

TALENOM

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INDERES CORPORATE CUSTOMER COMPANY REPORT



Value will be realized upon demerger

We reiterate our EUR 3.8 target price for Talenom and raise our recommendation directly to Buy (was Reduce) after the sharp decline in the share price. We have not made any material forecast changes and the risk of a profit warning is still clear, but we believe financing concerns have eased as the demerger has progressed. The stock's valuation is now extremely attractive through a sum-of-the-parts analysis but realizing this will require not only Easor's listing but also profitability improvements in international operations. Nevertheless, we believe the risk/reward ratio is very attractive.

The stock has fallen despite encouraging news flow

Talenom's share price has fallen by 16% since our last update, even though the news flow related to the company has, in our opinion, been mostly encouraging since the Q3 report. The company's board decided to pay the second dividend installment in full, and the company also made a small acquisition in Spain, so the company is clearly not as concerned about balance sheet sustainability and indebtedness. One reason may also be the progress of the demerger, which clarifies the company's financial structure and places the majority of the debt burden on the accounting business, which generates growing cash flow. At the same time, the demerger and change process may also ease the write-down pressure related to the Swedish business, which, however, together with a possible profit warning, remains a clear short-term risk. The recent selling pressure may also be partly explained by "portfolio cleaning" of underperforming stocks before the turn of the year.

Country-specific breakdown of the accounting firm business

We directly cut the Easor software business from the Finnish business figures, which gave us an estimate of the country-specific figures for the accounting business. We estimate that Finnish accounting firms will generate an EBIT of some 12.2 MEUR on revenue of around 69 MEUR this year, which would imply a margin of 17.6%. Profitability is thus strong, and the business also

generates abundant cash flow. This is a very valuable (estimated at around 170 MEUR) accounting business. Instead, the Swedish business has so far destroyed shareholder value. Before a clear turnaround, investors are unlikely to give the business any value. In our view, the business would be acquired at a low value despite its current weak state, so it must also be given a value in the sum-of-parts (EV 11 MEUR). In our opinion, Sweden is the clearest reason why the market does not accept a valuation approaching the sum of the parts.

In Spain, revenue could grow to around 20 MEUR next year (forecast includes acquisitions), and although EBIT is negative, EBITDA is already clearly positive. The valuation is complicated by the country's own software (under Easor), which is still invoiced separately. This way, revenue is not directly transferred to Easor, but this has been taken into account in the invoicing of services. Thus, part of the value may transfer to Easor as invoicing is separated, which would weaken the key figures of the accounting business. Due to the good growth outlook and large market potential, we accept a 1.5x EV/S multiple for Spain based on the 2026 forecast, which would imply an enterprise value of approximately 30 MEUR. We will disregard the small Italian business at this stage.

The demerger should unlock the hidden sum-of-the-parts value

Considering the demerger, our updated sum-of-the-parts analysis indicates a value of around EUR 4.8 per share, of which EUR 2.9 is tentatively allocated to the accounting firm business and around EUR 1.9 to Easor (currently EV 100 MEUR, to be specified after the listing prospectus). In our view, this value will not materialize before the turnaround in Sweden, strong development in Spain, and Easor proving its profitable growth. The discount should narrow as investors' attention shifts to the companies created by the demerger. The still high valuation multiples at the group level are gradually approaching the value indicated by the sum-of-the-parts, as loss-making businesses no longer weigh on the whole.

Recommendation

Buy
(was Reduce)

Target price:
EUR 3.80
(was EUR 3.80)

Share price:
EUR 3.02

Business risk



Valuation risk



	2024	2025e	2026e	2027e
Revenue	126	130	138	151
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	22.5	15.7	10.6
P/B	3.4	2.7	2.7	2.5
Dividend yield-%	4.9 %	6.6 %	6.6 %	7.3 %
EV/EBIT (adj.)	23.9	19.6	14.8	11.1
EV/EBITDA	7.9	6.3	5.6	5.0
EV/S	2.2	1.8	1.7	1.5

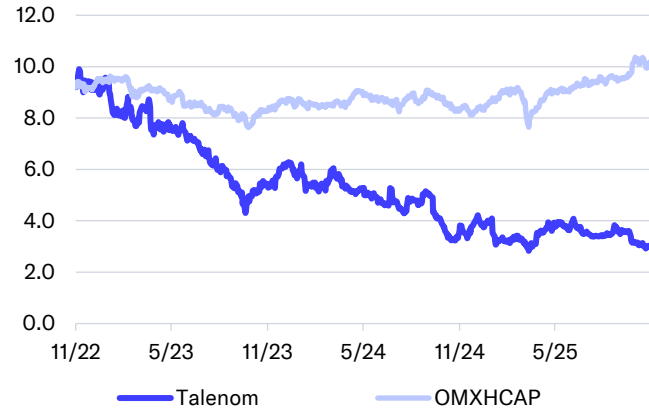
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Guidance

