

## Adverse market conditions visible in growth

Inderes' Q2 earnings miss was relatively large, given it owed to June sales. Although our estimates underestimated the seasonality of the Swedish operations and AGM season, we conclude that organic growth was muted. An inactive IPO market is not supporting growth; thus, the growth outlook has become dimmer. We make hefty short-term estimate cuts and lower our fair value range to EUR 23-26.

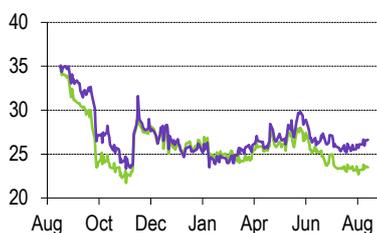
### Key Data (2023E)

Price (EUR)	23.50
Reuters	INDERES.HE
Bloomberg	INDERES FH
Market cap (EURm)	40
Market cap (USDm)	43
Net debt (EURm)	(2)
Net gearing	(31%)
Net debt/EBITDA (x)	(0.8)
Shares fully dil. (m)	1.7
Avg daily turnover (m)	0.0
Free float	76%

### Estimate Revisions (%)

	2023E	2024E	2025E
Revenues	(5)	(6)	(4)
Adj. EBIT	(23)	(15)	(8)
Adj. EPS	13	22	27

### Share Price (12M)



Absolute (green) / Relative to Finland (purple).

### Marketing communication

commissioned by:

Inderes

### Q2 outcome: Muted organic growth outside of commissioned research

We think Inderes' Q2 sales miss was relatively clear, as the 8% deviation owed purely to June sales. Our pre-report assumptions underestimated the seasonality of the acquired Swedish business, which is heavily dependent on earnings seasons. Given that the commissioned research business saw healthy growth, we conclude that organic growth excluding research was muted. Summing up, our estimate changes are mixed, with 2023E-24E EBITA falling heavily (down 18% and 16% respectively) but 2025E EBITA decreasing by just 7%.

### Market not favouring growth initiatives

Inderes still has some growth avenues in the Finnish market, but we think the core domestic business faces a more difficult market, given the lack of IPO pipeline and listed companies being acquired. Inderes already has high market penetration and winning new clients is demanding. However, we see room to improve the penetration of AGM services and IR solutions, which should bring cost benefits for clients. Finding new business therefore relies much on Sweden. The company has activated its sales efforts after the integration, but customer decision-making processes vary, thus progress might be slow for some time before the potential snowball effect kicks in.

### Fair value range down to EUR 23-26

Inderes trades at a 2023E EV/EBITDA of 13x, falling to <8x by 2025E. Our fair value range declines to EUR 23-26 (previously EUR 26-29).

### Financials (EUR)

Year end: Dec	2021	2022	2023E	2024E	2025E
Revenues (m)	12	14	18	20	22
Adj. EBIT	2	1	3	4	4
Pre-tax profit (m)	2	1	1	2	4
EPS	0.79	0.23	0.47	1.05	1.62
Adj. EPS	1.00	0.50	1.08	1.67	2.24
DPS	0.80	0.82	0.85	0.90	1.00
Revenue growth (%)	35.4	14.1	34.8	8.2	9.7
Adj. EBIT growth (%)	33.5	(43.3)	95.6	39.1	5.5
Adj. EPS growth (%)	n.m.	(50.2)	117.5	53.8	34.0
Adj. EBIT margin (%)	19.5	9.7	14.1	18.1	17.4
ROE (%)	29.8	5.2	10.2	23.4	32.7
ROCE (%)	51.1	15.5	23.9	34.5	33.5
PER (x)	37.4	51.1	21.7	14.1	10.5
Free cash flow yield (%)	4.8	2.3	4.7	(2.0)	4.9
Dividend yield (%)	2.1	3.2	3.6	3.8	4.3
P/BV (x)	9.18	5.38	5.36	5.12	4.43
EV/Sales (x)	4.59	3.04	2.04	2.00	1.80
EV/Adj. EBITDA (x)	22.3	27.2	13.2	10.3	7.7
EV/Adj. EBIT (x)	23.5	31.4	14.5	11.1	10.4
Operating cash flow/EV (%)	5.7	3.6	6.3	6.9	6.8
Net debt/EBITDA (x)	(2.90)	(1.24)	(0.80)	(0.03)	(0.11)

Source for all data on this page: SEB (estimates) and Millstream/Thomson Reuters (prices)

## Estimate revisions

Following a Q2 sales miss (owing to June's sales deviation) of 8% and June sales data, we cut 2023E-24E sales by 5-6%. We think clients continue to seek more cost-efficient options in their events. Also, the market is not optimal for gaining new ground in Sweden. However, after a slower start, we expect accelerating growth in Sweden in 2025, as we think winning new clients will become easier after the first references are secured. Hence, 2025E sales declines by just 4%. Due to high earnings leverage (Q2 fixed costs well in line with our estimate), our EBITA estimate for 2023 falls by 18%.

However, we see no major need to increase fixed costs and think the current employee base can deliver higher revenue, creating scale. 2025E EBITA decreases by 7%. Note that we have removed goodwill amortisation from our adjusted EPS figures, hence the front page adjusted EPS change differs from our other estimate changes.

