

# TALENOM

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## INDERES CORPORATE CUSTOMER COMPANY REPORT



# Many good qualities, but Sweden just won't take off

We lower our recommendation for Talenom to Reduce (was Accumulate) and our target price to EUR 3.8 (was EUR 4.2). While the Q3 report contained many positive aspects, such as a clear improvement in cash flow and strong development in Spain, it revealed that the problems in Sweden are long-term. This was reflected negatively in the earnings estimates for the coming years, the sum of the parts, and the target price. In the short term, risks are elevated as a negative profit warning remains possible, and the goodwill related to Sweden could be called into question. Talenom still has a lot of potential, particularly in Spain, and its valuation is not high in relation to this. Furthermore, the upcoming separation of Easor is a potential value driver. Nevertheless, we believe the share's risk/reward ratio is currently insufficient for a positive stance.

## Finland good, Spain progressing but Sweden lagging

Talenom's revenue increased by 2.4% to 29.8 MEUR in Q3. In Finland, Talenom is gaining market share with modest absolute growth (Q3: +3.5%) and doing so very profitably. However, the story is different in Sweden, where revenue fell by 13%. Sweden's customers are now leaving in droves for the second time, prompting the company to freeze its software rollouts and replace its country manager. We estimate that the measures and significant cost savings will be able to halt the decline, but as the process of changing operating practices slows, hopes for significant productivity and profitability improvements in the coming years will fade. In Spain, revenue grew by 17% in Q3, a significant portion of which was organic, demonstrating that the business model is effective. Talenom's Q2 EBIT was 2.4 MEUR, which was slightly disappointing (forecast 2.8 MEUR). Profitability in Finland was largely as expected, but development remained weak in Sweden, and Spain was also partly weighed down by one-off items. Overall, we believe that developments in Finland and Spain are well on track, but there are no signs of a rapid turnaround in Sweden. Thanks to strong cash flow in Q3, debt temporarily decreased, but the net debt ratio still remained high at 160%.

## We significantly decreased our estimates for Sweden

Talenom reiterated its guidance, in which it estimates 2025 revenue to be around 130-140 MEUR and EBITDA to be around 36-42 MEUR. Our estimates are at the lower end of both ranges, and although Talenom appears to be reaching the lower end of its guidance, there is still a risk of a profit warning. We decreased our earnings estimates for the next few years by around 15%, particularly as the outlook for Sweden darkened. Customer losses will put pressure on revenue over the next 12 months, and at the same time, the expected benefits from new processes and software will be postponed far into the future. Consequently, our estimates for Sweden declined significantly in both the short and long term. We also lowered our growth forecasts slightly for Finland, as the economic outlook remains weak. In Spain, meanwhile, the Verifactu transition is gathering pace, and although the investments are highly justified in the long term, the costs will be the first to increase. Next year, there will be progress in both results and cash flow, but in many ways, the foundation for Easor's growth is still being laid.

## There are drivers all around

The separation of Easor is a positive driver for the share, but the risk of a profit warning and the goodwill of the Swedish business offset this. In the sum-of-the-parts analysis, we valued Sweden at 20 MEUR, but only 26.9 MEUR appears as goodwill on the balance sheet. Our sum-of-the-parts indicates a value of approximately EUR 4.0 (previously EUR 4.5) for the share, by both country and software/services division. While the valuation multiples are reasonable in themselves (2026e EV/EBIT 16x), they are not particularly cheap, considering the negative forecast trend and market uncertainty. The company has tremendous long-term potential, particularly in Spain, but in the short term we believe it is reasonable to wait for the situation to become clearer. In principle, we believe that Talenom will emerge from this situation unscathed, but the risks are clearly elevated now.

## Recommendation

**Reduce**

(was Accumulate)

## Target price:

**EUR 3.80**

(was EUR 4.20)

## Share price:

EUR 3.60

## Business risk



## Valuation risk



	2024	2025e	2026e	2027e
Revenue	126	131	138	152
growth-%	4%	3%	6%	10%
EBIT adj.	11.4	11.8	15.7	20.6
EBIT-% adj.	9.0 %	9.0 %	11.3 %	13.6 %
Net Income	6.1	6.2	8.9	13.2
EPS (adj.)	0.13	0.13	0.19	0.29
P/E (adj.)	30.4	26.8	18.6	12.6
P/B	3.4	3.2	3.2	3.0
Dividend yield-%	4.9 %	5.6 %	5.6 %	6.1 %
EV/EBIT (adj.)	23.9	21.9	16.4	12.4
EV/EBITDA	7.9	7.1	6.2	5.5
EV/S	2.2	2.0	1.9	1.7

Source: Inderes

## Guidance

(Unchanged)

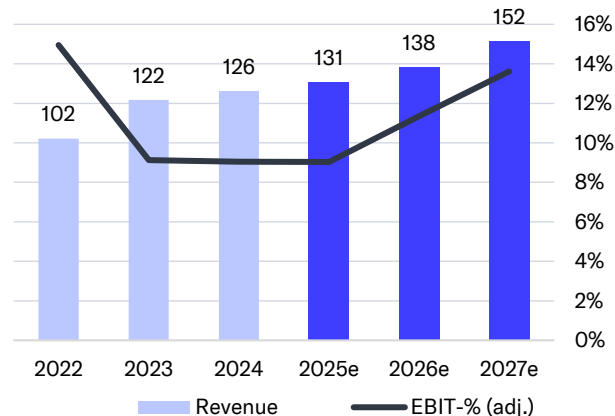
Talenom estimates that 2025 revenue will be around 130-140 MEUR and EBITDA around 36-42 MEUR.

