ENENTO GROUP

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INDERES CORPORATE CUSTOMER

COMPANY REPORT

No major cause for celebration

Enento's Q2 result fell short of our forecasts. The outlook shows signs of stabilization, but no real signs of recovery are yet visible. We believe this is also signaled by the removal of the timeframe for the financial targets. In our view, the share price factors in clear earnings growth for the coming years (2025e-2026e adj. P/E 20x-14x), and if this does not materialize, the expected return will largely depend on the dividend. Following minor estimate cuts, we lower our target price to EUR 17.0 (was EUR 17.5) and reiterate our Reduce recommendation.

Q2 result missed expectations

Enento's Q2 revenue grew modestly by 0.5% to 38.6 MEUR, marginally exceeding our forecast of 38.1 MEUR. Revenue was slightly supported by currencies, and at comparable exchange rates, it declined by 1.7%. Development by business area was largely in line with expectations. Business Insight's revenue was flat year-on-year on a comparable basis, and Consumer Insight's revenue decreased by 4%. The latter's development was still hampered by weak demand for consumer credit information services, especially in Sweden, although some signs of stabilization in their demand are discernible. The development of Business Insight was limited by, among other things, one-off deals timed to the comparison period, but new product areas, such as compliance services, continued to show good growth according to the company. Enento's adjusted EBIT in Q2 was 10.2 MEUR, falling short of our 10.5 MEUR preview estimate. Profitability was pressured by, among other things, increased data acquisition costs, marketing investments, and lower capitalization of own work due to IT infrastructure consolidation. Reported earnings figures were even further below our estimates, with reported EBIT coming in at 5.0 MEUR (estimate 6.7 MEUR) due to significant one-off costs (3.2 MEUR). Once the IT infrastructure project is completed, these should decrease, but some will still be recorded in Q3.

Updated financial targets

Enento reiterated as expected its guidance for revenue of 150-156 MEUR and adjusted EBITDA of 50-55 MEUR. The guidance is achievable, but especially regarding the EBITDA, we believe the lower end of the range is more likely. Should the operating environment deteriorate, a negative earnings warning would not be entirely ruled out. However, this is not currently visible, but on the other hand, there are no clear signs of recovery either, at least in the short term. In our view, this is also reflected by the update of the company's financial targets (average growth of 5-10%, adjusted EBITDA margin of 40%, and net debt to adjusted EBITDA below 3x). The targets were reiterated, but the target period was removed, as the company assumes that achieving them will take longer than previously expected. We believe the targets are ambitious and not achievable at least within a couple of years. In any case, achieving them would require a clear macroeconomic recovery.

We do not see the stock as particularly attractive

Enento's adjusted EV/EBIT multiples for 2025-2026 are 14x-13x and the corresponding P/E multiples are 20x-14x. This year's multiples are not yet particularly attractive, but EPS is still depressed by significant non-recurring items in the first half of the year (not adjusted in the P/E ratio), and these should decrease towards the end of the year. Next year's multiples are already moderate, but we do not see much upside in them and we think that the expected return is mainly based on a dividend yield of around 6%. Our DCF model, which expects very clear improvement in cash flow over the next few years, indicates only limited upside for the stock (EUR 18.1). We believe the company has the potential to return to steady earnings growth after difficult years, but regulatory changes in the Swedish market continue to create uncertainty in the short- and possibly also medium-term outlook. Overall, we view the risk/reward ratio at the current valuation as quite neutral.

Recommendation
Reduce
(was Reduce)

Target price:
EUR 17.00
(was EUR 17.50)

Share price:
EUR 16.54

Business risk

Valuation risk

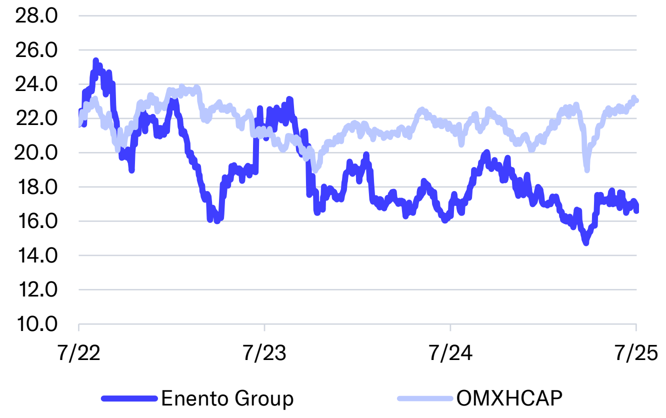
	2024	2025e	2026e	2027e
Revenue	150.4	152.7	158.1	164.2
growth-%	-4%	2%	4%	4%
EBIT adj.	39.6	39.5	42.6	45.9
EBIT-% adj.	26.4 %	25.9 %	27.0 %	28.0 %
Net income	12.2	13.9	21.5	25.5
EPS (adj.)	0.78	0.83	1.15	1.31
P/E (adj.)	22.3	19.8	14.4	12.6
P/B	1.6	1.5	1.6	1.5
Dividend yield-%	5.7 %	6.0 %	6.0 %	6.3 %
EV/EBIT (adj.)	14.8	13.6	12.5	11.5
EV/EBITDA	12.6	12.3	10.5	9.5
EV/S	3.9	3.5	3.4	3.2

Source: Inderes

Guidance (Unchanged)

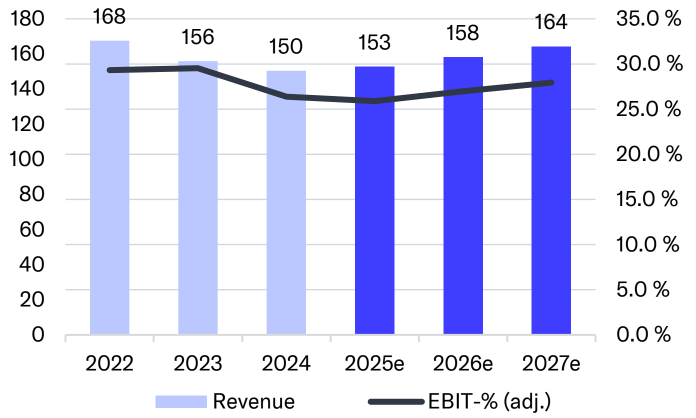
Enento estimates that 2025 revenue will be around 150-156 MEUR and adjusted EBITDA around 50-55 MEUR.

