

NOT TO BE DISTRIBUTED IN, OR TAKEN OR TRANSMITTED INTO, THE UNITED STATES, CANADA, JAPAN, AUSTRALIA OR IN ANY OTHER JURISDICTION WHERE TO DO SO WOULD BE UNLAWFUL.

Results Analysis

Services

Finland

21 April 2023

## A solid start to the year

**Inderes' Q1 proves to us that the challenges it faced after the pandemic have passed. Organic growth of 25% is solid in a difficult market. The company was able to turn AGM services into a concept that works after the pandemic. The Swedish expansion still relies on acquired companies, but we believe cross-selling opportunities can be exploited over time. On higher estimates, we raise our fair value range to EUR 28-31.**

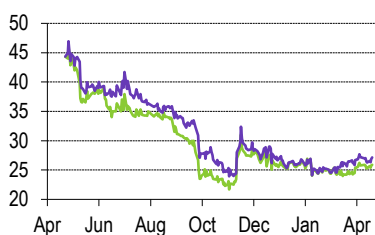
### Key Data (2023E)

Price (EUR)	25.90
Reuters	INDERES.HE
Bloomberg	INDERES FH
Market cap (EURm)	44
Market cap (USDm)	48
Net debt (EURm)	(3)
Net gearing	(40%)
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	2	3	2
Adj. EBIT	23	7	5
Adj. EPS	30	6	4

### Share Price (12M)



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

**Marketing communication  
 commissioned by:  
 Inderes**

### Q1 outcome: AGM services performing, even after the pandemic

Inderes delivered a solid Q1, with organic growth accelerating to 25%. Although the comparison base for event services in Q1/22 was easy, its performance was stronger than we expected. Our key conclusion is that the success of AGM services was underestimated. Inderes has successfully kept the customers it won during the pandemic and even expanded its business via its holistic offering for AGMs. Also, research services continued to win new clients, despite a tough market.

### Swedish expansion still in its infancy

Inderes continues to build its Swedish expansion story. According to management, the acquired operations saw few customers leave, but those that did were offset by new clients. We continue to see major upselling potential in the existing base. As the company's sales efforts proceed and new references are won, we believe the Swedish expansion will continue; however, it might take a few years, as building awareness and gaining trust take time. The Finnish market should still offer some growth for Inderes, although penetration in research services is so high that growth requires a more active IPO market, in our view.

### Fair value range up to EUR 28-31 (26-29)

On raised estimates, we think Inderes' EV/EBITDA multiples look attractive (2025E EV/EBITDA of 7x). However, we still think that the risks associated with the Swedish expansion need to be reflected in valuation multiples.

### Financials (EUR)

Year end: Dec	2021	2022	2023E	2024E	2025E
Revenues (m)	12	14	20	22	24
Adj. EBIT	2	1	4	5	5
Pre-tax profit (m)	2	1	3	4	5
EPS	0.79	0.23	1.24	1.66	2.07
Adj. EPS	0.79	0.23	1.24	1.66	2.07
DPS	0.80	0.82	0.85	0.90	1.00
Revenue growth (%)	35.4	14.1	48.0	9.7	7.2
Adj. EBIT growth (%)	33.5	(43.3)	201.5	23.7	(1.3)
Adj. EPS growth (%)	n.m.	(71.4)	446.0	34.0	24.8
Adj. EBIT margin (%)	19.5	9.7	19.7	22.2	20.5
ROE (%)	29.8	5.2	25.1	29.9	31.6
ROCE (%)	51.1	15.5	36.0	40.5	34.1
PER (x)	47.3	112.3	20.9	15.6	12.5
Free cash flow yield (%)	4.8	2.3	6.9	0.5	6.2
Dividend yield (%)	2.1	3.2	3.3	3.5	3.9
P/BV (x)	9.18	5.38	5.02	4.34	3.63
EV/Sales (x)	4.59	3.04	2.01	1.88	1.71
EV/Adj. EBITDA (x)	22.3	27.2	9.5	8.0	6.6
EV/Adj. EBIT (x)	23.5	31.4	10.2	8.5	8.3
Operating cash flow/EV (%)	5.7	3.6	8.8	9.0	8.5
Net debt/EBITDA (x)	(2.90)	(1.24)	(0.85)	(0.46)	(0.59)

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

## Solid delivery in Q1

Inderes posted a solid report in Q1. Sales grew 54%, to EUR 5.0m (4.4% above SEBe), and organic growth was 25%. Sales were supported by strong demand for AGM licenses (up 40% y/y) in particular, but the number of commissioned research contracts also exceeded our estimate. The overall performance was solid. The first commissioned research initiation of coverage in Sweden has been published and there is more to come in Q2. Also, the second research analyst has been hired in Sweden. As its market share is very high in Finland and the company mentioned that IPO activity is modest, commissioned research growth is strongly dependent on the Swedish expansion.

Profitability also beat our estimate clearly, with adj. EBITA at EUR 0.6m (margin of 13%) compared to our forecast of EUR 0.4m and an 8.7% margin. Profitability was supported by solid sales growth, but also lower operating expenses compared to our estimates. Both the personnel count (end-quarter number down from end-Q4/22) and the average cost per employee were lower than we had forecast. The company said during the conference call that recruitment activity will depend on demand ahead and that salary inflation will be flat y/y.