## Share price



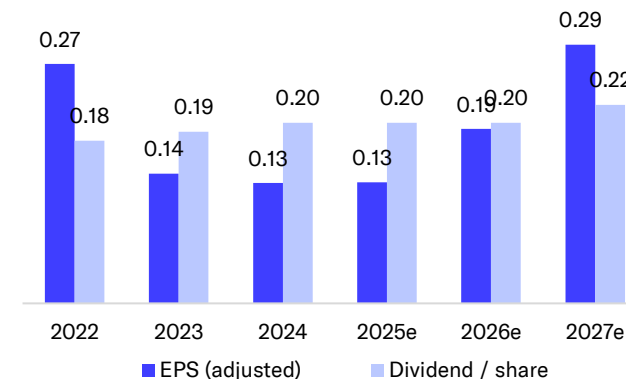
Source: Millstream Market Data AB

## Revenue and EBIT-% (adj.)



Source: Inderes

## EPS and dividend



Source: Inderes

## 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	3.60	3.60	3.60
Number of shares, millions	46.1	46.1	46.1
Market cap	166	166	166
EV	258	258	256
P/E (adj.)	26.8	18.6	12.6
P/E	26.8	18.6	12.6
P/B	3.2	3.2	3.0
P/S	1.3	1.2	1.1
EV/Sales	2.0	1.9	1.7
EV/EBITDA	7.1	6.2	5.5
EV/EBIT (adj.)	21.9	16.4	12.4
Payout ratio (%)	149%	103.5 %	76.8 %
Dividend yield-%	5.6 %	5.6 %	6.1 %

Source: Inderes



# Finland is doing well, but Sweden's development is faltering

## Another good performance in Finland

Talenom's Q3 revenue in Finland was 20.9 MEUR, representing a respectable growth of 3.5%, given the circumstances. As expected, the growth is driven by successful new customer acquisition. Growth was still slightly below our 5% estimate and slower than the H1 level (comparable growth: +4.7%). According to the company, the decrease in customer transaction volumes has stopped, though the slight pick-up we anticipated has failed to materialize. Recent studies indicate that the market has not grown in Finland this year, in view of which Talenom's performance can be considered good. Economic growth in Finland remains elusive, and the SME sector continues to struggle, darkening the outlook for the rest of the year.

As usual, profitability in Finland was strong. The EBITDA margin was slightly better than we expected, at 41.5%, as efficiency continued to improve. On the other hand, depreciation continued to grow, and the Q3 EBIT margin (17.5%) was slightly weaker than our forecast (17.8%). Thus,

Finland's revenue stood at 3.65 MEUR, while our forecast was 3.8 MEUR. Nevertheless, Finland's performance was good again, and it is likely that a commendable amount of cash flow was also generated in Finland.

## Difficulties persist in Sweden

In Sweden, Talenom's struggles continued as revenue decreased by 13.1%, reaching only 4.3 MEUR. This was well below the estimated 4.7 MEUR, which expected a gradual stabilization of the revenue decline. What is essential here, in our view, is that Sweden's revenue already decreased by around 10% in Q3'24, when the first wave of customer churn hit the company. The decline has now accumulated to 22% from the Q3'24 level, and customer churn has accelerated again, inevitably affecting the outlook for the next 12 months.

To mitigate customer churn, Talenom halted the rollout of its software to new customers, postponing potential productivity and profitability improvements further into an

uncertain future in the process. The company also changed its Chief Country Officer, and the CEO's comments regarding Sweden have become significantly more cautious than before. In practice, it is clear that there is no quick fix for Sweden's challenges, and the business foundation must be rebuilt.

EBITDA was -0.3 MEUR and the margin was -6.4%, whereas our forecast was zero. While this was a significant disappointment, Talenom has clearly continued to tighten its belt on the cost side and has maintained its chances of achieving reasonable profitability as revenue eventually stabilizes. However, we believe rapid margin improvement in Sweden is unrealistic in the coming years because this would require significant revenue growth (note the delay in customer churn) and substantial productivity improvements, which are hindered by delays in rolling out the company's software. The short-term focus in Sweden must be on stabilizing operations, which will slow down the implementation of processes and software.

Estimates	Q3'24	Q3'25	Q3'25e	Q3'25e	Consensus	Difference (%)	2025e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low    High	Act. vs. inderes	Inderes
Revenue	29.1	29.8	30.4	30.4	30.3 - 30.5	-2%	131
EBITDA	9.0	8.8	9.0	8.7	8.4 - 9.0	-2%	36.5
EBIT	3.0	2.4	2.8	2.5	2.1 - 2.9	-12%	11.8
EPS (adj.)	0.03	0.03	0.03	0.03	0.02 - 0.03	-5%	0.13
Revenue growth-%	2.8 %	2.3 %	4.4 %	4.4 %	4.1 % - 4.8 %	-2.1 pp	3.5 %
EBIT-% (adj.)	10.3 %	8.2 %	9.7 %	8.3 %	6.9 % - 9.5 %	-1.5 pp	9.0 %

Source: Inderes & Bloomberg 10.10.2025, 3 estimates (consensus)

# Spain is a great opportunity, cash flow is improving

## Stakes are now being placed on Spain

In Spain, Talenom's Q3 revenue was 4.4 MEUR, representing a good growth of about 17%. While this was generally in line with our expectations, the better-than-expected growth in the Other countries segment was highlighted by significant growth in the minimal Italian business (+17%). According to the company, organic growth in Spain continued to accelerate, and we estimate it to have been at least 7%. A minor negative factor is the lack of new acquisitions, as value creation in Spain appears successful.

The story behind this growth is familiar: new customer acquisition is working well, and the e-invoicing directive effectively forces every company to purchase software for sending and receiving e-invoices, for which Talenom or Easor offers a solution. In light of current information, the directive will enter into force in stages in 2025-2027, depending on the size of the company. This, by definition, creates a very attractive opportunity for Talenom's turnkey solution, which offers software and services in one package.

Profitability development in Spain was slightly disappointing, with an EBITDA margin of 5.4% (estimate 7.0%) and a decline from the comparison period (Q3'24: 6.6%). According to the company, the slight decline in EBITDA was due to one-off operating expenses and differences in seasonal fluctuations. We are not concerned about Spain's profitability development per se because we believe the profitability of actual accounting firms in Spain is very good and growth is strong. We currently consider the Spanish market to be worthy of all investments, but the return on growth investments must, of course, be monitored.

In the big picture, we see Spain currently as the strongest value driver for Talenom. There is also clear potential for

positive surprises next year when Verifactu launches and an enormous number of SMEs choose its software. Although there is a lot of competition, Talenom has an inherently good solution with its relatively unique angle, which may prove to be more successful than anticipated. In the coming quarters, the focus will naturally be strongly on increasing the number of users (through accounting firm partners), so the impact on the income statement will be more limited initially. We will undoubtedly receive further information on developments in the coming quarters.

