

# TALENOM

04/25/2025 07:30 EEST

This is a translated version of the "Ristiriitaista kehitystä"  
report, published on 04/25/2025



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## INDERES CORPORATE CUSTOMER COMPANY REPORT



# Contradictory development

We reiterate our Buy recommendation for Talenom with a EUR 4.6 target price after a rather neutral Q1 report compared to our expectations. In Finland, the development was strong, but the earnings beat was due to an exceptional change in the revenue recognition method after the separation of the software business. Development in Sweden and Spain remained subdued, and we also lowered our forecasts for these regions. Finland drives Talenom's growth and the international business develops slowly, and thus we still consider the stock cheap.

## Strong growth in Finland, but weaker in Sweden and Spain

In Q1, Talenom's revenue grew by 5% to 35.7 MEUR, which was slightly below our 33.9 MEUR estimate. Of this revenue, 1.5 MEUR stemmed from a change in the revenue recognition of the software business, meaning that December's revenue was also recognized in January. This exceptional item should be eliminated from the operating result. Comparable revenue growth was 0.5% and close to our forecast. In Q1, EBIT was 4.7 MEUR (Q1'24: 3.9 MEUR), exceeding our forecast of 4.3 MEUR. The change in revenue recognition in the software business, together with unallocated non-recurring items (-0.3 MEUR), had a net impact of some +0.9 MEUR compared to the reference period. Comparable EBIT thus weakened slightly year-on-year and fell a bit short of our forecast. The higher-than-expected taxes in the lower lines of the income statement balanced out the reported EBIT beat and EPS ended up at EUR 0.06, in line with our forecasts. Zooming out, development in Finland was very strong in Q1, but international operations clearly fell short of our expectations. In Sweden, the decline in revenue was clearly steeper than we had anticipated, and in Spain, growth was sluggish in Q1. However, both are progressing in strategic projects, which we think is key at the moment.

## Estimate changes were minor

As expected, Talenom reiterated its guidance and the company expects 2025 revenue to be EUR 130-140 million and EBITDA to be EUR 36-42 million. The market outlook also remained positive, as good news has been received from Finland (such as tax cuts and lower interest rates) to counterbalance the possible negative effects of the trade war. Good new sales last year, stabilization of transactions, and a gradual recovery in price levels boost Finland's growth outlook, and growth of around 5% should be realistic for the rest of the year as well. At the same time, profitability remains at an excellent level, which resulted in slight estimate hikes in Finland. On the other hand, in Sweden and Spain, we cut growth and profitability expectations reflecting Q1's outcome. In its Q1 report, Talenom for the first time disclosed figures for its separate software business, which has an annual recurring revenue (ARR) of over 20 MEUR and a strong growth outlook.

We will model the software business more precisely in the future, but in this update, we note that the business has gotten off to a good start.

## Valuation still attractive

Talenom is a cheap stock if you believe that the international business will eventually turn profitable. Although the figures are currently weak in Sweden and Spain, we believe the company is moving in the right direction. The stock's 2025e P/E is 23x and EV/EBIT around 18x, which we find attractive given the company's international development stage. Excluding foreign operating losses alone, the multiples would be 14x and 13x, respectively, which could be justified by Finland's earnings growth prospects in the current recession. So international business doesn't have to be a success story at the current pace, but it does have to slowly move forward.

## Recommendation

**Buy**  
(was Buy)

**Target price:**  
**EUR 4.60**  
(was EUR 4.60)

**Share price:**  
EUR 3.46

## Business risk



## Valuation risk



	2024	2025e	2026e	2027e
Revenue	126	132	145	161
growth-%	4%	5%	10%	11%
EBIT adj.	11.4	13.6	20.0	25.7
EBIT-% adj.	9.0 %	10.3 %	13.7 %	16.0 %
Net Income	6.1	7.0	12.0	17.1
EPS (adj.)	0.13	0.15	0.26	0.37
P/E (adj.)	30.4	22.9	13.3	9.3
P/B	3.4	3.1	2.9	2.5
Dividend yield-%	4.9 %	5.8 %	5.8 %	6.4 %
EV/EBIT (adj.)	23.9	18.5	12.6	9.5
EV/EBITDA	7.9	6.6	5.5	4.8
EV/S	2.2	1.9	1.7	1.5

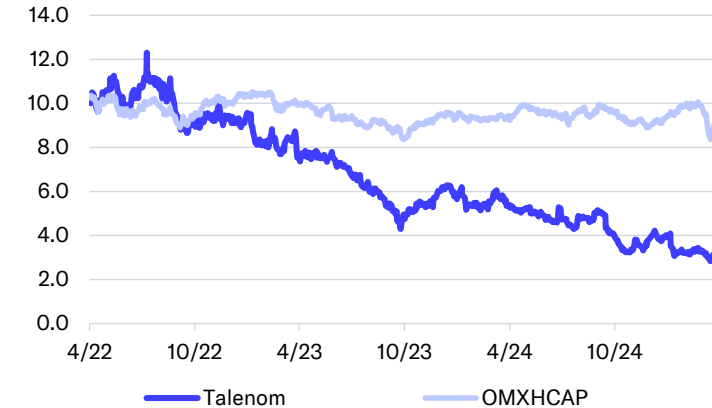
Source: Inderes

## Guidance

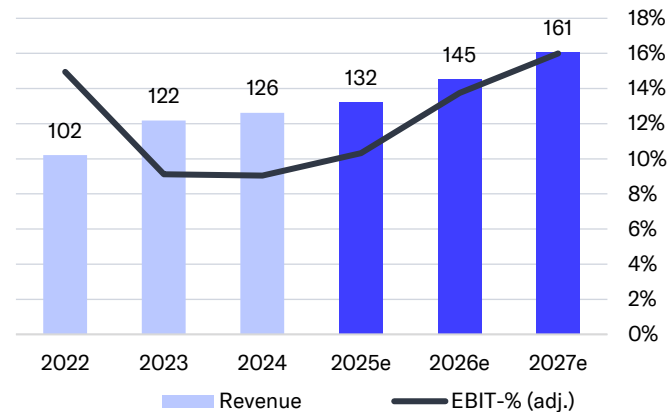
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Talenom estimates that 2025 revenue will be around 130-140 MEUR and EBITDA around 36-42 MEUR.

