2027-2029

For 2027, we expect moderate organic growth of 0.5%, with revenue growing by 2.8% thanks to acquisitions already made. Aallon Group is very likely to continue making acquisitions, so the pace of growth will accelerate further as a result. According to the company, there are still plenty of acquisition targets available in the market, and attractively priced targets can be found at reasonable valuation levels.

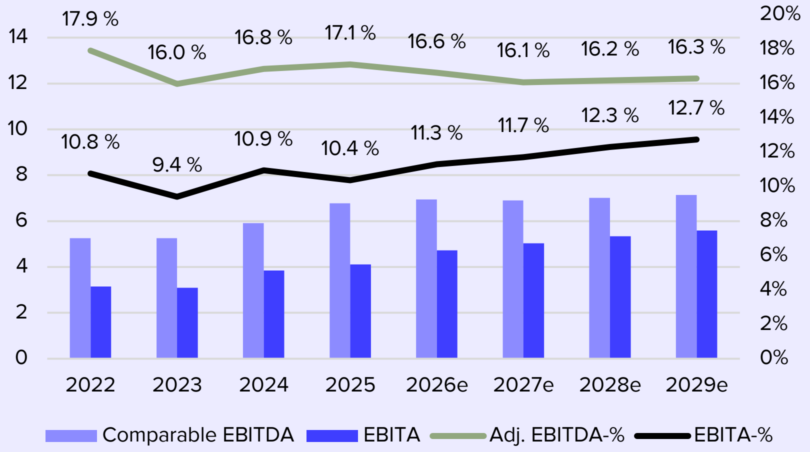
Particularly among retiring accounting firm entrepreneurs, the company has established a reputation as a good buyer compared to private equity-backed companies, thanks to its softer approach. The AI transformation can accelerate industry consolidation, as not all entrepreneurs have the expertise, time, or desire to embark on this change journey. For 2028-2029, we estimate revenue to grow at a pace of 1%, which we believe does not require miracles if the Finnish economy begins to recover.

In 2027, we estimate the EBITA margin to improve to 11.7% and rise to a level of 12.3-12.7% in 2028-2029. At the comparable EBITDA level, this would translate to a margin of just over 16%. Thus, profitability by this metric would be below the 17.1% comparable margin achieved in 2025. However, in our view, the company should have the potential for at least this level of profitability in the long term. With very strong strategy execution, we see the EBITDA having the potential to rise above the 20% level.

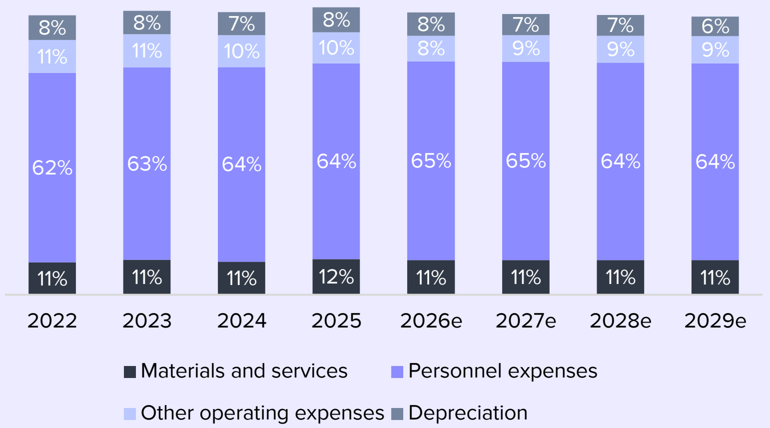
Dividend estimates

Aallon Group's goal is to distribute a steady and growing dividend. For the 2025 fiscal year, the company paid a dividend of EUR 0.24 per share, and we expect a continued annual one-cent increase in the dividend in the medium term. The company could raise the dividend more than this if it wanted. In our view, the dividend level in the coming years depends largely on how much the company allocates its capital to acquisitions. In our stance, it would be most sensible to allocate as much capital as possible to implement the acquisition strategy.

Profitability development



Cost structure (% of revenue)



Source: Inderes

Income statement

Income statement	2023	2024	H1'25	H2'25	2025	H1'26	H2'26e	2026e	2027e	2028e	2029e
Revenue	**32.9**	**35.1**	**20.9**	**18.8**	**39.6**	**22.0**	**19.8**	**41.8**	**43.0**	**43.4**	**43.8**
EBITDA	**5.0**	**5.7**	**3.6**	**2.6**	**6.2**	**3.8**	**2.8**	**6.6**	**6.8**	**7.0**	**7.1**
Depreciation	-2.5	-2.6	-1.6	-1.6	-3.2	-1.6	-1.6	-3.2	-3.0	-2.9	-2.8
EBIT (excl. NRI)	**3.1**	**3.8**	**2.5**	**1.6**	**4.1**	**2.9**	**1.8**	**4.7**	**5.0**	**5.3**	**5.6**
EBIT	**2.5**	**3.1**	**2.0**	**1.0**	**3.0**	**2.3**	**1.2**	**3.5**	**3.8**	**4.1**	**4.3**
Net financial items	-0.3	-0.2	-0.1	-0.1	-0.2	-0.1	-0.2	-0.3	-0.2	-0.2	-0.2
PTP	**2.2**	**2.9**	**1.9**	**0.9**	**2.8**	**2.1**	**1.0**	**3.2**	**3.5**	**3.9**	**4.1**
Taxes	-0.4	-0.6	-0.4	-0.1	-0.4	-0.5	-0.2	-0.7	-0.7	-0.8	-0.8
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	**1.8**	**2.4**	**1.5**	**0.84**	**2.3**	**1.6**	**0.82**	**2.4**	**2.8**	**3.1**	**3.3**
EPS (adj.)	**0.61**	**0.78**	**0.52**	**0.38**	**0.90**	**0.58**	**0.38**	**0.96**	**1.07**	**1.15**	**1.20**
EPS (rep.)	**0.45**	**0.60**	**0.39**	**0.22**	**0.61**	**0.41**	**0.22**	**0.63**	**0.75**	**0.82**	**0.87**