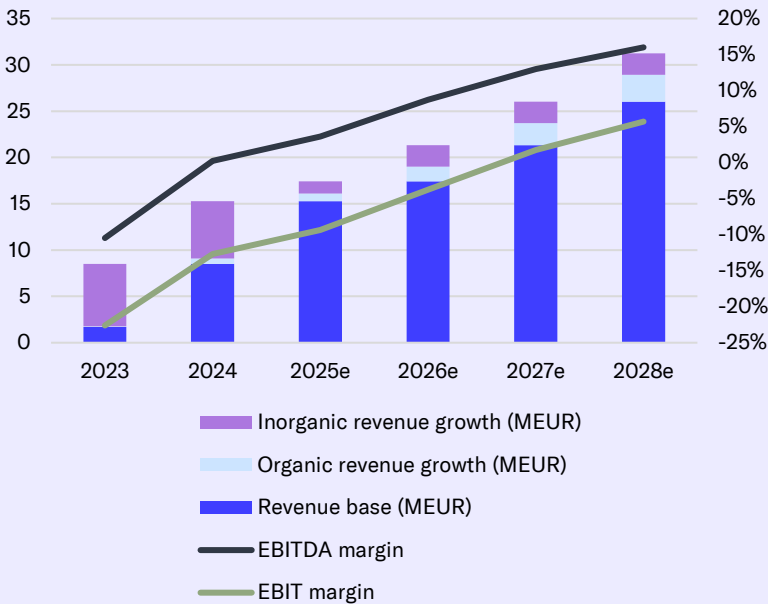
## Cash flow has improved, but the balance sheet remains tight

Although Talenom did not report a full cash flow statement for Q3, they stated that cash flow after investments increased to 13.8 MEUR in Q1-Q3'25. This is a significant improvement from the comparison period (9.5 MEUR), particularly due to decreased investments (14.0 MEUR vs. 17.4 MEUR). As expected, the trend in Q3 has been good, providing the company with some room for maneuver regarding selected acquisitions and payment of the second dividend installment.

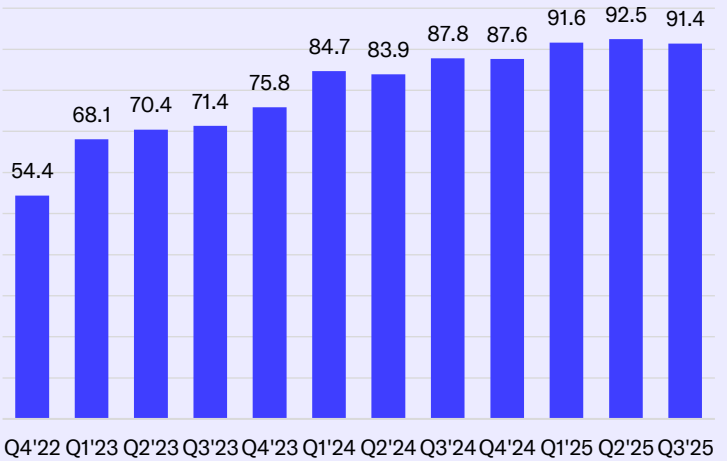
Interest-bearing net liabilities at the end of Q3 were 91.4 MEUR, 13.0 MEUR of which were IFRS 16 lease liabilities. The gearing ratio was 160%, which we consider high, even for Talenom. However, it is positive that the figures improved slightly in Q3, breaking the negative trend.

Considering the opportunity in Spain, we believe the company should focus on acquisitions rather than distributing dividends. We therefore consider it very possible that the second dividend installment will ultimately be significantly lower than the maximum set by the AGM, but for now, we keep this in our model (EUR 0.20 per share for the financial year 2024).

Forecasts: Key figures for Spain



Net interest-bearing liabilities (MEUR)



# We significantly decreased our estimates for Sweden

## Guidance unchanged, but there is a risk of a warning

Talenom reiterated its guidance, in which it estimates 2025 revenue to be around 130-140 MEUR and EBITDA to be around 36-42 MEUR. We remind that the guidance includes an estimate of potential acquisitions during 2025, and our forecast also still includes an acquisition in Spain in Q4. Of course, at this stage, there is little time for these to affect the overall picture, so the figures are beginning to solidify.

We made minor revisions to our estimates, and they are effectively at the lower end of the guidance range. We forecast that 2025 revenue will be around 131 MEUR and EBITDA around 36.5 MEUR. In our opinion, the guidance could have already been revised, as the upper limit seems unrealistic. While we still see all the conditions in place for the lower end, in a weak market situation, we cannot rule out the possibility of a negative profit warning.

## We significantly decreased our estimates for Sweden

Although Sweden has had problematic developments for a long time, we previously assumed that Talenom's processes and software would significantly improve the business's efficiency in the coming years, resulting in increased profitability. Now that process is more or less at a standstill, which means that Sweden's earnings outlook is significantly weaker. We continue to assume that Talenom's development will stabilize, but due to customer churn, we expect negative revenue trends to persist until Q3'26. Even after that, our assumptions regarding Sweden's growth and profitability are much lower than before.

For example, we now expect revenue in 2028 to be 23.0 MEUR (previously 26.2 MEUR) and the EBITDA margin to be 10.0% (previously 12.0%). This means that absolute EBITDA will be cut in half from 4.6 MEUR to the current 2.3 MEUR. Our revenue expectations for 2028 are now

significantly lower than the 2023 actual level (25.5 MEUR), while our forecasts show profitability remaining below the industry average. Regarding EBIT, we now project that the zero level will be reached in 2029, 10 years after the first acquisition.

We also lowered our growth forecasts slightly for Finland, as the economic outlook remains weak. In Spain, on the other hand, there is a justified push for growth in our opinion, which will likely lead to increased spending pressure in the coming years. However, the biggest changes in the big picture were in Sweden.