### Q1/23 deviation table

EURm	Q1/23		Deviation SEB		Q1/22		Q4/22	
	Actual	SEB	Abs	Rel (%)	Actual	y/y	Actual	q/q
Net sales	5.0	4.8	0.2	4.4	3.2	54.1	3.9	27.9
Materials and services	-1.0	-0.7	-0.4	-53.0	-0.4	-176.4	-0.6	-68.0
Gross profit	3.9	4.1	-0.1	-3.6	2.9	38.3	3.3	20.4
Personnel expenses	-2.6	-2.8	0.2	7.7	-2.0	-29.2	-2.3	-12.3
Other operating costs	-0.7	-0.8	0.2	19.5	-0.5	-32.7	-0.7	7.3
EBITA	0.6	0.4	0.2	55.7	0.3	95.7	0.2	212.6
EBITA adjusted	0.6	0.4	0.23	55.7	0.3	95.7	0.2	212.6
EBIT reported	0.4	0.2	0.2	115.0	0.2	57.4	0.0	9500.0
Adj. EBITA margin	13.0%	8.7%		4.3pp	10.2%	2.8pp	5.3%	7.7pp
No. of commissioned	141	138	3.0	2.2	119.0	18.5	137.0	2.9

Source: SEB, Inderes

## Estimate revisions

Following the better-than-expected Q1 report, we lift our sales estimates by 2-3%. We do not extrapolate the >4% sales beat, as it was due to strong AGM service demand in Q1 especially. In terms of EBITA, we increase 2023E by 23%, 2024E by 7% and 2025E by 6%. In addition to higher top-line estimates, the lower-than-expected headcount has positive impacts on our EBITA estimates.

Estimate revisions									
(EURm)	New estimates			Old estimates			Difference (%)		
	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
Sales	20.0	21.9	23.5	19.5	21.4	23.0	2	3	2
EBITA	3.8	4.7	5.6	3.1	4.4	5.3	23	7	6
EBITA margin (%)	19.2	21.3	23.8	15.9	20.3	23.0	3.3pp	1.0pp	0.8pp
EPS	1.24	1.68	2.13	0.95	1.58	2.04	31	7	5
<b>Other data</b>									
No. of paid reserach, period-end	144	154	163	141	151	160	2	2	2
No. of employees, avg.	117	121	123	123	127	129	-5	-5	-5

Source: SEB

## SEB estimates

### Guidance seems conservative to us

Inderes reinitiated its guidance for above EUR 17m of sales and an improving EBITA margin for 2022, which was 9.4%. According to Inderes, the market seems stable in its main product areas, but IPO activity remains low. Given that the company acquired Financial Hearings and Streamfabriken, we calculate that the lower end of sales guidance indicates roughly flat organic sales growth. The company grew 25% organically in Q1 and the EBITA margin improved from 10.2% to 13.0% y/y.

Project revenue recovered from its weakness of last year, following strong demand for AGM services. According to Inderes, Streamfabriken and Financial Hearings performed as expected in Q1; we find some cross-selling opportunities already this year. The acquired companies were clearly more profitable than Inderes last year, hence we think guidance is conservative and see clear upside potential in 2023, both in terms of sales and profitability. All in all, we forecast FY/23 sales of EUR 20m (i.e. 18% above the guidance threshold). In terms of EBITA margin, we estimate 19%, roughly double the guidance limit.

Quarterly estimates								
	Q1/22	Q2/22	Q3/22	Q4/22	Q1/23E	Q2/23E	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>5.1</b>	<b>4.7</b>	<b>5.3</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	-0.9	-0.6	-0.8
Gross profit	2.9	2.8	2.6	3.3	4.0	4.2	4.1	4.5
-margin-%	89%	84%	86%	84%	79%	83%	87%	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	-0.7	-0.9
EBITDA reported	0.4	0.2	0.7	0.3	0.7	0.8	1.6	1.0
EBITDA adjusted	0.4	0.2	0.7	0.3	0.7	0.8	1.6	1.0
-margin-%	0.1	0.0	0.2	0.1	0.1	0.2	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	0.7	1.6	0.9
<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>0.7</b>	<b>1.6</b>	<b>0.9</b>
<b>-margin-%</b>	<b>10%</b>	<b>3%</b>	<b>21%</b>	<b>5%</b>	<b>13%</b>	<b>14%</b>	<b>33%</b>	<b>17%</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	0.5	1.3	0.7
EBIT adjusted	0.2	0.0	0.5	0.0	0.4	0.5	1.3	0.7
-margin-%	8%	1%	18%	0%	8%	9%	28%	12%

