

ENENTO GROUP

9/5/2025 9:50 am EEST

This is a translated version of "Kurssinlaskun jälkeen takaisin kyytiin" report, published on 9/5/2025



Roni Peuranheimo
+358 505610455
roni.peuranheimo@inderes.fi

INDERES CORPORATE CUSTOMER COMPANY REPORT



Back on board after share price decline

Enento's share price has continued to decline significantly following its weak Q2 results. The economic development in Enento's target markets has remained subdued, and we do not see any significant changes in the short-term outlook. With the share price having dropped, the valuation multiples for the coming years are already moderate (adj. P/E 13x), even though investors bear the risk related to the realization of earnings growth. In any case, we believe the risk/reward ratio is already becoming attractive at the current valuation. We reiterate our EUR 17.0 target price but raise our recommendation to Accumulate (was Reduce).

This year is likely to remain weak in terms of earnings

Enento has had a challenging few years, as rising interest rates and structural changes in the consumer credit information market have weakened demand for consumer credit information services, particularly in Sweden. It also appears that the current year will be weak in terms of earnings, although our forecasts indicate that earnings will practically not decline further. The weakness is still due to the changes in the Swedish market and the generally weak economic environment in the company's main operating countries (Finland and Sweden). A return to earnings growth would require clearer top-line growth, as changes in revenue strongly impact profitability due to the company's high gross margins and largely fixed cost structure. Q1'25 already showed cautious signs of improvement, as the company returned to growth after two years. After that, Q2 was again a disappointment (revenue declined on a comparable basis), indicating that the recovery slope is, at best, gentle.

Financial targets not realistic in the coming years

This was also communicated by the company's updated financial targets in connection with Q2 (average revenue growth of 5-10%, adjusted EBITDA margin of 40%, and net debt to adjusted EBITDA below 3x). The targets remain the same, but the target period was removed as the company expects it will take longer than previously anticipated to achieve them. Regarding growth, we

believe the company can reach its target in at least a single year once demand recovers, but the target is challenging for an average growth rate. Regarding profitability, the target is very challenging, as our forecast for this year is an adjusted EBITDA of 34%. The target would require highly profitable growth and a larger scale. The leverage target is realistic, but with recent earnings performance and dividend payout levels (the company has not wanted to cut the dividend), leverage has increased and is close to the upper limit of the target (Q2'25: 2.9x).

This year, we expect revenue to grow by 2% to 153 MEUR, with the adjusted EBITDA at 51.7 MEUR. Thus, we expect the company to reach its guidance (revenue 150-156 MEUR & adjusted EBITDA 50-55 MEUR), but if the operating environment continues to weaken in the rest of the year, a negative profit warning would not be entirely ruled out.

Valuation is moderate as the company returns to earnings growth

Our adjusted EV/EBIT ratios for 2025-2026 are slightly below 13x-12x, with corresponding P/E ratios of 18x-13x. This year's multiples are not yet particularly attractive, but EPS is still burdened by significant non-recurring items in the first half of the year (not adjusted in the P/E ratio), which should decrease in H2. We believe next year's multiples are already moderate. However, these require the realization of the moderate earnings growth we anticipate, which would be supported by an upturn in the Finnish and Swedish economies and the stabilization of the Swedish credit information market. Once the company returns to earnings growth, we believe there is clear upside potential in the stock. Visibility on this is still dim, but at the current valuation, we believe the risk/reward ratio is becoming attractive. While awaiting a clearer recovery, investors receive a solid dividend yield of over 6%. In addition to external factors, much also depends on the company's own actions and how it succeeds in commercializing and growing its new product areas.

Recommendation

Accumulate

(was Reduce)

Target price:

EUR 17.00

(was EUR 17.00)

Share price:

EUR 15.12

Business risk



Valuation risk



| | 2024 | 2025e | 2026e | 2027e |
|------------------|--------|--------|--------|--------|
| Revenue | 150.4 | 152.7 | 158.1 | 164.2 |
| growth-% | -4% | 2% | 4% | 4% |
| EBIT adj. | 39.6 | 39.5 | 42.6 | 45.9 |
| EBIT-% adj. | 26.4 % | 25.9 % | 27.0 % | 28.0 % |
| Net Income | 12.2 | 13.9 | 21.5 | 25.5 |
| EPS (adj.) | 0.78 | 0.83 | 1.15 | 1.31 |
| P/E (adj.) | 22.3 | 18.1 | 13.2 | 11.6 |
| P/B | 1.6 | 1.4 | 1.4 | 1.4 |
| Dividend yield-% | 5.7 % | 6.6 % | 6.6 % | 6.9 % |
| EV/EBIT (adj.) | 14.8 | 12.8 | 11.7 | 10.8 |
| EV/EBITDA | 12.6 | 11.5 | 9.8 | 8.9 |
| EV/S | 3.9 | 3.3 | 3.2 | 3.0 |

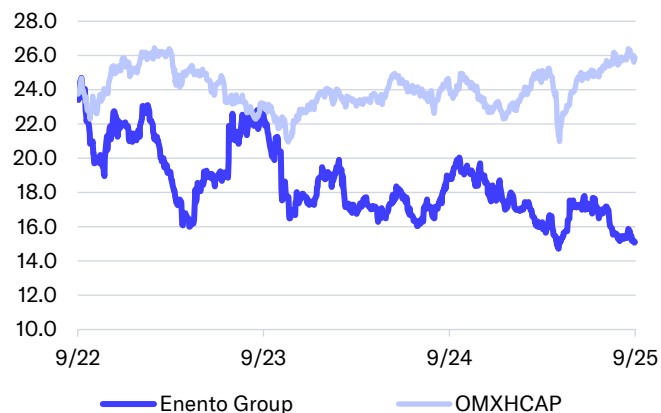
Source: Inderes

Guidance

(Unchanged)