Share price



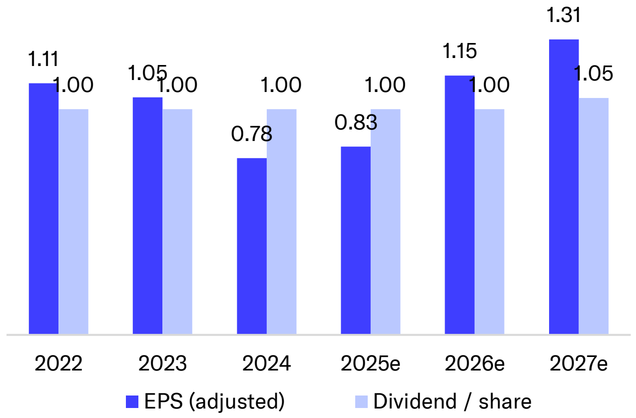
Source: Millistream Market Data AB

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	16.5	16.5	16.5
Number of shares, millions	23.7	23.7	23.7
Market cap	392	392	392
EV	539	534	527
P/E (adj.)	19.8	14.4	12.6
P/E	28.1	18.2	15.4
P/B	1.5	1.6	1.5
P/S	2.6	2.5	2.4
EV/Sales	3.5	3.4	3.2
EV/EBITDA	12.3	10.5	9.5
EV/EBIT (adj.)	13.6	12.5	11.5
Payout ratio (%)	170.1 %	110.2 %	97.7 %
Dividend yield-%	6.0 %	6.0 %	6.3 %

Source: Inderes

Q2 result missed expectations

Revenue growth remained slightly positive, supported by currencies

Enento's Q2 revenue grew by 0.5% to 38.6 MEUR as reported, narrowly exceeding our forecast (38.1 MEUR) which had anticipated a slight decline. The company thus maintained growth but only supported by currency exchange rates as comparable revenue decreased by 1.7%.

Revenues decreased in the company's largest operating countries, i.e., Finland and Sweden. In the smaller markets, Norway and Denmark, revenue grew strongly. However, their significance to the Group's figures is quite limited.

Revenue by business area marginally exceeded our estimates in both, so the development trend by area was largely in line with our expectations. Consumer Insight's revenue still remained clearly in decline (reported growth -1%, comparable growth -4%). The decline in consumer credit information services, especially in Sweden, continued to hamper development. In Sweden, challenges in the loan broker segment continued, particularly due to the challenging operating environment and regulatory challenges. Also in Finland, a weaker sales mix and weak consumer confidence are weighing on development.

Business Insight performed slightly better than expected (reported growth 2%, comparable growth 0%). Growth was somewhat limited by a one-off data sale in the comparison period. Positive product-specific drivers included continued growth in real estate information services and good growth in compliance services.

Result missed our expectations

Enento's adjusted Q2 EBIT was 10.2 MEUR in Q2 (Q4'24: 10.9 MEUR) which was below our 10.5 MEUR estimate. Also, the adjusted EBITDA (13.0 MEUR) fell short of our forecast. Profitability was pressured by, among other things, increased data acquisition costs, marketing investments, and lower capitalization of own work due to IT infrastructure consolidation. At the same time, profitability was to some extent supported by the efficiency measures taken by the company.

One-off costs were clearly higher than our expectations (3.2 MEUR), meaning that reported EBIT (5.0 MEUR) missed our forecasts and even more clearly the consensus forecasts. Of these, 2.6 MEUR was mainly related to the IT infrastructure project and 0.6 MEUR to restructuring. One-off items of this magnitude should be truly one-off, and these should decline from H2 onwards, as the IT infrastructure project is nearing completion. For Q3, the company will still record some one-off costs related to the IT project.

Financing costs were largely in line with our expectations. Due to weaker operative profitability, the reported earnings per share ultimately landed at EUR 0.13, clearly falling short of our EUR 0.18 estimate.

With the current earnings performance, Enento's balance sheet leverage will increase if the company also keeps the dividend unchanged. Net debt to adjusted EBITDA ratio at the end of Q2 was 2.9x (Q2'24: 2,6x).

Estimates	Q2'24	Q2'25	Q2'25e	Q2'25e	Consensus		Difference (%)	2025e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	38.5	38.6	38.1	39.0	- -	-	1%	153
EBITDA (ad.)	14.1	13.0	13.7	13.9	- -	-	-5%	52.1
EBIT (adj.)	10.9	10.2	10.5	10.9	- -	-	-3%	39.5
EBIT	7.8	5.0	6.7	7.8	- -	-	-26%	24.0
EPS (reported)	0.19	0.13	0.18	0.19	- -	-	-27%	0.59
Revenue growth-%	-3.0 %	0.5 %	-0.8 %	1.4 %	-		1.3 pp	1.6 %
EBIT-% (adj.)	28.4 %	26.4 %	27.5 %	27.9 %	-		-1.1 pp	25.9 %

Source: Inderes & Enento (6 analysts) (consensus)

Enento Q2'25: Forward

Update to financial targets (1/2)

Guidance reiterated

Enento reiterated its guidance as expected, which forecasts for 2025 150-156 MEUR revenue and 50-55 MEUR adjusted EBITDA. Our forecast prior to the results was slightly below the midpoints of the ranges. Following the Q2 results, the lower end of the guidance range appears more likely in our view, especially concerning EBITDA. We expect the company to still achieve its guidance, but if the operating environment were to weaken further, a negative earnings warning could be possible.