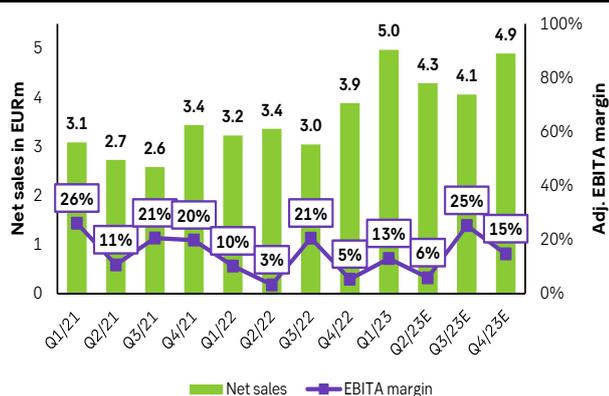
### Estimate revisions

(EURm)	New estimates			Old estimates			Difference (%)		
	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
Sales	18.2	19.7	21.6	19.1	21.0	22.5	-5	-6	-4
EBITA	2.6	3.4	4.5	3.2	4.0	4.9	-18	-16	-7
EBITA margin (%)	14.5	17.0	21.0	16.9	19.1	21.6	-2.4pp	-2.0pp	-0.6pp
EPS	0.46	1.05	1.62	0.96	1.37	1.79	-52	-24	-10
<b>Other data</b>									
No. of paid reserach, period-end	144	150	159	144	154	163	0	-3	-3
No. of employees, avg.	117	120	122	117	121	123	0	-1	-1

Source: SEB

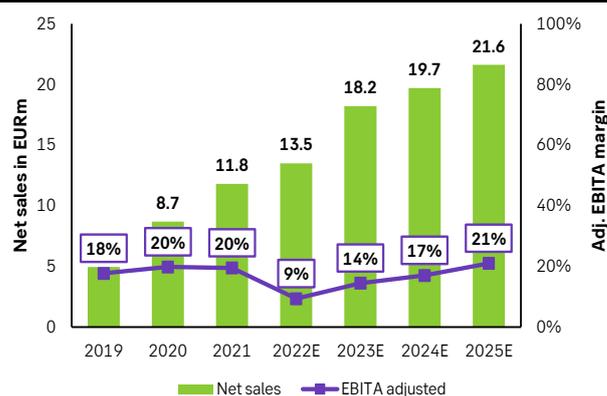
## SEB estimates

### Quarterly sales and EBITA margin



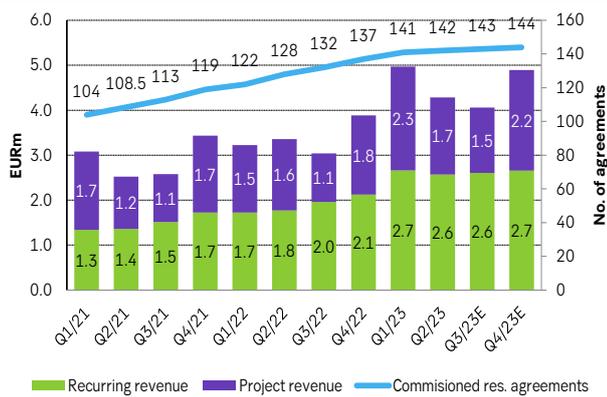
Source: SEB

### Annual sales and EBITA margin



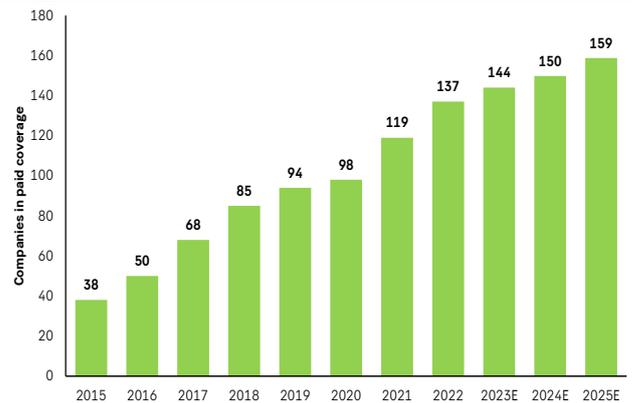
Source: SEB

### Quarterly sales split and research contracts



Source: SEB

### Year-end number of commissioned research contracts



Source: SEB

### Quarterly estimates (EURm)

	Q1/22	Q2/22	Q3/22	Q4/22	Q1/23	Q2/23	Q3/23E	Q4/23E
<b>Net sales</b>	<b>3.2</b>	<b>3.4</b>	<b>3.0</b>	<b>3.9</b>	<b>5.0</b>	<b>4.3</b>	<b>4.1</b>	<b>4.9</b>
Other income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Materials and services	-0.4	-0.5	-0.4	-0.6	-1.0	-0.7	-0.6	-0.7
Gross profit	2.9	2.8	2.6	3.3	4.0	3.6	3.5	4.2
<i>-margin-%</i>	89%	84%	86%	84%	79%	85%	86%	85%
Personnel expenses	-2.0	-2.1	-1.4	-2.3	-2.6	-2.6	-1.8	-2.6
Other operating costs	-0.5	-0.6	-0.5	-0.7	-0.7	-0.8	-0.6	-0.8
EBITDA reported	0.4	0.2	0.7	0.3	0.7	0.3	1.1	0.8
EBITDA adjusted	0.4	0.2	0.7	0.3	0.7	0.3	1.1	0.8
<i>-margin-%</i>	0.1	0.0	0.2	0.1	0.1	0.1	0.3	0.2
Depreciation	-0.03	-0.05	-0.06	-0.06	-0.07	-0.07	-0.07	-0.07
EBITA	0.3	0.1	0.6	0.2	0.6	0.3	1.0	0.7
<b>EBITA adjusted</b>	<b>0.3</b>	<b>0.1</b>	<b>0.6</b>	<b>0.2</b>	<b>0.6</b>	<b>0.3</b>	<b>1.0</b>	<b>0.7</b>
<i>-margin-%</i>	<b>10%</b>	<b>3%</b>	<b>21%</b>	<b>5%</b>	<b>13%</b>	<b>6%</b>	<b>25%</b>	<b>15%</b>
Amortisation	-0.09	-0.09	-0.09	-0.20	-0.26	-0.26	-0.26	-0.26
EBIT reported	0.2	0.0	0.5	0.0	0.4	0.0	0.8	0.5
EBIT adjusted	0.2	0.0	0.5	0.0	0.4	0.0	0.8	0.5
<i>-margin-%</i>	8%	1%	18%	0%	8%	0%	19%	9%