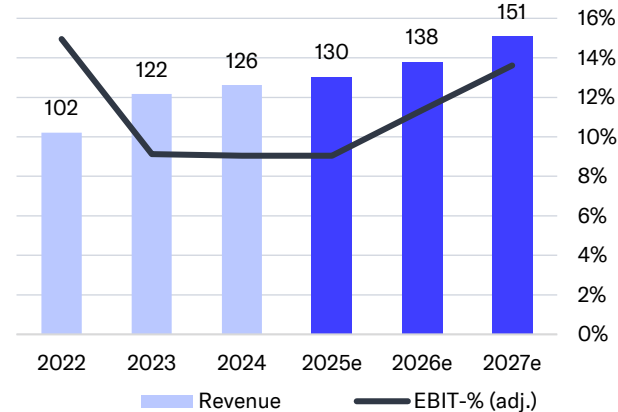
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Talenom estimates that 2025 revenue will be around 130-140 MEUR and EBITDA around 36-42 MEUR.

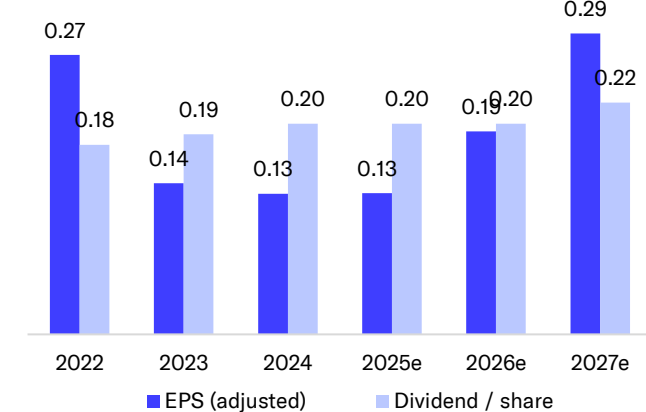
Share price



Revenue and EBIT-% (adj.)



EPS and dividend



Value drivers

- Demerger
- Strong earnings growth after the acquisition-driven growth phase
- 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
- 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	3.02	3.02	3.02
Number of shares, millions	46.1	46.1	46.1
Market cap	139	139	139
EV	232	231	229
P/E (adj.)	22.5	15.7	10.6
P/E	22.5	15.7	10.6
P/B	2.7	2.7	2.5
P/S	1.1	1.0	0.9
EV/Sales	1.8	1.7	1.5
EV/EBITDA	6.3	5.6	5.0
EV/EBIT (adj.)	19.6	14.8	11.1
Payout ratio (%)	149%	103.8 %	77.0 %
Dividend yield-%	6.6 %	6.6 %	7.3 %

Source: Inderes

Country-specific breakdown of the accounting firm business

In Finland, the figures are sound even without Easor

In Finland, the profitability of the accounting business is very strong even without Easor, which we cut directly from Finland's country-specific figures. We estimate that the Finnish accounting firm business will generate around 12.2 MEUR in EBIT on revenue of some 69 MEUR this year, which would imply a margin of 17.6%. The EBITDA margin is still significantly higher at around 30%. The business also generates abundant cash flow, which enables it to carry debt well. We assign an EV/EBIT multiple of 13x to the Finnish accounting firm business based on the 2026 forecast, which means the enterprise value (EV) of this business alone is 173 MEUR.

The value of Sweden is currently questionable

In Sweden, development has been weak, and the business has so far destroyed shareholder value. Before a clear turn for the better, investors are unlikely to give the business any value. In the sum-of-the-parts valuation, we have