Key figures	2023	2024	H1'25	H2'25	2025	H1'26	H2'26e	2026e	2027e	2028e	2029e
Revenue growth-%	12.3 %	6.7 %	14.3 %	11.5 %	12.9 %	5.5 %	5.4 %	5.4 %	2.8 %	1.0 %	1.0 %
Adjusted EBIT growth-%	23.5 %	22.9 %	2.4 %	17.5 %	7.9 %	15.9 %	13.2 %	14.8 %	6.7 %	6.0 %	4.6 %
EBITDA-%	15.1 %	16.4 %	17.1 %	14.0 %	15.6 %	17.5 %	14.1 %	15.9 %	15.7 %	16.2 %	16.3 %
Adjusted EBIT-%	9.4 %	10.9 %	11.9 %	8.6 %	10.4 %	13.1 %	9.3 %	11.3 %	11.7 %	12.3 %	12.7 %
Net earnings-%	5.4 %	6.7 %	7.1 %	4.5 %	5.8 %	7.2 %	4.2 %	5.7 %	6.6 %	7.2 %	7.6 %

Source: Inderes

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

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	**26.6**	**29.0**	**30.3**	**28.9**	**27.6**
Goodwill	14.0	16.5	18.2	18.2	18.2
Intangible assets	8.4	9.4	8.7	7.6	6.6
Tangible assets	4.1	3.0	3.3	3.0	2.7
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	0.1	0.1	0.1	0.1	0.1
Current assets	**8.3**	**6.9**	**8.3**	**8.5**	**10.1**
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	4.7	4.8	4.9	5.1	5.2
Cash and equivalents	3.6	2.1	3.3	3.4	4.9
Balance sheet total	**35.0**	**35.9**	**38.6**	**37.5**	**37.8**

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	**15.9**	**16.5**	**18.0**	**19.9**	**22.0**
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	5.0	6.5	7.9	9.8	12.0
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	10.8	10.0	10.0	10.0	10.0
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	**5.6**	**7.9**	**9.7**	**7.1**	**5.6**
Deferred tax liabilities	2.3	2.8	2.8	2.8	2.8
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	2.6	4.3	6.1	3.5	2.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.8	0.8	0.8	0.8	0.8
Current liabilities	**13.5**	**11.6**	**10.9**	**10.5**	**10.2**
Interest bearing debt	5.2	4.5	2.5	1.9	1.5
Payables	8.2	7.1	8.4	8.6	8.7
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	**35.0**	**35.9**	**38.6**	**37.5**	**37.8**

Valuation 1/3

Valuation methods

Given the stable and mature phase of Aallon Group's business, we prefer earnings-based valuation multiples in our valuation analysis, such as EV/EBIT and P/E adjusted for PPA amortizations from acquisitions. Due to stable and predictable cash flows, the DCF model is also a useful valuation method.

Investment view

We consider Aallon Group's business highly defensive, stable and predictable, as a result of which the company's risk profile has appeared very low. However, with the rapid development of AI, we believe that uncertainty regarding long-term development has increased for both Aallon Group and other accounting firms. This uncertainty has also been heavily priced into the valuations of both Aallon Group and many other publicly listed service companies this year. As a major player, Aallon Group is well-positioned to adapt and respond to the challenges brought by the AI transformation, as indicated by the company's development of its proprietary accounting software and the launch of the Lean development program.

In our view, Aallon Group's valuation is currently weighed down, in part, by the company's negative organic growth. However, we expect a slight improvement in this starting next year, for which the nascent recovery of the Finnish economy creates an even better starting point. As organic growth picks up, we would also see upside in the company's acceptable valuation level.

We see Aallon Group's acquisition strategy as value-creative, and its consistent execution will gradually increase the company's fair value in the coming years. The track record from recent years is good in this respect, and the company has found a successful formula to acquire small and medium-sized accounting firms at moderate valuation multiples. These transactions have also been reflected in the company's figures as earnings growth. The company's earnings also convert into free cash flow at a good rate, which can be allocated to new transactions and dividend payments.

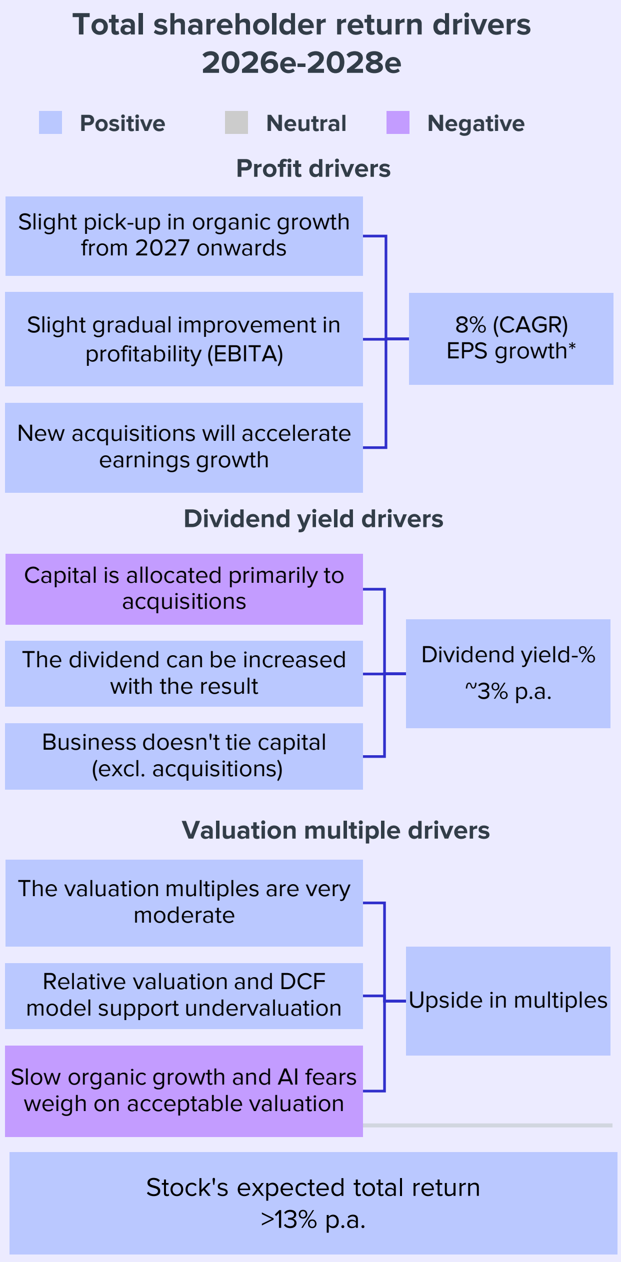
With the stock's low valuation level, expectations regarding future performance are very modest, which makes the risk/reward ratio attractive in our view. We reiterate our Accumulate recommendation and EUR 10.5 target price.