Estimate revisions	2025e	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	132	131	-1%	143	138	-3%	157	152	-4%
EBITDA	36.9	36.5	-1%	43.7	41.3	-6%	49.7	46.1	-7%
EBIT (excl. NRIs)	12.5	11.8	-6%	18.1	15.7	-13%	24.2	20.6	-15%
EBIT	12.5	11.8	-6%	18.1	15.7	-13%	24.2	20.6	-15%
PTP	8.5	8.0	-6%	13.7	11.3	-18%	20.3	16.7	-17%
EPS (excl. NRIs)	0.14	0.13	-6%	0.24	0.19	-18%	0.35	0.29	-17%
DPS	0.20	0.20	0%	0.20	0.20	0%	0.22	0.22	0%

Source: Inderes

Talenom, Webcast, Q3'25



# Valuation 1/2

## 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. Thus, we examine the valuation using the sum-of-the-parts calculation. The sum-of-the-parts analysis gives a value of EUR 4.0 per share, compared to EUR 4.5 per share in the previous update.

The value of the Finnish business is still 226 MEUR (2026e EV/EBIT 12x) and that of Spain (incl. Italy) is still 28 MEUR. Conversely, we decreased the value of Sweden to 20 MEUR from the previous 35 MEUR, which was primarily based on book value. At the end of 2025, Talenom is estimated to have net interest-bearing debt of approximately 92 MEUR (including IFRS 16 liabilities), which is deducted from the enterprise value (EV). This brings the indicative SOTP market value of Talenom to around 182 MEUR. Overall, Talenom's enterprise value at the current share price is around 260 MEUR, which is 15x Finland's 2025e EBIT.

## Software and services

Since we believe that the separation of the software business is the most likely scenario next year, the valuation must also be viewed through this lens. As the software's annual recurring revenue (ARR) is estimated at around 23-24 MEUR in 2026, the growth outlook is strong, profitability and cash flows are scalable, and the business's earnings potential is very high. Furthermore, the customer conversion potential and particularly the organic growth opportunity in Spain have a positive impact. In our opinion, a negative impact on the potential value is that Talenom

will be Easor's largest customer, by far, for a long time, even though growth will mainly come from outside the group in the future.

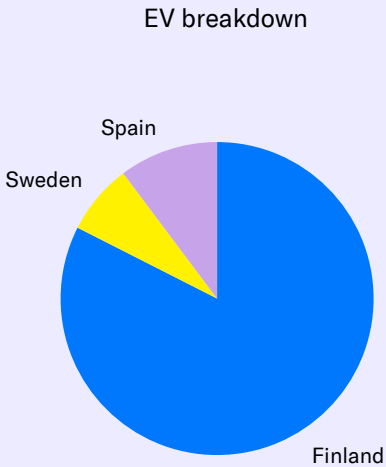
Based on the current information available, valuation is extremely challenging, but we believe that Easor's EV/S ratio could settle at around 5-7x next year. Applying an EV/S ratio of 6x to the bleak 2026 estimate would give the Software business an enterprise value of approximately 140 MEUR. At Talenom's current EV (260 MEUR), the Accounting business would be valued at approximately 120 MEUR, resulting in the following 2025e multiples: EV/S 1.1x, EV/EBITDA 6x and EV/EBIT 18x. The last of these seems challenging at the moment, as international operations are weighing down Finland's excellent profitability. Nevertheless, the true value is probably roughly equal to the country-level sum-of-the-parts.

## Valuation multiples

Talenom's valuation multiples based on 2025 projections are high (P/E 27x and EV/EBIT 22x), but eliminating international operating losses would bring the multiples to around 16x and 15x. International business does not therefore need to be a success story, but overseas operations must become profitable. Visibility to 2026 is still limited, but with the projected performance, the multiples (P/E 19x and EV/EBIT 16x) appear relatively neutral to us. Our target price can be justified by these multiples, although we would see upside potential as the story progresses. Conversely, the company's normally relatively low risk profile is elevated by the risk of a profit warning, expansion abroad yielding poor returns thus far, stagnation of the Swedish business, and the associated risk of write-downs, as well as the company's high debt leverage.

Valuation	2025e	2026e	2027e
Share price	3.60	3.60	3.60
Number of shares, millions	46.1	46.1	46.1
Market cap	166	166	166
EV	258	258	256
P/E (adj.)	26.8	18.6	12.6
P/E	26.8	18.6	12.6
P/B	3.2	3.2	3.0
P/S	1.3	1.2	1.1
EV/Sales	2.0	1.9	1.7
EV/EBITDA	7.1	6.2	5.5
EV/EBIT (adj.)	21.9	16.4	12.4
Payout ratio (%)	149%	103.5 %	76.8 %
Dividend yield-%	5.6 %	5.6 %	6.1 %

Source: Inderes



# Valuation 2/2

## Sweden's stagnation raises additional risks

In Talenom's 2024 financial statements, the balance sheet included 26.9 MEUR of goodwill allocated to Sweden whose currency we believe can be questioned at this stage. Impairment testing is based on estimates of future cash flows, and high values can be justified by bullish estimates and assumptions. However, prior to the financial statements, we highlight the risk that the goodwill related to Sweden may need to be written down in a negative scenario.

Furthermore, according to the financial statements, the credit agreement with Danske Bank is subject to ordinary financial covenants, such as net debt to EBITDA and equity ratio. A possible write-down would particularly impact the equity ratio, which would decline due to the reduction in equity. Nevertheless, we consider major changes to be unlikely, so it is quite possible that Talenom will not breach its covenants (we do not know the levels), even with a possible write-down. Additionally, Talenom's actual solvency has improved in line with cash flow, meaning we have no doubts about the company's financing continuity. However, if a significant write-down were to occur, it would likely have a negative impact on shareholder sentiment and possibly on the cost of financing.

## Easor's separation is a clear positive driver

Talenom also has a significant positive driver as it is presumably separating its Easor software business into an independent, listed company. We anticipate that Talenom will split into two listed companies during H1'26. In connection with this project, there is an increased probability of an acquisition (so-called dual track) for the

Software business, though we do not consider this particularly likely. It is assumed that Easor shares will be distributed to Talenom shareholders in proportion to their holdings at that time, with no additional financing arrangements.

We believe that separating Easor is fundamentally positive for both businesses and will likely unlock value. However, we see Sweden's issues as a challenge for Easor as well, even though Spain offers a more attractive opportunity than competing with Fortnox in Sweden.

