

ENENTO GROUP PLC

# FINANCIAL STATEMENTS

1.1.–31.12.2020

CEO Jukka Ruuska and  
CFO Elina Stråhlman  
12 February 2021



Building trust in the everyday.



# Content



- Enento Group in brief
- Enento Group's offering
- Business areas and functional units
- Nordic integration progress and business development
- Key ratios Q4 / 2020
- Highlights from the Group strategy 2020 – 2023
- Guidance and long-term financial targets



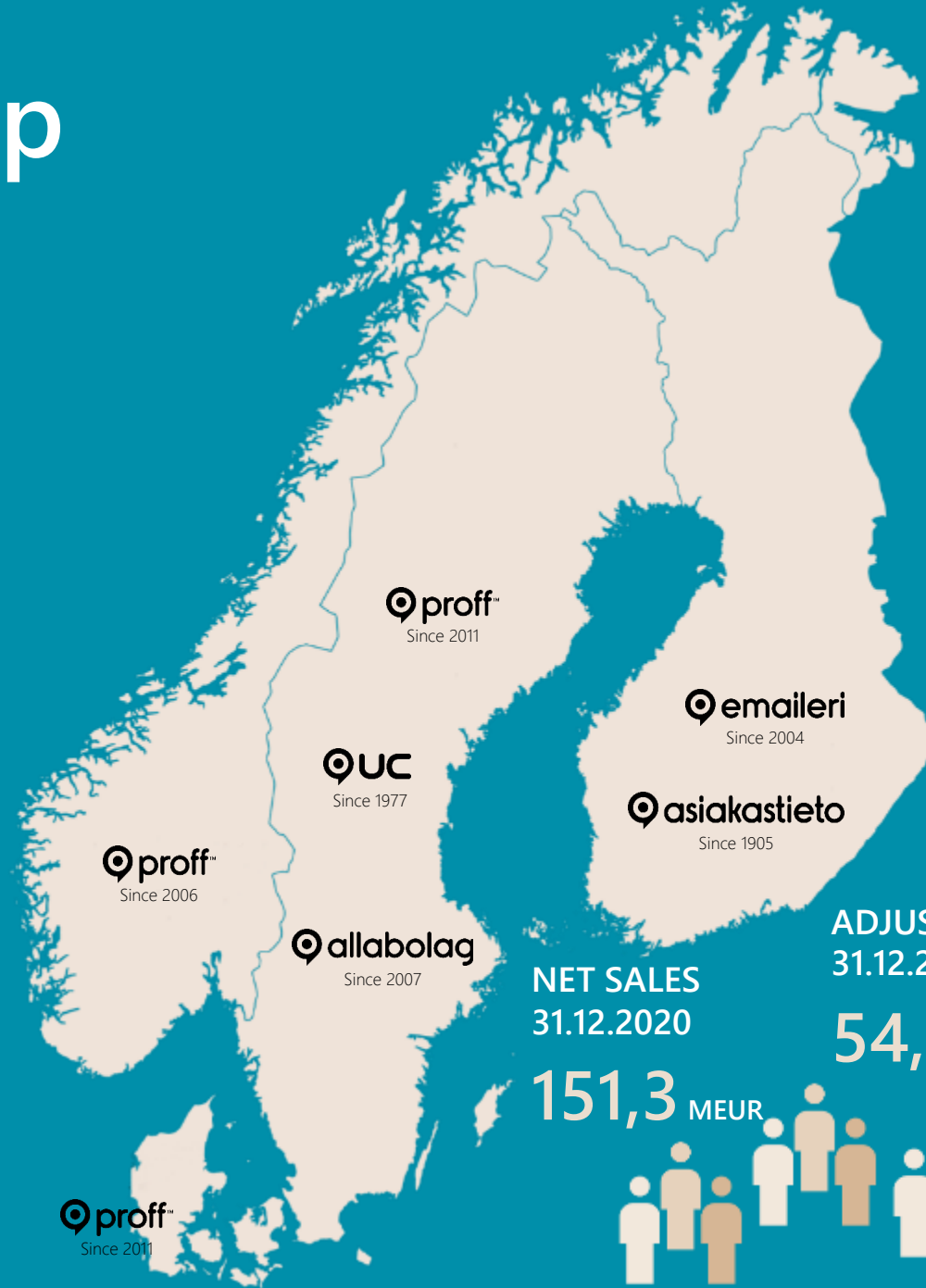
# Enento Group

We operate in Finland under the brands Asiakastiето and Emaileri, in Sweden under the brands UC, Allabolag and Proff. In Denmark and Norway we run our business under the brand Proff.



LISTED ON  
NASDAQ HELSINKI

## NUMBER OF EMPLOYEES 31.12.2020



NET SALES  
Q4 / 2020

**40,2** MEUR

MARKET CAPITALISATION  
31.12.2020

**807** MEUR



Partners in Nordic  
region and in  
Europe.

Approximately 55 000  
corporate customers within  
banking, finance, retail,  
public sector and small  
companies.

NET SALES  
31.12.2020

**151,3** MEUR

ADJUSTED EBITDA  
31.12.2020

**54,0** MEUR

Almost  
**500 000**  
consumer  
customers





We build trust in the everyday.





New technology.  
Digitalization.



New business areas and  
models: Rise of fintech,  
sharing economy  
and ecosystems.




Changes in legislation  
and regulation.  
Sustainability.

# New opportunities for creating value.



Explosive  
growth of data.



Need for trust,  
privacy and  
control of private data.



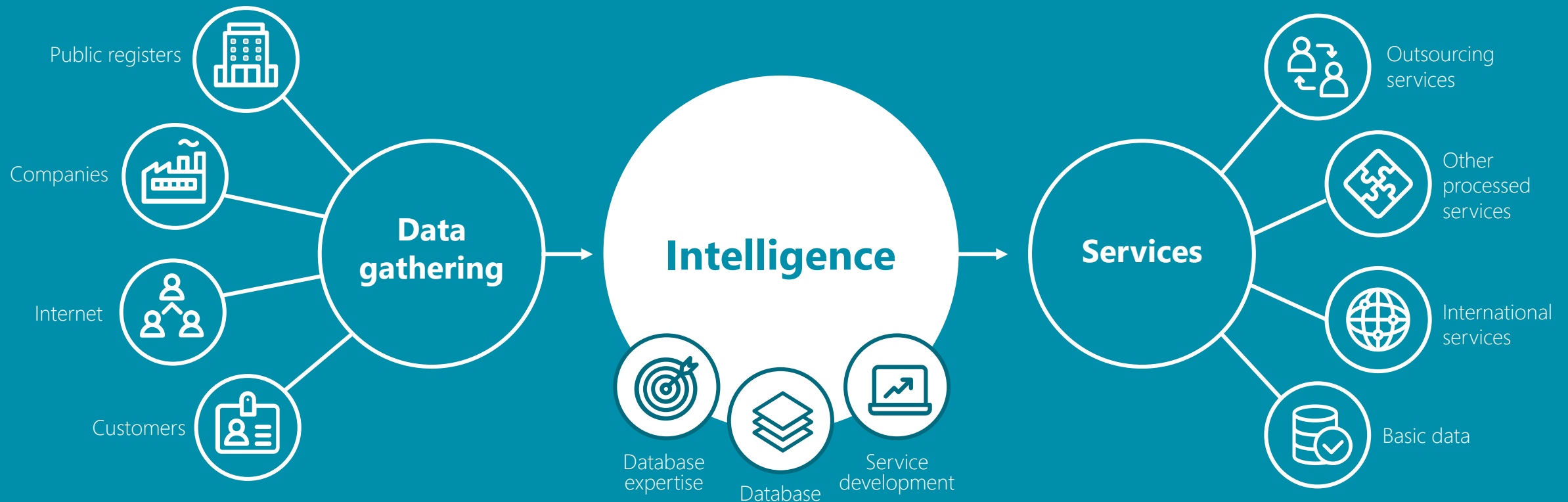
Agility.  
Innovation.  
Speed to market.