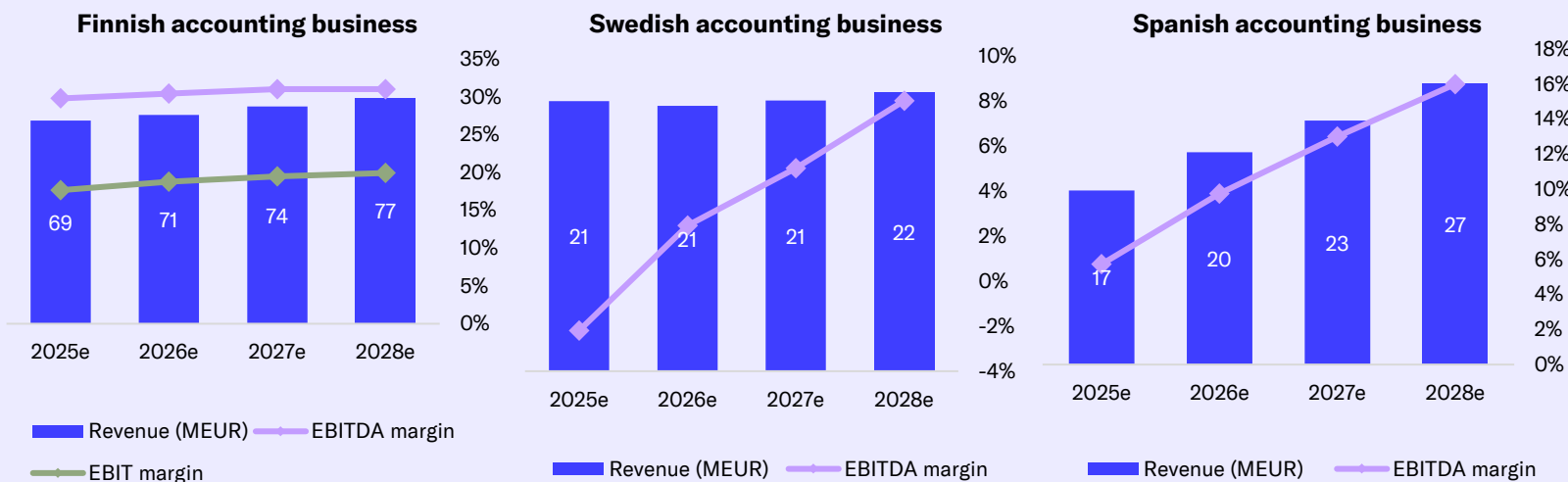
assigned an enterprise value of 11 MEUR to the problematic Swedish business, calculated using an EV/revenue multiple of 0.5x. We estimate that a buyer could be found for the business at this valuation, even though its current condition is weak and the outlook is uncertain. The industry is also attractive to private equity investors. There is still a clear write-down risk associated with Sweden, but we believe the company can avoid this amidst the demerger and business transformation.

Spain offers value, but also uncertainties

In Spain, Talenom has not repeated the mistakes of its Swedish expansion, and the business has developed mostly positively. Through acquisitions, Talenom has created a business in Spain with revenue of almost 17 MEUR this year, and it is expected to grow further to the 20 MEUR range next year (forecast includes acquisitions). Organic growth has also started, which is encouraging for the future. The operating result is still well in the red, but the EBITDA is already clearly positive.

The valuation of the Spanish accounting business is complicated by the fact that it has its own software in customer interfaces (based on the Nomo acquisition), which is still being developed under Easor. The software is not yet invoiced separately, which means that revenue is not directly transferred to Easor, but this has apparently been taken into account in the invoicing of services. This way, some of the value may transfer to Easor as invoicing becomes separate next year, which would weaken the key figures of the Spanish accounting business.

In addition, uncertainty is created by the fact that the Spanish operating profit is still clearly in the red due to the high costs of the country organization. Thus, here too, value must be considered through the EV/Sales multiple, but due to the good growth outlook and the enormous potential of the market, we accept a 1.5x multiple for Spain based on the 2026 forecast. This would mean an enterprise value of approximately 30 MEUR for Spain, with significant upside potential through growth and improved profitability.



Value of accounting business (MEUR)

Country value (EV)	MEUR	Method
Finland	173	2026e EV/EBIT 13x
Sweden	11	2026e EV/S 0.5x
Spain	30	2026e EV/S 1.5x
Total	214	
Interest-bearing liabilities (MEUR)	81	We allocate most of the Group's interest-bearing debt (92 MEUR) to the accounting firm business
Market value (MEUR)	133	
Number of shares (millions)	46.1	
Value per share	EUR 2.9	

There is value, but it needs to be brought out

Sum of the parts reveals hidden value

On the previous page, we reviewed the SOTP calculation for Talenom's accounting firm business, according to which its value would be approximately EUR 2.9 per share. Although we believe the valuation is fully justified, it is also easy to understand a significantly lower valuation before clearly positive results from Sweden and Spain. At the value indicated by the sum of the parts, the valuation multiples for the would be very high: the 2025e and 2026e EV/EBIT multiples would be 29x and 21x, which are difficult to justify for an accounting firm business. The corresponding EV/EBITDA multiples would be moderate at 10x and 9x, but we suspect the market will focus on EV/EBIT multiples partly due to previous capitalizations. Thus, according to our estimate, the SOTP value will only be reached when the development in Sweden has been turned around and more visibility is gained in Spain.