## More risks in the short term

Upon weighing the risks (possible profit warning, developments in Sweden, and balance sheet) and opportunities (particularly Easor) associated with Talenom, as well as the valuation, we have decided to take a wait-and-see approach for the time being, issuing a Reduce recommendation. While we continue to see great long-term potential in the stock through the company's potential success in Spain and consider its core business in Finland excellent, we believe this story can be joined later with a better risk/reward ratio.

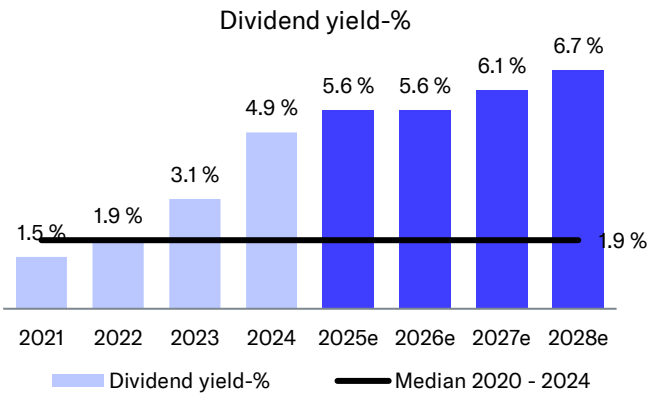
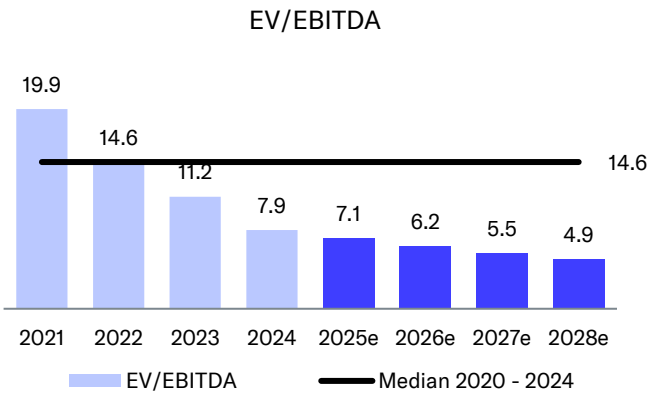
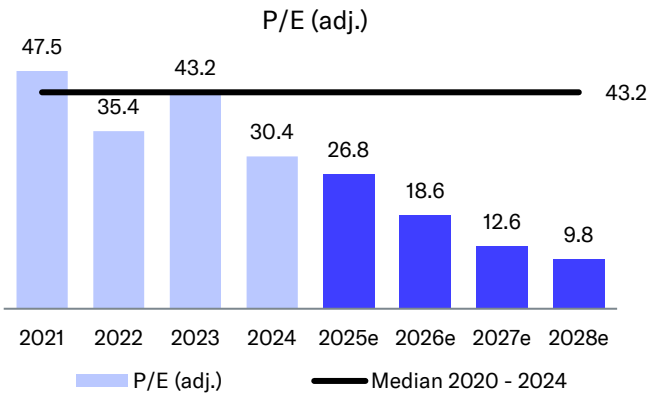
In our opinion, Talenom will likely get through the risks we have highlighted in its financial statements unscathed, and as a result, through Easor's IPO, but we believe these risks cannot be ignored. Negative surprises are severely punished in the current market environment, which is why we believe it is better to be cautious until the situation becomes clearer.



# Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	15.1	11.7	9.39	6.20	4.06	3.60	3.60	3.60	3.60
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	166	166	166	166
EV	679	552	475	357	273	258	258	256	251
P/E (adj.)	67.9	47.5	35.4	43.2	30.4	26.8	18.6	12.6	9.8
P/E	67.9	47.5	35.4	83.7	30.4	26.8	18.6	12.6	9.8
P/B	20.2	11.5	7.5	5.0	3.4	3.2	3.2	3.0	2.7
P/S	10.0	6.2	4.1	2.3	1.5	1.3	1.2	1.1	1.0
EV/Sales	10.4	6.7	4.6	2.9	2.2	2.0	1.9	1.7	1.5
EV/EBITDA	29.2	19.9	14.6	11.2	7.9	7.1	6.2	5.5	4.9
EV/EBIT (adj.)	52.7	37.4	31.1	32.1	23.9	21.9	16.4	12.4	10.0
Payout ratio (%)	67.7 %	69.0 %	68.3 %	256.6 %	149.8 %	149.1 %	103.5 %	76.8 %	65.7 %
Dividend yield-%	1.0 %	1.5 %	1.9 %	3.1 %	4.9 %	5.6 %	5.6 %	6.1 %	6.7 %

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	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e
Aallon Group	42	48	11.1	8.9	7.6	6.4	1.2	1.0	11.9	10.5	2.2	2.3
Admicom	237	227	19.6	16.8	19.3	16.1	6.0	5.5	25.2	21.9	1.4	1.6
Administer	39	49	98.3	24.6	7.9	6.1	0.7	0.6		88.0	2.7	3.8
Xero	14177	14177	79	71	44	38	13.8	11.1	112	88		
Enento	353	500	21.0	15.2	9.7	9.1	3.3	3.2	26.3	17.3	6.8	6.9
Fondia	15	14	8.1	6.3	7.1	4.8	0.6	0.5	11.6	9.6	7.2	7.2
Vincit	22	26	63.0	8.6	7.5	3.6	0.4	0.4		10.4	7.4	8.2
Gofore	228	224	13.3	8.6	11.1	7.1	1.2	1.0	15.9	11.8	3.4	3.6
Etteplan	253	321	11.5	9.3	8.4	6.7	0.9	0.8	13.8	11.3	2.2	3.5
Talenom (Inderes)	166	258	21.9	16.4	7.1	6.2	2.0	1.9	26.8	18.6	5.6	5.6
Average			36.1	18.8	13.6	10.9	3.1	2.7	31.0	29.8	4.2	4.6
Median			19.6	9.3	8.4	6.7	1.2	1.0	15.9	11.8	3.0	3.7
Diff-% to median			12%	76%	-16%	-6%	70%	96%	69%	57%	82%	51%