A low-angle, close-up shot of a person's legs from the knees down, walking on a gravel path. The person is wearing dark blue jeans and white sneakers with black soles. The background is a blurred forest with bare trees, suggesting an autumn or winter setting. The entire image has a light blue tint. Overlaid in the center is the text "WHAT DO WE OFFER" in a white, bold, sans-serif font.

WHAT DO WE OFFER

# We operate in a scalable and digital business with intelligence at the core





# Enento's competitive advantages



## Data sourcing

- Known and reliable brand
- Advanced data processing capabilities
- Experience in scraping data from unstructured sources.



## Database

- Database built on granularity
- Great quality data.



## Production

- High service availability and quality
- High security and privacy standards.



## Service development

- Excellence in combining different data universes
- Excellent capabilities to build models (also predictive) and algorithms
- Excellent dialogue with our customers
- Ability to launch world scale unique services (e.g. ESG Report).

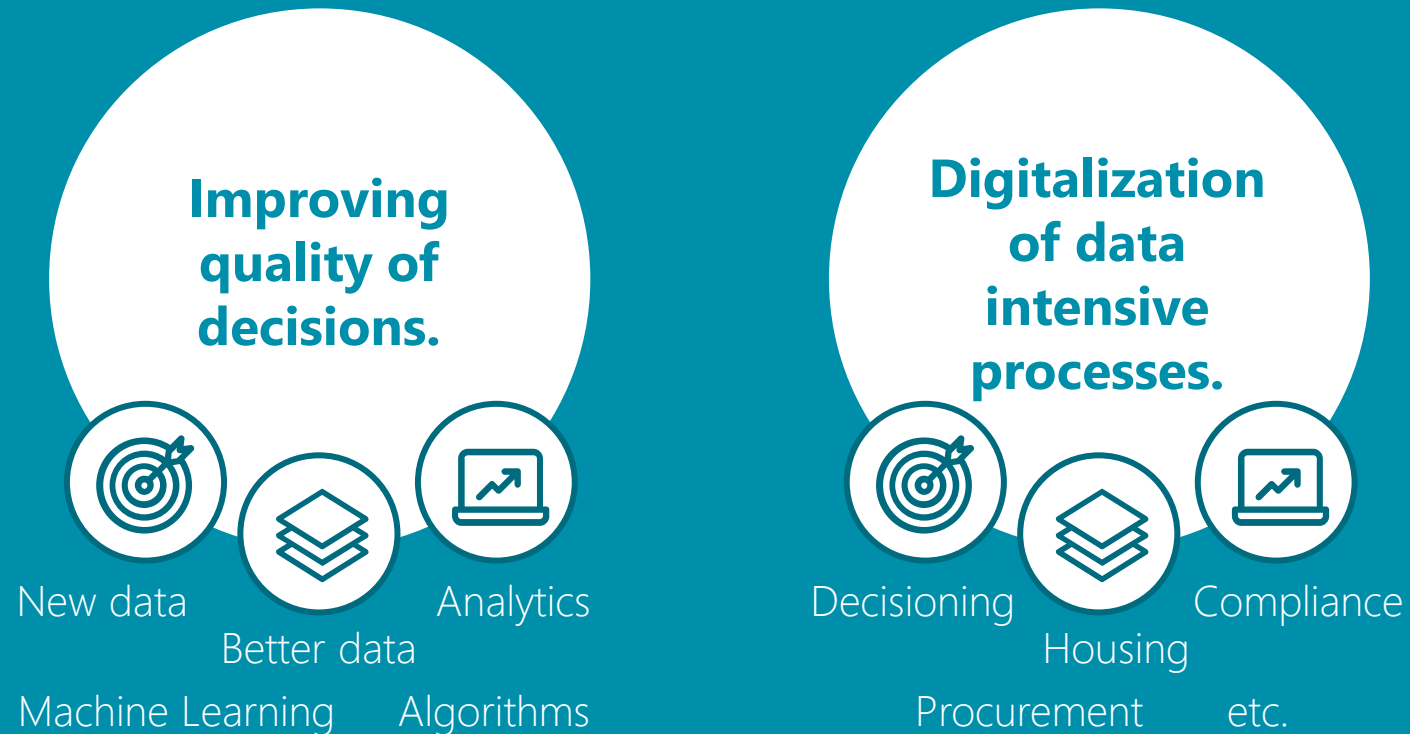


## Distribution and sales

- Services integrated into customers' business processes
- Our freemium business information websites have more than 6 million unique visitors per month.



# Customer needs as growth drivers



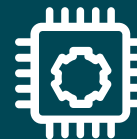
# Enento's offering is currently divided in four business areas



**RISK  
DECISIONS**  
61,8% of net sales  
Q1-Q4 2020



**SME &  
CONSUMERS**  
25,6% of net sales  
Q1-Q4 2020



**DIGITAL  
PROCESSES**  
7,2% of net sales  
Q1-Q4 2020



**CUSTOMER DATA  
MANAGEMENT**  
5,3% of net sales  
Q1-Q4 2020



# Enento's business areas and functional units 1 April 2021



# Key figures Q4 / 2020 and 2020



Net sales

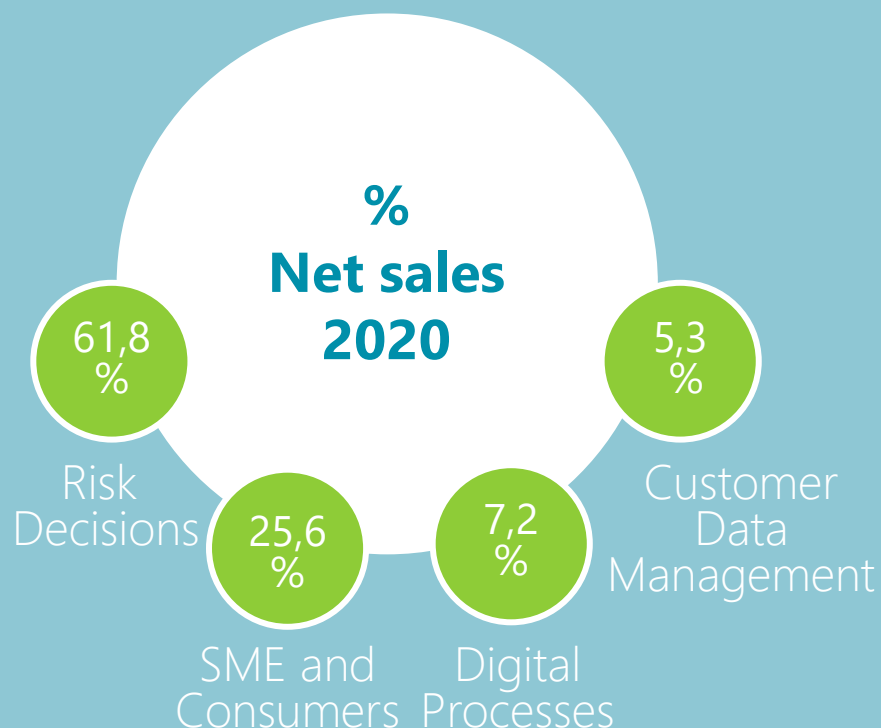
**40,2** MEUR

Adjusted EBITDA

**14,4** MEUR

Adjusted EBITDA margin

**35,7** %



Net sales

**151,3** MEUR

Adjusted EBITDA

**54,0** MEUR

Adjusted EBITDA margin

**35,7** %



A high-angle, top-down photograph of a group of people gathered around a wooden table. Their hands are stacked in the center of the table, symbolizing teamwork and collaboration. The scene is overlaid with a semi-transparent blue filter. Various items are visible on the table, including a laptop, a smartphone, a bowl of snacks, a cup of coffee, and some papers with diagrams. The text "NORDIC INTEGRATION PROGRESS AND BUSINESS DEVELOPMENT AS GROWTH DRIVERS" is centered over the image in a large, white, sans-serif font.