Generally, the company had nothing significantly new to report regarding the outlook. In Business Insight, the company expects to continue to see more stable development. The outlook for Consumer Insight is slightly cloudier, primarily due to regulatory changes in the Swedish market. Stabilization is visible, but the market still faces new regulation as the Swedish Parliament approves the bank license requirement for loan brokers and credit institutions. The legislation will come into force in July 2025 and will be fully implemented in July 2026. However, the largest loan brokers in the Swedish market (the 4 largest accounting for around 90% of the market) will, according to Enento's assessment, apply for a license. Some smaller players may see this as too expensive and time-consuming, and thus exit the market.

Financial targets updated

Enento also updated its long-term financial targets on the earnings day. The targets themselves remain unchanged, but the target period has been removed.

The targets are:

- Average annual revenue growth of 5-10%
- Adjusted EBITDA margin approximately 40%
- Net debt to adjusted EBITDA less than 3x
- New services accounting for approximately 10% of revenue

The update to the targets was natural as such, as it was already clear at this stage of the old strategy period (2023-2026) that the old targets were outdated and no longer achievable. The company commented that while it is confident in achieving the targets, it requires more time due to the current challenging operating environment.

In our view, this quite clearly signals that the targets are not realistic in the company's own view, at least in the near future. In part, the removal of the target period also leaves more room for interpretation regarding the company's own level of ambition, as the timing of achieving the targets is, however, an essential aspect of the investment case.

Estimate revisions MEUR / EUR	2025e Old	2025e New	Change %	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %
Revenue	152	153	0%	158	158	0%	164	164	0%
EBITDA	46.9	43.8	-7%	52.1	51.1	-2%	56.9	55.4	-3%
EBIT (exc. NRIs)	39.5	39.5	0%	43.3	42.6	-1%	46.9	45.9	-2%
EBIT	26.2	24.0	-8%	33.0	32.4	-2%	37.8	36.9	-3%
PTP	19.7	17.6	-11%	27.8	27.2	-2%	32.6	31.7	-3%
EPS (excl. NRIs)	0.89	0.83	-6%	1.17	1.15	-2%	1.34	1.31	-2%
DPS	1.00	1.00	0%	1.00	1.00	0%	1.05	1.05	0%

Source: Inderes

Update to financial targets (2/2)

In any case, we believe it is clear that achieving the targets also requires support from the macroeconomy. The company, however, emphasized its confidence in its current strategy, where it aims to maintain a strong market position in core businesses and growth is sought from new service areas, such as PSD2, fraud prevention and compliance.

In terms of growth, we see the target as realistic at least in individual years, but as an average growth rate, the target is clearly more challenging. The profitability target is challenging to achieve, at least in the coming years, as our forecast expects an adjusted EBITDA margin of approximately 34% for this year. In the longer term, the target is achievable, but as we see it, it requires growth and greater scale. The leverage target is realistic, but with the current earnings trend and dividend payout level (the company has not cut its dividend), indebtedness is already close to the upper limit (2.9x).

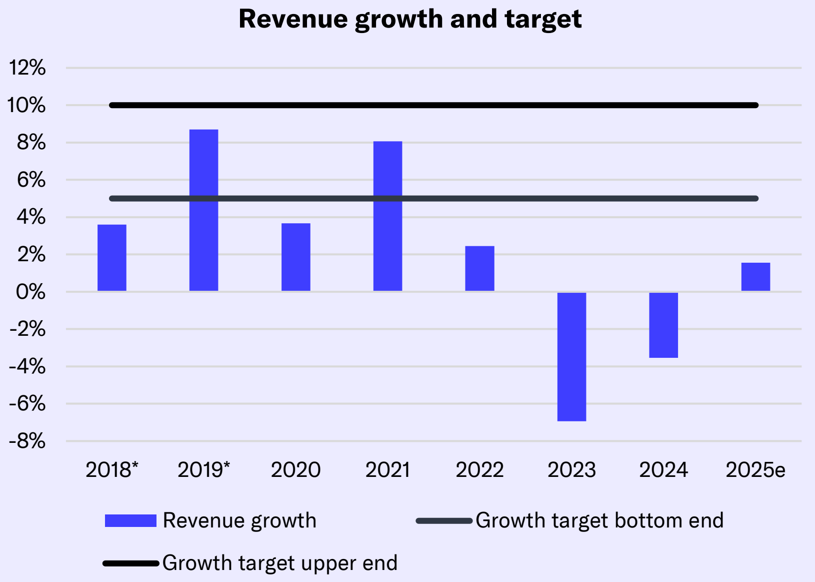
The dividend policy is separate from the financial targets, but this also remains unchanged. Enento aims to distribute at least 70% of the company's net profit as dividends, taking into account business development and investment needs.