Source: Refinitiv / Inderes

# Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25	Q4'25e	2025e	2026e	2027e	2028e
Revenue	122	34.1	33.9	29.1	29.2	126	35.7	34.9	29.8	30.2	130.6	138	152	166
Finland	87.8	23.4	22.5	20.2	20.6	86.7	26.1	23.5	20.9	21.4	91.8	95.9	104	112
Sweden	25.5	7.0	7.3	5.0	5.1	24.3	6.0	6.5	4.3	4.6	21.4	21.0	21.9	23.0
Other countries	8.5	3.7	4.2	3.9	3.5	15.3	3.7	4.9	4.6	4.3	17.4	21.3	26.0	31.2
EBITDA	31.9	9.5	10.3	9.0	6.1	34.8	10.7	9.7	8.8	7.4	36.5	41.3	46.1	50.9
Depreciation	-23.9	-5.6	-5.8	-5.9	-6.0	-23.3	-6.0	-6.2	-6.3	-6.2	-24.7	-25.6	-25.5	-25.8
EBIT (excl. NRI)	11.1	3.9	4.5	3.0	0.1	11.4	4.7	3.5	2.4	1.1	11.8	15.7	20.6	25.1
EBIT	8.0	3.9	4.5	3.0	0.1	11.4	4.7	3.5	2.4	1.1	11.8	15.7	20.6	25.1
Finland	14.5	4.9	4.3	3.7	2.4	15.3	6.5	3.9	3.6	2.9	17.0	18.9	21.8	24.1
Sweden	-2.2	-0.7	-0.3	-1.3	-1.7	-4.1	-0.9	-0.3	-1.0	-1.1	-3.4	-2.4	-1.7	-0.8
Other countries	-1.9	-0.5	-0.1	-0.3	-1.0	-1.9	-0.6	0.0	-0.4	-0.6	-1.6	-0.8	0.5	1.8
Unallocated	-2.5	0.3	0.6	0.9	0.4	2.2	-0.3	-0.1	0.2	0.0	-0.2	0.0	0.0	0.0
Net financial items	-3.7	-1.0	-1.2	-1.2	-1.0	-4.5	-1.0	-0.9	-0.9	-1.0	-3.8	-4.4	-3.9	-3.8
PTP	4.3	2.8	3.3	1.8	-1.0	6.9	3.7	2.6	1.5	0.1	8.0	11.3	16.7	21.3
Taxes	-0.9	-0.8	-0.6	-0.5	1.1	-0.8	-1.1	-0.3	-0.3	0.0	-1.8	-2.4	-3.5	-4.5
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	2.3	1.3	0.1	6.2	8.9	13.2	16.9
EPS (adj.)	0.14	0.04	0.06	0.03	0.00	0.13	0.06	0.05	0.03	0.00	0.13	0.19	0.29	0.37
EPS (rep.)	0.07	0.04	0.06	0.03	0.00	0.13	0.06	0.05	0.03	0.00	0.13	0.19	0.29	0.37

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	19.2 %	8.8 %	4.5 %	2.8 %	-1.7 %	3.7 %	4.9 %	3.1 %	2.3 %	3.4 %	3.5 %	5.9 %	9.6 %	9.6 %
Adjusted EBIT growth-%	-27.2 %	11.5 %	22.8 %	25.9 %	-96.6 %	2.8 %	21.3 %	-21.4 %	-18.8 %	1983.0 %	3.3 %	32.9 %	31.5 %	21.8 %
EBITDA-%	26.2 %	27.9 %	30.3 %	30.8 %	20.7 %	27.5 %	29.9 %	27.8 %	29.5 %	24.4 %	28.0 %	29.9 %	30.4 %	30.6 %
Adjusted EBIT-%	9.1 %	11.3 %	13.3 %	10.3 %	0.2 %	9.0 %	13.1 %	10.1 %	8.2 %	3.8 %	9.0 %	11.3 %	13.6 %	15.1 %
Net earnings-%	2.8 %	6.0 %	7.8 %	4.3 %	0.5 %	4.8 %	7.0 %	6.6 %	4.3 %	0.4 %	4.7 %	6.4 %	8.7 %	10.2 %

Source: Inderes

# Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	143	150	151	151	154
Goodwill	66.6	68.6	70.6	72.6	74.6
Intangible assets	61.0	64.4	62.0	60.0	60.2
Tangible assets	4.7	4.7	4.3	4.4	4.9
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	10.0	10.2	10.4
Deferred tax assets	1.5	2.6	3.5	3.5	3.5
Current assets	29.2	26.4	27.4	29.0	31.8
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	19.6	20.7	22.7
Cash and equivalents	10.3	8.7	7.8	8.3	9.1
Balance sheet total	176	178	179	180	186

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	55.8	54.4	51.4	51.1	55.1
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	24.9	23.5	20.5	20.2	24.2
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
Non-current liabilities	81.4	96.8	96.5	96.6	95.5
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	92.2	92.3	91.2
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.6	0.7	0.0	0.0	0.0
Current liabilities	38.5	26.8	31.3	32.7	35.0
Interest bearing debt	9.0	4.4	7.8	7.8	7.7
Payables	29.4	22.4	23.5	24.9	27.3
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	176	178	179	180	186