# NORDIC INTEGRATION PROGRESS AND BUSINESS DEVELOPMENT AS GROWTH DRIVERS

# Integration proceeding according to the plan

At the end of 2020 we have realized over 80 % of the synergy benefits of **EUR 17,8 million** from the combination of Asiakastiето, UC and Proff.

The integration has proceeded according to plan and we are starting the final year of the communicated integration period. We have now several revenue initiatives in production related to new services and cross-sales initiatives.

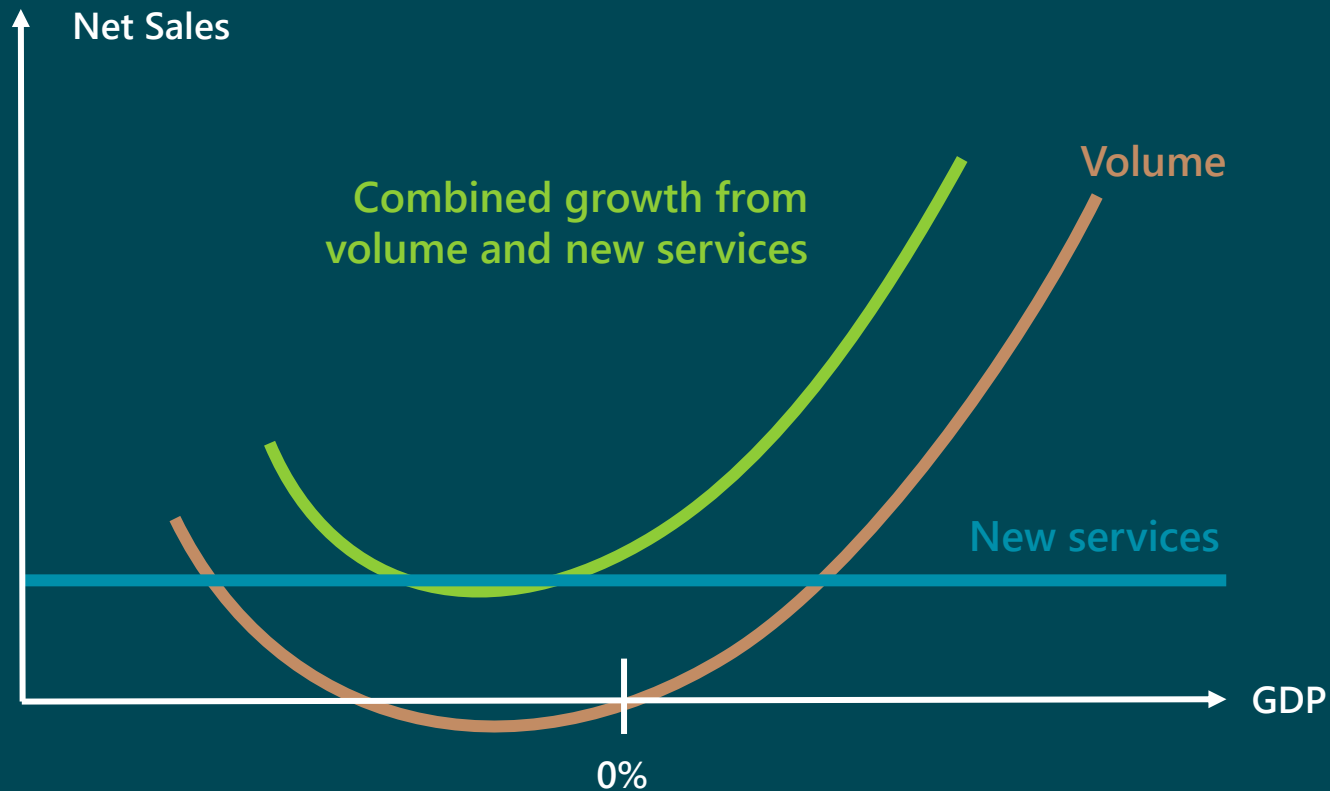
Integration of Proff has also progressed well. Synergistic revenue initiatives have been implemented and the consolidation of Nordic Online user experience is progressing.







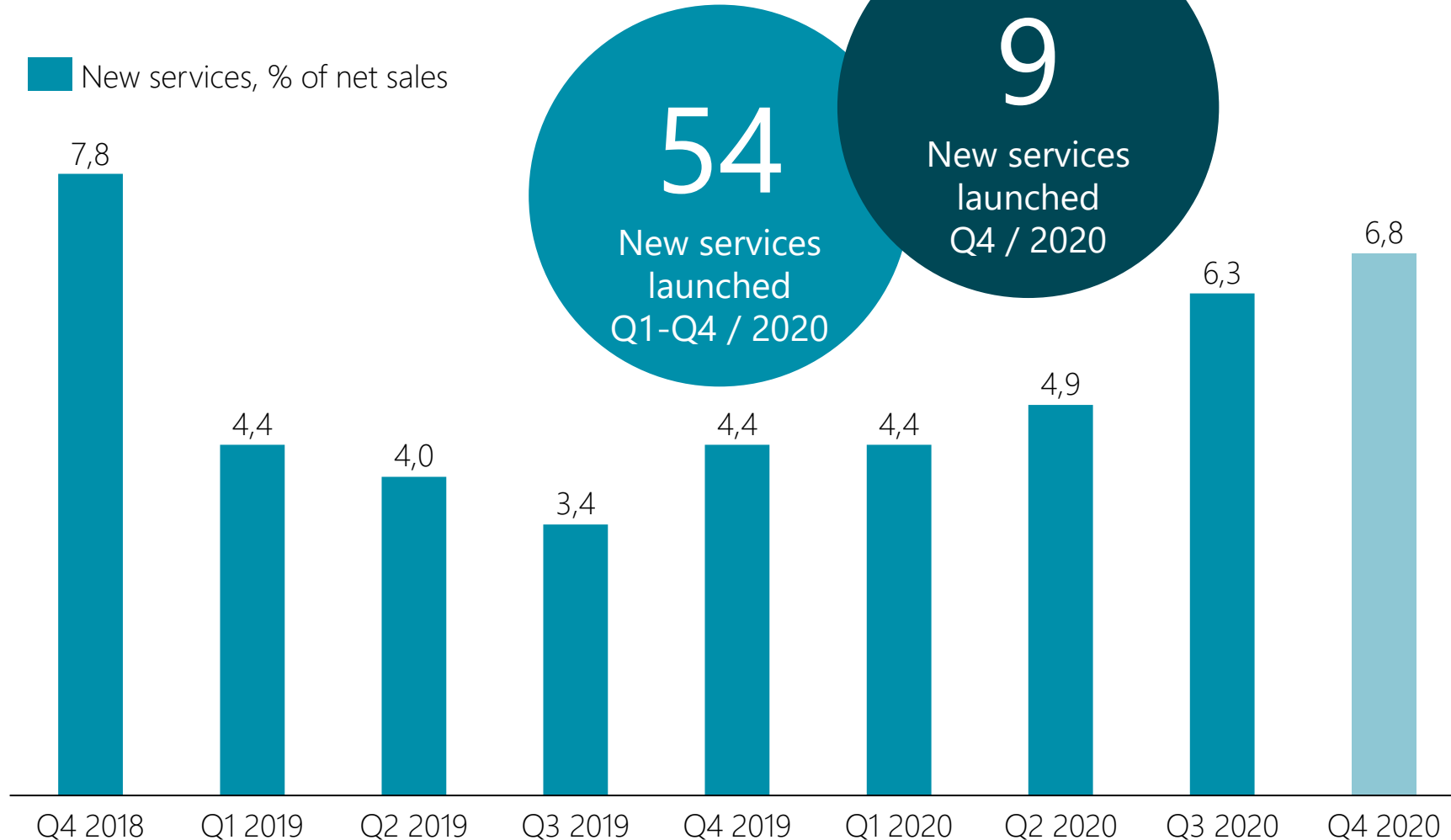
# Economic activity and the amount of transactions support growth



# New services



■ New services, % of net sales



## COMMENTS

- Share of new services was 6,8 %.
- Nine new services launched during the second quarter.
- As planned, the share of net sales from new services increased in 2020 and amounted to 5,6 % for the full year.