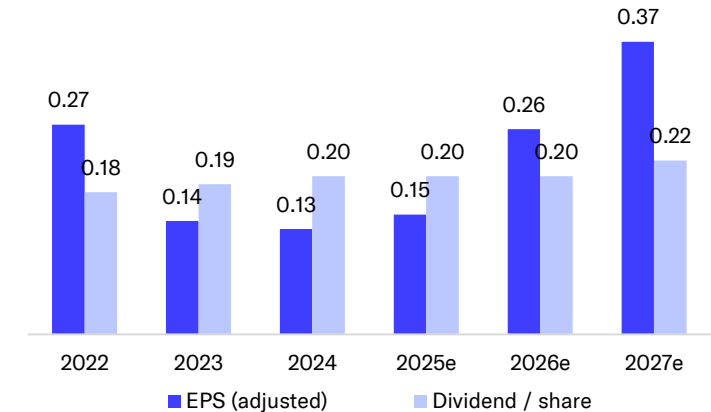
## Share price



## Revenue and EBIT-% (adj.)



## EPS and dividend



## Value drivers

- Strong earnings growth after the acquisition-driven growth phase
- Clear competitive advantages contribute to increasing the market share
- Growth of Swedish and Spanish businesses and significant profitability improvement
- Fragmented market is transforming, which opens new opportunities
- Business model that utilizes economies of scale strengthens with growth

## Risk factors

- Failure to improve efficiency and profitability in Sweden
- Failure in internationalization
- Competitive advantage relies on technology, whose development tends to be fast
- Potential drop in customer retention
- Tightening competition in digital financial management
- Transformation can bring new challengers to the industry
- Risks associated with the balance sheet have increased

Valuation	2025e	2026e	2027e
Share price	3.46	3.46	3.46
Number of shares, millions	46.1	46.1	46.1
Market cap	160	160	160
EV	252	251	245
P/E (adj.)	22.9	13.3	9.3
P/E	22.9	13.3	9.3
P/B	3.1	2.9	2.5
P/S	1.2	1.1	1.0
EV/Sales	1.9	1.7	1.5
EV/EBITDA	6.6	5.5	4.8
EV/EBIT (adj.)	18.5	12.6	9.5
Payout ratio (%)	132%	77.1 %	59.4 %
Dividend yield-%	5.8 %	5.8 %	6.4 %

Source: Inderes



# Strong development in Finland...

## Estimates exceeded due to a change in revenue recognition

In Q1, Talenom's revenue grew by 5% to 35.7 MEUR, which was slightly below our 33.9 MEUR estimate. However, 1.5 MEUR of this revenue was due to a change in the revenue recognition of the software business, meaning that, in practice, December's revenue was also recognized in January. In principle, this exceptional item should be eliminated from the operating result. Comparable revenue growth was only 0.5%, which means revenue would have been 34.2 MEUR, which is already quite close to our forecast.

In Q1, the Group's EBIT was 4.7 MEUR (Q1'24: 3.9 MEUR), which exceeded our forecast of 4.3 MEUR. The change in revenue recognition in the software business, together with unallocated non-recurring items (-0.3 MEUR), had a net impact of some +0.9 MEUR compared to the reference period. Comparable EBIT thus weakened slightly from the

comparison period and fell short of our forecast, so overall, the Q1 result is slightly disappointing. The higher-than-expected taxes in the lower lines of the income statement balanced out the reported EBIT beat and EPS ended up at EUR 0.06, in line with our forecasts. Zooming out, development in Finland was strong in the first quarter, but international operations fell clearly short of our expectations.

## Strong development in Finland

In Finland, Talenom's revenue increased by 11% to 26.1 MEUR. A one-off revenue item of 1.5 MEUR was allocated here, supporting the development, but adjusted for this, revenue grew by about 5%. We view this as commendable growth in a weak market environment, and it reflects strong sales last year. In Finland, the decline in Talenom's customers' transaction volumes has stopped and prices have apparently at least stabilized, so successful new customer acquisition has started to be reflected in growth.

Talenom's EBITDA in Finland was 11.3 MEUR (Q1'24: 9.3 MEUR), which was a clear improvement even if you adjust the non-recurring item in revenue. The EBITDA margin in Finland was a staggering 43% (Q1'24: 40%), but the EBIT margin provides a more relevant benchmark for Talenom. Measured by EBIT, the earnings improvement was somewhat more moderate (Q1'25: 6.5 MEUR vs. Q1'24: 4.9 MEUR), with the depreciation level still rising, and a temporary revenue item eating up most of this improvement. In any case, Finland still generates an EBIT margin clearly exceeding 20%, which can be considered excellent.

## Sweden still subdued

Sweden's revenue decreased by 14% to 6.0 MEUR in Q1, while we expected revenue to fall by some 10%. Revenue is depressed by customer churn due to integration challenges last year, the effects of which will continue to be strong at least in Q2.

Estimates MEUR / EUR	Q1'24 Comparison	Q1'25 Actualized	Q1'25e Inderes	Q1'25e Consensus	Consensus Low High	Difference (%) Act. vs. Inderes	2025e Inderes
Revenue	34.1	35.7	33.9			5%	132
EBITDA	9.5	10.7	10.4			2%	37.9
EBIT	3.9	4.7	4.3			8%	13.6
EPS (adj.)	0.04	0.06	0.06			-3%	0.15
Revenue growth-%	8.8 %	4.9 %	-0.5 %			5.4 pp	4.7 %
EBIT-% (adj.)	11.3 %	13.1 %	13.2 %			-0.2 pp	10.3 %

Source: Inderes

# ...weaker in Sweden and Spain

According to the company, the trend in churn and new sales turned toward the better at the end of the period, and the development should gradually level off towards the end of the year. However, Sweden is still looking for solid ground, which is worrying despite the positive signals.

Sweden's EBITDA was -0.2 MEUR (Q1'24: 0.0), which, like revenue growth, was slightly below our forecasts. The cost structure has clearly decreased towards the end of the year, but the company stated that it has limited actions to secure the prerequisites for growth. Despite the challenges, Sweden is on the road to recovery, but the "slope" appears to be clearly flatter than our previous forecast.

## Subdued development also in Spain

Spanish revenue grew by just under 1% to 3.6 MEUR, which fell short of our forecast that expected clear growth. The company's focus in Spain has been on increasing recurring revenue, which has grown by approximately 5% year-on-year. On the other hand, this has been reflected as a drop in non-recurring revenue, which is weighing on revenue in the short term. EBITDA in Spain was at zero level largely in line with the comparison period, which we found disappointing. The result largely missed our forecasts in the same proportion as revenue. In Spain, there is still a great opportunity with strong trends supporting the adoption of software and accounting services, but growth figures have not been convincing in recent quarters.

## Software and accounting business figures opened

In the Q1 report, Talenom disclosed figures for its separate software business for the first time. Software business

revenue was 6.9 MEUR in Q1, which improved by 1.5 MEUR due to a change in revenue recognition, and comparable revenue was 5.4 MEUR. Annual recurring revenue (ARR) is over 20 MEUR and represents a reasonably significant portion of Talenom's business.

Recurring software business EBITDA was 5.3 MEUR (77.5%) and EBIT was 2.7 MEUR (38.5% of revenue). So, this is a very profitable business, and scaling it would naturally support the profitability of the entire group. On the other hand, this is an internal business, so we believe it is still more relevant to monitor the profitability development of the entire Talenom Group (including the service business).

In its earnings release, the company also disclosed the number of software clients and its development. Currently, the software has are over 12,000 SME customers and over 60,000 end-users. The company still has a significant number of accounting firm customers using the software, as well as customers who can potentially be converted into software customers. Thus, the business has excellent prospects for strong growth in the coming years, if customers also embrace Talenom's software in Sweden and Spain.