Source: SEB, Inderes

<b>Annual estimates</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>20.0</b>	<b>21.9</b>	<b>23.5</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	-3.3	-3.5	-3.5
Gross profit	4.4	7.5	10.2	11.6	16.7	18.4	20.0
<i>-margin-%</i>	89%	86%	86%	86%	84%	84%	85%
Personnel expenses	-2.9	-4.1	-5.8	-7.8	-9.5	-10.1	-10.6
Other operating costs	-0.6	-1.5	-1.9	-2.3	-3.1	-3.4	-3.5
EBITDA reported	0.9	1.8	2.4	1.5	4.1	4.9	5.9
<b>EBITDA adjusted</b>	<b>0.9</b>	<b>1.8</b>	<b>2.4</b>	<b>1.5</b>	<b>4.1</b>	<b>4.9</b>	<b>5.9</b>
<i>-margin-%</i>	<b>19%</b>	<b>21%</b>	<b>21%</b>	<b>11%</b>	<b>21%</b>	<b>23%</b>	<b>25%</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	3.8	4.7	5.6
<b>EBITA adjusted</b>	<b>0.9</b>	<b>1.7</b>	<b>2.3</b>	<b>1.3</b>	<b>3.8</b>	<b>4.7</b>	<b>5.6</b>
<i>-margin-%</i>	<b>18%</b>	<b>20%</b>	<b>20%</b>	<b>9%</b>	<b>19%</b>	<b>21%</b>	<b>24%</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	2.8	3.6	4.6
EBIT adjusted	0.8	1.4	2.0	0.8	2.8	3.6	4.6
<i>-margin-%</i>	16%	16%	17%	6%	14%	17%	19%
Net financials	0.0	0.2	-0.2	-0.1	-0.2	-0.2	-0.2
Pre-tax profit	0.8	1.6	1.7	0.8	2.7	3.7	4.7
Earnings	0.6	1.2	1.3	0.4	2.1	2.9	3.6
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	2.1	2.8	3.6
<b>EPS</b>			<b>0.77</b>	<b>0.24</b>	<b>1.24</b>	<b>1.68</b>	<b>2.13</b>
<b>Other data</b>							
Employees avg.	42	52	72	97	117	121	123
No. of commissioned research, period end	94	98	119	137	144	154	163

Source: SEB, Inderes

## Valuation

Following increased estimates, our DCF mid-point valuation rises to EUR 33 (previously EUR 31). We continue to use a WACC of 9% for Inderes. As previously argued, we could justify a lower WACC for the established Finnish research business. However, our estimates reflect the Swedish expansion, which is still in an early phase and contains many risks that need to be reflected in the WACC. The peer comparison continues to be dragged down by the blended valuation in our assessment. We derive our peer valuation range by benchmarking the peer group median 2023 and 2025 EV/EBITDA. For Inderes, we justify 2023E and 2025E EV/EBITDA multiples of 11x and 6x respectively. All in all, our fair value range for Inderes rises to EUR 28-31 (26-29).

### SEB fair value range setting

	EUR/share	
<b>DCF valuation</b>		
Mid-point		33
Range with +/-2% growth sensitivity	30	35
<b>Peer group benchmarking</b>	23	29
DCF & peer group valuation with 60/40 weightings	27	33
<b>SEB fair value range</b>	<b>28</b>	<b>31</b>

Source: SEB

**DCF summary table**

DCF valuation (EURm)		Weighted average cost of capital (%)	
NPV of FCF in explicit forecast period	24	Risk free interest rate	2.5
NPV of continuing value	26	Risk premium	6.5
<b>Value of operation</b>	<b>50</b>	<b>Cost of equity</b>	<b>9.0</b>
Net debt	(5)	<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>55</b>	Number of forecast years	10
<b>DCF value per share (EUR)</b>	<b>33</b>	EBIT margin - steady state (%)	14.9
Current share price (EUR)	25.90	EBIT multiple - steady state (x)	12.0
DCF performance potential (%)	26	Continuing value (% of NPV)	51.7

Source: SEB

**DCF assumption details**

(EURm)	2023E	2024E	2025E	2026E	2027E	Average year 6	Average year 7-8	Average year 9-10
Sales growth (%)	48.0	9.7	7.2	6.0	5.0	6.0	5.0	2.5
EBITDA margin (%)	20.5	22.5	25.0	25.1	25.2	25.3	25.4	21.7
EBIT margin (%)	14.0	16.6	19.4	19.0	19.3	19.6	20.0	16.5
Gross capital expenditures as % of sales	2.5	16.0	3.0	3.0	3.0	3.0	3.0	3.0
Working capital as % of sales	(9.1)	(7.3)	(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	20	22	24	25	26	28	30	32
Depreciation	(0)	(0)	(0)	(0)	(0)	(1)	(1)	(1)
Intangibles amortisation	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
EBIT	3	4	5	5	5	5	6	5
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>3</b>	<b>4</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>6</b>	<b>6</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>3</b>	<b>0</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>5</b>	<b>6</b>	<b>5</b>
ROIC (%)	28.6	31.4	33.0	35.6	39.8	45.1	53.6	55.4
ROIC-WACC (%)	19.6	22.4	24.0	26.6	30.8	36.1	44.6	46.4
Share of total net present value (%)	0.0	0.7	5.0	6.7	6.8	6.7	12.7	9.6