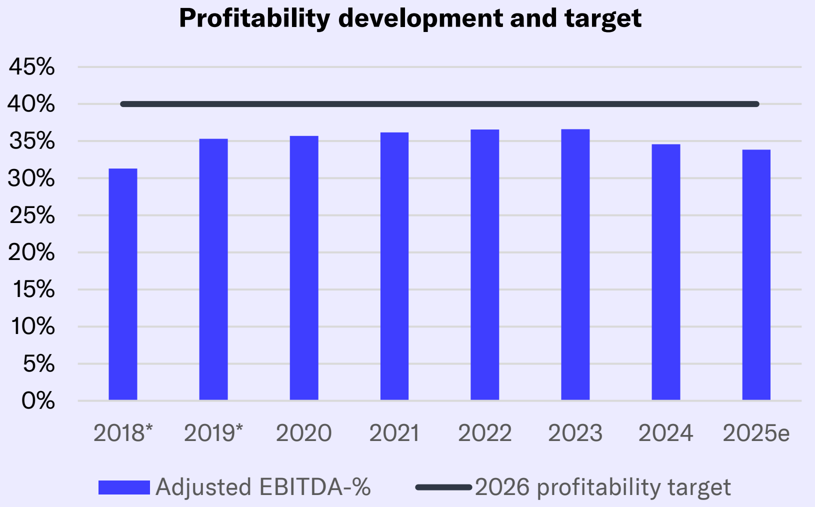
Small cuts to earnings forecasts

Following Q2 figures that missed our estimates, we have made minor downward revisions to our earnings estimates. The largest forecast changes concerned this year, but our forecasts for the coming years also fell by about 2-3%. Regarding the current year's earnings forecasts, it should be noted that adjusted earnings forecasts decreased less than reported earnings figures due to our increased one-off cost forecasts.

In terms of EBIT and EBITDA, it is worth noting that going forward, the company will book certain equipment acquisitions as expenses (already reflected in EBITDA) and not as an investment capitalized on the balance sheet. This slightly lowered our investment and depreciation estimates for the coming years.

We expect Enento's 2025 revenue to grow by just under 2% to 152.7 MEUR and adjusted EBITDA to amount to 51.7 MEUR (33.9% of revenue).





*Estimate organic growth (adj. for UC and Proff acquisitions)

Valuation

Valuation multiples are not particularly attractive

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

We forecast Enento's adjusted P/E ratios for 2025-2026 to be 20x-14x and the corresponding adjusted EV/EBIT ratios to be 14x-13x. We do not find this year's multiples particularly attractive, but next year's P/E ratio is already moderate. A dividend yield of around 6% clearly supports the expected return. However, regarding the dividend, it is worth noting that to be on a sustainable basis, the level requires a moderate earnings recovery.

DCF model supports valuation

We also rely on the DCF model, which in the big picture is still very useful due to Enento's highly predictable cash flows. Our DCF model indicates a share value of EUR 18.1. Thus, the model indicates a moderate upside. The cost of equity in our model is set at 9.3% and WACC at 8.4%, which we believe is a reasonable level in the current interest rate environment.

Risk/reward at a neutral level

The last few years have been challenging for Enento, with a clear downward trend in earnings. The public perception of the company's defensive business model has been tested. Enento's Q1 report was cautiously encouraging, but Q2 showed that a meaningful recovery still needs to be awaited, and a return to earnings growth is not yet clear. Should the company return to earnings growth, we believe the share has potential at its current valuation. This would, however, require an improvement in the economic environment in Finland and Sweden. Regardless of developments in the economic environment, the company still faces regulatory risks (Sweden), although most of these have, in our assessment, already materialized. A lot is naturally also in the company's own hands, and how the company succeeds in commercializing and growing its new product areas plays a crucial role in the investment story. Nevertheless, at the current earnings level, the valuation is, in our view, somewhat stretched, and we do not see upside potential in the valuation without earnings growth. In this case, the investor's expected return would, in our view, primarily consist of dividend yield. In our view, the share's overall risk/reward ratio is neutral at the current valuation.

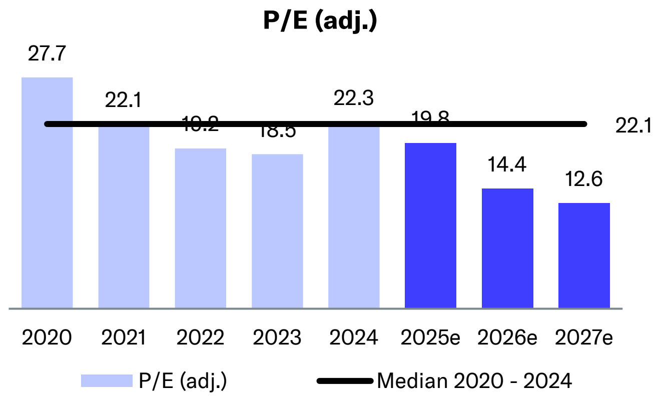
Valuation	2025e	2026e	2027e
Share price	16.5	16.5	16.5
Number of shares, millions	23.7	23.7	23.7
Market cap	392	392	392
EV	539	534	527
P/E (adj.)	19.8	14.4	12.6
P/E	28.1	18.2	15.4
P/B	1.5	1.6	1.5
P/S	2.6	2.5	2.4
EV/Sales	3.5	3.4	3.2
EV/EBITDA	12.3	10.5	9.5
EV/EBIT (adj.)	13.6	12.5	11.5
Payout ratio (%)	170.1 %	110.2 %	97.7 %
Dividend yield-%	6.0 %	6.0 %	6.3 %