Source: SEB

<b>Annual estimates (EURm)</b>							
	2019	2020	2021	2022E	2023E	2024E	2025E
<b>Net sales</b>	<b>5.0</b>	<b>8.7</b>	<b>11.8</b>	<b>13.5</b>	<b>18.2</b>	<b>19.7</b>	<b>21.6</b>
Other income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Materials and services	-0.5	-1.2	-1.7	-1.9	-3.0	-3.2	-3.2
Gross profit	4.4	7.5	10.2	11.6	15.2	16.6	18.4
<i>-margin-%</i>	89%	86%	86%	86%	84%	84%	85%
Personnel expenses	-2.9	-4.1	-5.8	-7.8	-9.4	-9.9	-10.3
Other operating costs	-0.6	-1.5	-1.9	-2.3	-2.9	-3.1	-3.2
EBITDA reported	0.9	1.8	2.4	1.5	2.9	3.6	4.8
<b>EBITDA adjusted</b>	<b>0.9</b>	<b>1.8</b>	<b>2.4</b>	<b>1.5</b>	<b>2.9</b>	<b>3.6</b>	<b>4.8</b>
<i>-margin-%</i>	<b>19%</b>	<b>21%</b>	<b>21%</b>	<b>11%</b>	<b>16%</b>	<b>18%</b>	<b>22%</b>
Depreciation	-0.07	-0.10	-0.12	-0.20	-0.26	-0.27	-0.27
EBITA	0.9	1.7	2.3	1.3	2.6	3.4	4.5
<b>EBITA adjusted</b>	<b>0.9</b>	<b>1.7</b>	<b>2.3</b>	<b>1.3</b>	<b>2.6</b>	<b>3.4</b>	<b>4.5</b>
<i>-margin-%</i>	<b>18%</b>	<b>20%</b>	<b>20%</b>	<b>9%</b>	<b>14%</b>	<b>17%</b>	<b>21%</b>
Amortisation	-0.1	-0.3	-0.3	-0.5	-1.0	-1.0	-1.0
EBIT reported	0.8	1.4	2.0	0.8	1.6	2.3	3.5
EBIT adjusted	0.8	1.4	2.0	0.8	1.6	2.3	3.5
<i>-margin-%</i>	16%	16%	17%	6%	9%	12%	16%
Net financials	0.0	0.2	-0.2	-0.1	-0.4	-0.2	-0.2
Pre-tax profit	0.8	1.6	1.7	0.8	1.3	2.3	3.6
Earnings	0.6	1.2	1.3	0.4	0.8	1.8	2.8
Minority share	0.0	0.0	0.0	0.0	-0.1	-0.1	-0.1
Net earnings for owners	0.6	1.1	1.3	0.4	0.8	1.8	2.7
<b>EPS</b>			<b>0.77</b>	<b>0.24</b>	<b>0.46</b>	<b>1.05</b>	<b>1.62</b>
<b>Other data</b>							
Employees avg.	42	52	72	97	117	120	122
No. of commissioned research, period end	94	98	119	137	144	150	159
Commissioned research sales, SEB est.	3.2	3.5	4.1	4.7	5.3	5.8	6.3
<b>Sales split by geography</b>							
Finland				12.5	13.8	14.4	14.9
Sweden				0.9	4.0	4.7	5.9
Other				0.1	0.4	0.6	0.8

Source: SEB

## Valuation

Our DCF mid-point valuation declines to EUR 27 (29). In our peer group benchmarking, we justify a 2023E EV/EBITDA of 10x and 2025E EV/EBITDA of 8x, implying a range of EUR 19-23. All in all, our blended fair value range declines to EUR 23-26 (previously EUR 26-29).

### SEB fair value range setting

DCF valuation	EUR per share	
Mid-point	27	
Range with +/-2% growth sensitivity	25	30
<b>Peer group benchmarking</b>	19	23
DCF & peer group valuation with 60/40 weightings	22	27
<b>SEB fair value range</b>	<b>23</b>	<b>26</b>

Source: SEB

**DCF summary table**

DCF valuation (EURm)		Weighted average cost of capital (%)	
NPV of FCF in explicit forecast period	19	Risk free interest rate	2.5
NPV of continuing value	25	Risk premium	6.5
<b>Value of operation</b>	<b>43</b>	<b>Cost of equity</b>	<b>9.0</b>
Net debt	(2)	<b>After tax cost of debt</b>	<b>2.0</b>
Share issue/buy-back in forecast period	-		
Value of associated companies	-	<b>WACC</b>	<b>9.0</b>
Value of minority shareholders' equity	-		
Value of marketable assets	-	<b>Assumptions</b>	
<b>DCF value of equity</b>	<b>46</b>	Number of forecast years	10
<b>DCF value per share (EUR)</b>	<b>27</b>	EBIT margin - steady state (%)	14.6
Current share price (EUR)	23.50	EBIT multiple - steady state (x)	12.3
DCF performance potential (%)	16	Continuing value (% of NPV)	56.4