Stock valuation is very moderate

With our forecasts, Aallon Group's adjusted P/E ratio for 2026 is 9.7x and the EV/EBIT ratio is 8.7x. In our view, the multiples are very moderate, and expectations for future development have been pushed to very modest levels. For 2027, the valuation (P/E 8.7x) drops to a very low level, provided that the slight earnings growth we expect materializes. Part of this should materialize through already completed acquisitions.

Based on our rough estimate, relative to our estimate for 2026 free cash flow adjusted for acquisitions, the cash flow multiple is around 9x, which corresponds to a cash flow yield of 10.6%. This looks very attractive, as Aallon Group has clear potential to increase its free cash flow per share in the future. We expect dividend yields for the coming years to be just under 3%, with our estimated payout ratio of 33-34%, which also provides support for the expected return.

Aallon Group's EV/S multiple for 2026 is 1.0x, which we consider to be a moderate level for a service company generating good and stable profitability. The company's revenue is also almost entirely recurring, which supports revenue-based valuation relative to project-driven service companies.



Source: Inderes, starting level 2025

Valuation 2/3

Our DCF value indicates an upside

Due to the stable nature of Aallon Group's business, we believe that DCF is a very useful valuation method for the company. Based on our cash flow calculation, Aallon Group's equity value is 45 MEUR, or about EUR 11.2 per share.

In our long-term estimates, we assume a modest revenue growth rate of 1%, and the terminal growth assumption in the model is also set at 1%. Our slow growth assumption is backed by our assumption of customer churn related to acquisitions. Acquisitions typically involve some level of customer churn, which slows down organic growth in the years following the transaction. The second factor is uncertainty related to the impact of the AI disruption on the accounting firm sector. Naturally, at this stage, no one knows exactly how AI will change the accounting firm industry or how fast the changes will progress in a conservative sector. However, we find it clear that there is greater uncertainty than before surrounding Aallon Group's long-term organic growth.

In terms of profitability, we do not expect significant scalability in the long term. The EBITDA margin is just over 16% in our long-term estimates, which corresponds to an approximately 10-11% EBIT margin. Our terminal assumption for the EBIT margin is 11.3%.

We have set the weighted average cost of capital (WACC) in the model at 9.1% and the ROE requirement is 9.8%. Even relative to the company's moderate risk profile, the required return is already relatively high. On the other hand, the AI transformation, the recently risen interest rate level, the company's small size, and the share's weak liquidity warrant a higher required return. In the medium term, there could be some downside to the required return as the company's size increases and/or as uncertainty regarding the AI disruption dissipates.

The terminal period accounts for 44% of the total value of the company in our calculation, which is already a fairly low level, indicating in part that the expectations loaded into the share are moderate. Overall, the value indicated by the DCF model supports our view of Aallon Group's moderate pricing on the stock exchange.

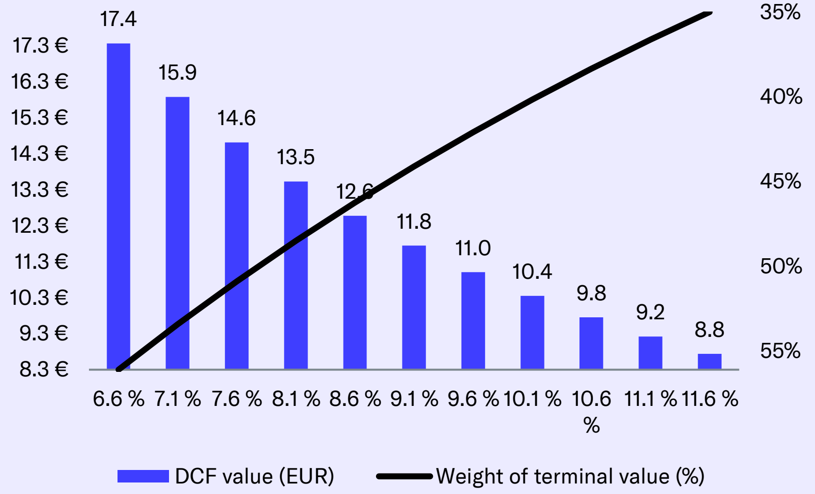
Fair value

In our view, with the slow organic growth outlook we assume, a fair P/E multiple for Aallon Group would be around 10x-13x. If our 2027 estimates materialize, the stock could thus already have clear (23–40%) upside. However, as the AI revolution continues, we see reaching the upper end of the range in terms of valuation as uncertain in the short term. The company's recurring business and strong cash flow support the valuation. Conversely, the company's small size and the stock's poor liquidity weigh on the acceptable valuation. With our target price, the share would be valued at approximately 11x P/E for this year and approximately 10x for 2027.

Valuation level	2026e	2027e	2028e
Share price	9.30	9.30	9.30
Number of shares, millions	3.82	3.82	3.82
Market cap	36	36	36
Enterprise value	41	38	34
P/E (adj.)	9.7	8.7	8.1
P/E	14.8	12.5	11.3
P/B	2.0	1.8	1.6
P/S	0.9	0.8	0.8
EV/Sales	1.0	0.9	0.8
EV/EBITDA	6.2	5.6	4.9
EV/EBIT (adj.)	8.7	7.4	6.4
Dividend/earnings (%)	39.8%	34.9%	32.9%
Dividend yield-%	2.7%	2.8%	2.9%

Source: Inderes

DCF value's sensitivity to changes in WACC-%



Source: Inderes

Valuation 3/3

Peer group valuation

We have formed Aallon Group's peer group from the company's closest accounting firm peers, Talenom and Administer, as well as service companies listed on Nasdaq Helsinki. Compiling a high-quality peer group for Aallon Group is challenging, as there are very few listed companies with a completely similar business model. Kelly Partners Group, listed in Australia, appears to operate with a fairly similar business model, but due to its distant geographical location, a direct comparison of the companies is challenging. There are also no consensus estimates available for the company. Due to the challenges of forming a peer group, our valuation is not primarily based on peer multiples.