Similarly, the key figures for the accounting business, i.e., services in practice, in Q1 were: revenue 28.8 MEUR, EBITDA 5.3 MEUR (18.5% of revenue), and EBIT 2.0 MEUR (7.0% of revenue). Overall, the profitability figures were relatively weak (compared to software), but naturally, the loss-making nature of international operations must be considered.

## Key figures for the software business

SME clients  
**+12,000**

ARR (net sales FIN)  
**+20 MEUR**

Software end-users  
**+60,000**

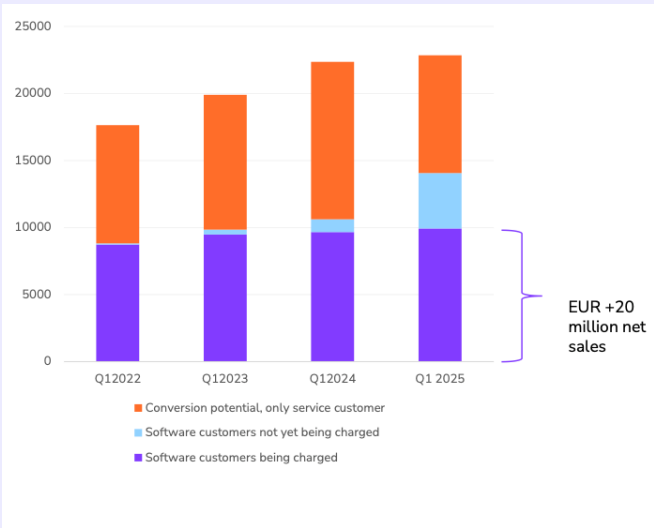
Transactions annually  
**+9.5 million**

In four countries  
**140 FTE**

Logins per month  
**+200,000**

Partnef offices in Finland already  
**+40** (approx. 4,500 accounting firms in Finland)

## Potential of existing customers



# Estimate changes were minor

## Guidance unchanged

As expected, Talenom reiterated its guidance and the company expects 2025 revenue to be EUR 130-140 million and EBITDA to be EUR 36-42 million. The clear revenue beat in Q1 gave revenue a slight buffer against the lower limit of 130 MEUR, but our forecast (132 MEUR) is still relatively close to the lower limit. However, our EBITDA forecast is still at 38 MEUR and well within the guidance range.

The accounting business is generally relatively defensive, but the outlook has recently been swayed by the potential effects of the trade war on the export-led economies of Finland and Sweden, and thus on Talenom's customer base. In recent days, however, there has also been positive news about the Finnish economy to counterbalance this, as the government is planning significant tax cuts and the European interest rate level has fallen clearly. In our opinion, the economic outlook for Europe in general has

weathered the global economic storm a bit better, as Germany has also announced significant investments in the coming years. Also, the US tariff hammer does not seem to disproportionately affect Europe at the moment, but the strengthened euro is certainly troubling export companies. More important for Talenom's customer base, however, is the reasonable outlook for the Finnish economy compared at least to last year.

## Forecasts for Finland up a notch, Sweden and Spain down

Following the Q1 report, we slightly raised our growth forecasts for the Finnish business, which received a significant boost from comparable revenue growth of almost 5%. Talenom's management indicated that this level is realistic for the rest of the year, considering the ratio between new sales and customer churn. Moreover, growth is now supported by a gradual increase in price levels as previous price cuts can gradually be eliminated.

On the other hand, we have lowered our growth forecasts in both Sweden and Spain. The decline in Swedish revenue in Q1 was clearly stronger than we anticipated, and although the situation has stabilized, there is still a way to go to achieve growth. In addition, Sweden's cost structure was higher than we expected. In Spain, organic growth was also below our expectations, which led us to lower our forecasts for the rest of the year as well. At the same time, however, we note that as the tax authorities' deadline approaches, growth may well surprise positively at the end of the year.

## Modeling of the software business still has to wait

After the separation of the software business, it is natural to start modeling this business as well and try to understand its value. However, we did not have time to do this in connection with this update, and we will have to come back to it later. This has, however, already been taken into account in our views.

Estimate revisions MEUR / EUR	2025e Old	2025e New	Change %	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %
Revenue	131	132	1%	145	145	0%	162	161	-1%
EBITDA	38.5	37.9	-1%	45.8	45.3	-1%	50.9	50.9	0%
EBIT (excl. NRIs)	14.1	13.6	-3%	20.5	20.0	-2%	25.7	25.7	0%
EBIT	14.1	13.6	-3%	20.5	20.0	-2%	25.7	25.7	0%
PTP	9.8	9.3	-5%	16.1	15.5	-3%	22.0	21.9	0%
EPS (excl. NRIs)	0.17	0.15	-10%	0.27	0.26	-3%	0.37	0.37	0%
DPS	0.20	0.20	0%	0.20	0.20	0%	0.22	0.22	0%

Source: Inderes

# Valuation still attractive

## Sum of the parts

When Finland generates the group’s earnings and others destroy it, the image reflected by the valuation multiples does not give value to the international business. In our opinion, these businesses have significant potential, which is why we think this is a mistake. Therefore, we examine the valuation using a sum-of-the-parts calculation, to which we have now made minor revisions. In summary, the value of the Finnish business increased, and the values of the international operations decreased slightly. The sum-of-the-parts analysis gives a value of EUR 4.8 per share, compared to EUR 4.6 per share in the previous update.

The value of the Finnish business is now 243 MEUR due to increased forecasts (2025e EV/EBIT 13x). Sweden is valued at 35 MEUR and Spain (incl. Italy) at 28 MEUR. At the end of 2025, Talenom is estimated to have net interest-bearing debt of approximately 83 MEUR (excluding IFRS 16 liabilities), which is deducted from the enterprise value (EV). This brings the indicative SOTP market value of Talenom to around 223 MEUR or some EUR 4.8 share.

In the big picture, Talenom's enterprise value at current share price is around 250 MEUR, which is less than 14 times the estimated 2025 Finnish EBIT. The Swedish, Spanish and Italian businesses are therefore not given much value, which may be justified at the moment. However, we still do not believe that the market estimate will be the same after 2025.

## Valuation multiples

Talenom's 2025e P/E is 23x and EV/EBIT 18x, which we find attractive given the company's development stage. We

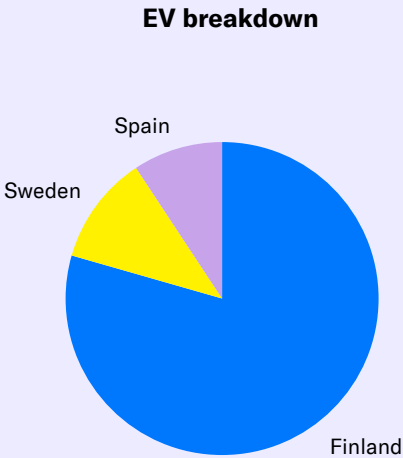
note that simply by eliminating foreign operating losses, the multiples would be around 14x and 13x, which could be justified by Finland's earnings growth prospects in the current recession. In other words, the international business does not have to be a success story at the current share price.