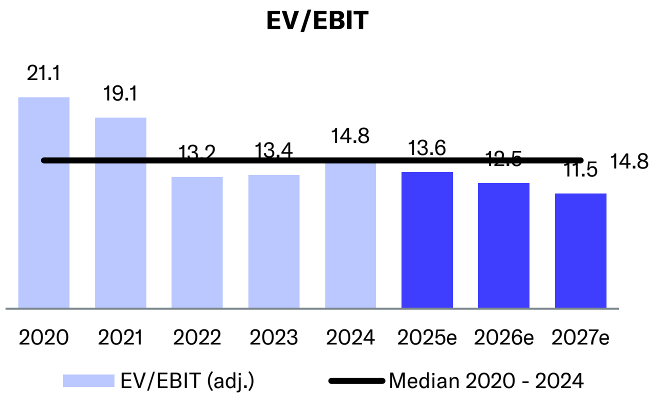
Source: Inderes

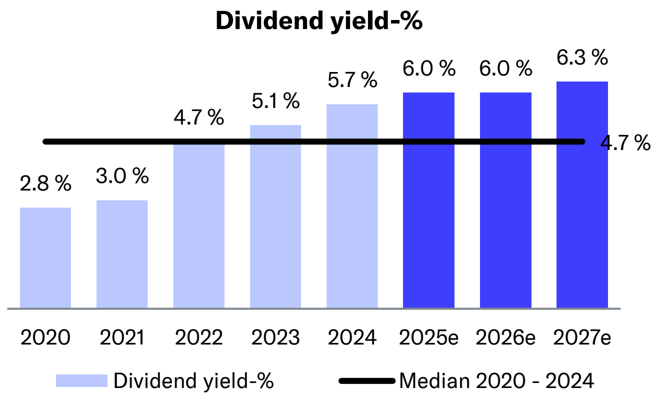
Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	33.6	33.0	21.4	19.5	17.5	**16.5**	**16.5**	**16.5**	**16.5**
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	**392**	**392**	**392**	**392**
EV	950	935	646	615	587	**539**	**534**	**527**	**520**
P/E (adj.)	27.7	22.1	19.2	18.5	22.3	**19.8**	**14.4**	**12.6**	**11.2**
P/E	41.5	30.7	29.6	26.4	34.0	**28.1**	**18.2**	**15.4**	**13.3**
P/B	2.6	2.5	1.7	1.6	1.6	**1.5**	**1.6**	**1.5**	**1.5**
P/S	5.3	4.9	3.1	3.0	2.8	**2.6**	**2.5**	**2.4**	**2.3**
EV/Sales	6.3	5.7	3.9	3.9	3.9	**3.5**	**3.4**	**3.2**	**3.0**
EV/EBITDA	19.3	16.1	11.6	12.1	12.6	**12.3**	**10.5**	**9.5**	**8.7**
EV/EBIT (adj.)	21.1	19.1	13.2	13.4	14.8	**13.6**	**12.5**	**11.5**	**10.5**
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 %	**6.0 %**	**6.0 %**	**6.3 %**	**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-%		P/B
Company	**MEUR**	**MEUR**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**
Dun & Bradstreet	3481	6309	9.2	8.6	7.6	7.2	3.0	2.9	8.6	7.9	2.3	2.3	1.2
Fair Isaac Corp	32231	34269	38.0	31.2	36.4	30.2	20.2	17.5	52.8	42.6			
Equifax Inc	27706	31907	27.8	23.0	19.0	16.6	6.2	5.6	34.2	28.1	0.7	0.8	6.4
Experian Plc	40746	44887	25.7	22.7	19.8	17.8	7.0	6.3	33.0	29.7	1.2	1.3	9.0
TransUnion	15381	19347	24.1	20.3	14.2	12.7	5.1	4.7	22.4	19.3	0.5	0.6	3.9
Moody's Corp	77514	81584	28.6	25.8	25.8	23.5	12.8	11.9	36.7	32.5	0.8	0.8	22.6
Intrum AB	744	5031	12.2	11.3	9.6	9.0	3.2	3.1	8.2	8.3			0.6
Credit Corp Group Ltd	561	764	8.3	7.8	6.3	5.9	2.5	2.4	10.7	9.8	4.8	5.2	1.1
Kruk S.A.	1801	3232	8.8	7.7	8.4	7.4	4.3	3.8	7.4	6.6	4.7	4.9	1.5
Alma Media	1051	1186	14.7	13.3	12.1	11.0	3.6	3.4	18.1	16.5	3.7	3.8	3.8
F-Secure	290	436	10.5	9.6	8.7	8.1	3.0	2.8	10.8	10.1	2.4	3.0	3.8
Enento Group (Inderes)	**392**	**539**	**13.6**	**12.5**	**12.3**	**10.5**	**3.5**	**3.4**	**19.8**	**14.4**	**6.0**	**6.0**	**1.5**
Average			**18.9**	**16.5**	**15.3**	**13.6**	**6.4**	**5.8**	**22.1**	**19.2**	**2.3**	**2.5**	**5.4**
Median			**14.7**	**13.3**	**12.1**	**11.0**	**4.3**	**3.8**	**18.1**	**16.5**	**2.3**	**2.3**	**3.8**
Diff-% to median			**-7%**	**-6%**	**2%**	**-5%**	**-17%**	**-10%**	**10%**	**-13%**	**166%**	**158%**	**-59%**

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 %
Adjusted EBITDA-%	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