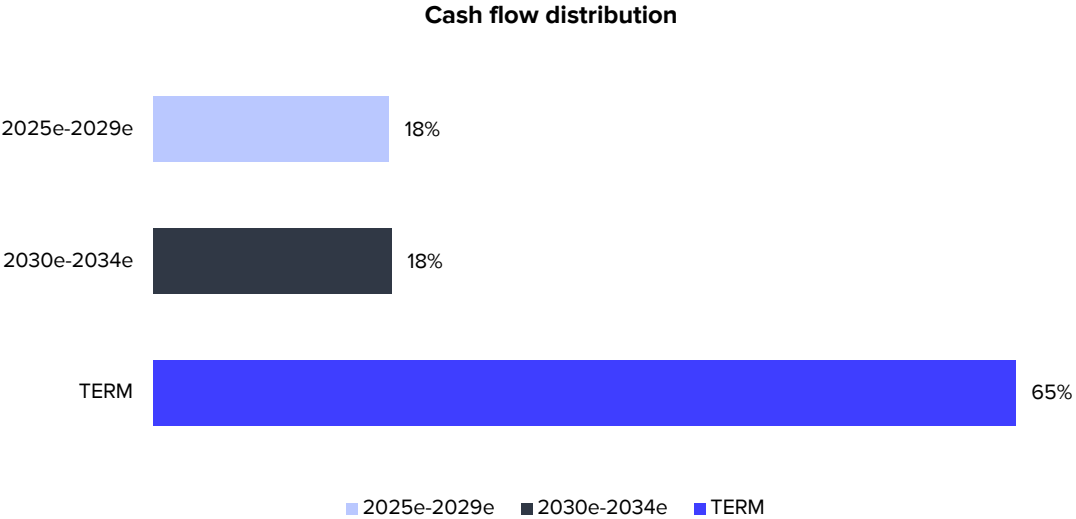


# DCF-calculation

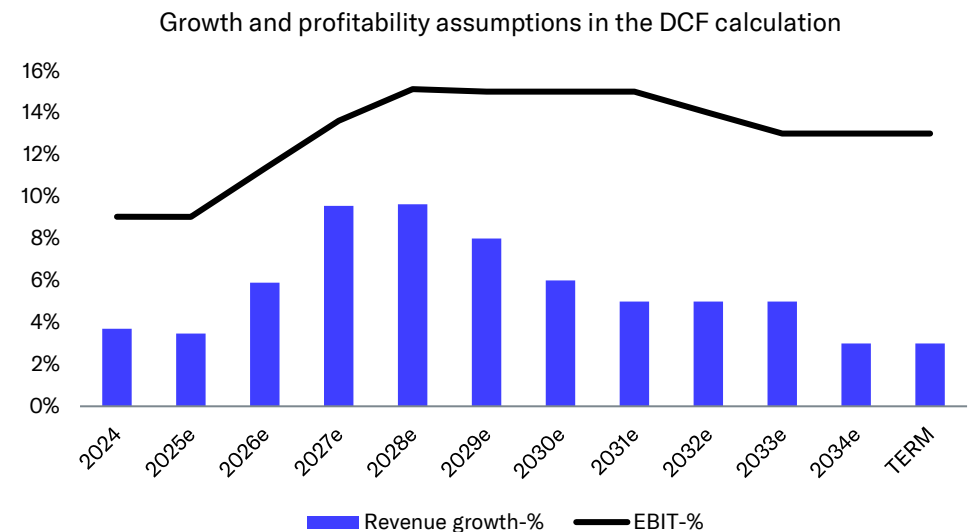
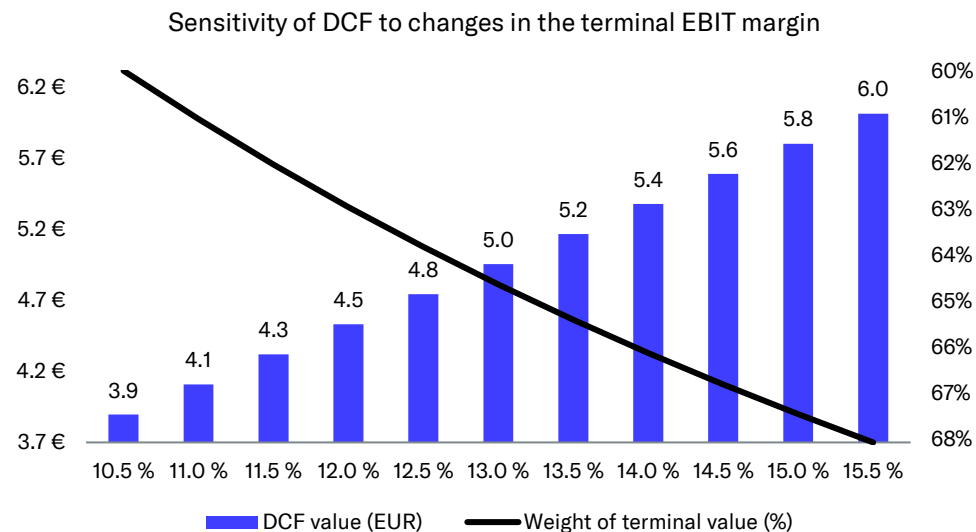
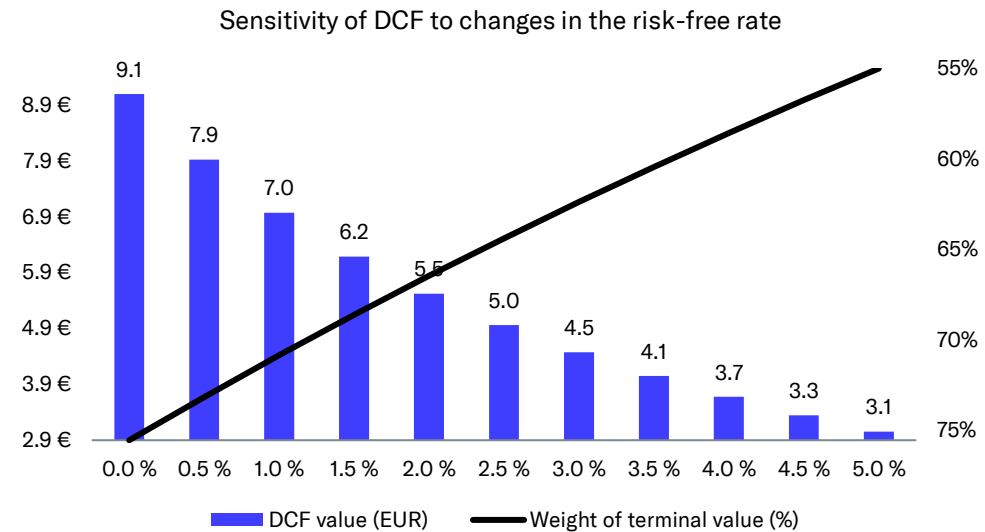
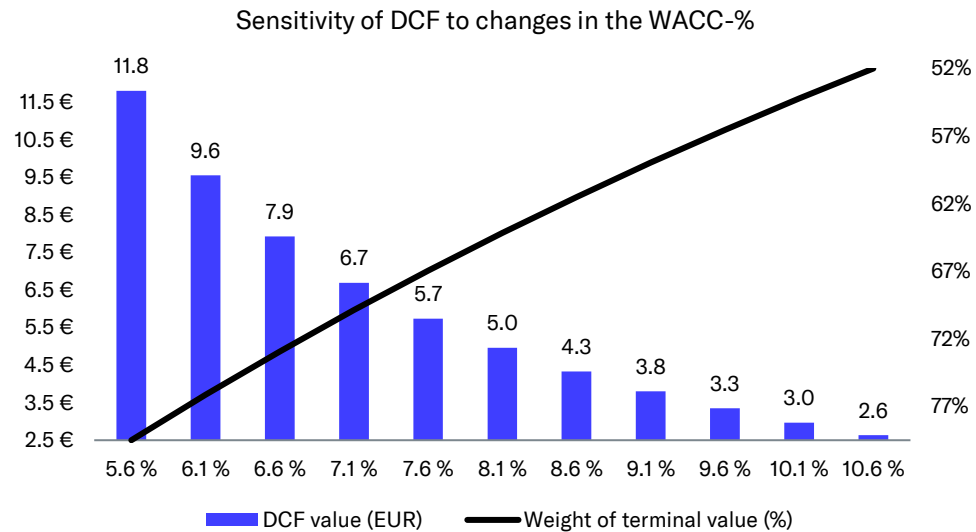
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	3.7 %	3.5 %	5.9 %	9.6 %	9.6 %	8.0 %	6.0 %	5.0 %	5.0 %	5.0 %	3.0 %	3.0 %
EBIT-%	9.0 %	9.0 %	11.3 %	13.6 %	15.1 %	15.0 %	15.0 %	15.0 %	14.0 %	13.0 %	13.0 %	13.0 %
EBIT (operating profit)	11.4	11.8	15.7	20.6	25.1	26.9	28.5	29.9	29.3	28.6	29.5	
+ Depreciation	23.3	24.7	25.6	25.5	25.8	26.2	26.7	27.2	27.2	27.2	28.2	
- Paid taxes	-2.0	-2.7	-2.4	-3.5	-4.5	-4.9	-5.3	-5.6	-5.5	-5.3	-5.5	
- Tax, financial expenses	-0.5	-0.9	-0.9	-0.8	-0.8	-0.8	-0.8	-0.7	-0.7	-0.7	-0.8	
+ 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	-0.8	0.2	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.2	
Operating cash flow	26.5	32.2	38.2	42.2	46.0	47.8	49.5	51.1	50.7	50.1	51.7	
+ Change in other long-term liabilities	0.0	-0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-27.4	-24.0	-25.1	-27.9	-27.8	-31.4	-29.8	-30.6	-30.4	-30.6	-30.4	
Free operating cash flow	-0.9	7.5	13.1	14.3	18.2	16.4	19.8	20.5	20.3	19.5	21.2	
+/- 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	13.1	14.3	18.2	16.4	19.8	20.5	20.3	19.5	21.2	430
Discounted FCFF		7.4	11.9	12.1	14.2	11.9	13.2	12.7	11.6	10.3	10.4	210
Sum of FCFF present value		326	318	306	294	280	268	255	242	231	221	210
Enterprise value DCF		326										
- Interest bearing debt		-96.3										
+ Cash and cash equivalents		8.7										
-Minorities		0.0										
-Dividend/capital return		-9.1										
Equity value DCF		229										
Equity value DCF per share		5.0										