Source: SEB

**DCF assumption details**

(EURm)	2023E	2024E	2025E	2026E	2027E	Average year 6	Average year 7-8	Average year 9-10
Sales growth (%)	34.8	8.2	9.7	6.0	5.0	6.0	5.0	2.5
EBITDA margin (%)	15.9	18.4	22.3	22.4	22.5	22.6	22.7	20.3
EBIT margin (%)	8.8	11.8	16.2	15.9	16.2	16.6	17.0	14.9
Gross capital expenditures as % of sales	2.7	17.8	3.2	3.2	3.2	3.2	3.2	3.2
Working capital as % of sales	(9.6)	(7.8)	(1.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Lease repayments as % of sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sales	18	20	22	23	24	26	27	29
Depreciation	(0)	(0)	(0)	(0)	(0)	(0)	(1)	(1)
Intangibles amortisation	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
EBIT	2	2	4	4	4	4	5	4
Taxes on EBIT	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Increase in deferred taxes	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0
<b>NOPLAT</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>5</b>	<b>5</b>	<b>5</b>
Gross capital expenditure	(1)	(4)	(1)	(1)	(1)	(1)	(1)	(1)
Increase in working capital	0	(0)	(1)	(0)	0	0	0	0
Lease repayments	0	0	0	0	0	0	0	0
<b>Free cash flow (incl. lease repayments)</b>	<b>2</b>	<b>(1)</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>5</b>	<b>4</b>
ROIC (%)	20.6	28.1	34.3	37.5	42.5	48.8	59.5	67.5
ROIC-WACC (%)	11.6	19.1	25.3	28.5	33.5	39.8	50.5	58.5
Share of total net present value (%)	0.0	(1.4)	4.3	6.3	6.5	6.3	12.0	9.6

Source: SEB

**Peer group table I**

	Mkt cap (EURm)	EV (EURm)	PER			EV/EBIT			EV/EBITDA			EV/Sales		
			2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
<b>Enento</b>	542	665	23.4x	18.1x	16.1x	16.9x	14.2x	12.6x	12.1x	10.3x	9.5x	4.2x	4.0x	3.7x
<b>Alma Media</b>	751	879	13.6x	13.6x	12.9x	12.6x	11.7x	11.0x	9.8x	9.5x	8.9x	2.9x	2.7x	2.6x
<b>Sanoma</b>	1,170	1,834	21.6x	12.5x	11.2x	14.3x	10.9x	10.2x	5.9x	5.0x	4.8x	1.3x	1.3x	1.3x
<b>Gofore</b>	326	284	16.0x	13.6x	11.4x	13.4x	10.4x	7.4x	10.0x	8.0x	6.0x	1.5x	1.2x	0.9x
<b>Talenom</b>	282	345	31.5x	24.4x	18.8x	24.0x	19.1x	15.2x	9.9x	8.6x	7.3x	2.8x	2.5x	2.2x
<b>EQS Group</b>	286	310	243.4x	56.2x	35.6x	191.5x	35.8x	19.2x	33.0x	18.3x	12.7x	4.3x	3.4x	2.7x
<b>Broadridge Financial Solutions</b>	19,804	22,793	26.4x	24.0x	21.6x	21.7x	n.a.	n.a.	18.3x	n.a.	n.a.	4.1x	n.a.	n.a.
<b>Median</b>	<b>542</b>	<b>665</b>	<b>23.4x</b>	<b>18.1x</b>	<b>16.1x</b>	<b>16.9x</b>	<b>12.9x</b>	<b>11.8x</b>	<b>10.0x</b>	<b>9.0x</b>	<b>8.1x</b>	<b>2.9x</b>	<b>2.6x</b>	<b>2.4x</b>
<b>Average</b>	<b>3,309</b>	<b>3,873</b>	<b>53.7x</b>	<b>23.2x</b>	<b>18.2x</b>	<b>42.0x</b>	<b>17.0x</b>	<b>12.6x</b>	<b>14.1x</b>	<b>9.9x</b>	<b>8.2x</b>	<b>3.0x</b>	<b>2.5x</b>	<b>2.2x</b>
<b>Inderes (SEBE)</b>	<b>40</b>	<b>37</b>	<b>21.7x</b>	<b>14.1x</b>	<b>10.5x</b>	<b>14.5x</b>	<b>11.1x</b>	<b>10.4x</b>	<b>13.2x</b>	<b>10.3x</b>	<b>7.7x</b>	<b>2.0x</b>	<b>2.0x</b>	<b>1.8x</b>

Source: SEB, Refinitiv (data as at 14 August 2023)