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

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

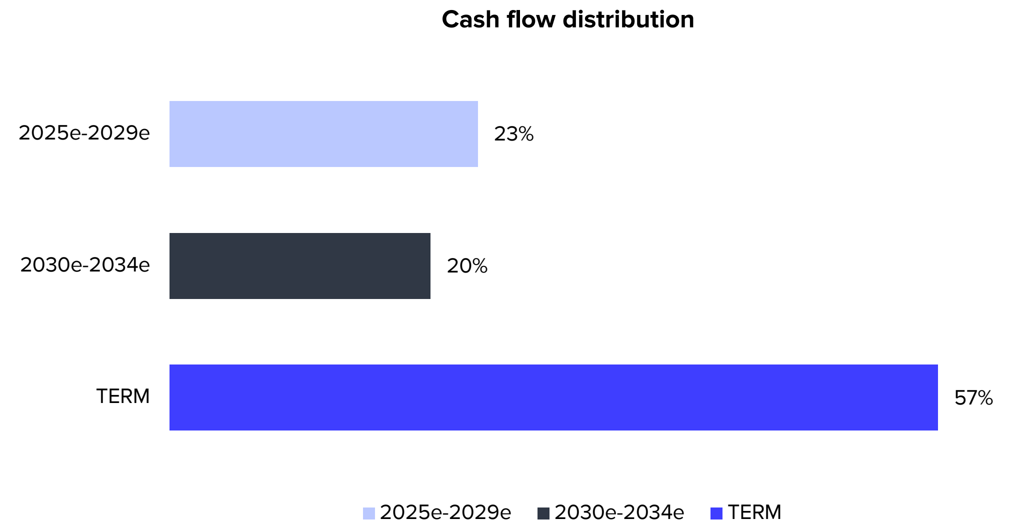
Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	**283**	**263**	**253**	**251**	**253**
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	55.8	44.4	34.6	32.4	34.2
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	227	219	219	219	219
Minorities	0.0	0.0	0.0	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

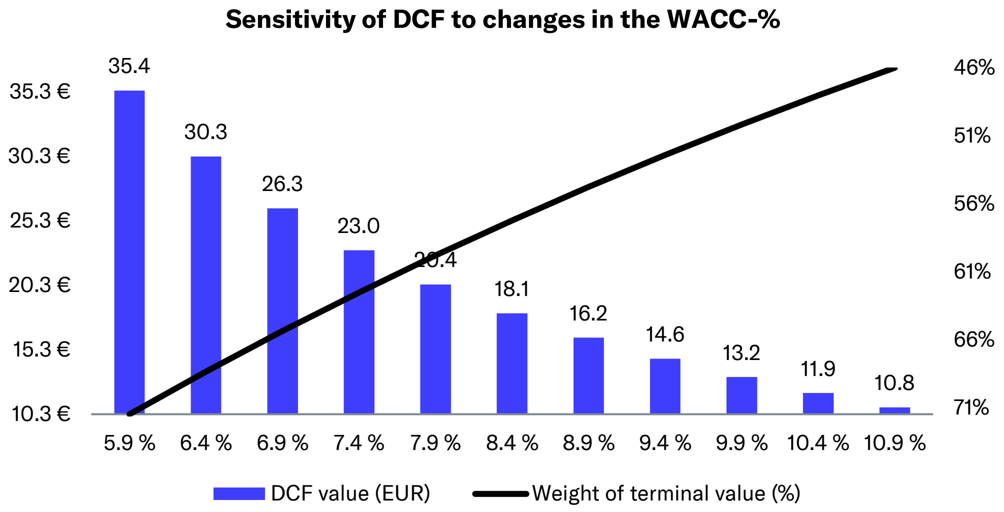
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	-3.5 %	1.6 %	3.5 %	3.9 %	3.8 %	3.8 %	3.7 %	3.7 %	3.5 %	3.5 %	2.2 %	2.2 %
EBIT-%	16.3 %	15.7 %	20.5 %	22.5 %	24.0 %	24.5 %	25.8 %	26.7 %	27.0 %	26.5 %	26.5 %	26.5 %
EBIT (operating profit)	**24.6**	**24.0**	**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		**27.1**	**29.1**	**28.9**	**27.2**	**26.0**	**25.7**	**24.8**	**23.6**	**22.1**	**20.8**	**345**
Sum of FCFF present value		600	573	544	515	488	462	436	411	388	366	345
Enterprise value DCF		**600**										
- Interest bearing debt		-155.5										
+ Cash and cash equivalents		11.3										
-Minorities		0.0										
-Dividend/capital return		-23.7										
Equity value DCF		**430**										
Equity value DCF per share		**18.1**										

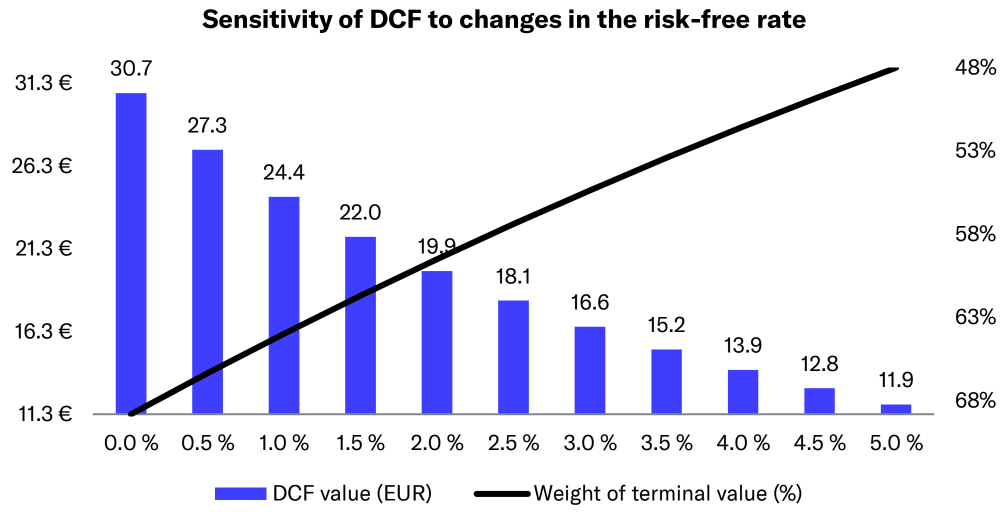
WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E)	18.0 %
Cost of debt	5.0 %
Equity Beta	1.12
Market risk premium	4.75%
Liquidity premium	1.50%
Risk free interest rate	2.5 %
Cost of equity	**9.3 %**
Weighted average cost of capital (WACC)	**8.4 %**