Source: SEB

**Peer valuation table 1**

	Mkt cap		Perf				PER			EV/EBIT			EV/EBITDA			EV/Sales		
	EURm	EURm	1m	3m	12m	YTD	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
<b>Enento</b>	389	511	0	-25	-28	-20	16.3x	13.3x	12.0x	13.1x	10.9x	10.5x	8.7x	7.7x	7.0x	3.1x	2.9x	2.7x
<b>Alma Media</b>	750	843	5	-3	6	1	14.3x	13.2x	12.9x	12.4x	11.6x	10.9x	9.9x	9.4x	8.9x	2.8x	2.7x	2.6x
<b>Sanoma</b>	1,313	2,112	-2	-15	-31	-17	21.7x	14.2x	13.1x	14.5x	13.4x	12.5x	6.2x	5.7x	5.6x	1.5x	1.5x	1.5x
<b>Gofore</b>	395	347	-2	5	9	15	19.8x	16.3x	13.4x	16.7x	12.5x	9.1x	12.7x	10.0x	7.5x	1.9x	1.5x	1.2x
<b>Talenom</b>	357	417	0	-13	-23	-11	37.5x	29.2x	21.9x	28.4x	22.9x	18.0x	11.8x	10.4x	8.9x	3.3x	2.9x	2.5x
<b>EQS Group</b>	230	255	6	-3	-29	-7	72.1x	29.6x	26.6x	100.2x	29.4x	n.a.	27.2x	14.9x	n.a.	3.5x	2.7x	n.a.
<b>Broadridge Financial Solutions</b>	15,322	18,349	5	-2	-6	7	20.6x	18.9x	17.1x	17.7x	16.0x	14.6x	14.6x	13.1x	12.3x	3.3x	3.0x	2.8x
<b>Median</b>	<b>395</b>	<b>511</b>	<b>0</b>	<b>-3</b>	<b>-23</b>	<b>-7</b>	<b>20.6x</b>	<b>16.3x</b>	<b>13.4x</b>	<b>16.7x</b>	<b>13.4x</b>	<b>11.7x</b>	<b>11.8x</b>	<b>10.0x</b>	<b>8.2x</b>	<b>3.1x</b>	<b>2.7x</b>	<b>2.5x</b>
<b>Average</b>	<b>2,680</b>	<b>3,262</b>	<b>2</b>	<b>-8</b>	<b>-14</b>	<b>-4</b>	<b>28.9x</b>	<b>19.2x</b>	<b>16.7x</b>	<b>29.0x</b>	<b>16.7x</b>	<b>12.6x</b>	<b>13.0x</b>	<b>10.2x</b>	<b>8.4x</b>	<b>2.8x</b>	<b>2.5x</b>	<b>2.2x</b>
<b>Inderes (SEBe)</b>	<b>44</b>	<b>40</b>	<b>7</b>	<b>2</b>	<b>-44</b>	<b>2</b>	<b>20.9x</b>	<b>15.6x</b>	<b>12.5x</b>	<b>10.2x</b>	<b>8.5x</b>	<b>8.3x</b>	<b>9.5x</b>	<b>8.0x</b>	<b>6.6x</b>	<b>2.0x</b>	<b>1.9x</b>	<b>1.7x</b>

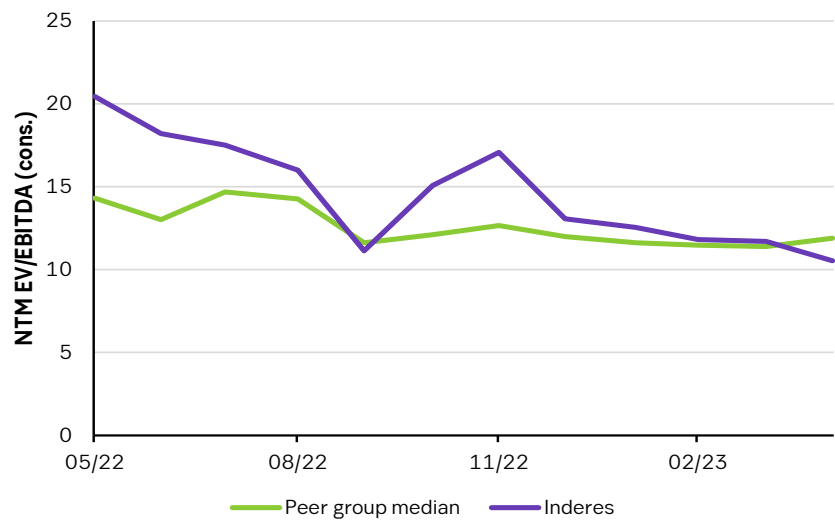
Source: SEB, Refinitiv

## Peer valuation table 2

	Mkt cap EURm	EV EURm	Perf				Sales growth (%)			EBIT margin (%)			Sales growth + EBIT margin		
			1m	3m	12m	YTD	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
<b>Eneto</b>	389	511	0	-25	-28	-20	-0.7	4.4	3.6	23.5	26.4	25.6	22.8	30.8	29.2
<b>Alma Media</b>	750	843	5	-3	6	1	-0.8	3.3	1.8	22.1	23.1	23.7	21.3	26.5	25.5
<b>Sanoma</b>	1,313	2,112	-2	-15	-31	-17	5.7	1.7	1.7	10.6	11.2	11.7	16.3	12.9	13.4
<b>Gofore</b>	395	347	-2	5	9	15	23.2	13.0	13.0	11.2	12.3	13.6	34.4	25.3	26.6
<b>Talenom</b>	357	417	0	-13	-23	-11	22.1	17.4	15.7	11.8	12.8	14.0	33.9	30.1	29.7
<b>EQS Group</b>	230	255	6	-3	-29	-7	20.0	18.6	18.0	3.5	9.2	13.8	23.4	27.9	31.7
<b>Broadridge Financial Solutions</b>	15,322	18,349	5	-2	-6	7	6.8	5.9	5.3	18.6	18.9	19.1	na	na	na
<b>Median</b>	395	511	0	-3	-23	-7	6.8	5.9	5.3	11.8	12.8	14.0	23.1	27.2	27.9
<b>Average</b>	2,680	3,262	2	-8	-14	-4	10.9	9.2	8.5	14.5	16.3	17.3	25.4	25.6	26.0
<b>Inderes (SEBe)</b>	44	40	201	24	-1	20	48.0	9.7	7.2	19.7	22.2	20.5	67.7	31.9	27.7