Visibility to 2026 is limited, but with the projected performance, the multiples (P/E 13x and EV/EBIT 13x) are attractive. We therefore believe that our 12-month price target can be justified by these multiples, where we would see clear upside as the story progresses. This is important because the sum of the parts is not inherently being unbundled in Talenom's context. The expected return is also supported by a high but highly uncertain dividend yield. It is quite possible that the company will not pay the second part of the dividend for fiscal year 2024 at all (depending on the financial situation in the fall).

Talenom’s business is mainly recurring and usually defensive, profitability is partially scalable and competitive advantages are strong in the SME sector selected by the company, as evidenced by the excellent profitability in Finland. At present, the company's normally low risk profile is increased by its expansion abroad, where performance has been weak to date, and by the company's high leverage.

Valuation	2025e	2026e	2027e
Share price	3.46	3.46	3.46
Number of shares, millions	46.1	46.1	46.1
Market cap	160	160	160
EV	252	251	245
P/E (adj.)	22.9	13.3	9.3
P/E	22.9	13.3	9.3
P/B	3.1	2.9	2.5
P/S	1.2	1.1	1.0
EV/Sales	1.9	1.7	1.5
EV/EBITDA	6.6	5.5	4.8
EV/EBIT (adj.)	18.5	12.6	9.5
Payout ratio (%)	132%	77.1 %	59.4 %
Dividend yield-%	5.8 %	5.8 %	6.4 %

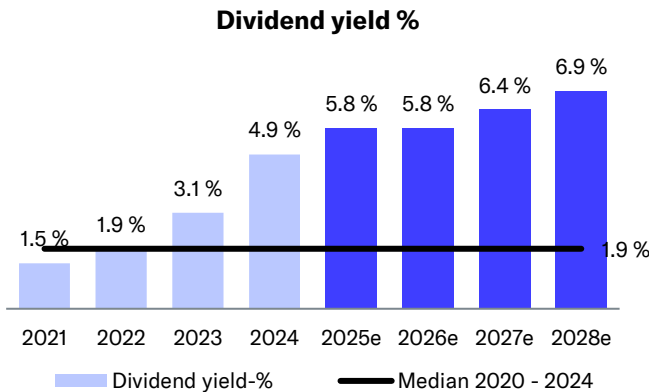
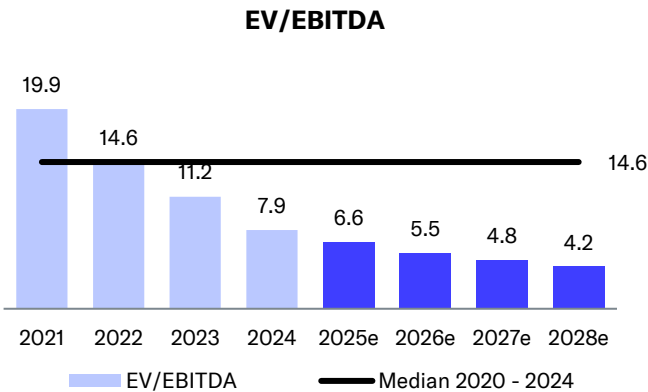
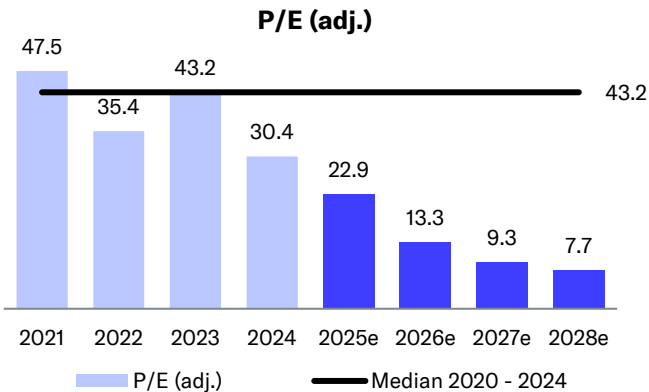
Source: Inderes



# Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	15.1	11.7	9.39	6.20	4.06	3.46	3.46	3.46	3.46
Number of shares, millions	43.2	43.8	44.5	45.4	45.6	46.1	46.1	46.1	46.1
Market cap	650	512	420	282	185	160	160	160	160
EV	679	552	475	357	273	252	251	245	236
P/E (adj.)	67.9	47.5	35.4	43.2	30.4	22.9	13.3	9.3	7.7
P/E	67.9	47.5	35.4	83.7	30.4	22.9	13.3	9.3	7.7
P/B	20.2	11.5	7.5	5.0	3.4	3.1	2.9	2.5	2.2
P/S	10.0	6.2	4.1	2.3	1.5	1.2	1.1	1.0	0.9
EV/Sales	10.4	6.7	4.6	2.9	2.2	1.9	1.7	1.5	1.3
EV/EBITDA	29.2	19.9	14.6	11.2	7.9	6.6	5.5	4.8	4.2
EV/EBIT (adj.)	52.7	37.4	31.1	32.1	23.9	18.5	12.6	9.5	7.8
Payout ratio (%)	67.7 %	69.0 %	68.3 %	256.6 %	149.8 %	132.1 %	77.1 %	59.4 %	53.1 %
Dividend yield-%	1.0 %	1.5 %	1.9 %	3.1 %	4.9 %	5.8 %	5.8 %	6.4 %	6.9 %

Source: Inderes





# Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%	
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e
Aallon Group	39	41	8.8	7.5	6.0	5.3	1.0	0.9	10.8	9.9	2.4	2.5
Fortnox	4830	4772	46.5	36.4	38.8	30.7	21.1	17.2	59.3	46.3	0.4	0.5
Admicom	248	238	20.2	17.1	19.9	16.4	6.2	5.5	25.6	22.4	1.3	1.5
Administer	34	43	43.3	43.3	5.8	5.4	0.5	0.5			2.6	3.9
Xero	13615	13615	71	52	39	31	12.3	10.3	108	74		
Enento	374	518	17.3	14.4	10.2	9.3	3.4	3.2	21.3	16.6	6.5	6.7
Fondia	17	15	7.5	5.7	6.3	4.4	0.6	0.5	10.6	9.1	6.5	6.5
Vincit	28	19	6.7	4.5	5.4	3.9	0.2	0.2	12.5	8.6	7.1	7.7
Gofore	284	237	9.7	8.5	8.3	7.3	1.3	1.2	14.0	13.3	2.8	2.9
Etteplan	292	359	11.7	9.4	8.1	6.9	1.0	0.9	14.1	11.6	2.6	3.4
<b>Talenom (Inderes)</b>	<b>160</b>	<b>252</b>	<b>18.5</b>	<b>12.6</b>	<b>6.6</b>	<b>5.5</b>	<b>1.9</b>	<b>1.7</b>	<b>22.9</b>	<b>13.3</b>	<b>5.8</b>	<b>5.8</b>
<b>Average</b>			<b>24.2</b>	<b>19.9</b>	<b>14.7</b>	<b>12.1</b>	<b>4.8</b>	<b>4.0</b>	<b>30.7</b>	<b>23.5</b>	<b>3.6</b>	<b>4.0</b>
<b>Median</b>			<b>14.5</b>	<b>11.9</b>	<b>8.2</b>	<b>7.1</b>	<b>1.2</b>	<b>1.0</b>	<b>14.1</b>	<b>13.3</b>	<b>2.6</b>	<b>3.4</b>
<b>Diff-% to median</b>			<b>27%</b>	<b>5%</b>	<b>-19%</b>	<b>-22%</b>	<b>65%</b>	<b>66%</b>	<b>62%</b>	<b>0%</b>	<b>124%</b>	<b>71%</b>