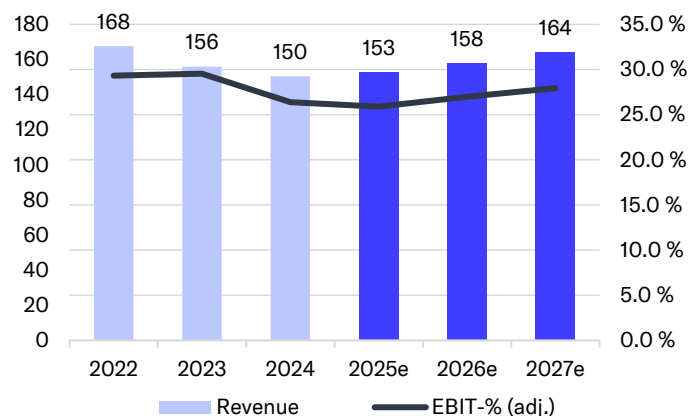
Enento estimates that 2025 revenue will be around 150-156 MEUR and adjusted EBITDA around 50-55 MEUR.

Share price



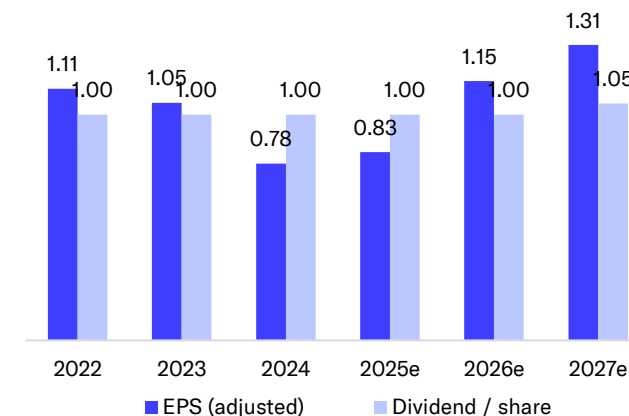
Source: Millistream Market Data AB

Revenue and EBIT-% (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Stable growth and strong profitability
- Stable cash flow enables investments for growth
- Well-known and respected brands in the Nordic countries
- Income streams include counter-cyclical elements, which increase defensiveness
- Potential longer-term efficiency gains from building the new technology platform
- M&A option (potential buyer and target)

Risk factors

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

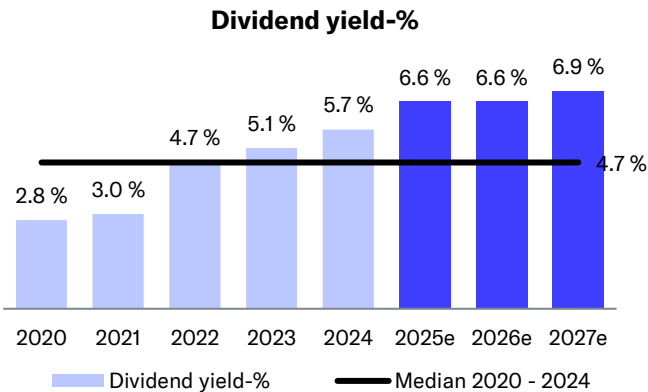
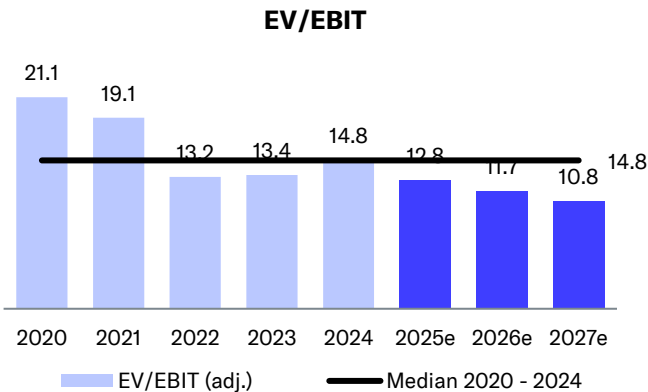
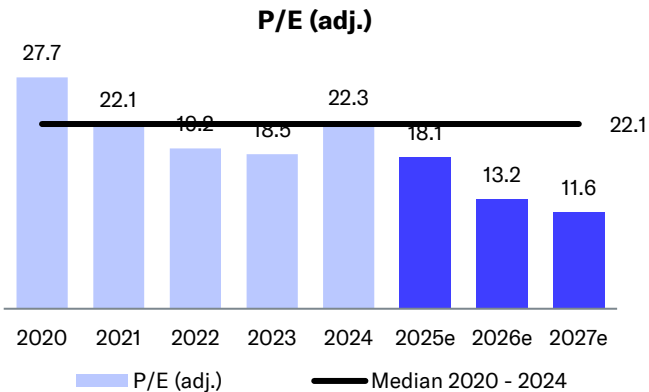
| Valuation | 2025e | 2026e | 2027e |
|----------------------------|---------|---------|--------|
| Share price | 15.1 | 15.1 | 15.1 |
| Number of shares, millions | 23.7 | 23.7 | 23.7 |
| Market cap | 358 | 358 | 358 |
| EV | 506 | 501 | 494 |
| P/E (adj.) | 18.1 | 13.2 | 11.6 |
| P/E | 25.7 | 16.7 | 14.1 |
| P/B | 1.4 | 1.4 | 1.4 |
| P/S | 2.3 | 2.3 | 2.2 |
| EV/Sales | 3.3 | 3.2 | 3.0 |
| EV/EBITDA | 11.5 | 9.8 | 8.9 |
| EV/EBIT (adj.) | 12.8 | 11.7 | 10.8 |
| Payout ratio (%) | 170.1 % | 110.2 % | 97.7 % |
| Dividend yield-% | 6.6 % | 6.6 % | 6.9 % |