# Chosen strategic initiatives in service development



## **Nordic sustainability service suite**

with a comprehensive range of services that are needed by customers for risk management, credit processes and customer management.

## **Digitalization of housing-related services**

Our focus will be on the development of housing transaction services.

## **New business information opportunities for customers**

Advanced applications, sophisticated techniques, new ways of working, great quality data.

A photograph of three business professionals in a meeting. A man with a beard and glasses stands in the center, leaning over a desk. Two women are seated at the desk; one is writing in a notebook and the other is looking at a laptop. The scene is set in a modern office with large windows in the background. The entire image is overlaid with a semi-transparent blue filter.

# KEY RATIOS Q4 / 2020

# Overview of Q4 / 2020



EUR million (unless stated otherwise)	Q4 / 2020	Q4 / 2019	FY 2020	FY 2019
Net Sales	40,2	39,2	151,3	146,0
Growth (year-on-year)	2,6 %	9,1 %	3,7 %	48,7 %
Adjusted EBITDA	14,4	13,6	54,0	51,5
Adjusted EBITDA margin	35,7 %	34,7 %	35,7 %	35,3 %
Adjusted EBIT	11,9	11,6	45,0	42,6
Adjusted EBIT margin	29,7 %	29,5 %	29,7 %	29,2 %
New products and services (% of Net sales)	6,8 %	4,4 %	5,6 %	4,0 %
EBITDA	11,6	12,8	49,1	48,3
EBIT	6,1	7,8	27,8	27,8

## COMMENTS

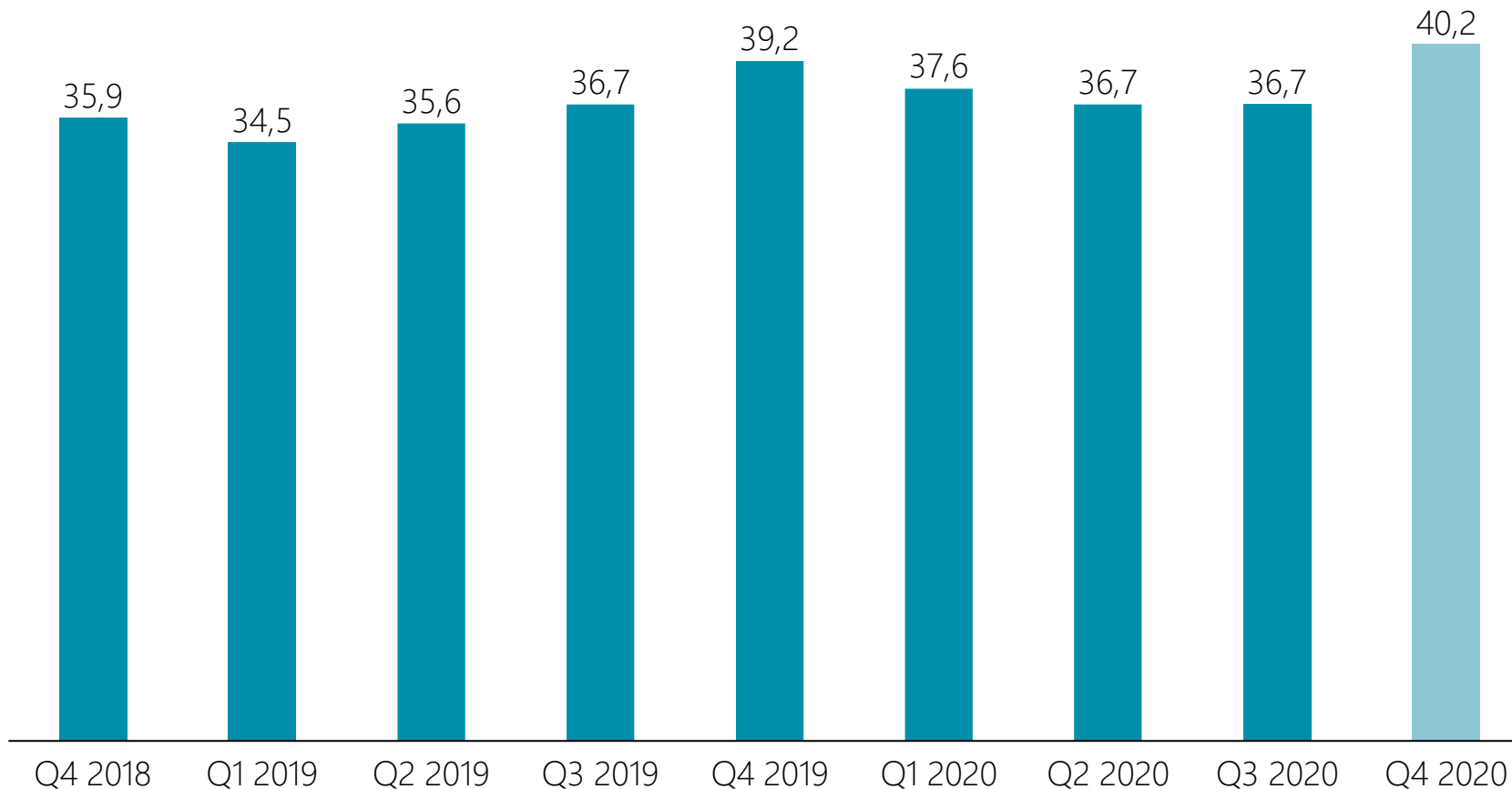
- Net sales grew +2,6 % at reported FX rates and +0,9 % at comparable FX rates.
- Adjusted EBITDA increased by +5,5 % at reported FX rates and +3,7 % at comparable FX rates.
- Adjusted EBITDA increased year-on-year due to realized cost synergies and implementation of communicated the fixed costs savings measures as planned, leading to also increased Adjusted EBITDA margin



# Net sales by quarter



■ Net sales, EUR million



## COMMENTS

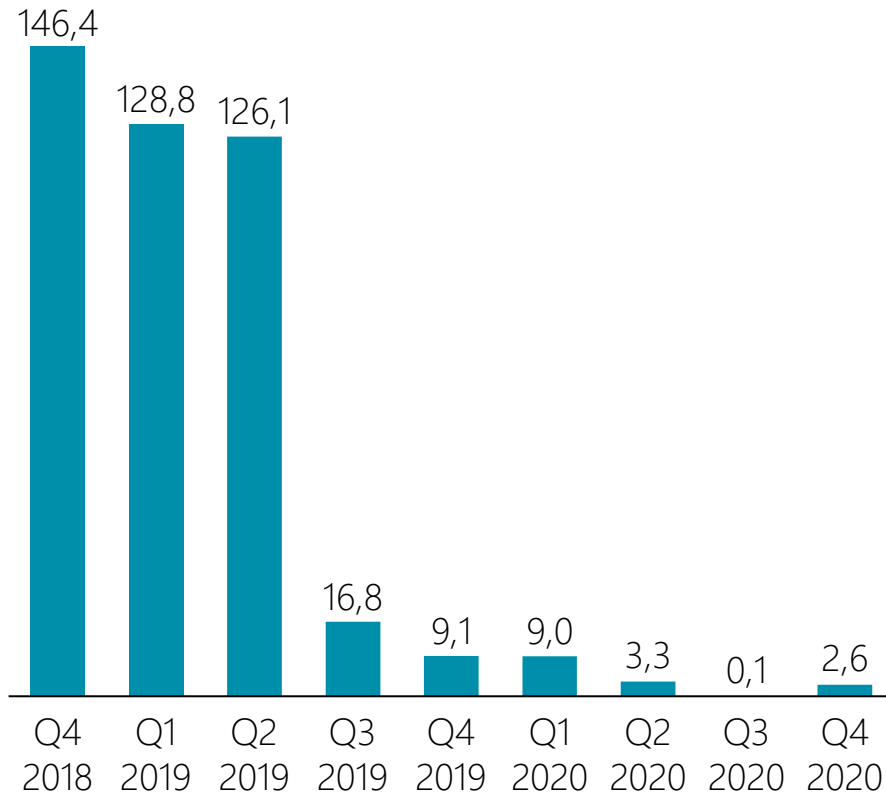
→ Q3/2019 onwards with Proff companies' results consolidated to Enento Group.