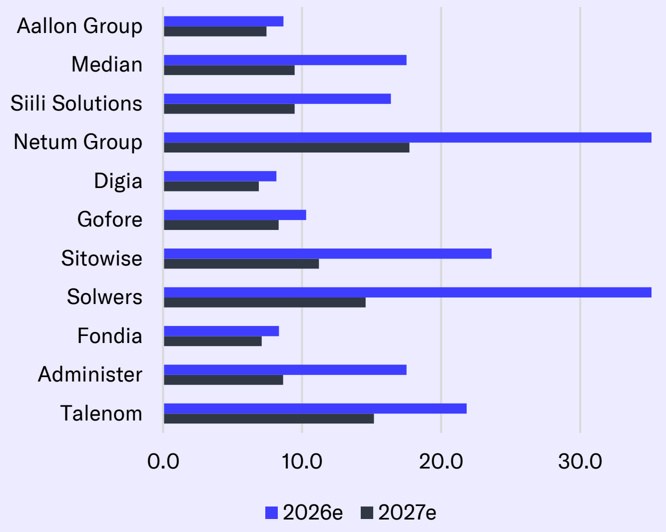
Based on Aallon Group's 2027 adjusted P/E ratio, it trades at 26% below the peer group median, and on the EV/EBIT ratio, the discount is 21%. Based on 2026 earnings, the discount is even bigger, but this is partly due to the low earnings of several peer group companies, which elevate the average valuation multiples.

With the 2026 EVS multiple, Aallon Group is valued at a 4% premium relative to the peer group. In our view, the premium relative to the median level is almost entirely justified by the recurring nature of the business model and the better profitability profile compared to the average company. In general, the revenue-based valuations of service companies on Nasdaq Helsinki are currently very low in many cases which is due to the weak earnings performance of many companies in recent years and fears surrounding AI.

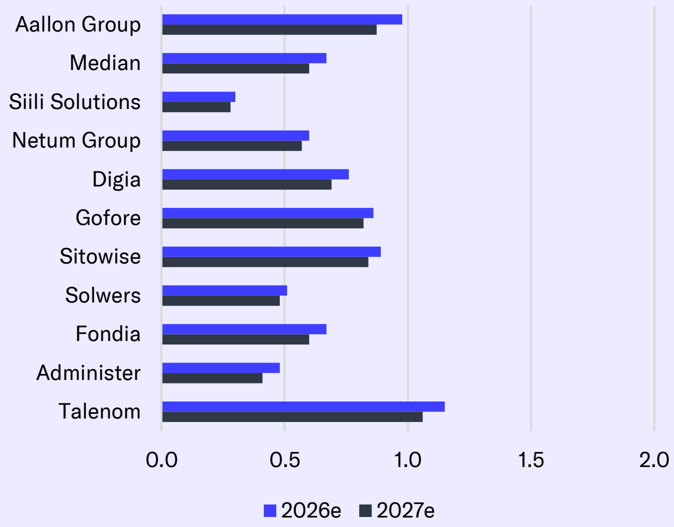
Among Aallon Group's accounting firm peers, Talenom trades at EV/EBIT multiples of 22x-15x for the coming years. In Talenom's case, the company's international business is currently weighing on its profitability. The company's Finnish business is in good shape, and according to our estimates, it will generate an EBIT margin of around 15% this year. Talenom's valuation relative to Aallon Group is at a clear premium, and in this light, Aallon Group's valuation currently looks moderate. Talenom is still clearly a larger player than Aallon Group in terms of size, which to some extent supports the company's premium pricing.

Following the large Sarastia acquisition, Administer's business profile has changed significantly, as nowadays over 40% of the company's revenue comes from the public sector and, in addition, just under 10% comes from staff leasing. Aallon Group, in turn, focuses on serving private sector customers, and the company's profitability profile is currently clearly better than Administer's. Therefore, a direct comparison of the companies is not entirely meaningful. Administer trades at an EV/EBIT multiple of 8.6 based on our forecasts that expect a clear earnings improvement for next year, which is at the same level as Aallon Group. In our view, Aallon Group's valuation could currently warrant a premium relative to Administer.