Source: Inderes

Valuation table

| Valuation | 2020 | 2021 | 2022 | 2023 | 2024 | 2025e | 2026e | 2027e | 2028e |
|----------------------------|---------|--------|---------|---------|---------|---------|---------|--------|--------|
| Share price | 33.6 | 33.0 | 21.4 | 19.5 | 17.5 | 15.1 | 15.1 | 15.1 | 15.1 |
| Number of shares, millions | 24.0 | 24.0 | 24.0 | 23.8 | 23.7 | 23.7 | 23.7 | 23.7 | 23.7 |
| Market cap | 807 | 793 | 514 | 464 | 414 | 358 | 358 | 358 | 358 |
| EV | 950 | 935 | 646 | 615 | 587 | 506 | 501 | 494 | 486 |
| P/E (adj.) | 27.7 | 22.1 | 19.2 | 18.5 | 22.3 | 18.1 | 13.2 | 11.6 | 10.3 |
| P/E | 41.5 | 30.7 | 29.6 | 26.4 | 34.0 | 25.7 | 16.7 | 14.1 | 12.1 |
| P/B | 2.6 | 2.5 | 1.7 | 1.6 | 1.6 | 1.4 | 1.4 | 1.4 | 1.4 |
| P/S | 5.3 | 4.9 | 3.1 | 3.0 | 2.8 | 2.3 | 2.3 | 2.2 | 2.1 |
| EV/Sales | 6.3 | 5.7 | 3.9 | 3.9 | 3.9 | 3.3 | 3.2 | 3.0 | 2.9 |
| EV/EBITDA | 19.3 | 16.1 | 11.6 | 12.1 | 12.6 | 11.5 | 9.8 | 8.9 | 8.2 |
| EV/EBIT (adj.) | 21.1 | 19.1 | 13.2 | 13.4 | 14.8 | 12.8 | 11.7 | 10.8 | 9.8 |
| Payout ratio (%) | 117.3 % | 92.9 % | 138.5 % | 135.5 % | 194.8 % | 170.1 % | 110.2 % | 97.7 % | 88.2 % |
| Dividend yield-% | 2.8 % | 3.0 % | 4.7 % | 5.1 % | 5.7 % | 6.6 % | 6.6 % | 6.9 % | 7.3 % |

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-% | | P/B |
|------------------------|------------|-------|---------|-------|-----------|-------|-------|-------|-------|-------|------------------|-------|-------|
| Company | MEUR | MEUR | 2025e | 2026e | 2025e | 2026e | 2025e | 2026e | 2025e | 2026e | 2025e | 2026e | 2025e |
| Fair Isaac Corp | 31298 | 33519 | 37.2 | 31.0 | 36.0 | 30.0 | 19.7 | 17.3 | 51.5 | 42.8 | | | |
| Equifax Inc | 25208 | 29364 | 26.2 | 21.6 | 17.6 | 15.5 | 5.7 | 5.2 | 31.5 | 26.1 | 0.8 | 0.9 | 5.8 |
| Experian Plc | 40222 | 44366 | 25.4 | 22.6 | 19.5 | 17.5 | 6.9 | 6.2 | 32.6 | 29.2 | 1.2 | 1.4 | 8.9 |
| TransUnion | 14369 | 18280 | 23.7 | 19.6 | 13.3 | 11.8 | 4.8 | 4.4 | 20.6 | 17.8 | 0.5 | 0.6 | 3.6 |
| Moody's Corp | 76361 | 80442 | 27.3 | 24.6 | 24.9 | 22.7 | 12.5 | 11.6 | 35.7 | 31.9 | 0.8 | 0.8 | 21.4 |
| Intrum AB | 529 | 4868 | 10.8 | 10.3 | 8.8 | 8.2 | 3.1 | 3.1 | 4.7 | 4.7 | | | 0.4 |
| Credit Corp Group Ltd | 608 | 814 | 8.9 | 8.0 | 6.7 | 7.5 | 2.6 | 2.5 | 11.6 | 10.3 | 4.4 | 4.9 | 1.2 |
| Kruk S.A. | 2077 | 3553 | 9.7 | 8.4 | 9.3 | 8.1 | 4.7 | 4.1 | 9.0 | 8.1 | 4.1 | 4.3 | 1.8 |
| Alma Media | 1149 | 1274 | 15.4 | 14.1 | 12.9 | 11.6 | 3.9 | 3.7 | 19.0 | 17.5 | 3.4 | 3.4 | 4.1 |
| F-Secure | 287 | 433 | 10.3 | 9.5 | 8.6 | 8.0 | 2.9 | 2.7 | 10.5 | 10.0 | 2.4 | 3.0 | 3.8 |
| Red Violet | | | | | | | | | | | | | |
| Enento Group (Inderes) | 358 | 506 | 12.8 | 11.7 | 11.5 | 9.8 | 3.3 | 3.2 | 18.1 | 13.2 | 6.6 | 6.6 | 1.4 |
| Average | | | 19.5 | 17.0 | 15.7 | 14.1 | 6.7 | 6.1 | 22.7 | 19.8 | 2.2 | 2.4 | 5.7 |
| Median | | | 19.6 | 16.8 | 13.1 | 11.7 | 4.7 | 4.3 | 19.8 | 17.6 | 1.8 | 2.2 | 3.8 |
| Diff-% to median | | | -35% | -30% | -12% | -16% | -30% | -25% | -8% | -25% | 263% | 201% | -62% |