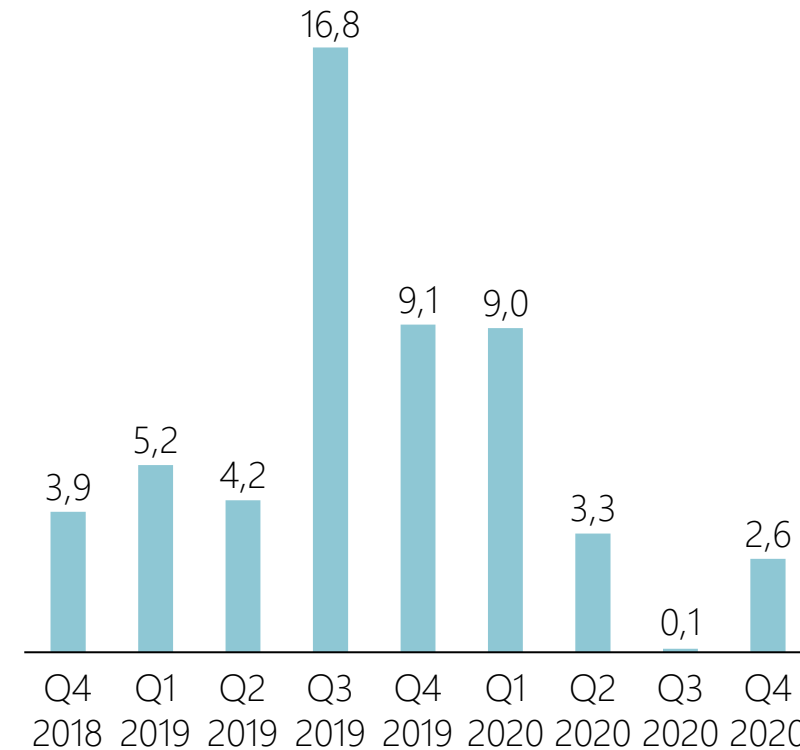
# Net sales growth

## REPORTED AND PRO FORMA

■ Net sales growth, year-on-year, reported, %



■ Net sales growth, year-on-year, pro forma, %



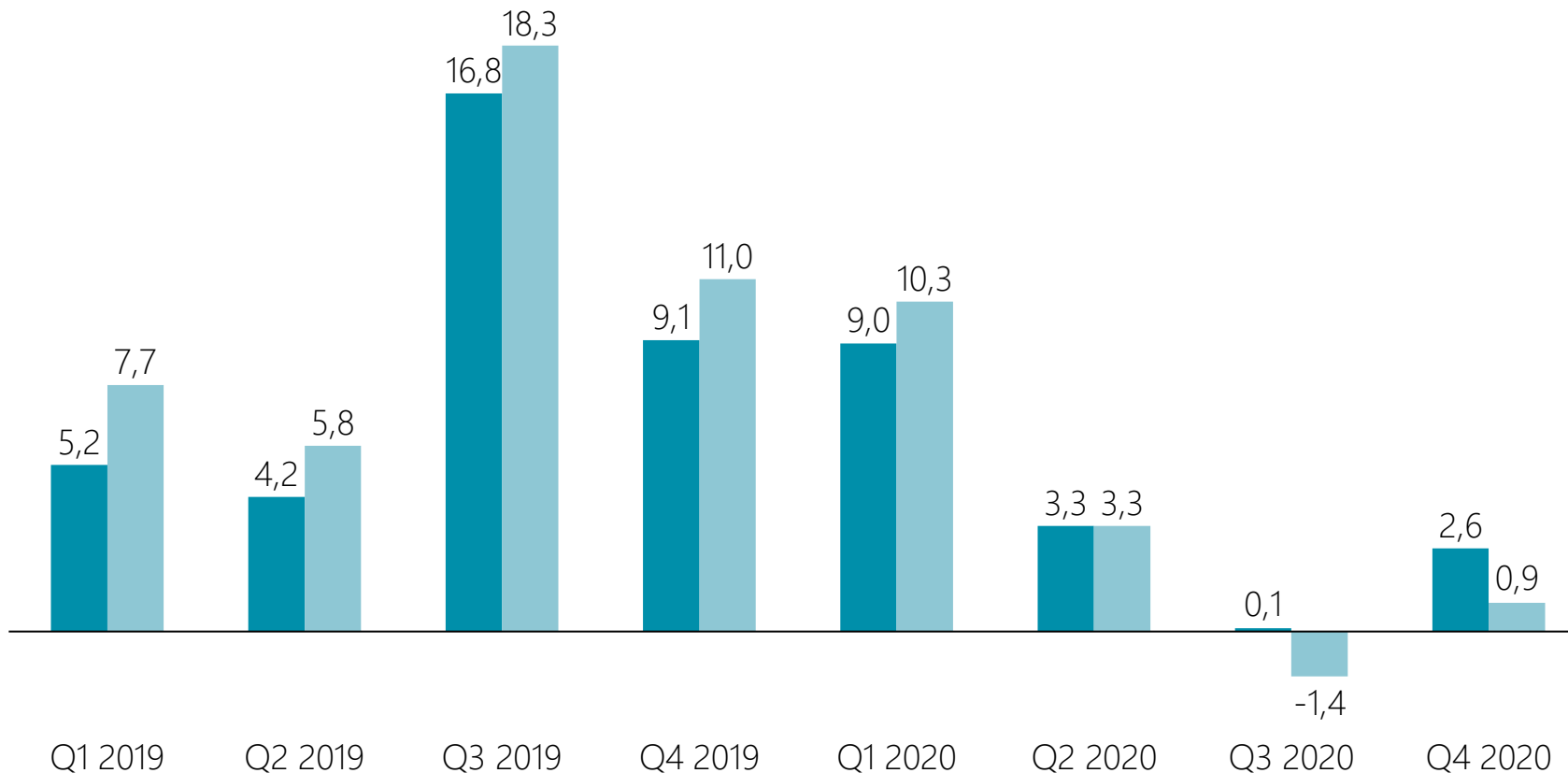
## COMMENTS

→ Q3/2019 onwards with Proff companies' results consolidated to Enento Group.