We are cautious about the Easor software business for now, as we do not want to make an accurate valuation before the company's listing prospectus is published. After this, we will conduct an independent analysis of the companies with significantly better information than at present, the outcome of which we do not wish to influence at this stage. We have now valued the Easor software business at a round 100 MEUR (EV) and assumed 11 MEUR in interest-bearing debt for the company (partially IFRS 16 lease liabilities), while the accounting firm business accounts for the majority. Using the same number of shares as Talenom, we arrive at a preliminary market value for Easor of around 90 MEUR or EUR 1.9 per share. The estimate is intentionally conservative, as visibility into Easor's development in the coming years is still weak. We emphasize that the estimate will be refined as the demerger process proceeds.

Valuation multiples are still problematic

Talenom's valuation multiples are high based on 2025 forecasts (P/E 23x and EV/EBIT 20x), but by eliminating operating losses from abroad, the corresponding multiples would be approximately 14x and 13x. Turning the international business even slightly profitable would, in our view, quickly reduce the "undervaluation" relative to the SOTP.

Visibility for 2026 remains limited, but based on economists' forecasts, the Finnish economy should also start to recover. With the estimated 2026 earnings, the Group's valuation multiples (P/E 16x and EV/EBIT 15x) are also reasonable in our opinion, but due to market distrust, higher multiples require the company to show proof, especially in Sweden and Spain. Talenom's cash flow has shown a clear improvement recently, which is encouraging.

The risks have not disappeared, but they are priced in

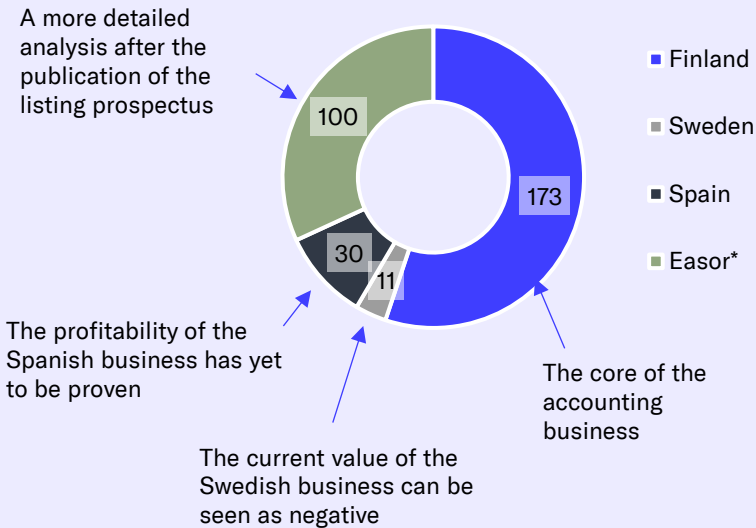
In our view, the risks we previously highlighted (potential profit warning, weak development in Sweden, and the balance sheet) are now priced into the stock, maybe even too heavily, and our concerns regarding the balance sheet have eased somewhat. In our view, the clearest driver now is the approaching demerger, where the value of Easor should materialize and the overall picture should gradually become clearer.

In our view, the share's risk/reward ratio is currently attractive over a 12-month horizon, and following the share price decline, we raise our recommendation directly to Buy (was Reduce). The expected return exceeds 20% by a significant margin, even if we do not consider the dividend yield, which is partly distorted by the demerger (Talenom will remain a dividend stock in the future, Easor will not).

Valuation	2025e	2026e	2027e
Share price	3.02	3.02	3.02
Number of shares, millions	46.1	46.1	46.1
Market cap	139	139	139
EV	232	231	229
P/E (adj.)	22.5	15.7	10.6
P/E	22.5	15.7	10.6
P/B	2.7	2.7	2.5
P/S	1.1	1.0	0.9
EV/Sales	1.8	1.7	1.5
EV/EBITDA	6.3	5.6	5.0
EV/EBIT (adj.)	19.6	14.8	11.1
Payout ratio (%)	149%	103.8 %	77.0 %
Dividend yield-%	6.6 %	6.6 %	7.3 %

Source: Inderes

Value distribution in sum of the parts (EV, MEUR)



Sum-of-the-parts analysis (SOTP)

Value of accounting business/Talenom (MEUR)

Country value (EV)	MEUR	Method
Finland	173	2026e EV/EBIT 13x
Sweden	11	2026e EV/S 0.5x
Spain	30	2026e EV/S 1.5x
Total	214	
Interest-bearing liabilities (MEUR)	81	(assumption of financing structure)
Market value (MEUR)	133	
Number of shares (millions)	46.1	(estimate of diluted number of shares)
Value per share	EUR 2.9	

Accounting business valuation multiples with SOTP value

Multiple	2025e	2026e
EV/S (x)	2.0	1.9
EV/EBITDA (x)	10.3	8.9
EV/EBIT (x)	29.3	20.9

These are high because Finland's result is diluted by losses from abroad.