Source: Refinitiv / Inderes

Income statement

| Income statement | 2023 | Q1'24 | Q2'24 | Q3'24 | Q4'24 | 2024 | Q1'25 | Q2'25 | Q3'25e | Q4'25e | 2025e | 2026e | 2027e | 2028e |
|------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|-------|-------|-------|-------|
| Revenue | 156 | 37.3 | 38.5 | 36.8 | 37.8 | 150.4 | 37.7 | 38.6 | 37.4 | 39.0 | 152.7 | 158 | 164 | 170 |
| Business Insight | 88.6 | 22.2 | 23.0 | 21.5 | 22.8 | 89.5 | 22.8 | 23.4 | 22.0 | 23.5 | 91.7 | 95.0 | 98.6 | 103 |
| Consumer Insight | 67.3 | 15.1 | 15.4 | 15.4 | 15.0 | 60.9 | 14.8 | 15.2 | 15.4 | 15.5 | 61.0 | 63.1 | 65.6 | 67.9 |
| Adjusted EBITDA | 57.1 | 12.4 | 14.1 | 13.8 | 11.7 | 52.0 | 12.4 | 13.0 | 14.0 | 12.3 | 51.7 | 54.1 | 57.4 | 61.5 |
| Depreciation | -20.6 | -5.1 | -5.3 | -5.0 | -6.4 | -21.9 | -5.2 | -4.9 | -4.9 | -4.8 | -19.8 | -18.7 | -18.5 | -18.6 |
| EBIT (excl. NRI) | 46.0 | 9.4 | 10.9 | 10.9 | 8.4 | 39.6 | 9.5 | 10.2 | 10.8 | 9.1 | 39.5 | 42.6 | 45.9 | 49.7 |
| EBIT | 30.4 | 5.2 | 7.8 | 7.2 | 4.3 | 24.6 | 5.2 | 5.0 | 7.5 | 6.3 | 24.0 | 32.4 | 36.9 | 40.9 |
| Share of profits in assoc. compan. | -0.8 | -0.2 | -0.1 | -0.1 | -1.7 | -2.1 | -0.2 | 0.0 | 0.0 | 0.0 | -0.2 | -0.2 | -0.2 | -0.2 |
| Net financial items | -7.4 | -1.2 | -2.1 | -2.0 | -1.5 | -6.7 | -2.2 | -1.4 | -1.4 | -1.3 | -6.2 | -5.0 | -5.0 | -4.0 |
| PTP | 22.2 | 3.9 | 5.6 | 5.1 | 1.1 | 15.8 | 2.8 | 3.7 | 6.1 | 5.0 | 17.6 | 27.2 | 31.7 | 36.7 |
| Taxes | -4.7 | -0.8 | -1.3 | -0.9 | -0.6 | -3.6 | -0.6 | -0.7 | -1.3 | -1.1 | -3.7 | -5.7 | -6.2 | -7.2 |
| Net earnings | 17.6 | 3.1 | 4.4 | 4.2 | 0.5 | 12.2 | 2.2 | 3.0 | 4.8 | 3.9 | 13.9 | 21.5 | 25.5 | 29.5 |
| EPS (adj.) | 1.05 | 0.20 | 0.26 | 0.24 | 0.09 | 0.78 | 0.16 | 0.19 | 0.26 | 0.22 | 0.83 | 1.15 | 1.31 | 1.47 |
| EPS (rep.) | 0.74 | 0.13 | 0.19 | 0.18 | 0.02 | 0.51 | 0.09 | 0.13 | 0.20 | 0.17 | 0.59 | 0.91 | 1.07 | 1.25 |

| Key figures | 2023 | Q1'24 | Q2'24 | Q3'24 | Q4'24 | 2024 | Q1'25 | Q2'25 | Q3'25e | Q4'25e | 2025e | 2026e | 2027e | 2028e |
|------------------------|--------|---------|--------|--------|---------|---------|--------|--------|--------|--------|--------|--------|--------|--------|
| Revenue growth-% | -6.9 % | -6.8 % | -3.0 % | -1.3 % | -2.9 % | -3.5 % | 1.1 % | 0.5 % | 1.5 % | 3.2 % | 1.6 % | 3.5 % | 3.9 % | 3.8 % |
| Adjusted EBIT growth-% | -6.3 % | -21.7 % | -7.5 % | -7.1 % | -19.9 % | -13.9 % | 1.0 % | -6.5 % | -1.3 % | 7.7 % | -0.3 % | 7.9 % | 7.6 % | 8.2 % |
| EBITDA-% | 32.7 % | 27.7 % | 34.2 % | 33.2 % | 28.4 % | 30.9 % | 27.6 % | 25.7 % | 33.2 % | 28.3 % | 28.7 % | 32.4 % | 33.7 % | 34.9 % |
| Oikaistu käyttökate-% | 36.6 % | 33.3 % | 36.7 % | 37.5 % | 30.9 % | 34.6 % | 33.0 % | 33.7 % | 37.4 % | 31.4 % | 33.9 % | 34.3 % | 35.0 % | 36.1 % |
| Adjusted EBIT-% | 29.5 % | 25.1 % | 28.4 % | 29.7 % | 22.2 % | 26.4 % | 25.1 % | 26.4 % | 28.9 % | 23.2 % | 25.9 % | 27.0 % | 28.0 % | 29.1 % |
| Net earnings-% | 11.3 % | 8.2 % | 11.4 % | 11.3 % | 1.4 % | 8.1 % | 5.7 % | 7.7 % | 13.0 % | 10.1 % | 9.1 % | 13.6 % | 15.5 % | 17.3 % |

Source: Inderes

Balance sheet

| Assets | 2023 | 2024 | 2025e | 2026e | 2027e |
|--------------------------|------|------|-------|-------|-------|
| Non-current assets | 443 | 423 | 414 | 408 | 403 |
| Goodwill | 341 | 336 | 336 | 336 | 336 |
| Intangible assets | 88.7 | 78.5 | 69.8 | 64.0 | 59.7 |
| Tangible assets | 10.5 | 7.5 | 7.4 | 7.3 | 7.1 |
| Associated companies | 3.2 | 1.0 | 1.0 | 1.0 | 1.0 |
| Other investments | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other non-current assets | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 |
| Deferred tax assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Current assets | 47.0 | 36.9 | 38.6 | 41.3 | 44.5 |
| Inventories | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other current assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Receivables | 29.7 | 25.6 | 26.4 | 27.0 | 28.1 |
| Cash and equivalents | 17.4 | 11.3 | 12.2 | 14.2 | 16.4 |
| Balance sheet total | 490 | 460 | 452 | 449 | 448 |