Source: SEB, Refinitiv

## Peer group median vs Inderes' valuation



Source: SEB, Refinitiv

# 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>3</b>
of which:	
- impact reflected in mid-point equity valuation	<b>3</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>3</b>	<b>4</b>
of which:		
<b>Impact already reflected in our 6-12 month mid-point</b>	<b>3</b>	<b>4</b>
<b>Impact yet-to-be reflected in mid-point price</b>	<b>0</b>	<b>0</b>
<b>Sales (price/volume) exposure to ESG opportunities/threats</b>	Impact on Sales CAGR (%pa)	
	0-3 yrs	4-10+ yrs
<b>Societal impacts</b>		
Inderes democratises stock market information to make it more broadly available	1	1
<b>Climate related impact - products/services</b>		
Inderes offers online events that can reduce travelling related to events	1	1
		NPV/EV (%)
<b>Long term impact of ESG issue on valuation (% NPV/EV)</b>		<b>4</b>

## Inderes (cont.)

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

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

### 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



# 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.

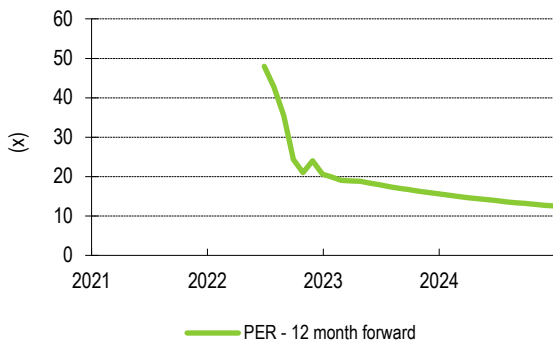
## Valuation approach

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

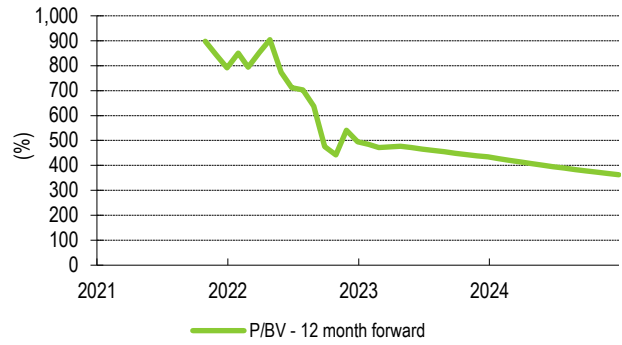
The company is expanding geographically and failure in expansion would mean notably lower growth estimates; however, we believe that success in expansion creates upside risk to our fair valuation. Another significant risk relates to an economic downturn, which could result in a slowing IPO market and 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**