EV/EBIT of Aallon Group and its peers



EV/S of Aallon Group and its peers

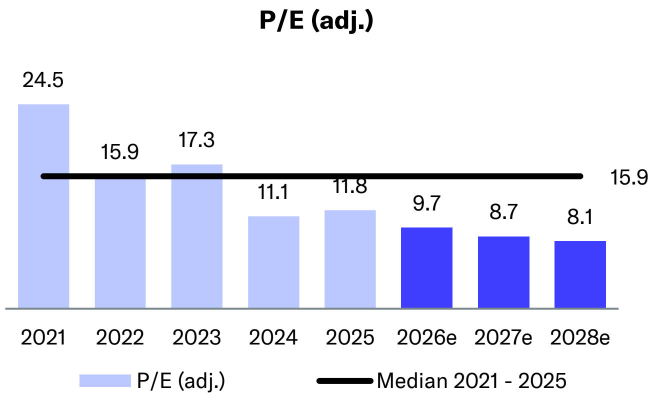


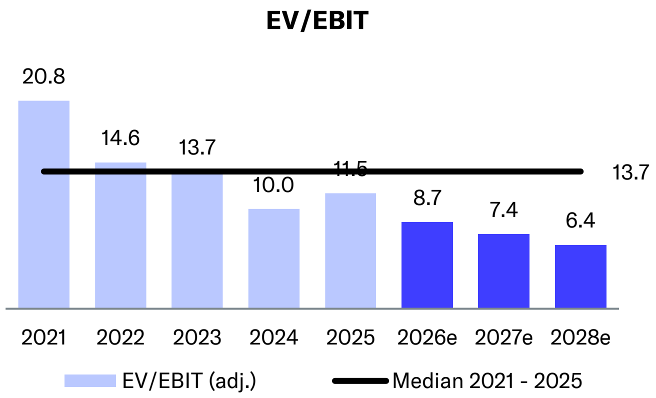
Source: Inderes, Refinitv

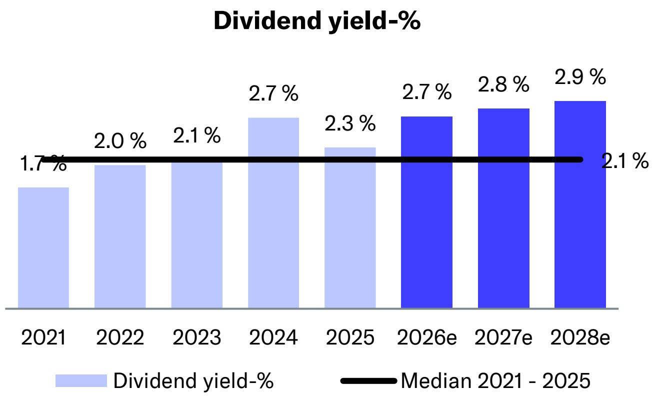
Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	11.8	10.5	10.6	8.62	10.7	**9.30**	**9.30**	**9.30**	**9.30**
Number of shares, millions	3.83	3.87	3.91	3.92	3.82	**3.82**	**3.82**	**3.82**	**3.82**
Market cap	45.2	40.8	41.3	33.8	40.7	**35.5**	**35.5**	**35.5**	**35.5**
Yritysarvo (EV)	49.7	46.1	42.5	37.9	47.4	**40.9**	**37.5**	**34.1**	**30.6**
P/E (adj.)	24.5	15.9	17.3	11.1	11.8	**9.7**	**8.7**	**8.1**	**7.7**
P/E	48.7	19.9	23.2	14.3	17.6	**14.8**	**12.5**	**11.3**	**10.7**
P/B	4.0	3.0	2.8	2.1	2.5	**2.0**	**1.8**	**1.6**	**1.5**
P/S	1.8	1.4	1.3	1.0	1.0	**0.9**	**0.8**	**0.8**	**0.8**
EV/Sales	2.0	1.6	1.3	1.1	1.2	**1.0**	**0.9**	**0.8**	**0.7**
EV/EBITDA	17.4	9.2	8.5	6.6	7.7	**6.2**	**5.6**	**4.9**	**4.3**
EV/EBIT (adj.)	20.8	14.6	13.7	10.0	11.5	**8.7**	**7.4**	**6.4**	**5.5**
Payout ratio (%)	82.5 %	40.3 %	48.5 %	38.1 %	39.6 %	**39.8 %**	**34.9 %**	**32.9 %**	**32.1 %**
Dividend yield-%	1.7 %	2.0 %	2.1 %	2.7 %	2.3 %	**2.7 %**	**2.8 %**	**2.9 %**	**3.0 %**

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**
Talenom	56	130	21.8	15.2	6.6	5.5	1.2	1.1	25.1	14.2	4.1	4.1
Administer	37	54	17.5	8.6	8.0	5.3	0.5	0.4	34.7	9.6	2.3	2.3
Fondia	18	16	8.3	7.1	6.1	5.4	0.7	0.6	12.4	10.4	6.3	6.3
Solwers	14	41	40.4	14.6	7.7	5.5	0.5	0.5		27.6		
Sitowise	87	154	23.6	11.2	9.4	7.1	0.9	0.8	169.1	13.7	0.8	2.1
Gofore	185	196	10.3	8.3	8.3	6.7	0.9	0.8	13.8	11.8	4.4	4.5
Digia	150	165	8.1	6.9	7.0	5.8	0.8	0.7	9.7	8.9	3.8	4.1
Netum Group	9	19	77.6	17.7	33.8	11.2	0.6	0.6		20.8		
Siili Solutions	24	29	16.4	9.5	7.9	5.0	0.3	0.3	48.0	11.7	1.3	2.0
Aallon Group (Inderes)	**36**	**41**	**8.7**	**7.4**	**6.2**	**5.6**	**1.0**	**0.9**	**9.7**	**8.7**	**2.7**	**2.8**
Average			**24.9**	**11.0**	**10.5**	**6.4**	**0.7**	**0.6**	**44.7**	**14.3**	**3.3**	**3.6**
Median			**17.5**	**9.5**	**7.9**	**5.5**	**0.7**	**0.6**	**25.1**	**11.8**	**3.8**	**4.1**
Diff-% to median			***-51%***	***-21%***	***-22%***	***1%***	***46%***	***46%***	***-61%***	***-26%***	***-28%***	***-32%***

Source: Refinitiv / Inderes

DCF-calculation

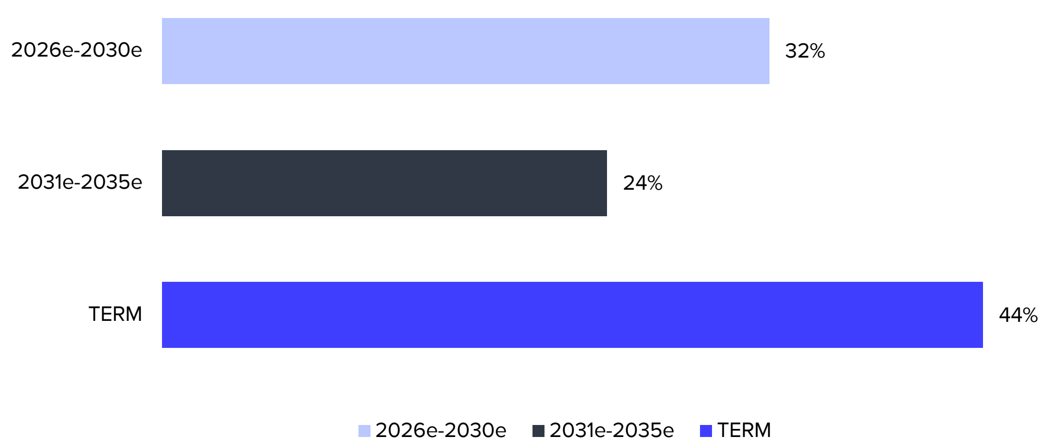
DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	12.9 %	5.4 %	2.8 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %
EBIT-%	7.5 %	8.3 %	8.8 %	9.4 %	9.9 %	10.3 %	10.7 %	11.1 %	11.2 %	11.3 %	11.3 %	11.3 %
EBIT (operating profit)	**3.0**	**3.5**	**3.8**	**4.1**	**4.3**	**4.5**	**4.8**	**5.0**	**5.1**	**5.2**	**5.3**	
+ Depreciation	3.2	3.2	3.0	2.9	2.8	2.7	2.6	2.5	2.2	2.0	1.4	
- Paid taxes	0.1	-0.7	-0.7	-0.8	-0.8	-0.8	-0.9	-0.9	-1.0	-0.9	-1.0	
- Tax, financial expenses	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
+ 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	-1.3	1.2	0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Operating cash flow	**5.0**	**7.0**	**6.1**	**6.2**	**6.3**	**6.4**	**6.5**	**6.5**	**6.3**	**6.3**	**5.8**	
+ Change in other long-term liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-5.6	-4.5	-1.6	-1.6	-1.6	-1.6	-1.6	-1.6	-1.6	-1.6	-1.6	
Free operating cash flow	**-0.6**	**2.5**	**4.5**	**4.6**	**4.7**	**4.8**	**4.8**	**4.9**	**4.7**	**4.6**	**4.1**	
+/- Muut	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-0.6	2.5	4.5	4.6	4.7	4.8	4.8	4.9	4.7	4.6	4.1	51.7
Discounted FCFF		**2.5**	**4.0**	**3.7**	**3.5**	**3.3**	**3.1**	**2.8**	**2.5**	**2.3**	**1.8**	**23.1**
Sum of FCFF present value		52.6	50.2	46.1	42.4	38.9	35.6	32.5	29.7	27.2	24.9	23.1