# Net sales growth

## PRO FORMA

- Net sales growth at reported FX, year-on-year, %
- Net sales growth at comparable FX, year-on-year, %



## COMMENTS

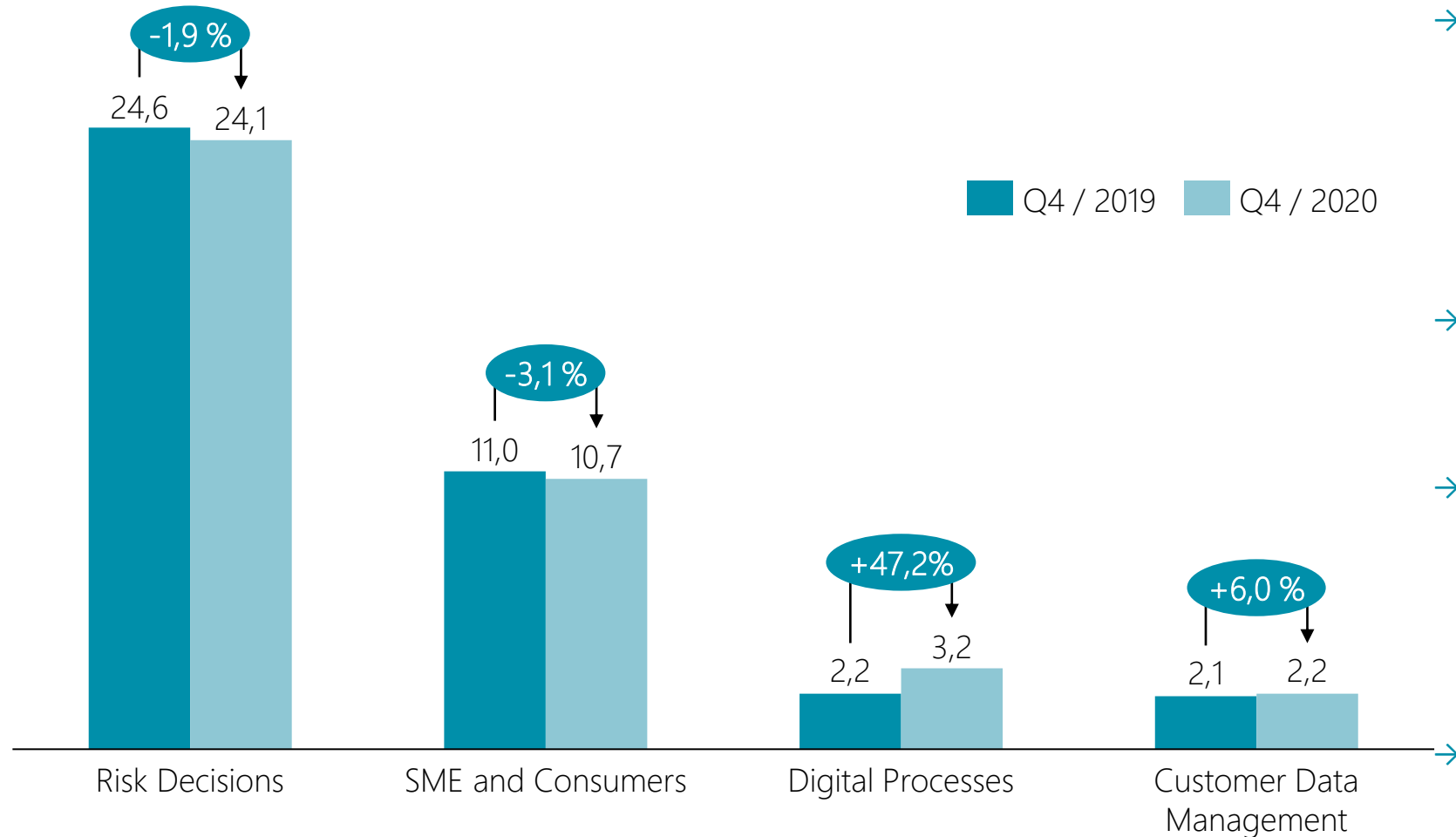
- FX comparable growth rate +0,9 %.
- Proff companies consolidated to Group from the beginning of Q3/2019.
- Two banking days more in Finland and one in Sweden year-on-year in Q4/2020.





# Revenue by business area

AT COMPARABLE FX RATES



## COMMENTS

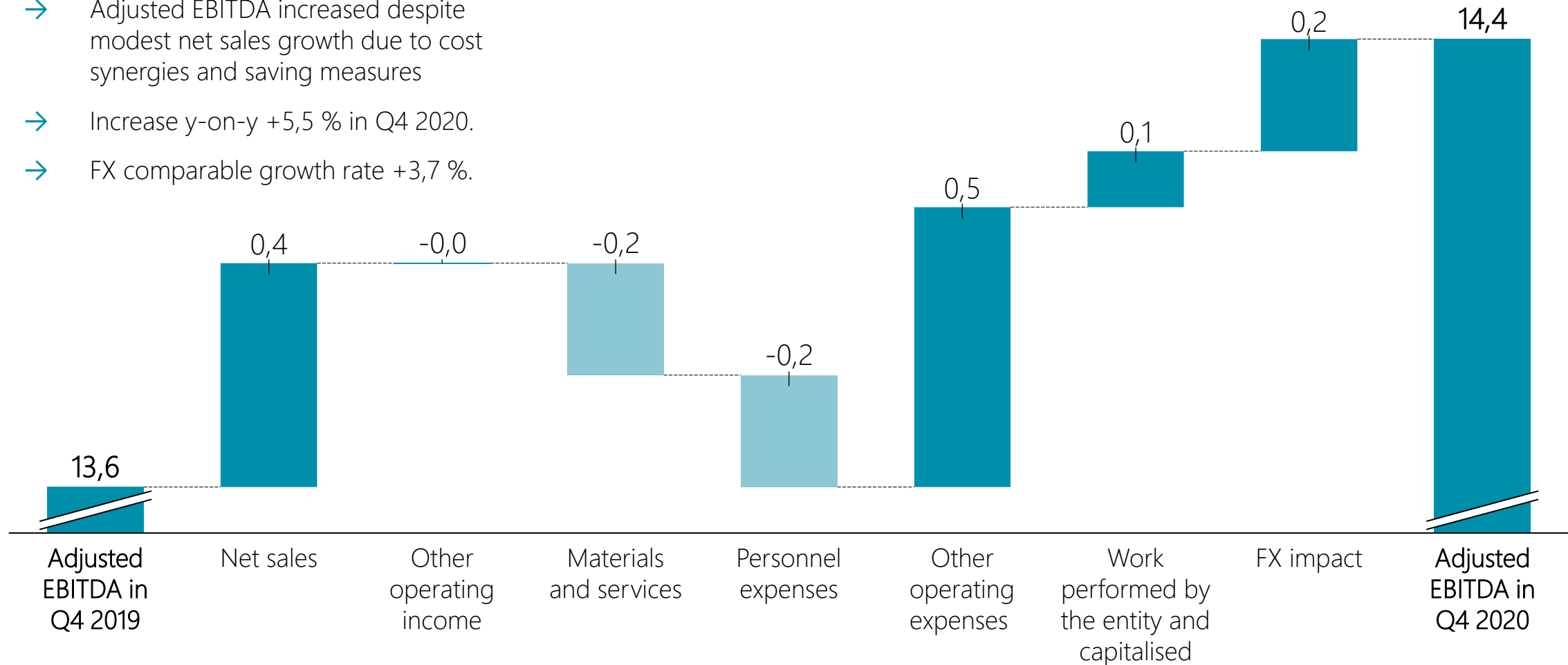
- Risk Decisions consumer risk management solutions market demand continued to be impacted negatively by the COVID-19 implications on consumer loan market in both Sweden and Finland. Risk Decisions net sales however supported by positive development of business information services and new service development.
- SME and Consumers net sales impacted by expected significant decline of offline products, while especially direct-to-consumer services continued to develop strongly.
- Digital Processes developed strongly in both markets, driven by new services as well as strong net sales development in the real estate and housing related service suite. The sales of compliance services with an expanded service content also saw very strong development in Finland in the final quarter.
- Customer Data Management net sales growth driven by continued growth within the Finnish B2C services.