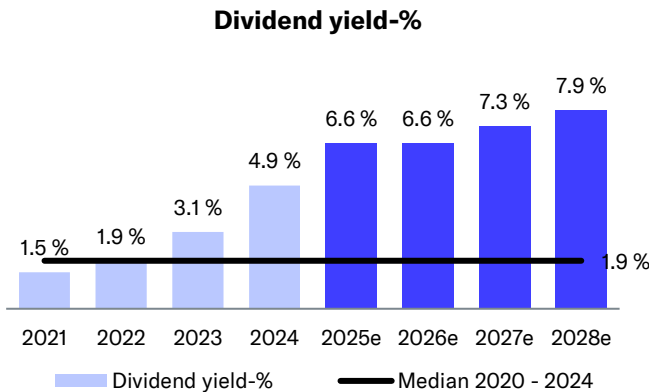
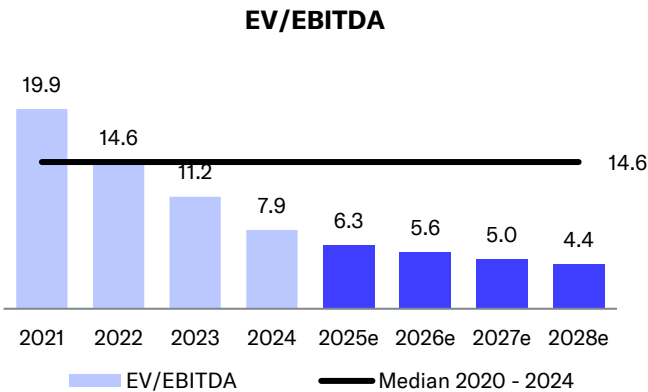
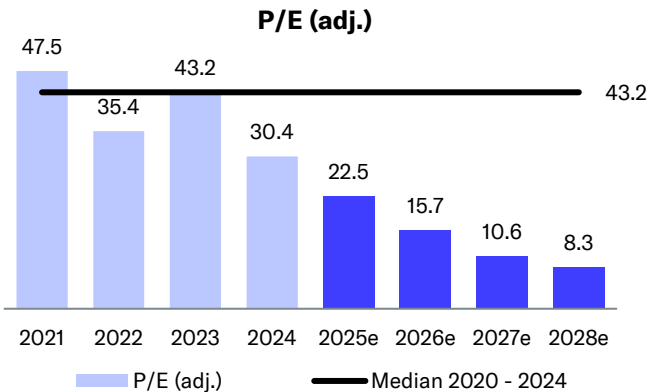
Preliminary value of Easor's software business (MEUR)

Enterprise value (EV, MEUR)	100	(analysis after the prospectus)
Interest-bearing liabilities (MEUR)	11	(assumption)
Market value (MEUR)	89	
Number of shares (millions)	46.1	(same assumption as Talenom)
Value per share	EUR 1.9	
Total	EUR 4.8	
Distribution of the total sum of the parts 2026e		
<i>Accounting business</i>		
Finland	173	Clear value creator
Sweden	11	Problematic turnaround story
Spain	30	Considerable potential
<i>Software</i>		
Easor*	100	* To be specified after publication of the prospectus
Total (EV, MEUR)	314	
Interest-bearing liabilities (MEUR)	92	
Market value (MEUR)	222	
Value per share	EUR 4.8	

Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	15.1	11.7	9.39	6.20	4.06	3.02	3.02	3.02	3.02
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	139	139	139	139
EV	679	552	475	357	273	232	231	229	224
P/E (adj.)	67.9	47.5	35.4	43.2	30.4	22.5	15.7	10.6	8.3
P/E	67.9	47.5	35.4	83.7	30.4	22.5	15.7	10.6	8.3
P/B	20.2	11.5	7.5	5.0	3.4	2.7	2.7	2.5	2.3
P/S	10.0	6.2	4.1	2.3	1.5	1.1	1.0	0.9	0.8
EV/Sales	10.4	6.7	4.6	2.9	2.2	1.8	1.7	1.5	1.4
EV/EBITDA	29.2	19.9	14.6	11.2	7.9	6.3	5.6	5.0	4.4
EV/EBIT (adj.)	52.7	37.4	31.1	32.1	23.9	19.6	14.8	11.1	8.9
Payout ratio (%)	67.7 %	69.0 %	68.3 %	256.6 %	149.8 %	149.1 %	103.8 %	77.0 %	65.9 %
Dividend yield-%	1.0 %	1.5 %	1.9 %	3.1 %	4.9 %	6.6 %	6.6 %	7.3 %	7.9 %