Enterprise value DCF		**52.6**
- Interest bearing debt		-8.8
+ Rahavarat		2.1
+ Associated companies		0.0
-Minorities		0.0
-Dividend/capital return		-0.9
Equity value DCF		**45.0**
Equity value DCF per share		**11.8**

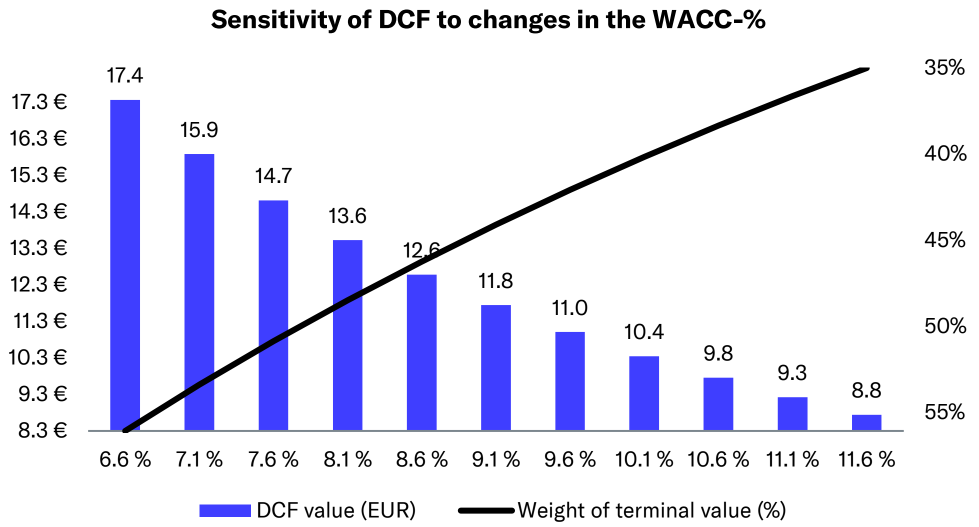
WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E)	10.0 %
Cost of debt	4.0 %
Equity Beta	1.00
Market risk premium	4.75%
Liquidity premium	2.50%
Risk free interest rate	2.5 %
Cost of equity	**9.8 %**
Weighted average cost of capital (WACC)	**9.1 %**