**Peer group table II**

	Mkt cap (EURm)	EV (EURm)	Sales growth (%)			EBIT margin (%)			Sales growth + EBIT margin (%)		
			2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
<b>Enento</b>	542	665	-5.3	4.2	5.0	24.8	27.8	29.2	19.5	32.0	34.2
<b>Alma Media</b>	751	879	-1.3	2.7	2.3	22.9	23.4	23.6	21.6	26.1	25.9
<b>Sanoma</b>	1,170	1,834	6.1	1.3	0.4	9.3	11.8	12.5	15.5	13.2	12.9
<b>Gofore</b>	326	284	27.3	12.4	13.0	11.1	11.6	12.6	38.4	24.0	25.6
<b>Talenom</b>	282	345	22.4	13.3	13.2	11.5	12.9	14.1	33.9	26.3	27.3
<b>EQS Group</b>	286	310	17.4	21.3	17.9	2.2	9.4	13.8	19.6	30.7	31.7
<b>Broadridge Financial Solutions</b>	19,804	22,793	7.0	6.5	5.5	18.8	19.4	19.9	na	na	na
<b>Median</b>	<b>542</b>	<b>665</b>	<b>7.0</b>	<b>6.5</b>	<b>5.5</b>	<b>11.5</b>	<b>12.9</b>	<b>14.1</b>	<b>20.6</b>	<b>26.2</b>	<b>26.6</b>
<b>Average</b>	<b>3,309</b>	<b>3,873</b>	<b>10.5</b>	<b>8.8</b>	<b>8.2</b>	<b>14.4</b>	<b>16.6</b>	<b>18.0</b>	<b>24.8</b>	<b>25.4</b>	<b>26.3</b>
<b>Inderes (SEBE)</b>	<b>40</b>	<b>37</b>	<b>34.8</b>	<b>8.2</b>	<b>9.7</b>	<b>14.1</b>	<b>18.1</b>	<b>17.4</b>	<b>48.9</b>	<b>26.3</b>	<b>27.1</b>

Source: SEB, Refinitiv (data as at 14 August 2023)

# SEAM (SEB's ESG Assessment Methodology)

## Inderes

Country: Finland Sector: Services Overall impact of ESG factors on valuation: **Slightly Positive** Fully discounted in mid-point DCF value: **Yes**

In our view, ESG factors do or will have an overall slightly positive impact on the share's valuation. The most material impact is Inderes' online events that reduce traffic related to events and that Inderes democratises stock market information to make it more broadly available. Most of the impact is yet to be discounted in our mid-point equity valuation. We believe that most of the ESG factors facing the company could be manageable by the company, and that the company's management of these issues could be improved by establishing and further developing policies and reporting on ESG topics.

With regard to the EU taxonomy, we expect to see the company report an insignificant current revenue alignment with relevant taxonomy screening criteria. In the longer term, we also expect alignment to be insignificant.

### ESG impact on NPV (as % of equity valuation)

Total impact over time	<b>5</b>
of which:	
- impact reflected in mid-point equity valuation	<b>5</b>
- impact yet-to-be reflected in mid-point equity valuation	<b>0</b>

### ESG impact on NPV (as % of enterprise valuation)

Total impact over time	<b>4</b>
of which:	
- impact reflected in mid-point enterprise valuation	<b>4</b>
- impact yet-to-be reflected in mid-point enterprise valuation	<b>0</b>

## SEB ESG Financial Assessment

	As % of equity valuation	As % of enterprise valuation
<b>Long term impact of ESG issue on valuation</b>	<b>5</b>	<b>4</b>
of which:		
<b>Impact already reflected in our 6-12 month mid-point</b>	<b>5</b>	<b>4</b>
<b>Impact yet-to-be reflected in mid-point price</b>	<b>0</b>	<b>0</b>

## Sales (price/volume) exposure to ESG opportunities/threats

	Impact on Sales CAGR (%pa)		NPV/EV (%)
	0-3 yrs	4-10+ yrs	
<b>Societal impacts</b>			
Inderes democratises stock market information to make it more broadly available	1	1	2
<b>Climate related impact - products/services</b>			
Inderes offers online events that can reduce travelling related to events	1	1	2

### Long term impact of ESG issue on valuation (% NPV/EV)

**4**

## Inderes (cont.)

### EU Taxonomy Eligibility/Alignment (based on mandatory EU disclosures)

In our view, the company does not have EU Taxonomy eligible revenues.

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### Sustainability related commitments and targets

Does the company have a science based target?	No
Is the CEO's remuneration linked to achievement of sustainability goals?	No
What are the company's most material sustainability goals?	Help employees to develop themselves
Who has ultimate responsibility for sustainability management?	CEO

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# Overview

## Investment considerations

Inderes has a very strong position in the Finnish commissioned research market due to its active investor community and over 120 commissioned research clients. Inderes' commissioned research provides up to 30% EBITDA margin, meaning high recurring cash flows. Inderes has expanded to virtual events and IR solutions with a strong track record in cross-selling. The key long-term growth will drive Nordic expansion. We calculate that the Nordic market potential is roughly 7x the Finnish market.

## Company profile

Inderes provides IR services connecting stock-listed companies and investors. It has over 190 Finnish stock-listed companies as customers. Inderes has three main business areas: commissioned equity research, virtual events through its subsidiary Flik and IR solutions. In addition, Inderes operates an investment platform for its over 75,000 active users.

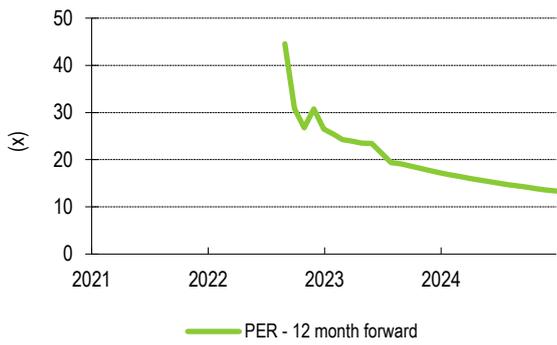
## Valuation approach

We base our fair value range on DCF and peer group valuation. In our DCF, we assume a relatively low WACC for mature and defensive Finnish commissioned research while the Nordic growth estimates are more uncertain and thus require a higher capital cost. We give a lower weight for the peer group valuation due to the lack of direct peers.