Source: Refinitiv / Inderes

# Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue	122	34.1	33.9	29.1	29.2	126	35.7	34.8	30.5	31.1	132.1	145	161	177
Finland	87.8	23.4	22.5	20.2	20.6	86.7	26.1	23.8	21.2	21.7	92.7	101	110	119
Sweden	25.5	7.0	7.3	5.0	5.1	24.3	6.0	6.3	4.8	5.2	22.2	24.0	26.1	28.8
Other countries	8.5	3.7	4.2	3.9	3.5	15.3	3.7	4.7	4.6	4.3	17.2	20.3	24.4	29.2
EBITDA	31.9	9.5	10.3	9.0	6.1	34.8	10.7	10.4	9.3	7.6	37.9	45.3	50.9	56.1
Depreciation	-23.9	-5.6	-5.8	-5.9	-6.0	-23.3	-6.0	-6.1	-6.1	-6.1	-24.3	-25.3	-25.2	-25.9
EBIT (excl. NRI)	11.1	3.9	4.5	3.0	0.1	11.4	4.7	4.3	3.2	1.5	13.6	20.0	25.7	30.2
EBIT	8.0	3.9	4.5	3.0	0.1	11.4	4.7	4.3	3.2	1.5	13.6	20.0	25.7	30.2
Finland	14.5	4.9	4.3	3.7	2.4	15.3	6.5	5.0	4.0	3.2	18.7	21.5	24.6	27.1
Sweden	-2.2	-0.7	-0.3	-1.3	-1.7	-4.1	-0.9	-0.6	-0.6	-1.2	-3.4	-1.5	0.4	1.5
Other countries	-1.9	-0.5	-0.1	-0.3	-1.0	-1.9	-0.6	0.0	-0.2	-0.5	-1.4	-0.1	0.7	1.7
Unallocated	-2.5	0.3	0.6	0.9	0.4	2.2	-0.3	0.0	0.0	0.0	-0.3	0.0	0.0	0.0
Net financial items	-3.7	-1.0	-1.2	-1.2	-1.0	-4.5	-1.0	-1.1	-1.1	-1.1	-4.3	-4.4	-3.8	-3.5
PTP	4.3	2.8	3.3	1.8	-1.0	6.9	3.7	3.2	2.1	0.4	9.3	15.5	21.9	26.7
Taxes	-0.9	-0.8	-0.6	-0.5	1.1	-0.8	-1.1	-0.7	-0.4	-0.1	-2.3	-3.6	-4.8	-5.9
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	3.4	2.0	2.7	1.2	0.1	6.1	2.5	2.6	1.6	0.3	7.0	12.0	17.1	20.8
EPS (adj.)	0.14	0.04	0.06	0.03	0.00	0.13	0.06	0.06	0.04	0.01	0.15	0.26	0.37	0.45
EPS (rep.)	0.07	0.04	0.06	0.03	0.00	0.13	0.06	0.06	0.04	0.01	0.15	0.26	0.37	0.45

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	19.2 %	8.8 %	4.5 %	2.8 %	-1.7 %	3.7 %	4.9 %	2.7 %	4.9 %	6.5 %	4.7 %	10.0 %	10.5 %	10.1 %
Adjusted EBIT growth-%	-27.2 %	11.5 %	22.8 %	25.9 %	-96.6 %	2.8 %	21.3 %	-3.7 %	5.0 %	2581.1 %	19.5 %	46.5 %	28.7 %	17.6 %
EBITDA-%	26.2 %	27.9 %	30.3 %	30.8 %	20.7 %	27.5 %	29.9 %	30.0 %	30.3 %	24.3 %	28.7 %	31.1 %	31.7 %	31.7 %
Adjusted EBIT-%	9.1 %	11.3 %	13.3 %	10.3 %	0.2 %	9.0 %	13.1 %	12.5 %	10.3 %	4.7 %	10.3 %	13.7 %	16.0 %	17.1 %
Net earnings-%	2.8 %	6.0 %	7.8 %	4.3 %	0.5 %	4.8 %	7.0 %	7.4 %	5.3 %	1.0 %	5.3 %	8.2 %	10.6 %	11.8 %

Source: Inderes

# Balance sheet

Assets	2023	2024	2025e	2026e	2027e
<b>Non-current assets</b>	<b>143</b>	<b>150</b>	<b>154</b>	<b>158</b>	<b>160</b>
Goodwill	66.6	68.6	70.6	72.6	74.6
Intangible assets	61.0	64.4	65.3	65.6	64.7
Tangible assets	4.7	4.7	5.4	6.8	7.8
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.2	0.2	0.2	0.2	0.2
Other non-current assets	9.4	9.4	9.6	9.8	10.0
Deferred tax assets	1.5	2.6	2.6	2.6	2.6
<b>Current assets</b>	<b>29.2</b>	<b>26.4</b>	<b>26.4</b>	<b>29.1</b>	<b>32.1</b>
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	19.0	17.7	18.5	20.4	22.5
Cash and equivalents	10.3	8.7	7.9	8.7	9.6
<b>Balance sheet total</b>	<b>176</b>	<b>178</b>	<b>181</b>	<b>186</b>	<b>192</b>

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
<b>Equity</b>	<b>55.8</b>	<b>54.4</b>	<b>52.2</b>	<b>55.0</b>	<b>62.8</b>
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	24.9	23.5	21.3	24.1	31.9
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	-0.1	-0.1	-0.1	-0.1
Other equity	30.9	30.9	30.9	30.9	30.9
Minorities	0.0	0.0	0.0	0.0	0.0
<b>Non-current liabilities</b>	<b>81.4</b>	<b>96.8</b>	<b>91.7</b>	<b>91.5</b>	<b>87.2</b>
Deferred tax liabilities	4.3	4.3	4.3	4.3	4.3
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	76.4	91.9	86.7	86.6	82.3
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.6	0.7	0.7	0.7	0.7
<b>Current liabilities</b>	<b>38.5</b>	<b>26.8</b>	<b>37.5</b>	<b>39.8</b>	<b>41.5</b>
Interest bearing debt	9.0	4.4	13.7	13.7	12.6
Payables	29.4	22.4	23.8	26.2	28.9
Other current liabilities	0.0	0.0	0.0	0.0	0.0
<b>Balance sheet total</b>	<b>176</b>	<b>178</b>	<b>181</b>	<b>186</b>	<b>192</b>