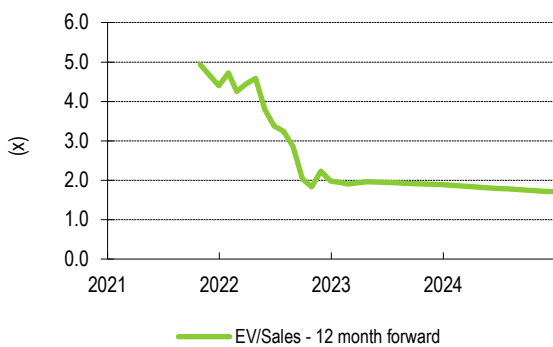
Source: SEB

**P/BV - 12 month forward**



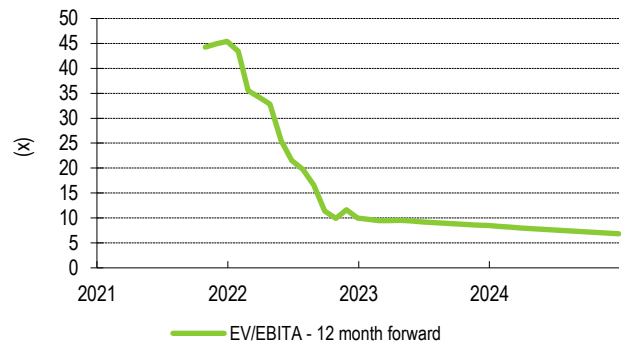
Source: SEB

**EV/Sales - 12 month forward**



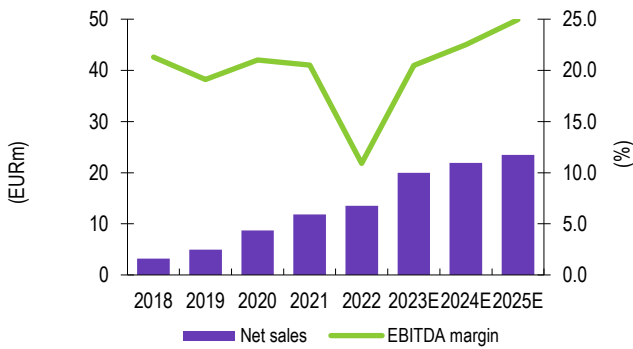
Source: SEB

**EV/EBITA - 12 month forward**



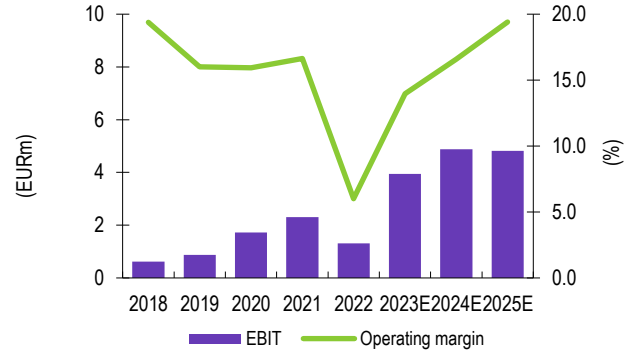
Source: SEB

**Net sales & EBITDA margin**



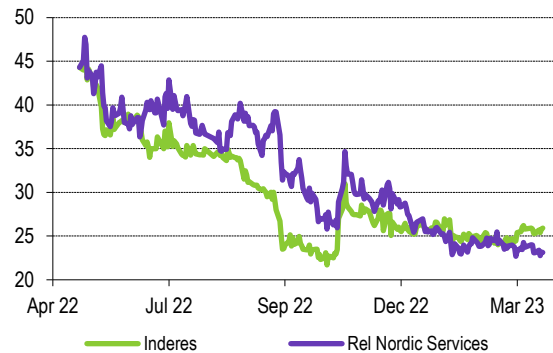
Source: SEB

**EBIT & Operating margin**



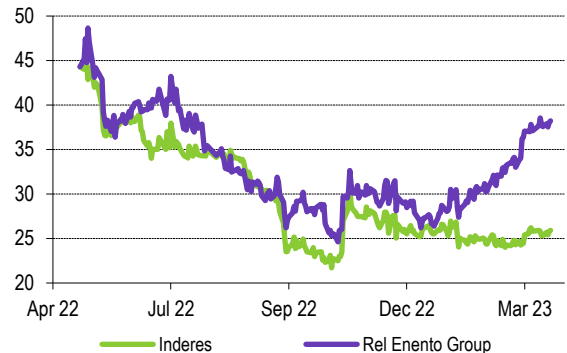
Source: SEB

**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	20	22	24
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>20</b>	<b>22</b>	<b>24</b>
Total expenses	(3)	(4)	(7)	(9)	(12)	(16)	(17)	(18)
<b>Profit before depreciation</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>4</b>	<b>5</b>	<b>6</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>3</b>	<b>4</b>	<b>5</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>3</b>	<b>4</b>	<b>5</b>
Minority interests	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Total taxes	(0)	(0)	(0)	(0)	(0)	(1)	(1)	(1)
<b>Reported profit after tax</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>3</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>2</b>	<b>3</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)	(1)	(1)	(1)
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>1</b>	<b>0</b>	<b>2</b>	<b>3</b>	<b>3</b>
<b>Margins, tax &amp; returns</b>								
Operating margin	19.4	16.0	15.9	16.6	6.0	14.0	16.6	19.4
Pre-tax margin	19.5	16.2	18.3	14.7	5.5	13.7	16.6	19.3
Tax rate	20.1	19.7	27.2	22.8	42.1	22.0	22.0	22.0
ROE	88.8	61.6	67.4	29.8	5.2	25.1	29.9	31.6
ROCE	111.2	71.7	91.7	51.1	15.5	36.0	40.5	34.1
<b>Growth rates y-o-y (%)</b>								
Total revenues	n.a.	55.7	76.3	35.4	14.1	48.0	9.7	7.2
Operating profit	29.9	28.7	74.8	41.7	(58.7)	244.0	30.2	25.5
Pre-tax profit	24.9	28.9	98.4	9.0	(57.3)	269.5	33.2	24.3
EPS (adjusted)	0.0	0.0	0.0	0.0	(71.4)	446.0	34.0	24.8
<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	2	3	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>3</b>	<b>4</b>	<b>5</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>4</b>	<b>4</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>3</b>	<b>0</b>	<b>3</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>2</b>	<b>(1)</b>	<b>1</b>
<b>Adjustments</b>								
C/flow bef chng in work cap	1	1	2	2	1	3	4	5
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	3	4	5
<b>Per share information</b>								
Cash earnings	0.0	0.0	0.0	1.3	0.54	1.98	2.35	2.78
Operating cash flow	0.0	0.0	0.0	1.9	0.88	2.1	2.22	2.02
Free cash flow	0.0	0.0	0.0	1.78	(1.47)	1.8	0.14	1.61
<b>Investment cover</b>								
Capex/sales (%)	0.0	0.0	2.6	1.7	3.6	2.5	16.0	3.0
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	5	4	5
Debtors	1	1	2	2	3	4	4	5
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>9</b>	<b>8</b>	<b>10</b>
Interest bearing fixed assets	0	0	0	0	0	0	0	0
Other financial assets	0	0	0	0	3	3	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>13</b>	<b>12</b>
<b>Total assets</b>	<b>2</b>	<b>5</b>	<b>6</b>	<b>11</b>	<b>18</b>	<b>19</b>	<b>21</b>	<b>22</b>
Creditors	0	0	0	0	0	1	1	1
Other trade financing	1	1	1	1	4	4	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>6</b>	<b>6</b>	<b>5</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>9</b>	<b>10</b>	<b>12</b>
<b>Total liabilities and equity</b>	<b>2</b>	<b>5</b>	<b>6</b>	<b>11</b>	<b>18</b>	<b>19</b>	<b>21</b>	<b>22</b>
Net debt (m)	(1)	(1)	(1)	(7)	(2)	(3)	(2)	(3)
Working capital (m)	(0)	(1)	(0)	(2)	(2)	(2)	(2)	(0)
Capital employed (m)	1	2	2	7	10	11	12	14
Net debt/equity (%)	(149)	(68)	(43)	(105)	(23)	(40)	(22)	(28)
Net debt/EBITDA (x)	(1.6)	(1.1)	(0.5)	(2.9)	(1.2)	(0.8)	(0.4)	(0.6)
Equity/total assets (%)	35	31	39	64	45	45	49	55
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	25.9	25.9	25.9
Share price, high				53.9	47.6	27.0		
Share price, low				34.6	21.7	24.0		
Share price, avg				40.1	34.2	25.3		
EPS (reported)	0.00	0.00	0.00	0.79	0.23	1.24	1.66	2.07
EPS (adjusted)	0.00	0.00	0.00	0.79	0.23	1.24	1.66	2.07
Cash earnings/share	0.00	0.00	0.00	1.30	0.54	1.98	2.35	2.78
Dividend/share	0.00	0.00	0.00	0.80	0.82	0.85	0.90	1.00
Enterprise value/share				33	24	24	25	24
Book value/share	73	135	211	4.1	4.7	5.2	6.0	7.1
Adjusted equity/share	73	135	211	4.1	4.7	5.2	6.0	7.1
PER (adjusted)				47.3	112.3	20.9	15.6	12.5
CEM				28.9	47.4	13.1	11.0	9.3
Dividend yield				2.1	3.2	3.3	3.5	3.9
EV/EBITDA				22.3	27.2	9.5	8.0	6.6
EV/EBITA				23.5	31.4	10.2	8.5	6.9
EV/EBIT				23.5	31.4	10.2	8.5	8.3
EV/Sales (x)				4.59	3.04	2.01	1.88	1.71
Price/Book value				9.18	5.38	5.02	4.34	3.63
Price/adjusted equity				9.18	5.38	5.02	4.34	3.63
Free cash flow/Market cap (%)				4.8	2.3	6.9	0.5	6.2
Operating cash flow/EV (%)				5.7	3.6	8.8	9.0	8.5
EV/Capital employed (x)				8.0	4.1	3.7	3.4	2.8