## Investment risks

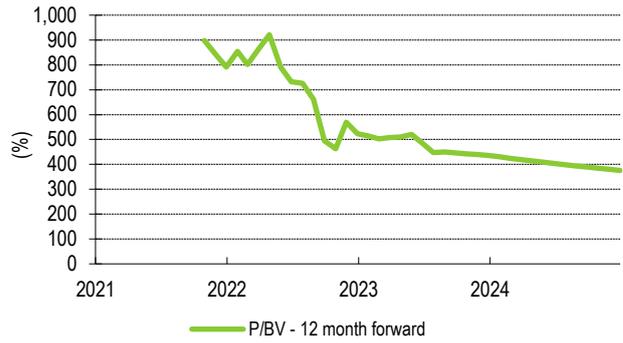
The company is expanding geographically and failure in expansion would mean notably lower growth estimates; however, we believe that success in expansion creates upside risk to our fair valuation. Another significant risk relates to an economic downturn, which could result in a slowing IPO market and trend where companies start to reduce IR functions. This could slow market growth. We also flag other risks, e.g. related to key personnel and new competitors.

**PER - 12 month forward**



Source: SEB

**P/BV - 12 month forward**



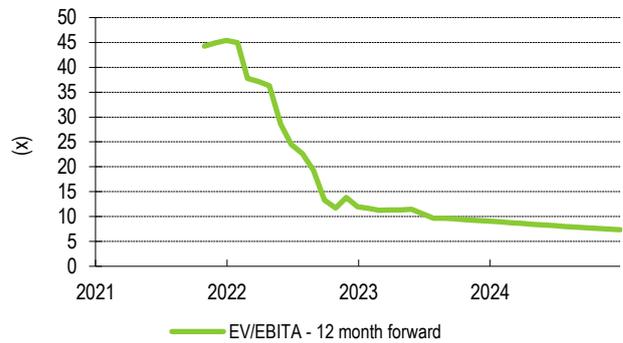
Source: SEB

**EV/Sales - 12 month forward**



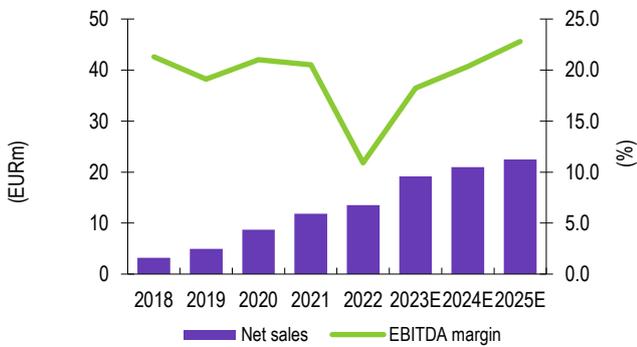
Source: SEB

**EV/EBITA - 12 month forward**



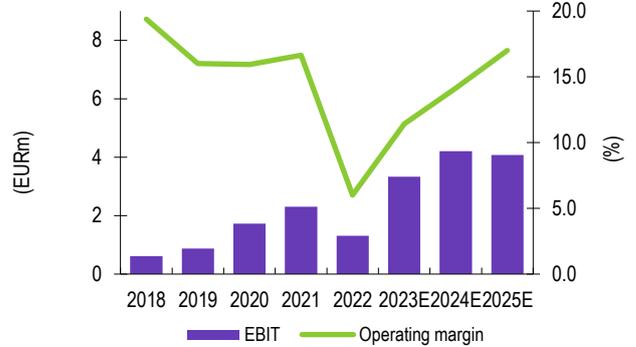
Source: SEB

**Net sales & EBITDA margin**



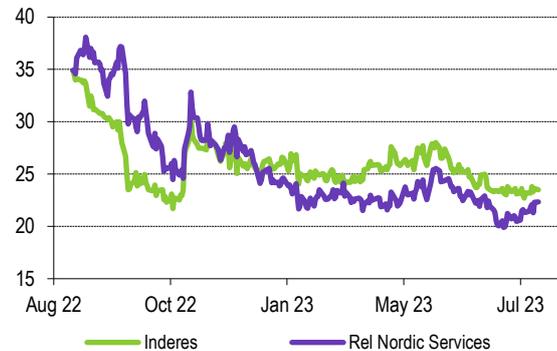
Source: SEB

**EBIT & Operating margin**



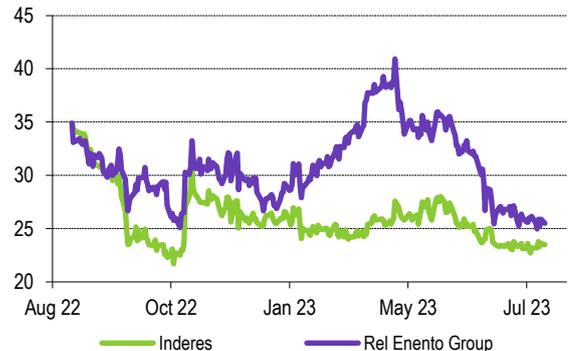
Source: SEB

**Comparison with sector index - 1 year**



Source: SIX

**Comparison with Enento Group - 1 year**



Source: SIX

<b>Profit &amp; loss statement - Inderes</b>								
<b>(EURm)</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
Net Sales	3	5	9	12	14	18	20	22
Other revenues	0	0	0	0	0	0	0	0
<b>Total revenues</b>	<b>3</b>	<b>5</b>	<b>9</b>	<b>12</b>	<b>14</b>	<b>18</b>	<b>20</b>	<b>22</b>
Total expenses	(3)	(4)	(7)	(9)	(12)	(15)	(16)	(17)
<b>Profit before depreciation</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>4</b>	<b>5</b>
Depreciation - Fixed assets	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Depreciation - Other assets	0	0	0	0	0	0	0	0
Depreciation of right-of-use assets	0	0	0	0	0	0	0	0
Amortisation - Goodwill	0	(0)	(0)	(0)	(0)	(1)	(1)	(1)
Amortisation - Other intangibles	0	0	0	0	0	0	0	0
<b>Operating profit</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>4</b>
Associated companies	0	0	0	0	0	(0)	0	0
Net interest expenses	0	0	0	(0)	(0)	(0)	(0)	(0)
Foreign exchange items	0	0	0	0	0	0	0	0
Other financial items	0	0	0	0	0	0	0	0
Value changes - Fixed assets	0	0	0	0	0	0	0	0
Value changes - Financial assets	0	0	0	0	0	0	0	0
Value changes - Other assets	0	0	0	0	0	0	0	0
<b>Reported pre-tax profit</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>4</b>
Minority interests	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Total taxes	(0)	(0)	(0)	(0)	(0)	(0)	(1)	(1)
<b>Reported profit after tax</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>