# DCF-calculation

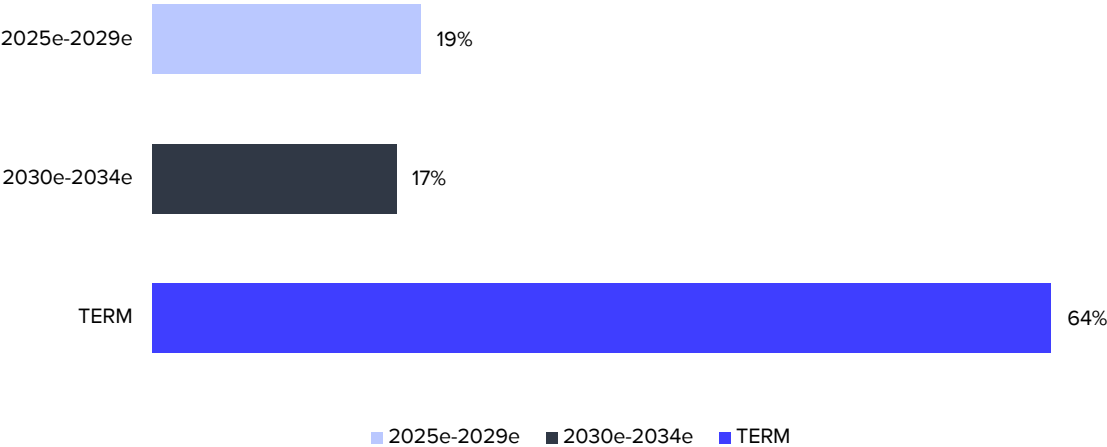
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	3.7 %	4.7 %	10.0 %	10.5 %	10.1 %	8.0 %	6.0 %	5.0 %	5.0 %	5.0 %	3.0 %	3.0 %
EBIT-%	9.0 %	10.3 %	13.7 %	16.0 %	17.1 %	16.0 %	15.5 %	15.0 %	14.0 %	13.0 %	13.0 %	13.0 %
<b>EBIT (operating profit)</b>	<b>11.4</b>	<b>13.6</b>	<b>20.0</b>	<b>25.7</b>	<b>30.2</b>	<b>30.6</b>	<b>31.4</b>	<b>31.9</b>	<b>31.3</b>	<b>30.5</b>	<b>31.4</b>	
+ Depreciation	23.3	24.3	25.3	25.2	25.9	26.1	26.7	27.2	27.2	27.2	28.7	
- Paid taxes	-2.0	-2.3	-3.6	-4.8	-5.9	-6.0	-6.2	-6.4	-6.3	-6.1	-6.2	
- Tax, financial expenses	-0.5	-1.1	-1.0	-0.9	-0.8	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	
+ 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	-5.8	0.6	0.5	0.6	0.7	0.6	0.5	0.4	0.4	0.4	0.3	
<b>Operating cash flow</b>	<b>26.5</b>	<b>35.1</b>	<b>41.2</b>	<b>45.8</b>	<b>50.1</b>	<b>50.5</b>	<b>51.7</b>	<b>52.5</b>	<b>52.0</b>	<b>51.4</b>	<b>53.5</b>	
+ 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	-27.4	-27.6	-27.6	-27.3	-28.2	-30.4	-29.8	-30.6	-30.7	-33.3	-31.2	
<b>Free operating cash flow</b>	<b>-0.9</b>	<b>7.5</b>	<b>13.6</b>	<b>18.5</b>	<b>21.9</b>	<b>20.2</b>	<b>21.8</b>	<b>21.9</b>	<b>21.3</b>	<b>18.1</b>	<b>22.2</b>	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-0.9	7.5	13.6	18.5	21.9	20.2	21.8	21.9	21.3	18.1	22.2	456
<b>Discounted FCFF</b>		<b>7.1</b>	<b>11.9</b>	<b>15.1</b>	<b>16.5</b>	<b>14.0</b>	<b>14.1</b>	<b>13.1</b>	<b>11.7</b>	<b>9.3</b>	<b>10.5</b>	<b>216</b>
Sum of FCFF present value		340	333	321	305	289	275	261	248	236	227	216
<b>Enterprise value DCF</b>		<b>340</b>										
- Interest bearing debt		-96.3										
+ Cash and cash equivalents		8.7										
-Minorities		0.0										
-Dividend/capital return		-9.1										
<b>Equity value DCF</b>		<b>243</b>										
<b>Equity value DCF per share</b>		<b>5.3</b>										

## WACC

Tax-% (WACC)	22.0 %
Target debt ratio (D/(D+E))	25.0 %
Cost of debt	4.5 %
Equity Beta	1.33
Market risk premium	4.75%
Liquidity premium	0.70%
Risk free interest rate	2.5 %
<b>Cost of equity</b>	<b>9.5 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>8.0 %</b>