# Adjusted EBITDA



## COMMENTS

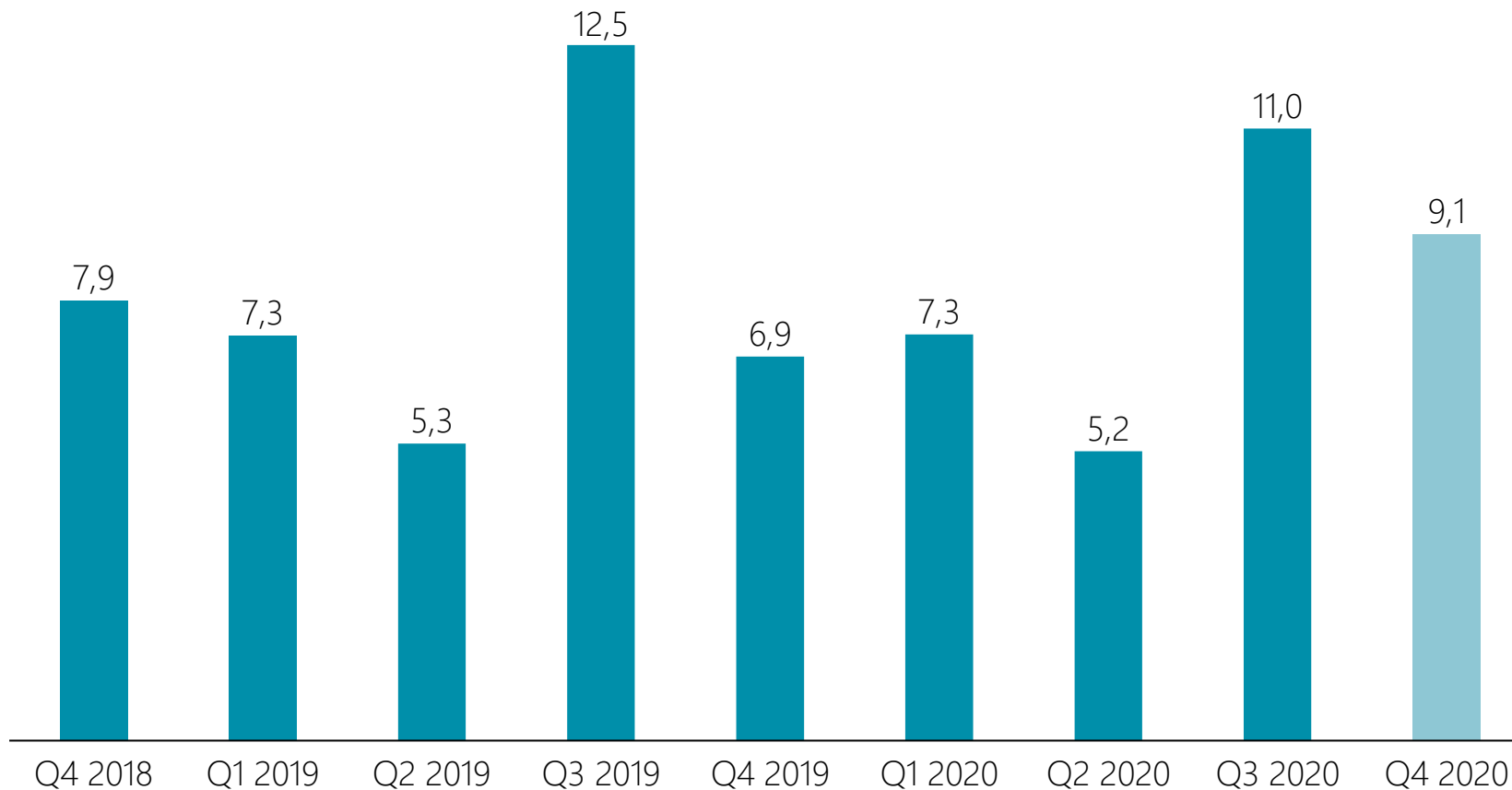
- Adjusted EBITDA increased despite modest net sales growth due to cost synergies and saving measures
- Increase y-on-y +5,5 % in Q4 2020.
- FX comparable growth rate +3,7 %.



# Free cash flow



Free cash flow, EUR million



## COMMENTS

- Cash conversion at 78,0 %.
- Strong cash flow from operating activities, supported by the good profitability development of the Group's operations and a positive impact from change in NWC.
- Items affecting comparability reduced cash flow from operating activities in the fourth quarter by EUR 2,4 million (EUR 0,7 million).



# Key indicators



EUR million (unless stated otherwise)	Q4 / 2020	Q4 / 2019	FY 2020	FY 2019
Net debt	143,0	148,1	143,0	148,1
Net debt / adjusted EBITDA	2,6	2,7	2,6	2,9
Gearing, %	45,4	47,7	45,4	47,7
Equity ratio, %	58,3	58,3	58,3	58,3
Free cash flow	9,1	6,9	32,6	32,1
Cash conversion, %	78,0	53,7	66,3	66,4
Gross investments	3,5	4,5	12,0	12,4

## COMMENTS

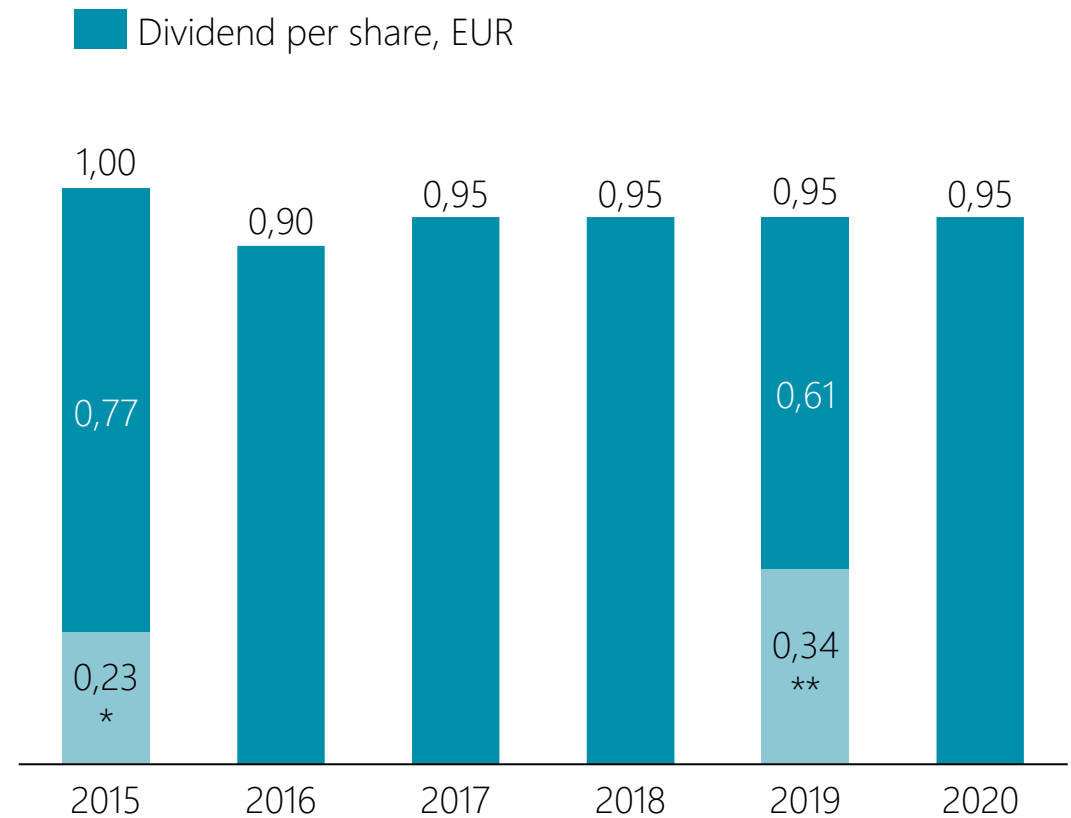
- Cash position of EUR 26,2 million (committed EUR 20 million facility remains fully unutilized).
- Net debt / adjusted EBITDA at 2,6x.
- Free cash flow containing EUR -2,4 million (EUR -0,7 million) impact from items affecting comparability.
- Gross investments EUR 3,5 million (EUR 4,5 million).