Discontinued operations	0	0	0	0	0	0	0	0
Extraordinary items	0	0	0	0	0	0	0	0
<b>Net Profit</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>
<b>Adjustments:</b>								
Discontinued operations	0	0	0	0	0	0	0	0
Interest on convertible debt	0	0	0	0	0	0	0	0
Minority interests (IFRS)	0	0	0	0	0	0	0	0
Value changes	0	0	0	0	0	0	0	0
Goodwill/intangibles amortisations	0	0	0	0	0	1	1	1
Restructuring charges	0	0	0	0	0	0	0	0
Other adjustments	0	0	0	0	0	0	0	0
Tax effect of adjustments	0	0	0	0	0	0	0	0
<b>Adjusted profit after tax</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
<b>Margins, tax &amp; returns</b>								
Operating margin	19.4	16.0	15.9	16.6	6.0	8.8	11.8	16.2
Pre-tax margin	19.5	16.2	18.3	14.7	5.5	7.2	11.8	16.4
Tax rate	20.1	19.7	27.2	22.8	42.1	35.0	22.0	22.0
ROE	88.8	61.6	67.4	29.8	5.2	10.2	23.4	32.7
ROCE	111.2	71.7	91.7	51.1	15.5	23.9	34.5	33.5
<b>Growth rates y-o-y (%)</b>								
Total revenues	n.a.	55.7	76.3	35.4	14.1	34.8	8.2	9.7
Operating profit	29.9	28.7	74.8	41.7	(58.7)	96.9	45.0	51.1
Pre-tax profit	24.9	28.9	98.4	9.0	(57.3)	77.1	77.5	52.5
EPS (adjusted)	0.0	0.0	0.0	0.0	(50.2)	117.5	53.8	34.0
<b>Cash flow</b>								
<b>(EURm)</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
Net profit	0	1	1	1	0	1	2	3
Non-cash adjustments	0	0	1	1	1	1	1	1
<b>Cash flow before work cap</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
Ch. in working capital / Other	(0)	1	(1)	1	1	0	(0)	(1)
<b>Operating cash flow</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>3</b>
Capital expenditures	0	0	(0)	(0)	(0)	(1)	(4)	(1)
Asset disposals	0	0	0	0	0	0	0	0
L/T financial investments	0	0	(0)	(0)	(1)	0	0	0
Acquisitions / adjustments	0	0	0	0	(3)	0	0	0
<b>Free cash flow</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>(2)</b>	<b>2</b>	<b>(1)</b>	<b>2</b>
Net loan proceeds	0	0	(0)	(0)	2	0	0	0
Dividend paid	0	0	(1)	(1)	(1)	(1)	(1)	(2)
Share issue	0	0	0	5	(1)	0	0	0
Other	0	0	(0)	(1)	(0)	0	0	(0)
<b>Net change in cash</b>	<b>0</b>	<b>2</b>	<b>(0)</b>	<b>6</b>	<b>(3)</b>	<b>0</b>	<b>(2)</b>	<b>0</b>
<b>Adjustments</b>								
C/flow bef chng in work cap	1	1	2	2	1	2	3	4
Adjustments	0	0	0	0	0	0	0	0
Int on conv debt net of tax	0	0	0	0	0	0	0	0
Cash earnings	1	1	2	2	1	2	3	4
<b>Per share information</b>								
Cash earnings	0.0	0.0	0.0	1.3	0.54	1.33	1.74	2.32
Operating cash flow	0.0	0.0	0.0	1.9	0.88	1.4	1.61	1.58
Free cash flow	0.0	0.0	0.0	1.78	(1.47)	1.11	(0.47)	1.16
<b>Investment cover</b>								
Capex/sales (%)	0.0	0.0	2.6	1.7	3.6	2.7	17.8	3.2
Capex/depreciation (%)	0	0	222	163	242	189	1,321	264