Source: Inderes

| Liabilities & equity | 2023 | 2024 | 2025e | 2026e | 2027e |
|-----------------------------|------|------|-------|-------|-------|
| Equity | 283 | 263 | 253 | 251 | 253 |
| Share capital | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Retained earnings | 55.8 | 44.4 | 34.6 | 32.4 | 34.2 |
| Hybrid bonds | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Revaluation reserve | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other equity | 227 | 219 | 219 | 219 | 219 |
| Minorities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Non-current liabilities | 170 | 164 | 167 | 166 | 161 |
| Deferred tax liabilities | 15.6 | 12.9 | 12.9 | 12.9 | 12.9 |
| Provisions | 0.4 | 0.6 | 0.0 | 0.0 | 0.0 |
| Interest bearing debt | 154 | 151 | 154 | 153 | 148 |
| Convertibles | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other long term liabilities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Current liabilities | 37.0 | 32.1 | 32.2 | 32.4 | 34.3 |
| Interest bearing debt | 2.6 | 4.7 | 3.1 | 1.5 | 1.5 |
| Payables | 34.4 | 27.4 | 29.0 | 30.8 | 32.8 |
| Other current liabilities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Balance sheet total | 490 | 460 | 452 | 449 | 448 |

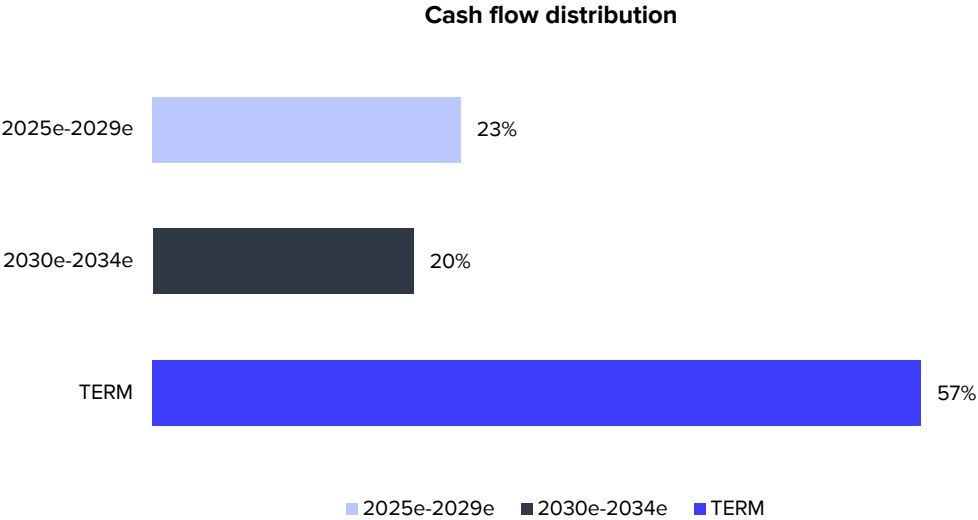
DCF calculation

| DCF model | 2024 | 2025e | 2026e | 2027e | 2028e | 2029e | 2030e | 2031e | 2032e | 2033e | 2034e | TERM |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Revenue growth-% | -3.5 % | 1.6 % | 3.5 % | 3.9 % | 3.8 % | 3.8 % | 3.7 % | 3.7 % | 3.5 % | 3.5 % | 2.2 % | 2.2 % |
| EBIT-% | 16.3 % | 15.7 % | 20.5 % | 22.5 % | 24.0 % | 24.5 % | 25.8 % | 26.7 % | 27.0 % | 26.5 % | 26.5 % | 26.5 % |
| EBIT (operating profit) | 24.6 | 24.0 | 32.4 | 36.9 | 40.9 | 43.3 | 47.3 | 50.8 | 53.2 | 54.0 | 55.2 | |
| + Depreciation | 21.9 | 19.8 | 18.7 | 18.5 | 18.6 | 18.7 | 18.5 | 17.6 | 17.0 | 17.0 | 17.0 | |
| - Paid taxes | -6.3 | -3.7 | -5.7 | -6.2 | -7.2 | -7.7 | -8.4 | -9.1 | -9.6 | -9.8 | -10.2 | |
| - Tax, financial expenses | -1.4 | -1.3 | -1.0 | -1.0 | -0.8 | -0.8 | -0.8 | -0.8 | -0.8 | -0.8 | -0.6 | |
| + Tax, financial income | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| - Change in working capital | -2.9 | 0.7 | 1.2 | 1.0 | 0.4 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.1 | |
| Operating cash flow | 35.9 | 39.5 | 45.6 | 49.2 | 51.9 | 53.7 | 56.8 | 58.7 | 60.0 | 60.7 | 61.5 | |
| + Change in other long-term liabilities | 0.3 | -0.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| - Gross CAPEX | -3.5 | -10.8 | -12.9 | -14.0 | -16.0 | -16.5 | -17.0 | -17.0 | -17.0 | -17.0 | -17.1 | |
| Free operating cash flow | 32.7 | 28.1 | 32.7 | 35.2 | 35.9 | 37.2 | 39.8 | 41.7 | 43.0 | 43.7 | 44.4 | |
| +/- Other | -3.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| FCFF | 28.9 | 28.1 | 32.7 | 35.2 | 35.9 | 37.2 | 39.8 | 41.7 | 43.0 | 43.7 | 44.4 | 737 |
| Discounted FCFF | | 27.4 | 29.4 | 29.2 | 27.5 | 26.3 | 26.0 | 25.1 | 23.9 | 22.4 | 21.0 | 349 |
| Sum of FCFF present value | | 607 | 579 | 550 | 521 | 493 | 467 | 441 | 416 | 392 | 370 | 349 |