<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	IR			

Source for all data on this page: SEB

**About this publication**

This report is a marketing communication commissioned by Inderes and prepared by Skandinaviska Enskilda Banken AB (publ). It does not constitute investment research; as such, it has not been prepared in accordance with the legal requirements to promote the independence of investment research, nor is it subject to any prohibition on dealing ahead of the dissemination of investment research.

**This statement affects your rights**

This report is confidential and may not be reproduced, redistributed or republished by any recipient for any purpose or to any person. Redistributing this report to third parties may invoke legal requirements on the person engaging in such activities.

**Producers and Recipients**

SEB Research is approved and issued by Skandinaviska Enskilda Banken AB (publ) ("SEB"), a bank organized under the laws of the Kingdom of Sweden, on behalf of itself and its affiliates for institutional investors. When SEB Research is issued by an SEB subsidiary, the subsidiary itself is subject to this disclaimer.

**Use**

This material has been prepared by SEB for information purposes only. It does not constitute investment advice and is being provided to you without regard to your investment objectives or circumstances. The document does not constitute an invitation or solicitation of an offer to subscribe for or purchase any securities and neither this document nor anything contained herein shall form the basis for any contract or commitment whatsoever. Opinions contained in the report represent the authors' present opinion only and may be subject to change. In the event that the authors' opinion should change, we shall endeavour (but do not undertake) to disseminate any such change, within the constraints of any regulations, applicable laws, internal procedures within SEB, or other circumstances.

**Good faith and limitations**

All information, including statements of fact, contained in this research report have been obtained and compiled in good faith from sources believed to be reliable. However, no representation or warranty, express or implied, is made by SEB with respect to the completeness or accuracy of its contents, and it is not to be relied upon as authoritative and should not be taken in substitution for the exercise of reasoned, independent judgement by you. Recipients are urged to base their investment decisions upon such investigations as they deem necessary. To the extent permitted by applicable law, no liability whatsoever is accepted by SEB for any direct or consequential loss arising from the use of this document or its contents.

**Distribution**

This research report has been prepared by SEB or its affiliates and is being distributed by SEB offices in Stockholm, Copenhagen, Oslo, Helsinki, Frankfurt, London, Tallinn, Vilnius and Riga. Research reports are prepared and distributed in Lithuania by AB SEB bankas and in Estonia by AS SEB Pank in accordance with the requirements of the local laws and Financial Supervision Authority's conduct of business rules. This document may not be distributed in the United States, Canada, Japan or Australia or in any other jurisdiction where to do so would be unlawful. Addresses and Phone numbers for each office can be found at the end of the report.