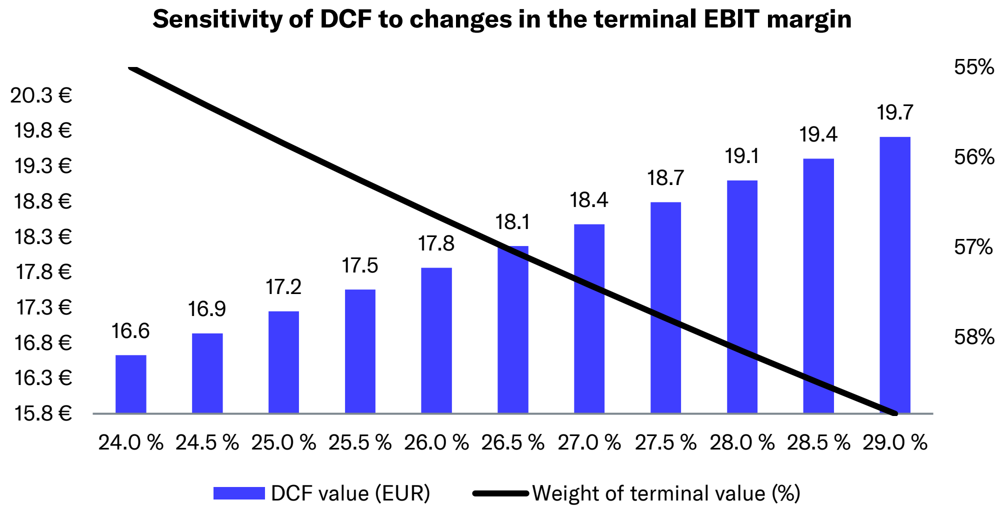
Source: Inderes

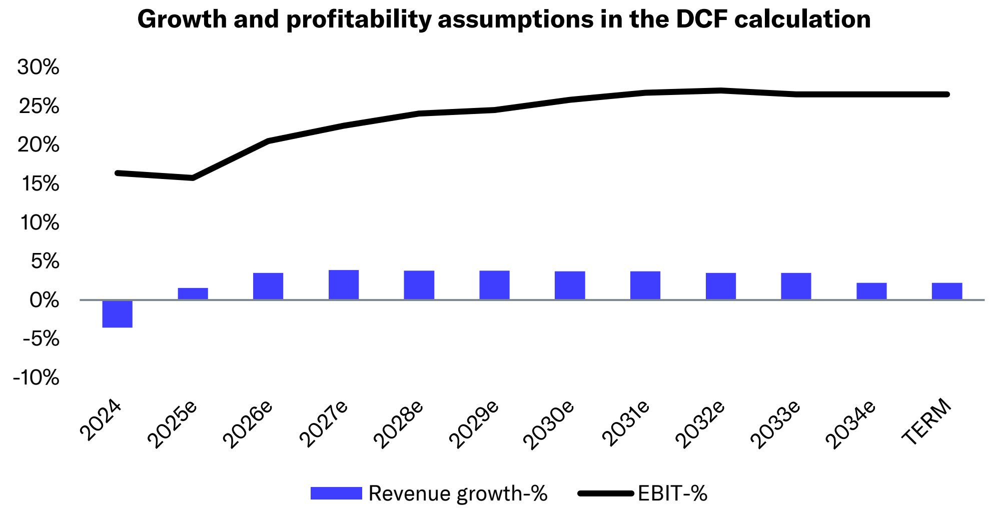


DCF sensitivity calculations and key assumptions in graphs









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
Revenue	155.9	150.4	152.7	158.1	164.2
EBITDA	51.1	46.4	43.8	51.1	55.4
EBIT	30.4	24.6	24.0	32.4	36.9
PTP	22.2	15.8	17.6	27.2	31.7
Net Income	17.6	12.2	13.9	21.5	25.5
Extraordinary items	-15.6	-4.2	-3.1	-3.7	-4.1

Balance sheet	2023	2024	2025e	2026e	2027e
Balance sheet total	490.3	459.6	452.4	449.2	447.9
Equity capital	282.9	263.2	253.4	251.2	253.0
Goodwill	340.9	335.6	335.6	335.6	335.6
Net debt	139.7	144.2	144.8	140.0	132.7

Cash flow	2023	2024	2025e	2026e	2027e
EBITDA	51.1	46.4	43.8	51.1	55.4
Change in working capital	0.7	-2.9	0.7	1.2	1.0
Operating cash flow	43.2	35.9	39.5	45.6	49.2
CAPEX	-15.9	-3.5	-10.8	-12.9	-14.0
Free cash flow	22.5	28.9	33.1	32.7	35.2

Valuation multiples	2023	2024	2025e	2026e	2027e
EV/S	3.9	3.9	3.5	3.4	3.2
EV/EBITDA	12.1	12.6	12.3	10.5	9.5
EV/EBIT (adj.)	13.4	14.8	13.6	12.5	11.5
P/E (adj.)	18.5	22.3	19.8	14.4	12.6
P/B	1.7	1.6	1.6	1.5	1.6
Dividend-%	5.1 %	5.7 %	6.0 %	6.0 %	6.3 %