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

Source: Inderes



# DCF sensitivity calculations and key assumptions in graphs



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

# Summary

Income statement	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	102.1	121.7	126.2	130.6	138.3	EPS (reported)	0.27	0.07	0.13	0.13	0.19
EBITDA	32.4	31.9	34.8	36.5	41.3	EPS (adj.)	0.27	0.14	0.13	0.13	0.19
EBIT	15.3	8.0	11.4	11.8	15.7	OCF / share	0.68	0.68	0.58	0.70	0.83
PTP	14.6	4.3	6.9	8.0	11.3	OFCF / share	-0.31	-0.32	-0.02	0.16	0.28
Net Income	11.8	3.4	6.1	6.2	8.9	Book value / share	1.26	1.23	1.19	1.12	1.11
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	179.3	180.4	Revenue growth-%	23%	19%	4%	3%	6%
Equity capital	56.0	55.8	54.4	51.4	51.1	EBITDA growth-%	17%	-2%	9%	5%	13%
Goodwill	55.0	66.6	68.6	70.6	72.6	EBIT (adj.) growth-%	3%	-27%	3%	3%	33%
Net debt	54.1	75.2	87.6	92.2	91.8	EPS (adj.) growth-%	8%	-46%	-7%	0%	44%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	31.7 %	26.2 %	27.5 %	28.0 %	29.9 %
EBITDA	32.4	31.9	34.8	36.5	41.3	EBIT (adj.)-%	15.0 %	9.1 %	9.0 %	9.0 %	11.3 %
Change in working capital	0.2	0.6	-5.8	-0.8	0.2	EBIT-%	15.0 %	6.5 %	9.0 %	9.0 %	11.3 %
Operating cash flow	30.4	31.1	26.5	32.2	38.2	ROE-%	23.4 %	6.0 %	11.1 %	11.7 %	17.4 %
CAPEX	-44.9	-43.5	-27.4	-24.0	-25.1	ROI-%	13.9 %	6.1 %	7.9 %	7.9 %	10.4 %
Free cash flow	-13.8	-14.6	-0.9	7.5	13.1	Equity ratio	35.9 %	31.8 %	30.6 %	28.7 %	28.4 %
Valuation multiples	2022	2023	2024	2025e	2026e	Gearing	96.6 %	134.7 %	161.1 %	179.2 %	179.5 %
EV/S	4.6	2.9	2.2	2.0	1.9						
EV/EBITDA	14.6	11.2	7.9	7.1	6.2						
EV/EBIT (adj.)	31.1	32.1	23.9	21.9	16.4						
P/E (adj.)	35.4	43.2	30.4	26.8	18.6						
P/B	7.5	5.0	3.4	3.2	3.2						
Dividend-%	1.9 %	3.1 %	4.9 %	5.6 %	5.6 %						

Source: Inderes

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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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The company carried out a 1-for-5 stock split on February 25, 2020; share prices 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 €
7/21/2025	Accumulate	4.20 €	3.65 €
10/20/2025	Reduce	3.80 €	3.60 €





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