Source: Inderes

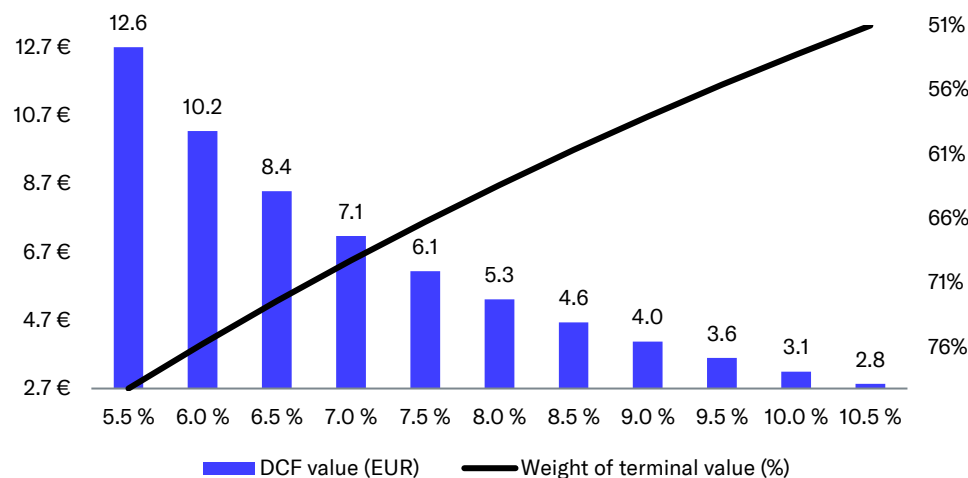
Cash flow distribution



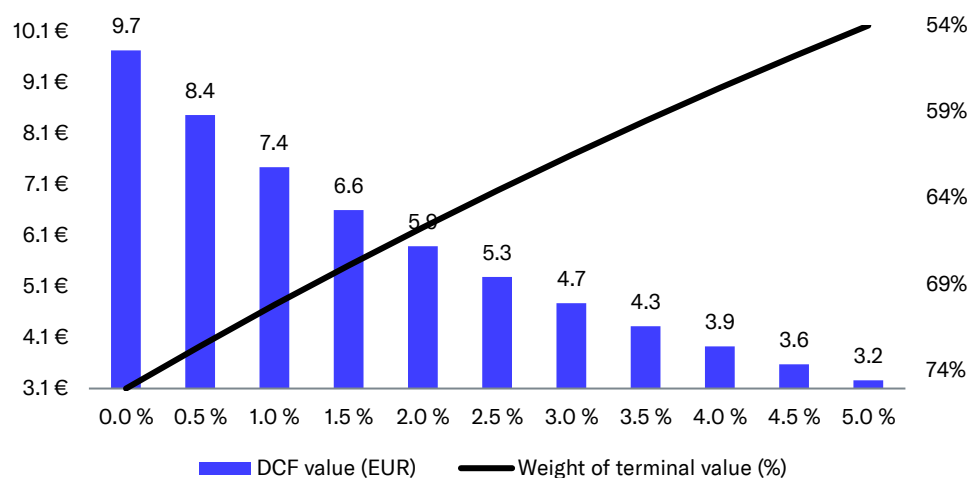


# DCF sensitivity calculations and key assumptions in graphs

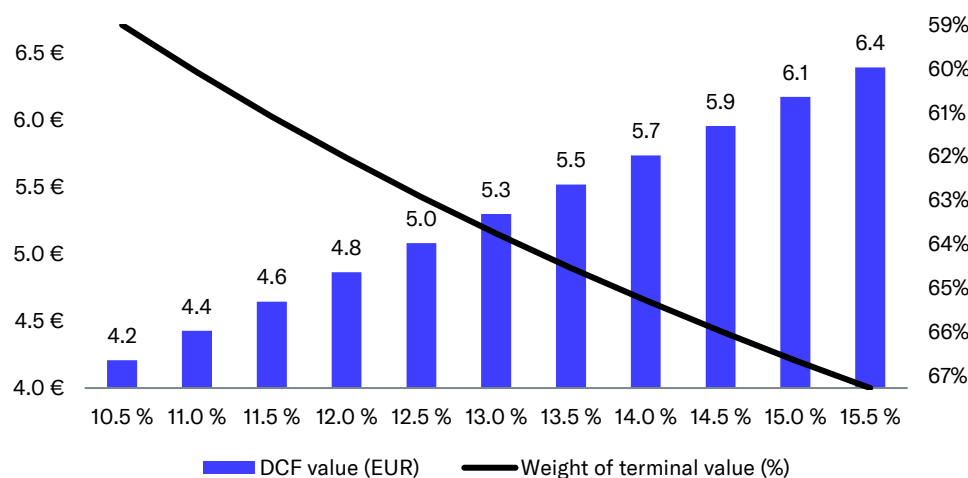
Sensitivity of DCF to changes in the WACC-%



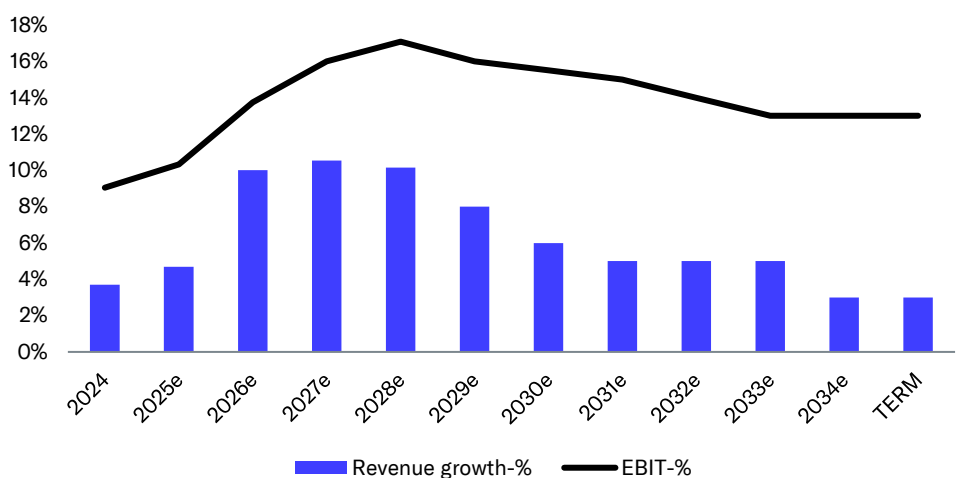
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



Lähde: Inderes. Huomaa, että terminaaliarvon paino (%) on esitetty käänteisellä asteikolla selkeyden vuoksi.

# Summary

Income statement	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	102.1	121.7	126.2	132.1	145.4	EPS (reported)	0.27	0.07	0.13	0.15	0.26
EBITDA	32.4	31.9	34.8	37.9	45.3	EPS (adj.)	0.27	0.14	0.13	0.15	0.26
EBIT	15.3	8.0	11.4	13.6	20.0	OCF / share	0.68	0.68	0.58	0.76	0.89
PTP	14.6	4.3	6.9	9.3	15.5	FCF / share	-0.31	-0.32	-0.02	0.16	0.29
Net Income	11.8	3.4	6.1	7.0	12.0	Book value / share	1.26	1.23	1.19	1.13	1.19
Extraordinary items	0.0	-3.2	0.0	0.0	0.0	Dividend / share	0.18	0.19	0.20	0.20	0.20
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	156.3	175.7	178.0	181.4	186.3	Revenue growth-%	23%	19%	4%	5%	10%
Equity capital	56.0	55.8	54.4	52.2	55.0	EBITDA growth-%	17%	-2%	9%	9%	19%
Goodwill	55.0	66.6	68.6	70.6	72.6	EBIT (adj.) growth-%	3%	-27%	3%	19%	46%
Net debt	54.1	75.2	87.6	92.5	91.5	EPS (adj.) growth-%	8%	-46%	-7%	13%	71%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	31.7 %	26.2 %	27.5 %	28.7 %	31.1 %
EBITDA	32.4	31.9	34.8	37.9	45.3	EBIT (adj.)-%	15.0 %	9.1 %	9.0 %	10.3 %	13.7 %
Change in working capital	0.2	0.6	-5.8	0.6	0.5	EBIT-%	15.0 %	6.5 %	9.0 %	10.3 %	13.7 %
Operating cash flow	30.4	31.1	26.5	35.1	41.2	ROE-%	23.4 %	6.0 %	11.1 %	13.1 %	22.3 %
CAPEX	-44.9	-43.5	-27.4	-27.6	-27.6	ROI-%	13.9 %	6.1 %	7.9 %	9.1 %	13.0 %
Free cash flow	-13.8	-14.6	-0.9	7.5	13.6	Equity ratio	35.9 %	31.8 %	30.6 %	28.8 %	29.6 %
						Gearing	96.6 %	134.7 %	161.1 %	177.0 %	166.5 %
Valuation multiples	2022	2023	2024	2025e	2026e						
EV/S	4.6	2.9	2.2	1.9	1.7						
EV/EBITDA	14.6	11.2	7.9	6.6	5.5						
EV/EBIT (adj.)	31.1	32.1	23.9	18.5	12.6						
P/E (adj.)	35.4	43.2	30.4	22.9	13.3						
P/B	7.5	5.0	3.4	3.1	2.9						
Dividend-%	1.9 %	3.1 %	4.9 %	5.8 %	5.8 %						