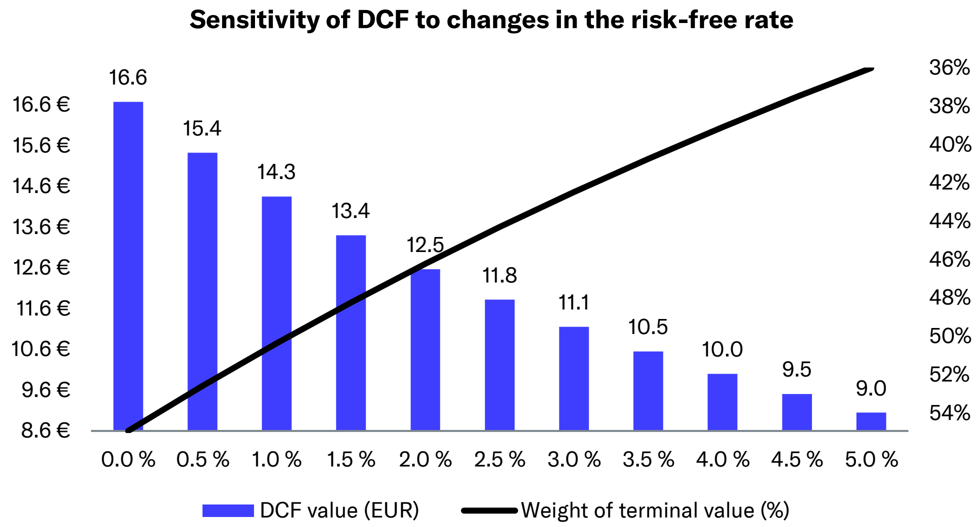
Source: Inderes

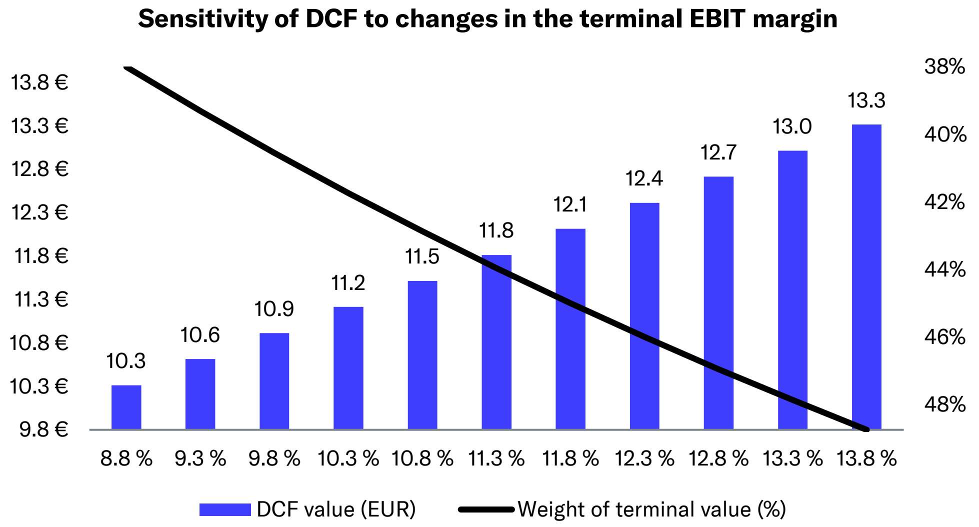
Cash flow distribution

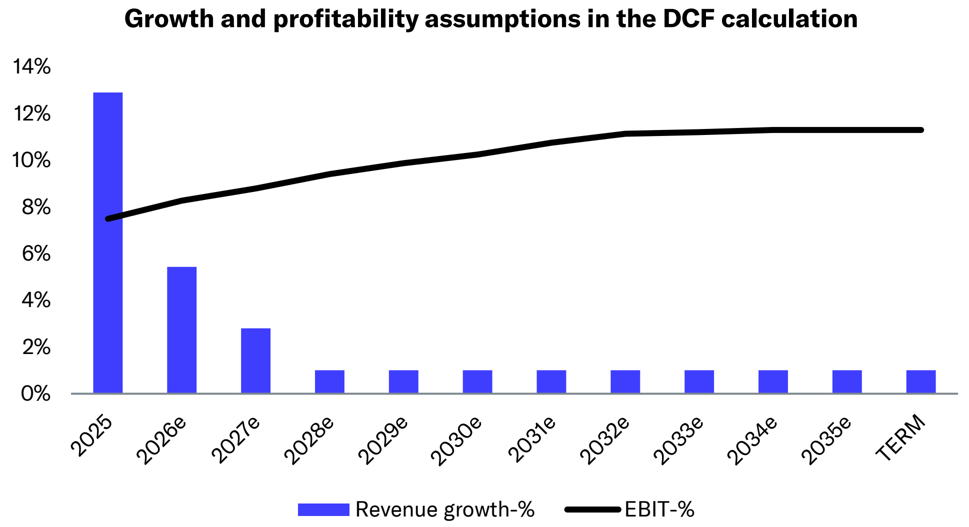


DCF sensitivity calculations and key assumptions in graphs









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	32.9	35.1	39.6	**41.8**	**43.0**
EBITDA	5.0	5.7	6.2	**6.6**	**6.8**
EBIT	2.5	3.1	3.0	**3.5**	**3.8**
PTP	2.2	2.9	2.8	**3.2**	**3.5**
Net Income	1.8	2.4	2.3	**2.4**	**2.8**
Extraordinary items	-0.6	-0.7	-1.1	**-1.3**	**-1.3**

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	27.7	35.0	35.9	**38.6**	**37.5**
Equity capital	14.5	15.9	16.5	**18.0**	**19.9**
Goodwill	10.1	14.0	16.5	**18.2**	**18.2**
Net debt	1.2	4.2	6.7	**5.3**	**2.0**

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	5.0	5.7	6.2	**6.6**	**6.8**
Change in working capital	0.2	0.5	-1.3	**1.2**	**0.1**
Operating cash flow	4.8	6.5	5.0	**7.0**	**6.1**
CAPEX	0.3	-9.2	-5.6	**-4.5**	**-1.6**
Free cash flow	5.1	-1.9	-0.6	**2.5**	**4.5**

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	1.3	1.1	1.2	**1.0**	**0.9**
EV/EBITDA	8.5	6.6	7.7	**6.2**	**5.6**
EV/EBIT (adj.)	13.7	10.0	11.5	**8.7**	**7.4**
P/E (adj.)	17.3	11.1	11.8	**9.7**	**8.7**
P/B	2.8	2.1	2.5	**2.0**	**1.8**
Dividend-%	2.1 %	2.7 %	2.3 %	**2.7 %**	**2.8 %**

Source: Inderes

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	0.45	0.60	0.61	**0.63**	**0.75**
EPS (adj.)	0.61	0.78	0.90	**0.96**	**1.07**
OCF / share	1.24	1.67	1.30	**1.83**	**1.60**
OFCF / share	1.30	-0.48	-0.17	**0.67**	**1.18**
Book value / share	3.71	4.06	4.32	**4.71**	**5.20**
Dividend / share	0.22	0.23	0.24	**0.25**	**0.26**

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	12%	7%	13%	**5%**	**3%**
EBITDA growth-%	-1%	15%	8%	**7%**	**2%**
EBIT (adj.) growth-%	-2%	23%	8%	**15%**	**7%**
EPS (adj.) growth-%	-7%	28%	16%	**6%**	**12%**
EBITDA-%	15.1 %	16.4 %	15.6 %	**15.9 %**	**15.7 %**
EBIT (adj.)-%	9.4 %	10.9 %	10.4 %	**11.3 %**	**11.7 %**
EBIT-%	7.6 %	8.9 %	7.5 %	**8.3 %**	**8.8 %**
ROE-%	12.7 %	15.5 %	14.3 %	**13.9 %**	**15.0 %**
ROI-%	12.0 %	14.4 %	12.2 %	**13.3 %**	**14.6 %**
Equity ratio	52.5 %	45.6 %	46.1 %	**46.8 %**	**53.2 %**
Gearing	8.0 %	26.4 %	40.6 %	**29.6 %**	**9.9 %**
Net debt/EBITDA	0.2	0.7	1.1	**0.8**	**0.3**
EBITDA/net financials	15.8	32.8	29.4	**21.5**	**27.8**

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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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