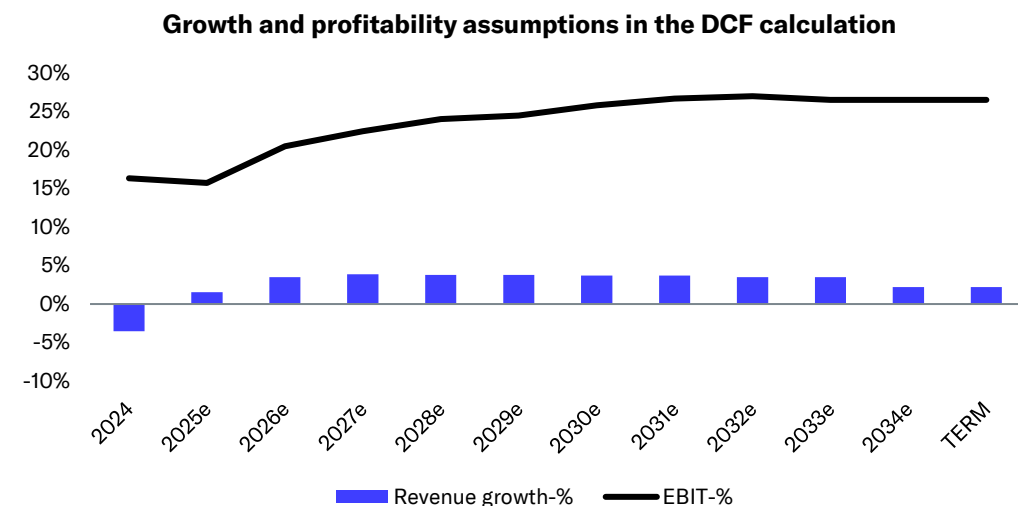
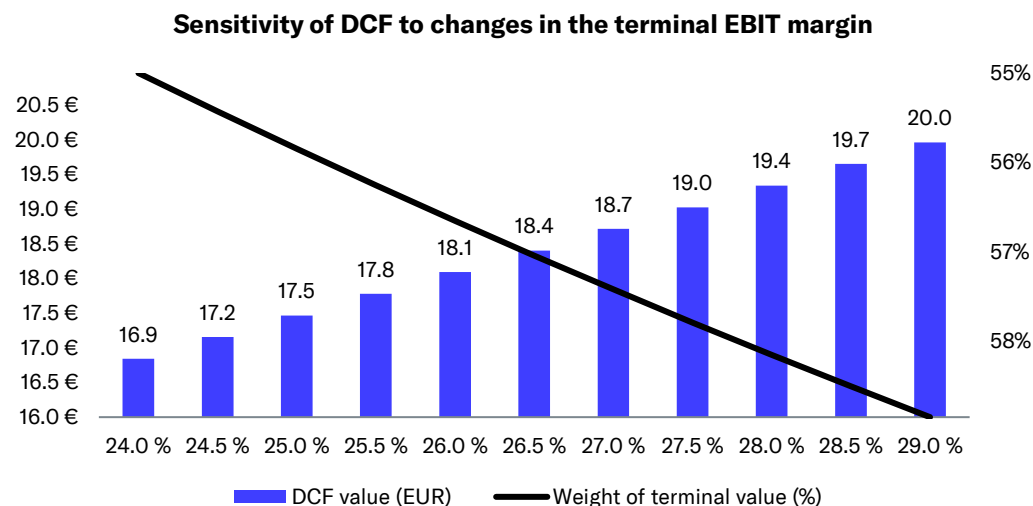
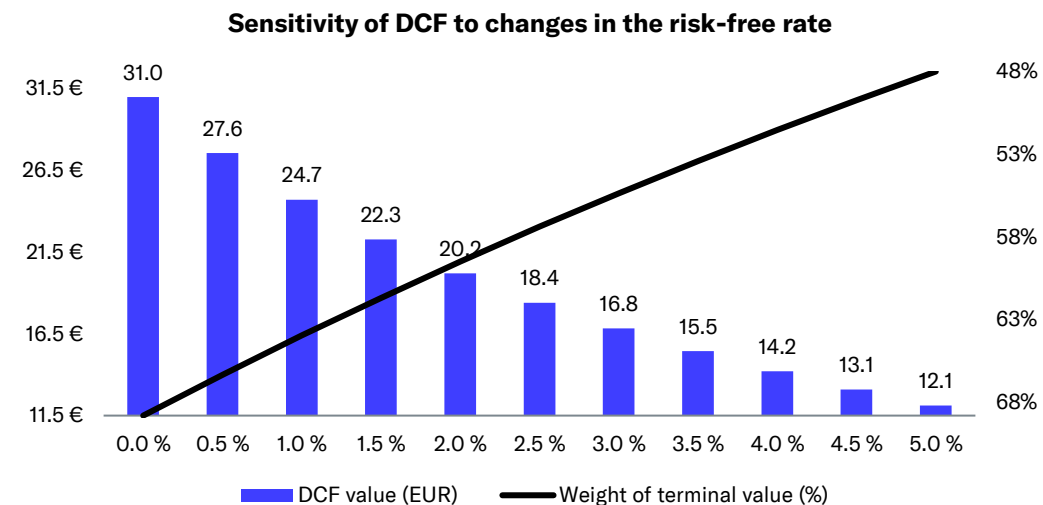
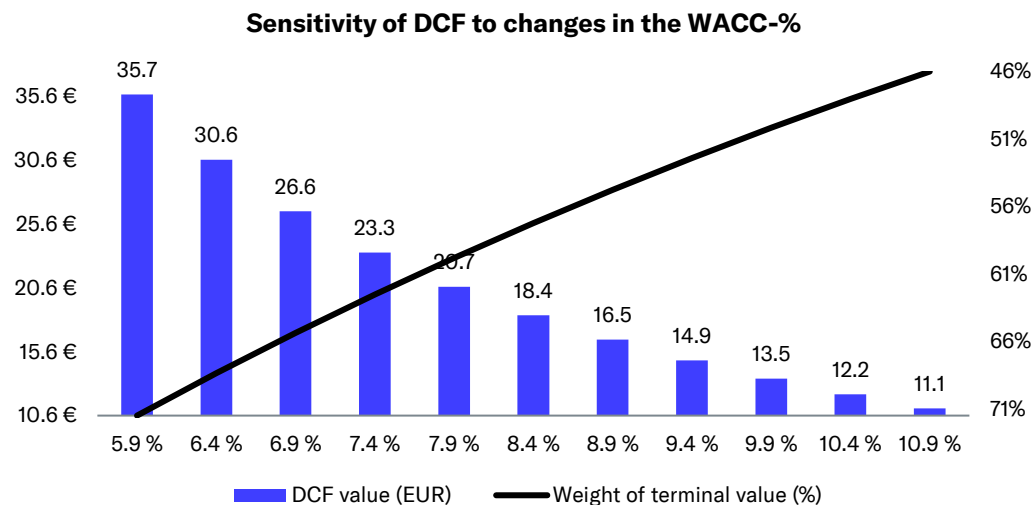
| | |
|-----------------------------|--------|
| Enterprise value DCF | 607 |
| - Interest bearing debt | -155.5 |
| + Cash and cash equivalents | 11.3 |
| -Minorities | 0.0 |
| -Dividend/capital return | -23.7 |
| Equity value DCF | 436 |
| Equity value DCF per share | 18.4 |