# Board of Directors' resolution on distribution of funds

Resolution on the use of the profit shown on the balance sheet and the distribution of funds

The Board of Directors proposes to the **Annual General Meeting convening on 29 March 2021** that from the financial year ended 31 December 2020, funds be distributed as equity repayment from the reserve for invested unrestricted shareholders' equity of EUR 0,95 per share, i.e. EUR 22 806 707,95 in total based on the company's registered total number of shares at the time of the proposal. The Board of Directors proposes that the funds be paid on 12 April 2021.



*\*extra distribution of funds (sales of the company's premises)*

*\*\*distribution in two parts, June and November 2020*

# Guidance 2021



Guidance <sup>1</sup>	12 February 2021
Net sales	Enento Group expects its net sales growth in 2021 to be in the long-term target range (5-10%) but somewhat lower than the mid-point of the target range.
EBITDA	Enento Group expects its adjusted EBITDA margin to improve somewhat in 2021 compared to previous year.
Capital expenditure	Enento Group expects its capitalised product development and software expenses in 2021 to exceed the previous year's level.
	The outlook is based on the assumption that exchange rates remain at the current level.
Previous guidance for 2020	6 August 2020
Net sales	Enento Group expects its net sales to grow in full year 2020, the growth rate however remaining below the long-term target range of 5-10 %.
EBITDA	Enento Group expects its adjusted EBITDA margin in full year 2020 to remain at the previous year's level.
Capital expenditure	Enento Group expects its capitalised product development and software expenses in full year 2020 to be at the previous year's level.
Dividend policy <sup>2</sup>	
Dividends	The Company's dividend policy is to distribute as dividends at least 70 per cent of the Company's net profit, whilst, taking into consideration the business development and investment needs of the Group. Any dividends to be paid in future years, their amount and the time of payment will depend on Enento Group's future earnings, financial condition, cash flows, investment needs, solvency and other factors.

*Note: (1) This forward-looking statement is not a guarantee of future performance; (2) Subject to the business development and investment needs of the Company. Any dividends to be paid in future years, their amount and the time of payment will depend on Enento's future earnings, financial condition, cash flows, investment needs, solvency and other factors.*



SOME HIGHLIGHTS FROM ENENTO GROUP'S

# GROUP STRATEGY

## 2020-2023



# Our strategic offering goals and enablers



1.

Retain and strengthen our leading position in the credit information business.

2.

Be the first choice in data-driven business processes as a service.

3.

Become the leading provider of business information.

## GROWTH OPPORTUNITIES

Fraud

Machine Learning

Analytics

New Data

API's

GUI's

Compliance

Sustainability

BRF

Procurement

Ownership

## ENABLERS



Future-fit and innovative organisation



Nordic Future Platform

*API=Application programming interface, GUI=Graphical user interface, BRF=Bostadsrättsförening*

# Building Nordic Presence



## STRATEGIC AMBITION

### **Nordic multilocal approach**

Build true Nordic presence to serve our Nordic customers with highest quality services in each country.

#### **Unique offering**

Broadening our presence in the Nordics will be built on unique offering development, such as sustainability and open banking.

#### **Nordic platform capabilities**

Our platform transformation will enable the scaling of our core service capabilities to a Nordic level.

#### **Nordic acquisitions**

We aim to strengthen and expand our Nordic presence through targeted acquisitions which accelerate customer value creation in combination with Enento's capabilities.

We recognize a significant value add to customers from a high-quality service offering which scales across Nordics. We aim to have the leading local offering in each country combined with the ability to create customer value through Nordic level core services.

# Platform transformation opens door to accelerate growth and increase profitability

## Growth

- Current business growth rate increases
- Share of new services and net sales increase

## Profitability

- Enable EBITDA growth exceeding the percentage growth of respective net sales
- Reduce IT OPEX within existing business

## Capital allocation

- During transformation, we will allocate approximately 10% of revenue to CAPEX. Of that, we will balance between platform transformation and other business investments.



# SUSTAINABILITY AT Enento Group



We help our  
customers  
make  
sustainable  
decisions.



We contribute to  
a more sustainable  
economy  
in society.



Enento Group's  
environmental  
impact.



Enento Group as  
a sustainable  
workplace.



# Long term financial targets

## **Growth**

5-10 percent annual average net sales growth.

## **Profitability**

Adjusted EBITDA growth rate exceeding net sales growth rate.

## **Balance sheet structure**

Net debt to Adjusted EBITDA below 3x.

A man with light brown hair and a beard, wearing a dark suit jacket over a light-colored shirt, is looking down at a smartphone in his right hand. He is wearing white earbuds. The background is a blurred city street with buildings and a car. The entire image has a light blue tint.

# FINANCIALS

## Q4 / 2020 SUMMARY

# Q4 / 2020 Income statement



EUR million	Q4 / 2020	Q4 / 2019	FY 2020	FY 2019
<b>Net sales</b>	<b>40,2</b>	<b>39,2</b>	<b>151,3</b>	<b>146,0</b>
Other operating income	0,1	0,2	0,6	0,3
Materials and services	-6,5	-6,3	-25,4	-24,5
Personnel expenses	-9,9	-9,5	-36,8	-38,6
Work performed by the entity and capitalised	0,8	0,7	2,7	2,2
Other operating expenses	-13,1	-11,4	-43,3	-37,1
Depreciation and amortisation	-5,5	-5,1	-21,3	-20,5
<b>Operating profit</b>	<b>6,1</b>	<b>7,8</b>	<b>27,8</b>	<b>27,8</b>
Finance income and expenses	-0,9	-0,8	-2,7	-2,9
<b>Profit before income tax</b>	<b>5,2</b>	<b>7,0</b>	<b>25,1</b>	<b>24,9</b>
Income tax expense	-1,6	-1,6	-5,6	-5,2
<b>Profit for the period</b>	<b>3,6</b>	<b>5,4</b>	<b>19,4</b>	<b>19,7</b>
Earnings per share attributable to the owners of the parent during the period:				
Basic earnings per share (EUR)	0,15	0,23	0,81	0,82
Diluted earnings per share (EUR)	0,15	0,22	0,81	0,82

# Q4 / 2020 Cash flow



EUR million	Q4 / 2020	Q4 / 2019	FY 2020	FY 2019
<b>Cash flows from operating activities</b>				
Cash flows before change in working capital	11,5	13,0	48,7	47,8
Change in working capital	2,5	-0,7	0,4	1,6
Net interests and other financing items	-1,2	-1,2	-2,5	-2,6
Income taxes paid	-1,5	-0,9	-5,7	-4,9
Net cash from operating activities	11,3	10,2	40,9	41,9
<b>Cash flows from investing activities</b>				
Net cash used in investing activities	-3,4	-4,4	-10,3	-19,4
<b>Cash flows from financing activities</b>				
Net cash used in financing activities	-8,7	-10,5	-24,9	-35,0
<b>Cash and cash equivalents at beginning of the period</b>	25,9	24,7	20,4	33,2
<b>Cash and cash equivalents at end of the period</b>	26,2	20,4	26,2	20,4

# Upcoming events



**Week 10**  
2021

Annual Report and  
Financial Statements  
2020

**29 March**  
2021

Annual General  
Meeting

**29 April**  
2021

Interim Report  
Q1 / 2021





**THANK YOU!**  
Time for Q&A



# Further information

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## Finland

Helsinki and Turku

## Sweden

Stockholm, Gothenburg,  
Kalmar and Umeå

## Norway

Oslo

## Denmark

Viborg