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 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	41	48	11.0	8.9	7.6	6.4	1.2	1.0	11.9	10.4	2.2	2.3
Admicom	219	209	18.1	15.4	17.7	14.8	5.6	5.0	23.3	20.2	1.5	1.7
Administer	37	47		46.8	9.4	7.8	0.6	0.6			2.4	2.2
Xero	11728	11728	65	64	36	32	11.3	8.7	90	94		
Enento	348	493	20.1	14.5	10.0	9.2	3.2	3.1	21.9	16.4	6.9	7.0
Fondia	17	15	9.5	7.5	8.1	5.6	0.6	0.6	13.4	11.0	6.7	6.7
Vincit	21	25		11.1	9.8	3.8	0.4	0.4		14.3	3.9	5.5
Gofore	204	223	14.6	9.2	10.8	7.6	1.2	1.0	16.5	11.8	3.9	4.0
Etteplan	240	309	11.4	9.9	8.3	7.1	0.9	0.8	13.4	11.9	2.2	3.2
Talenom (Inderes)	139	232	19.6	14.8	6.3	5.6	1.8	1.7	22.5	15.7	6.6	6.6
Average			21.4	20.9	13.1	10.5	2.8	2.4	27.2	23.8	3.7	4.1
Median			14.6	11.1	9.8	7.6	1.2	1.0	16.5	13.1	3.1	3.6
Diff-% to median			34%	33%	-35%	-26%	52%	71%	37%	20%	111%	85%

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	30.0	130.4	138	151	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	4.1	17.2	21.0	25.6	30.7
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	50.8
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	25.0
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	25.0
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	0.4	1.7
Non-allocated	-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	16.8
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	0.36
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	0.36

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 %	2.8 %	3.3 %	5.8 %	9.5 %	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 %	32.7 %	31.4 %	21.7 %
EBITDA-%	26.2 %	27.9 %	30.3 %	30.8 %	20.7 %	27.5 %	29.9 %	27.8 %	29.5 %	24.5 %	28.0 %	29.9 %	30.5 %	30.7 %
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 %	10.1 %

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	60.0
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	31.7
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	185

Source: Inderes

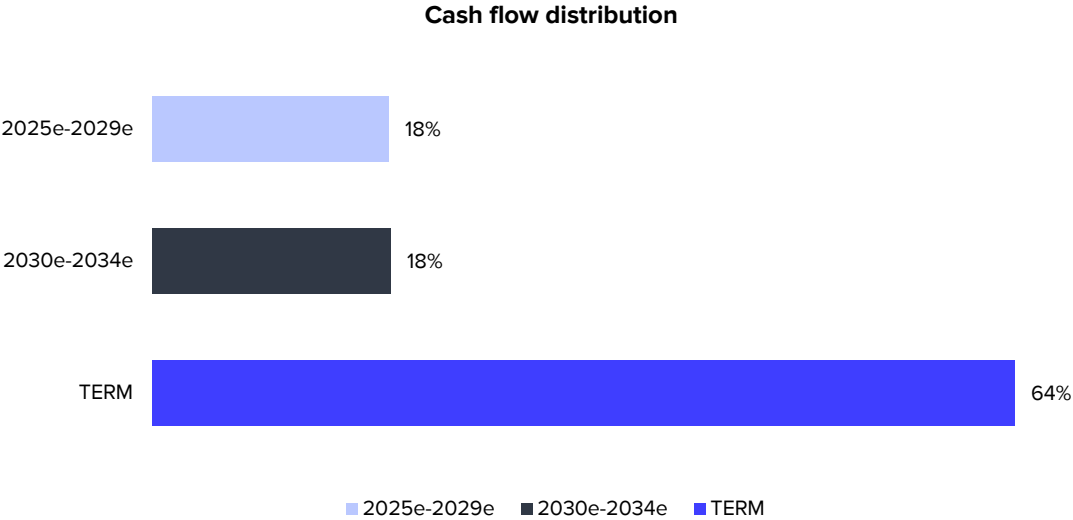
Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	55.8	54.4	51.4	51.1	55.1
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	24.9	23.5	20.5	20.2	24.1
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	-0.1	-0.1	-0.1	-0.1
Other equity	30.9	30.9	30.9	30.9	30.9
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	81.4	96.8	96.5	96.6	95.4
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	91.1
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	32.6	34.9
Interest bearing debt	9.0	4.4	7.8	7.8	7.7
Payables	29.4	22.4	23.5	24.8	27.2
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	176	178	179	180	185