| | |
|---|--------|
| WACC | |
| Tax-% (WACC) | 20.0 % |
| Target debt ratio (D/(D+E)) | 18.0 % |
| Cost of debt | 5.0 % |
| Equity Beta | 1.12 |
| Market risk premium | 4.75% |
| Liquidity premium | 1.50% |
| Risk free interest rate | 2.5 % |
| Cost of equity | 9.3 % |
| Weighted average cost of capital (WACC) | 8.4 % |

Source: Inderes



DCF sensitivity calculations and key assumptions in graphs



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

Summary

| Income statement | 2023 | 2024 | 2025e | 2026e | 2027e | Per share data | 2023 | 2024 | 2025e | 2026e | 2027e |
|---------------------------|-------|-------|-------|-------|-------|--------------------------|--------|--------|--------|--------|--------|
| Revenue | 155.9 | 150.4 | 152.7 | 158.1 | 164.2 | EPS (reported) | 0.74 | 0.51 | 0.59 | 0.91 | 1.07 |
| EBITDA | 51.1 | 46.4 | 43.8 | 51.1 | 55.4 | EPS (adj.) | 1.05 | 0.78 | 0.83 | 1.15 | 1.31 |
| EBIT | 30.4 | 24.6 | 24.0 | 32.4 | 36.9 | OCF / share | 1.82 | 1.52 | 1.67 | 1.92 | 2.08 |
| PTP | 22.2 | 15.8 | 17.6 | 27.2 | 31.7 | OFCF / share | 0.95 | 1.22 | 1.19 | 1.38 | 1.49 |
| Net Income | 17.6 | 12.2 | 13.9 | 21.5 | 25.5 | Book value / share | 11.89 | 11.12 | 10.70 | 10.61 | 10.68 |
| Extraordinary items | -15.6 | -4.2 | -3.1 | -3.7 | -4.1 | Dividend / share | 1.00 | 1.00 | 1.00 | 1.00 | 1.05 |
| Balance sheet | 2023 | 2024 | 2025e | 2026e | 2027e | Growth and profitability | 2023 | 2024 | 2025e | 2026e | 2027e |
| Balance sheet total | 490.3 | 459.6 | 452.4 | 449.2 | 447.9 | Revenue growth-% | -7% | -4% | 2% | 4% | 4% |
| Equity capital | 282.9 | 263.2 | 253.4 | 251.2 | 253.0 | EBITDA growth-% | -8% | -9% | -6% | 17% | 8% |
| Goodwill | 340.9 | 335.6 | 335.6 | 335.6 | 335.6 | EBIT (adj.) growth-% | -6% | -14% | 0% | 8% | 8% |
| Net debt | 139.7 | 144.2 | 144.8 | 140.0 | 132.7 | EPS (adj.) growth-% | -6% | -26% | 6% | 38% | 14% |
| Cash flow | 2023 | 2024 | 2025e | 2026e | 2027e | EBITDA-% | 32.7 % | 30.9 % | 28.7 % | 32.4 % | 33.7 % |
| EBITDA | 51.1 | 46.4 | 43.8 | 51.1 | 55.4 | EBIT (adj.)-% | 29.5 % | 26.4 % | 25.9 % | 27.0 % | 28.0 % |
| Change in working capital | 0.7 | -2.9 | 0.7 | 1.2 | 1.0 | EBIT-% | 19.5 % | 16.3 % | 15.7 % | 20.5 % | 22.5 % |
| Operating cash flow | 43.2 | 35.9 | 39.5 | 45.6 | 49.2 | ROE-% | 6.1 % | 4.5 % | 5.4 % | 8.5 % | 10.1 % |
| CAPEX | -15.9 | -3.5 | -10.8 | -12.9 | -14.0 | ROI-% | 6.7 % | 5.2 % | 5.7 % | 7.9 % | 9.1 % |
| Free cash flow | 22.5 | 28.9 | 33.1 | 32.7 | 35.2 | Equity ratio | 58.9 % | 58.6 % | 56.0 % | 55.9 % | 56.5 % |
| Valuation multiples | 2023 | 2024 | 2025e | 2026e | 2027e | Gearing | 49.4 % | 54.8 % | 57.1 % | 55.7 % | 52.5 % |
| EV/S | 3.9 | 3.9 | 3.3 | 3.2 | 3.0 | | | | | | |
| EV/EBITDA | 12.1 | 12.6 | 11.5 | 9.8 | 8.9 | | | | | | |
| EV/EBIT (adj.) | 13.4 | 14.8 | 12.8 | 11.7 | 10.8 | | | | | | |
| P/E (adj.) | 18.5 | 22.3 | 18.1 | 13.2 | 11.6 | | | | | | |
| P/B | 1.7 | 1.6 | 1.6 | 1.4 | 1.4 | | | | | | |
| Dividend-% | 5.1 % | 5.7 % | 6.6 % | 6.6 % | 6.9 % | | | | | | |