**The SEB Group: members, memberships and regulators**

SEB is a member of, inter alia, Nasdaq OMX Nordic, Oslo Stock Exchange, the London Stock Exchange, NYSE Euronext, SIX Swiss Exchange, Frankfurt Stock Exchange, Tallinn Stock Exchange as well as certain European MTF's such as BATS-Chi-X, Turquoise and Burgundy. SEB is regulated by Finansinspektionen in Sweden and, for the conduct of investment services business, in (i) Denmark by Finanstilsynet, (ii) Norway by Finanstilsynet, (iii) Finland by Finanssivalvonta, (iv) Germany by Bundesanstalt für Finanzdienstleistungsaufsicht, (v) the UK by the Financial Conduct Authority and Prudential Regulation Authority (details about the extent of our regulation by the Financial Conduct Authority and Prudential Regulation Authority are available from us on request), (vi) Estonia by the Estonian Financial Supervision Authority, (vii) Lithuania by the Bank of Lithuania, (viii) Latvia by the Financial and Capital Markets Commission and Futures Commission.

SEB's research reports are prepared in accordance with the industry standards and codes of conduct applicable to financial analysts in the countries where they are based. In Denmark, Finland, Norway and Sweden, analysts act in accordance with the rules of ethics of each country's Society of Financial Analysts. Analysts comply with the recommendations and industry standards of the Danish, Norwegian and the Swedish Securities Dealers Associations and with those of the Federation of Finnish Financial Services. Analysts certified by the CFA Institute also comply with the Code of Ethics of the CFA Institute.

**Prevention and avoidance of conflicts of interest**

The remuneration of staff within the Research department is determined exclusively by research management and senior management and may include discretionary awards based on the firm's total earnings, including investment banking and markets (sales and trading businesses) income; however, no such staff receive remuneration based upon specific investment banking or markets transactions. SEB's Compliance department monitors the production of research and the observance of the group's procedures designed to prevent any potential conflicts of interest from affecting the content of research; the latter are described in greater detail in the "Statement of Policies for dealing with potential conflicts of interest surrounding our Research activities" which is available on our SEB Research website.

**Your attention is also drawn to the fact that:**

The current market price of the securities shown in this report is the price prevailing at the close of the business day preceding the date of publication, save where such price was more than 5% different from the price prevailing as at the time of publication, in which case it is the latter.

Unless explicitly stated otherwise in this report, SEB expects (but does not undertake) to issue updates to this report following the publication of new figures or forecasts by the company covered, or upon the occurrence of other events which could potentially have a material effect on it.

The securities discussed in this research report may not be eligible for sale in all countries, and such securities may not be suitable for all types of investors. Offers and sales of securities discussed in this research report, and the distribution of this report, may be made only in countries where such securities are exempt from registration or qualification or have been so registered or qualified for offer and sale, and in accordance with applicable broker-dealer and agent/salesman registration or licensing requirements. A copy of this report, not including the recommendation, has been provided to the issuer prior to its dissemination to check factual statements for accuracy; as a result, some amendments have been made.

A full list of disclosures for other companies mentioned herein (in which SEB has research coverage), can be found on our SEB Research website

**Methodology**

Final consideration as to any valuations, projections and forecasts contained in this report are based on a number of assumptions and estimates and are subject to contingencies and uncertainties, and their inclusion in this report should not be regarded as a representation or warranty by or on behalf of the Group or any person or entity within the Group that they or their underlying assumptions and estimates will be met or realized. Different assumptions could result in materially different results. Past performance is not a reliable indicator of future performance. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related investment mentioned in this report. In addition, investors in securities, such as ADRs, whose values are influenced by the currency of the underlying security, effectively assume currency risk.

**Company specific disclosures and potential conflicts of interest**

A member of, or an entity associated with, SEB or its affiliates, officers, directors, employees or shareholders of such members (a) is not, and has never been, represented on the board of directors or similar supervisory entity of Inderes, (b) has from time to time bought or sold the securities issued by the company or options relating to the company, and (c) SEB does not hold any short / long position exceeding 0.5% of the total issued share capital of Inderes as of 31 Mar 2023.

The analyst(s) responsible for this research report (jointly with their closely related persons) hold(s) 0 shares in Inderes and do(es) not have holdings in other instruments related to the company.

Skandinaviska Enskilda Banken AB (publ). All rights reserved.

---

**Copenhagen**

Bernstorffsgade 50  
P.O. Box 100  
DK-1577 Copenhagen V

Telephone: (45) 3328 2828

**Oslo**

Filipstad Brygge 1,  
P.O. Box 1363 Vika  
NO-0113 Oslo

Telephone: (47) 2100 8500

**Frankfurt**

Stephanstrasse 14-16  
D-60313 Frankfurt am Main

Telephone: (49) 69 9727 7740

**Stockholm**

Kungsträdgårdsgatan 8  
S-106 40 Stockholm

Telephone: (46) 8 522 29500

**Helsinki**

Eteläesplanadi 18  
P.O. Box 630  
FIN-00101 Helsinki

Telephone: (358) 9 616 28700

**Tallinn**

Tornimäe 2  
EE-Tallinn 15010

Telephone: (372) 665 7762

**London**

One Carter Lane  
London, EC4V 5AN

Telephone: (44) 20 7246 4000