Source for all data on this page: SEB

<b>Balance sheet - Inderes</b>								
<b>(EURm)</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
Cash and liquid assets	1	1	1	7	4	4	2	2
Debtors	1	1	2	2	3	3	4	4
Inventories	0	0	0	0	0	0	0	0
Other	0	0	1	0	0	0	0	0
<b>Current assets</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>9</b>	<b>7</b>	<b>8</b>	<b>6</b>	<b>7</b>
Interest bearing fixed assets	0	0	0	0	0	0	0	0
Other financial assets	0	0	0	0	3	2	3	3
Capitalized development cost	0	0	0	0	0	0	0	0
Goodwill	0	2	1	1	8	6	5	4
Other intangibles	0	0	0	0	0	0	0	0
Right-of-use lease assets	0	0	0	0	0	0	0	0
Fixed tangible assets	0	0	0	0	0	1	4	4
Other fixed assets	0	0	0	0	0	0	0	0
<b>Fixed assets</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>11</b>	<b>10</b>	<b>12</b>	<b>12</b>
<b>Total assets</b>	<b>2</b>	<b>5</b>	<b>6</b>	<b>11</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>19</b>
Creditors	0	0	0	0	0	1	1	1
Other trade financing	1	1	1	1	4	3	4	4
S/T lease liabilities	0	0	0	0	0	0	0	0
S/T interest bearing debt	0	0	0	0	0	0	0	0
Other	0	2	2	2	1	1	1	0
<b>Current liabilities</b>	<b>1</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>4</b>
L/T interest bearing debt	0	0	0	0	2	2	2	2
L/T lease liabilities	0	0	0	0	0	0	0	0
Other long-term liabilities	0	0	0	0	3	3	3	3
Convertible debt	0	0	0	0	0	0	0	0
Pension provisions	0	0	0	0	0	0	0	0
Other provisions	0	0	0	(0)	0	0	0	0
Deferred tax	0	0	0	0	0	0	0	0
<b>Long term liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>
Minority interests	0	0	0	0	0	0	0	0
<b>Shareholders' equity</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>7</b>	<b>8</b>	<b>7</b>	<b>8</b>	<b>9</b>
<b>Total liabilities and equity</b>	<b>2</b>	<b>5</b>	<b>6</b>	<b>11</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>19</b>
Net debt (m)	(1)	(1)	(1)	(7)	(2)	(2)	(0)	(1)
Working capital (m)	(0)	(1)	(0)	(2)	(2)	(2)	(2)	(0)
Capital employed (m)	1	2	2	7	10	10	10	11
Net debt/equity (%)	(149)	(68)	(43)	(105)	(23)	(31)	(1)	(6)
Net debt/EBITDA (x)	(1.6)	(1.1)	(0.5)	(2.9)	(1.2)	(0.8)	(0.0)	(0.1)
Equity/total assets (%)	35	31	39	64	45	42	43	49
Interest cover	0.0	0.0	0.0	7.0	7.4	0.0	0.0	0.0

<b>Valuation</b>								
<b>(EUR)</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
No of shares, fully dil. (y/e)	0.0	0.0	0.0	1.6	1.7	1.7	1.7	1.7
No of shares, fully dil. avg.	0.0	0.0	0.0	1.6	1.7	1.7	1.7	1.7
Share price, y/e				37.5	25.5	23.5	23.5	23.5
Share price, high				53.9	48.0	28.0		
Share price, low				34.6	21.2	22.7		
Share price, avg				40.1	34.2	25.2		
EPS (reported)	0.00	0.00	0.00	0.79	0.23	0.47	1.05	1.62
EPS (adjusted)	0.00	0.00	0.00	1.00	0.50	1.08	1.67	2.24
Cash earnings/share	0.00	0.00	0.00	1.30	0.54	1.33	1.74	2.32
Dividend/share	0.00	0.00	0.00	0.80	0.82	0.85	0.90	1.00
Enterprise value/share				33	24	22	23	23
Book value/share	73	135	211	4.1	4.7	4.4	4.6	5.3
Adjusted equity/share	73	135	211	4.1	4.7	4.4	4.6	5.3
PER (adjusted)				37.4	51.1	21.7	14.1	10.5
CEM				28.9	47.4	17.7	13.5	10.1
Dividend yield				2.1	3.2	3.6	3.8	4.3
EV/EBITDA				22.3	27.2	13.2	10.3	7.7
EV/EBITA				23.5	31.4	14.5	11.1	8.1
EV/EBIT				23.5	31.4	14.5	11.1	10.4
EV/Sales (x)				4.59	3.04	2.04	2.00	1.80
Price/Book value				9.18	5.38	5.36	5.12	4.43
Price/adjusted equity				9.18	5.38	5.36	5.12	4.43
Free cash flow/Market cap (%)				4.8	2.3	4.7	(2.0)	4.9
Operating cash flow/EV (%)				5.7	3.6	6.3	6.9	6.8
EV/Capital employed (x)				8.0	4.1	3.9	4.0	3.5

<b>Main shareholders</b>			<b>Management</b>			<b>Company information</b>	
<b>Name</b>	<b>(%)</b>	<b>Votes</b>	<b>Capital</b>	<b>Title</b>	<b>Name</b>	<b>Contact</b>	
Mikael Rautanen		13.9	13.9	COB	Kaj Hagros	Internet	group.inderes.fi
Juha Kinnunen		12.0	12.0	CEO	Mikael Rautanen	Phone number	+358 10 219 4690
Sauli Vilén		9.0	9.0	CFO	Mikko Wartiovaara		
Foreign owners (total)		0.4	0.4	IK			

Source for all data on this page: SEB

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