Source: Inderes

Disclaimer and recommendation history

The information presented in Inderes reports is obtained from several different public sources that Inderes considers to be reliable. Inderes aims to use reliable and comprehensive information, but Inderes does not guarantee the accuracy of the presented information. Any opinions, estimates and forecasts represent the views of the authors. Inderes is not responsible for the content or accuracy of the presented information. Inderes and its employees are also not responsible for the financial outcomes of investment decisions made based on the reports or any direct or indirect damage caused by the use of the information. The information used in producing the reports may change quickly. Inderes makes no commitment to announcing any potential changes to the presented information and opinions.

The reports produced by Inderes are intended for informational use only. The reports should not be construed as offers or advice to buy, sell or subscribe investment products. Customers should also understand that past performance is not a guarantee of future results. When making investment decisions, customers must base their decisions on their own research and their estimates of the factors that influence the value of the investment and take into account their objectives and financial position and use advisors as necessary. Customers are responsible for their investment decisions and their financial outcomes.

Reports produced by Inderes may not be edited, copied or made available to others in their entirety, or in part, without Inderes' written consent. No part of this report, or the report as a whole, shall be transferred or shared in any form to the United States, Canada or Japan or the citizens of the aforementioned countries. The legislation of other countries may also lay down restrictions pertaining to the distribution of the information contained in this report. Any individuals who may be subject to such restrictions must take said restrictions into account.

Inderes issues target prices for the shares it follows. The recommendation methodology used by Inderes is based on the share's 12-month expected total shareholder return (including the share price and dividends) and takes into account Inderes' view of the risk associated with the expected returns. The recommendation policy consists of four tiers: Sell, Reduce, Accumulate and Buy. As a rule, Inderes' investment recommendations and target prices are reviewed at least 2–4 times per year in connection with the companies' interim reports, but the recommendations and target prices may also be changed at other times depending on the market conditions. The issued recommendations and target prices do not guarantee that the share price will develop in line with the estimate. Inderes primarily uses the following valuation methods in determining target prices and recommendations: Cash flow analysis (DCF), valuation multiples, peer group analysis and sum of parts analysis. The valuation methods and target price criteria used are always company-specific and they may vary significantly depending on the company and (or) industry.

Inderes' recommendation policy is based on the following distribution relative to the 12-month risk-adjusted expected total shareholder return.

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

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

The analysts who produce Inderes' research and Inderes employees cannot have 1) shareholdings that exceed the threshold of significant financial gain or 2) shareholdings exceeding 1% in any company subject to Inderes' research activities. Inderes Oyj can only own shares in the target companies it follows to the extent shown in the company's model portfolio investing real funds. All of Inderes Oyj's shareholdings are presented in itemised form in the model portfolio. Inderes Oyj does not have other shareholdings in the target companies analysed. The remuneration of the analysts who produce the analysis are not directly or indirectly linked to the issued recommendation or views. Inderes Oyj does not have investment bank operations.

Inderes or its partners whose customer relationships may have a financial impact on Inderes may, in their business operations, seek assignments with various issuers with respect to services provided by Inderes or its partners. Thus, Inderes may be in a direct or indirect contractual relationship with an issuer that is the subject of research activities. Inderes and its partners may provide investor relations services to issuers. The aim of such services is to improve communication between the company and the capital markets. These services include the organisation of investor events, advisory services related to investor relations and the production of investor research reports.

More information about research disclaimers can be found at www.inderes.fi/research-disclaimer.

Inderes has made an agreement with the issuer and target of this report, which entails compiling a research report.

Recommendation history (>12 mo)

| Date | Recommendation | Target | Share price |
|------------|----------------|---------|-------------|
| 9/1/2023 | Accumulate | 24.50 € | 23.15 € |
| 10/11/2023 | Lisää | 21.00 € | 18.22 € |
| 10/30/2023 | Buy | 21.00 € | 16.50 € |
| 2/6/2024 | Accumulate | 21.00 € | 19.34 € |
| 2/12/2024 | Accumulate | 20.00 € | 18.26 € |
| 4/24/2024 | Accumulate | 19.00 € | 16.82 € |
| 7/17/2024 | Accumulate | 19.00 € | 17.10 € |
| 10/16/2024 | Reduce | 19.00 € | 19.10 € |
| 10/30/2024 | Reduce | 19.00 € | 18.72 € |
| 12/9/2024 | Accumulate | 19.00 € | 17.52 € |
| 2/17/2025 | Reduce | 17.00 € | 16.60 € |
| 4/15/2025 | Accumulate | 16.50 € | 15.40 € |
| 4/28/2025 | Accumulate | 17.50 € | 16.40 € |
| 5/28/2025 | Reduce | 17.50 € | 17.80 € |
| 7/16/2025 | Reduce | 17.00 € | 16.54 € |
| 9/5/2025 | Accumulate | 17.00 € | 15.12 € |



CONNECTING INVESTORS AND COMPANIES.

Inderes democratizes financial information by connecting investors and listed companies. For investors, we are an investing community and a trusted source of financial information and equity research. For listed companies, we are a partner in delivering high-quality investor relations. Over 500 listed companies in Europe use our investor relations products and equity research services to provide better investor communications to their shareholders.

Our goal is to be the most investor-minded company in finance. Inderes was founded in 2009 by investors, for investors. As a Nasdaq First North-listed company, we understand the day-to-day reality of our customers.

Inderes Ab

Vattugatan 17, 5tr
Stockholm
+46 8 411 43 80

inderes.se

Inderes Oyj

Porkkalankatu 5
00180 Helsinki
+358 10 219 4690

inderes.fi

**inde
res.**