Source: Inderes

Per share data	2023	2024	2025e	2026e	2027e
EPS (reported)	0.74	0.51	0.59	0.91	1.07
EPS (adj.)	1.05	0.78	0.83	1.15	1.31
OCF / share	1.82	1.52	1.67	1.92	2.08
OFCF / share	0.95	1.22	1.19	1.38	1.49
Book value / share	11.89	11.12	10.70	10.61	10.68
Dividend / share	1.00	1.00	1.00	1.00	1.05

Growth and profitability	2023	2024	2025e	2026e	2027e
Revenue growth-%	-7%	-4%	2%	4%	4%
EBITDA growth-%	-8%	-9%	-6%	17%	8%
EBIT (adj.) growth-%	-6%	-14%	0%	8%	8%
EPS (adj.) growth-%	-6%	-26%	6%	38%	14%
EBITDA-%	32.7 %	30.9 %	28.7 %	32.4 %	33.7 %
EBIT (adj.)-%	29.5 %	26.4 %	25.9 %	27.0 %	28.0 %
EBIT-%	19.5 %	16.3 %	15.7 %	20.5 %	22.5 %
ROE-%	6.1 %	4.5 %	5.4 %	8.5 %	10.1 %
ROI-%	6.7 %	5.2 %	5.7 %	7.9 %	9.1 %
Equity ratio	58.9 %	58.6 %	56.0 %	55.9 %	56.5 %
Gearing	49.4 %	54.8 %	57.1 %	55.7 %	52.5 %

The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years. Per-share figures are calculated using the number of shares at year-end.

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

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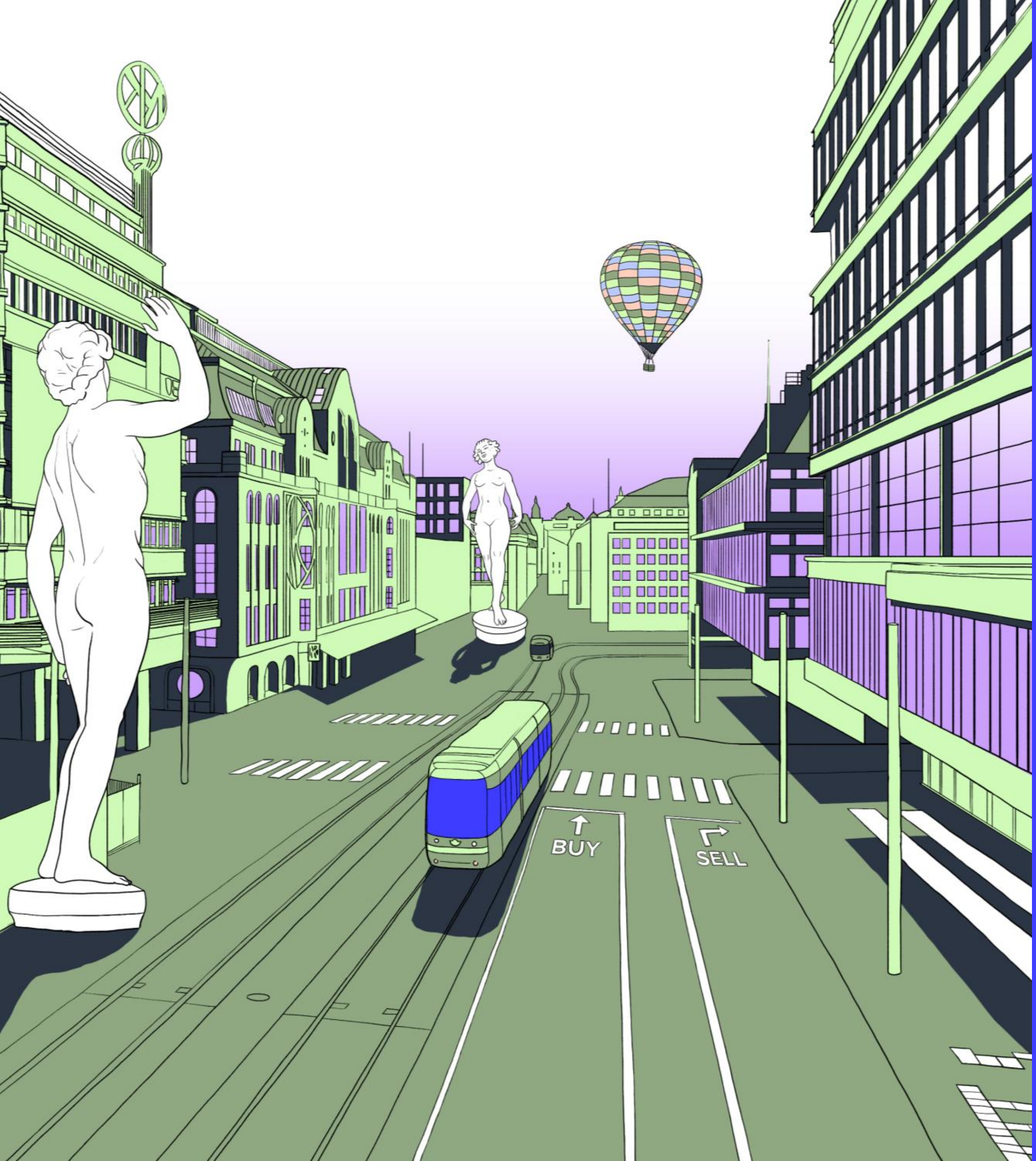
Recommendation history (>12 mo)

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



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