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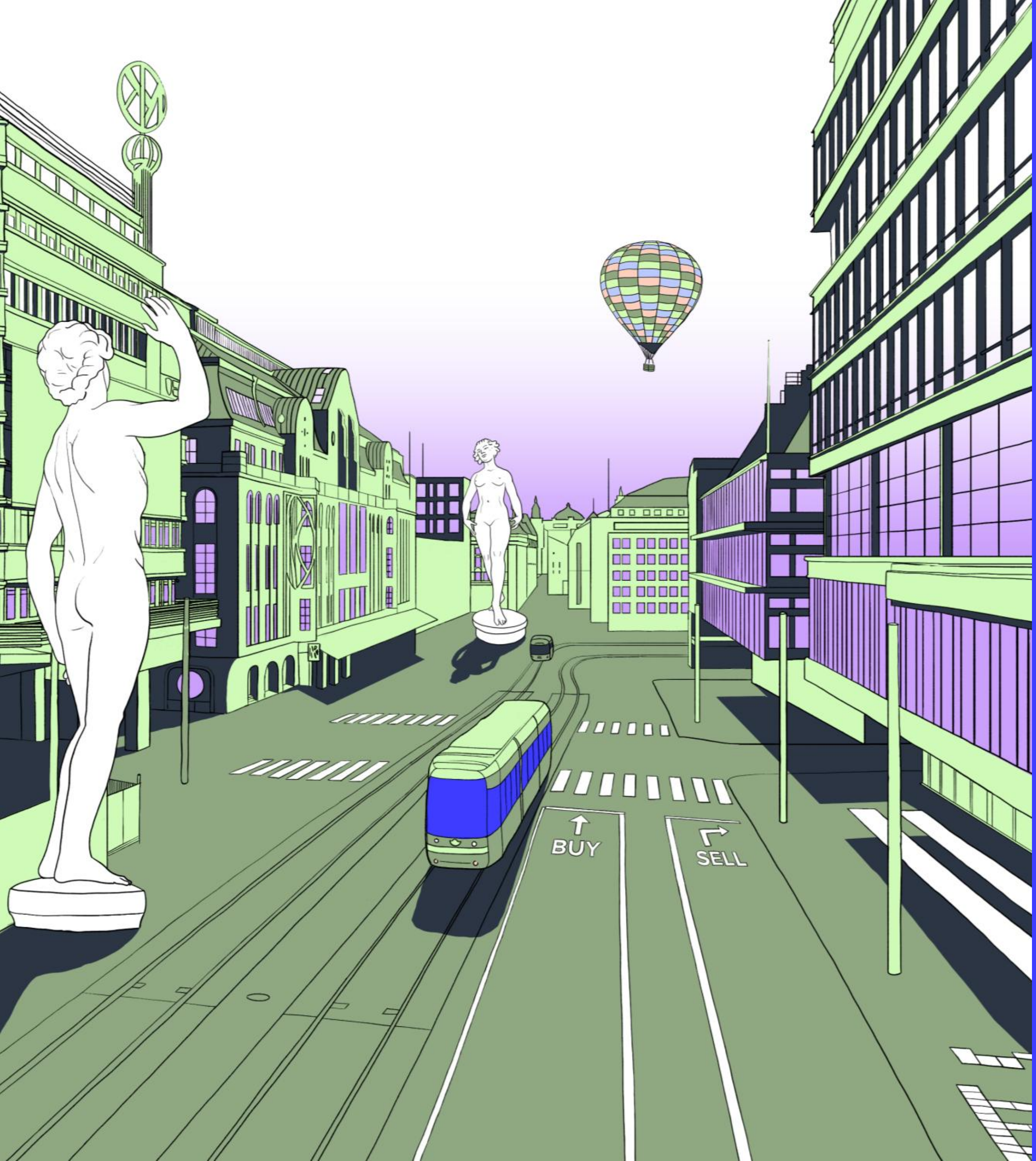
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
4/9/2019	Reduce	8.50 €	8.87 €
8/23/2019	Reduce	9.00 €	9.50 €
9/30/2019	Reduce	9.00 €	9.34 €
12/12/2019	Reduce	9.90 €	10.45 €
2/14/2020	Accumulate	11.00 €	10.45 €
4/28/2020	Accumulate	10.00 €	9.14 €
6/2/2020	Accumulate	11.00 €	10.10 €
7/23/2020	Reduce	11.00 €	11.20 €
8/18/2020	Reduce	11.00 €	10.75 €
10/6/2020	Accumulate	11.00 €	9.76 €
1/7/2021	Accumulate	11.50 €	10.45 €
1/11/2021	Accumulate	12.00 €	11.40 €
2/18/2021	Accumulate	12.00 €	11.10 €
4/6/2021	Accumulate	12.50 €	11.30 €
5/5/2021	Accumulate	13.00 €	11.60 €
8/17/2021	Accumulate	13.00 €	11.60 €
11/30/2021	Accumulate	13.00 €	11.55 €
1/4/2022	Accumulate	13.50 €	11.85 €
2/18/2022	Accumulate	12.50 €	10.65 €
3/2/2022	Accumulate	12.00 €	9.90 €
8/16/2022	Accumulate	12.00 €	10.40 €
11/2/2022	Buy	11.50 €	9.20 €
12/2/2022	Buy	12.00 €	10.00 €
1/18/2023	Accumulate	12.00 €	10.80 €
2/17/2023	Accumulate	12.00 €	10.85 €
6/16/2023	Accumulate	12.00 €	10.20 €
7/3/2023	Accumulate	12.00 €	10.40 €
8/16/2023	Buy	12.50 €	10.20 €
2/16/2024	Accumulate	10.00 €	9.20 €
3/5/2024	Accumulate	10.00 €	8.58 €
4/24/2024	Accumulate	10.00 €	8.20 €
8/8/2024	Buy	10.00 €	8.04 €
8/15/2024	Accumulate	10.00 €	8.68 €
11/1/2024	Accumulate	10.00 €	8.20 €
12/2/2024	Accumulate	10.00 €	8.28 €
12/23/2024	Buy	10.50 €	8.04 €
2/14/2025	Buy	12.50 €	9.68 €
5/22/2025	Buy	13.00 €	10.60 €
6/18/2025	Buy	13.00 €	10.85 €
8/19/2025	Accumulate	13.00 €	10.95 €
9/2/2025	Accumulate	13.00 €	11.30 €
2/2/2026	Buy	13.00 €	10.15 €
2/13/2026	Reduce	10.50 €	10.10 €
4/21/2026	Accumulate	10.50 €	8.94 €
7/3/2026	Accumulate	10.50 €	8.80 €
8/18/2026	Accumulate	10.50 €	9.06 €
9/22/2026	Accumulate	10.50 €	9.00 €



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