Source: Inderes

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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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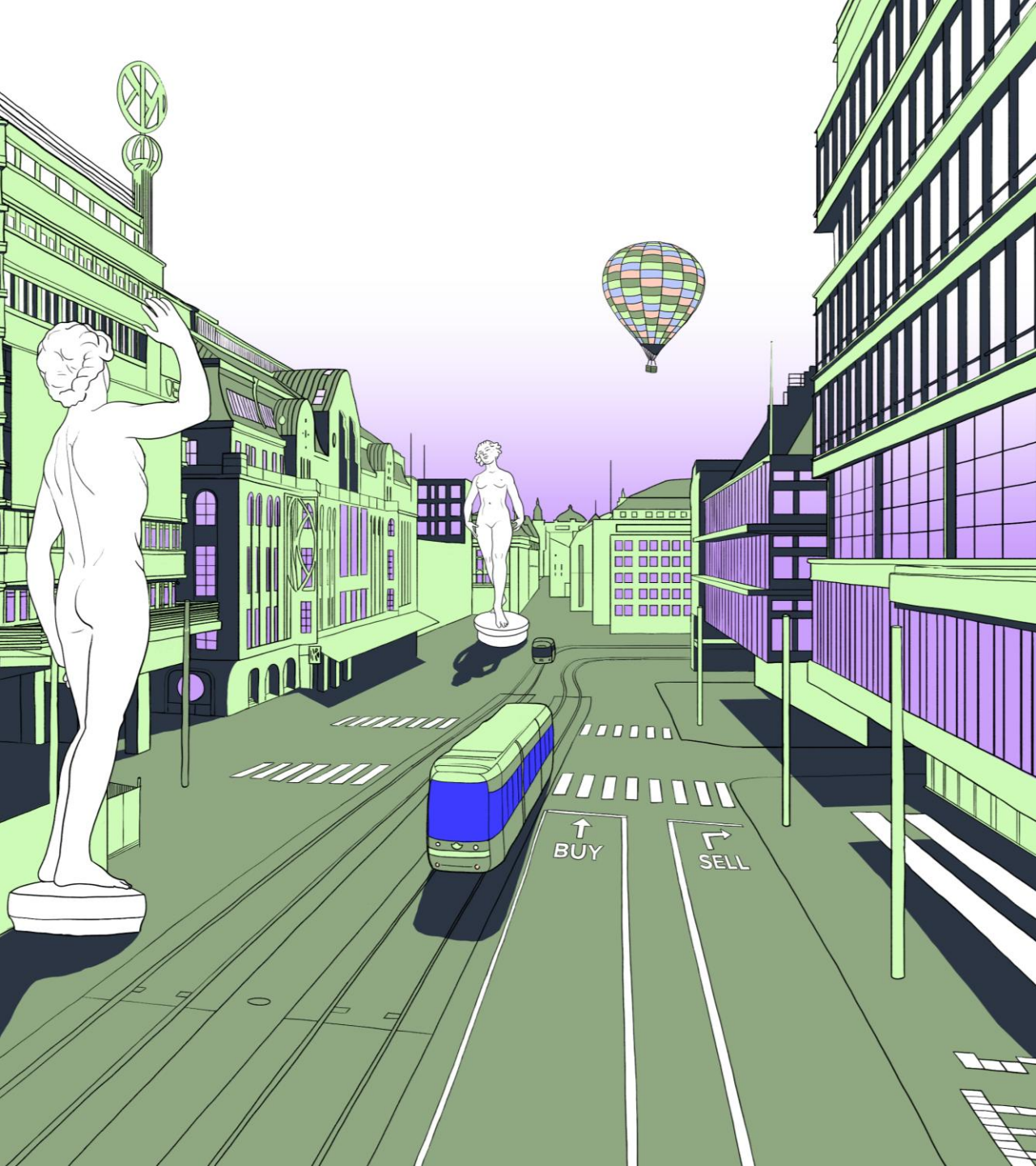
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The company made a 1/5 spli on 2/25/020, share and target prices adjusted

Date	Recommendation	Target	Share price
7/24/2019	Accumulate	6.00 €	5.68 €
7/30/2019	Accumulate	6.33 €	6.02 €
10/22/2019	Accumulate	6.33 €	5.67 €
1/8/2020	Reduce	7.33 €	7.42 €
2/4/2020	Reduce	7.00 €	6.97 €
2/26/2020	Accumulate	6.80 €	6.40 €
4/1/2020	Reduce	6.00 €	5.88 €
4/28/2020	Accumulate	7.50 €	7.14 €
6/15/2020	Reduce	8.20 €	8.20 €
8/4/2020	Reduce	9.00 €	9.32 €
10/27/2020	Reduce	10.00 €	10.20 €
11/19/2020	Reduce	12.00 €	12.20 €
2/9/2021	Reduce	12.00 €	12.50 €
3/2/2021	Accumulate	12.00 €	11.15 €
4/27/2021	Reduce	14.00 €	14.12 €
8/3/2021	Reduce	16.00 €	16.72 €
10/1/2021	Accumulate	15.00 €	13.98 €
11/2/2021	Accumulate	15.50 €	14.50 €
12/17/2021	Accumulate	13.50 €	11.92 €
2/9/2022	Buy	12.00 €	9.84 €
4/13/2022	Buy	12.00 €	9.99 €
4/27/2022	Buy	12.00 €	10.00 €
8/3/2022	Reduce	12.50 €	12.30 €
10/26/2022	Reduce	9.50 €	9.39 €
2/1/2023	Reduce	9.00 €	9.09 €
3/27/2023	Accumulate	9.00 €	7.69 €
4/21/2023	Accumulate	8.80 €	7.88 €
7/24/2023	Accumulate	8.00 €	6.96 €
10/13/2023	Buy	6.00 €	4.65 €
10/23/2023	Buy	6.00 €	4.70 €
12/28/2023	Accumulate	6.50 €	6.03 €
2/2/2024	Reduce	6.30 €	6.20 €
3/19/2024	Buy	6.30 €	5.18 €
4/19/2024	Accumulate	6.30 €	5.60 €
7/22/2024	Accumulate	6.00 €	5.28 €
8/20/2024	Buy	5.60 €	4.38 €
10/10/2024	Buy	5.30 €	4.34 €
11/1/2024	Buy	5.20 €	3.63 €
1/31/2025	Buy	4.60 €	3.53 €
4/25/2025	Buy	4.60 €	3.46 €



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