DCF calculation

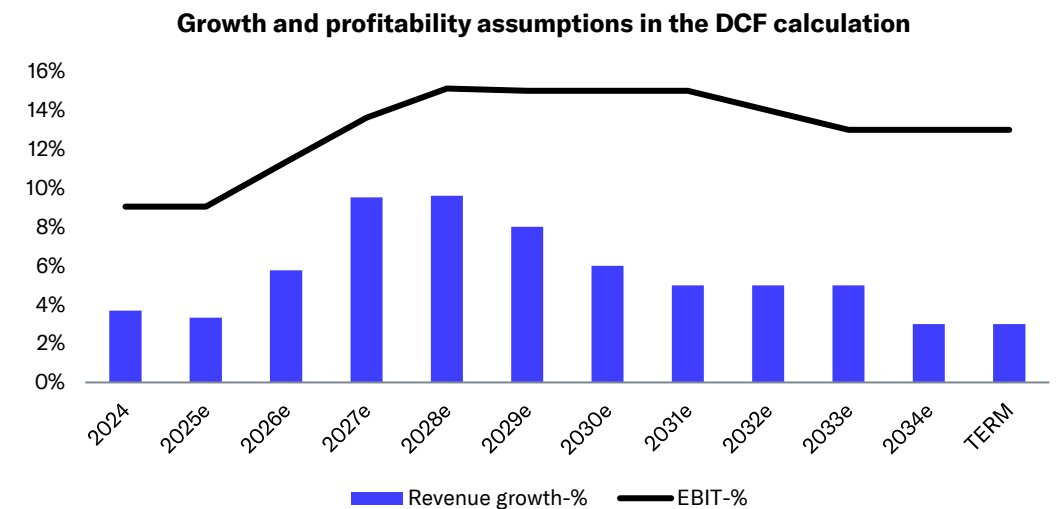
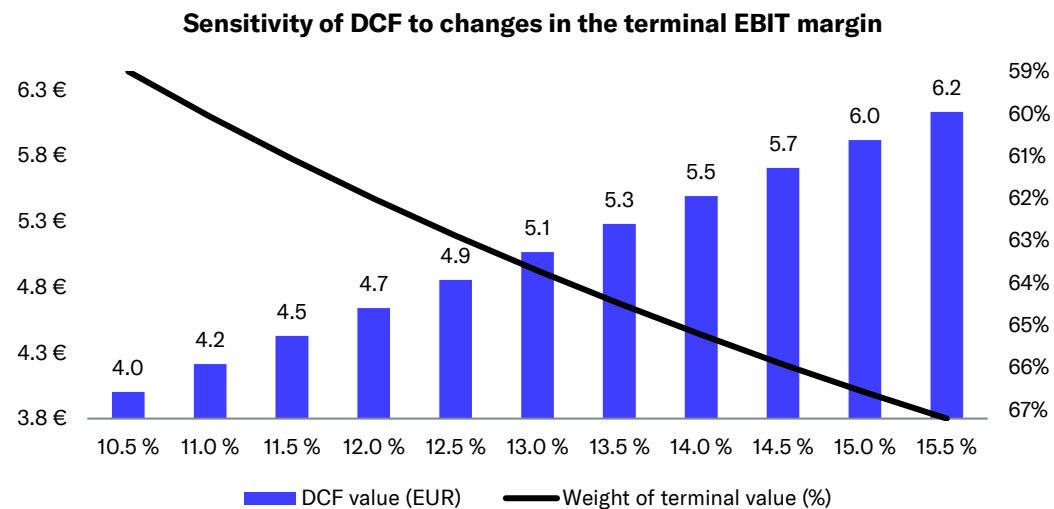
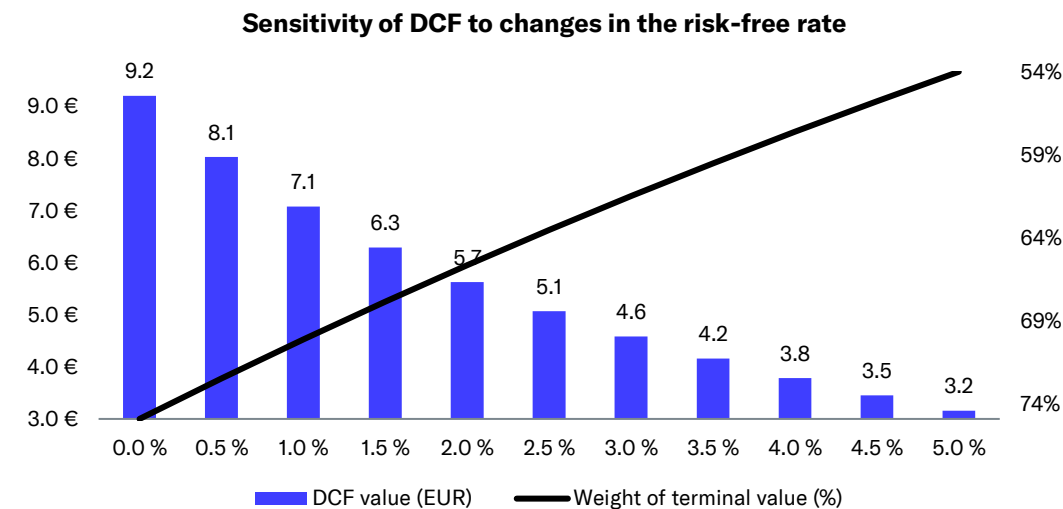
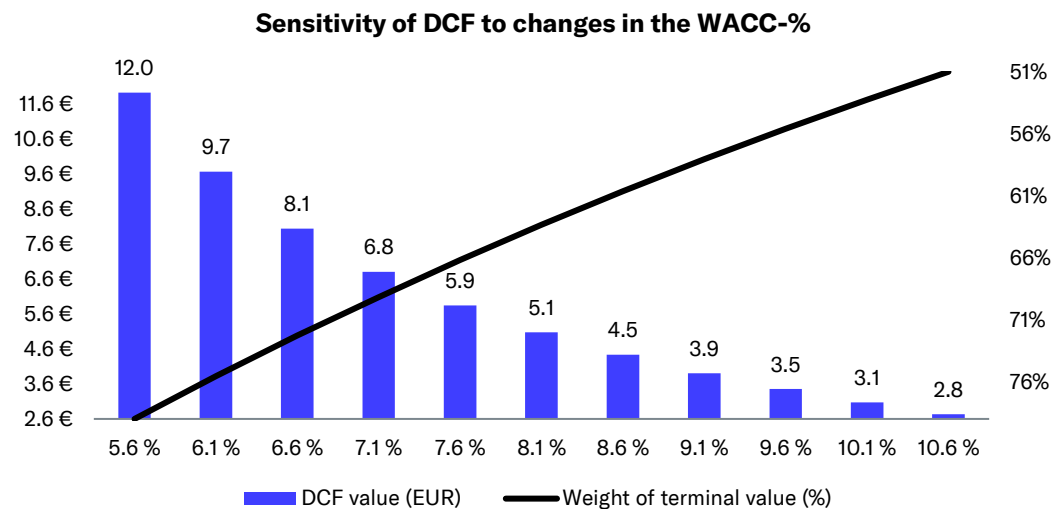
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	3.7 %	3.3 %	5.8 %	9.5 %	9.6 %	8.0 %	6.0 %	5.0 %	5.0 %	5.0 %	3.0 %	3.0 %
EBIT-%	9.0 %	9.0 %	11.3 %	13.6 %	15.1 %	15.0 %	15.0 %	15.0 %	14.0 %	13.0 %	13.0 %	13.0 %
EBIT (operating profit)	11.4	11.8	15.7	20.6	25.0	26.8	28.4	29.9	29.3	28.5	29.4	
+ 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	-5.2	-5.6	-5.4	-5.3	-5.4	
- 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	42.1	46.0	47.7	49.5	51.0	50.6	50.0	51.6	
+ 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	-27.8	-27.8	-31.3	-29.8	-30.6	-30.4	-30.6	-30.4	
Free operating cash flow	-0.9	7.5	13.1	14.4	18.2	16.4	19.7	20.4	20.2	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	14.4	18.2	16.4	19.7	20.4	20.2	19.5	21.2	428
Discounted FCFF		7.5	12.0	12.2	14.3	11.9	13.3	12.7	11.6	10.4	10.4	211
Sum of FCFF present value		328	320	308	296	282	270	257	244	232	222	211
Enterprise value DCF		328										
- Interest bearing debt		-96.3										
+ Cash and cash equivalents		8.7										
-Minorities		0.0										
-Dividend/capital return		-9.1										
Equity value DCF		231										
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	130.4	138.0	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	179.2	180.3	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 %	17.3 %
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 %	179.7 %
EV/S	4.6	2.9	2.2	1.8	1.7						
EV/EBITDA	14.6	11.2	7.9	6.3	5.6						
EV/EBIT (adj.)	31.1	32.1	23.9	19.6	14.8						
P/E (adj.)	35.4	43.2	30.4	22.5	15.7						
P/B	7.5	5.0	3.4	2.7	2.7						
Dividend-%	1.9 %	3.1 %	4.9 %	6.6 %	6.6 %						

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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Recommendation history (>12 mo)

The company carried out a 1:5 split on February 25, 2020. Prices and targets 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 €
12/1/2025	Buy	3.80 €	3.02 €



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