

ENENTO GROUP PLC

# INTERIM REPORT

1.1.–31.3.2021

CEO Jukka Ruuska and  
CFO Elina Stråhlman  
29 April 2021



Building trust in the everyday.



# Content



- Enento Group in brief
- New Business Areas and Functional Units
- Nordic integration progress and business development
- New services Q1 / 2021
- Key ratios Q1 / 2021
- Guidance and long-term financial targets



# ENENTO GROUP 2021

Building trust in the everyday.

In Finland we operate under the brands Asiakastieto and Emaileri, in Sweden under UC, Allabolag and Proff and both in Norway and Denmark under the brand Proff.



LISTED ON  
NASDAQ HELSINKI

MARKET CAPITALISATION  
31.3.2021  
**843** MEUR

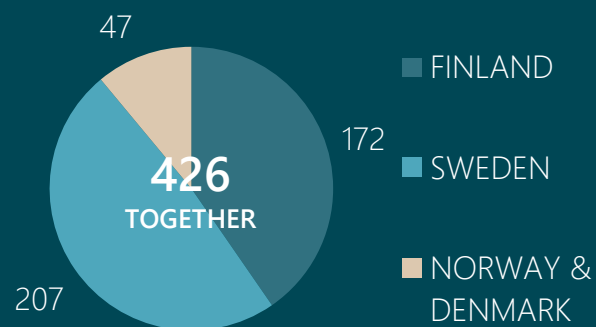


Partners  
in Nordic  
region and  
in Europe.

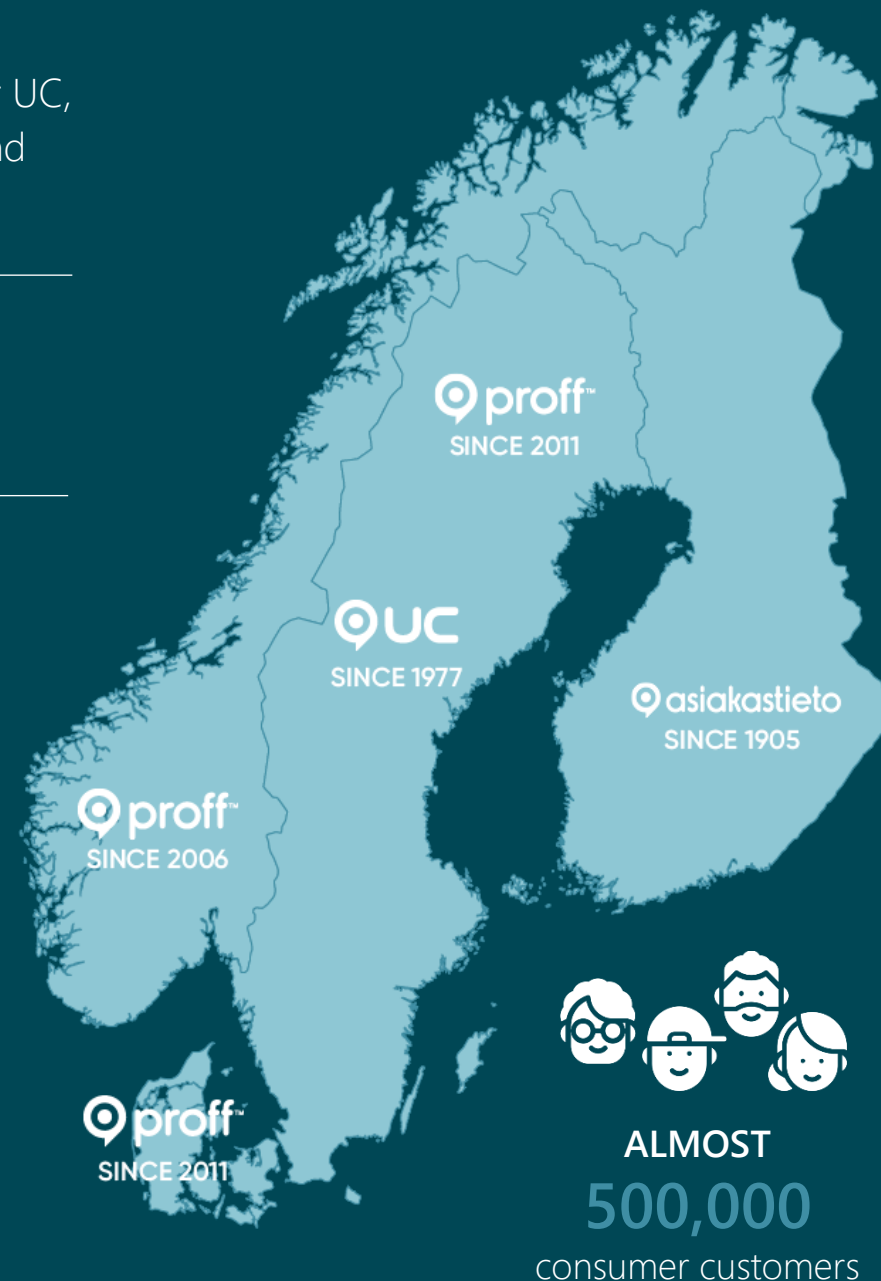
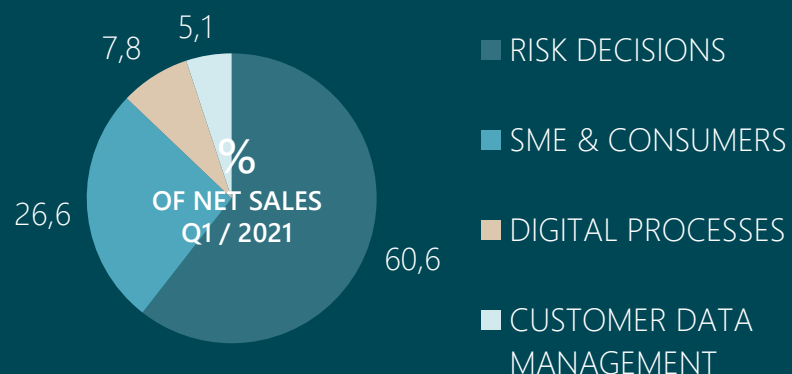


Approximately 55,000 corporate  
customers within banking, -finance,  
retail, public sector and small  
companies.

## EMPLOYEES 31.3.2021



## BUSINESS AREAS 31.3.2021







Our mission  
**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.



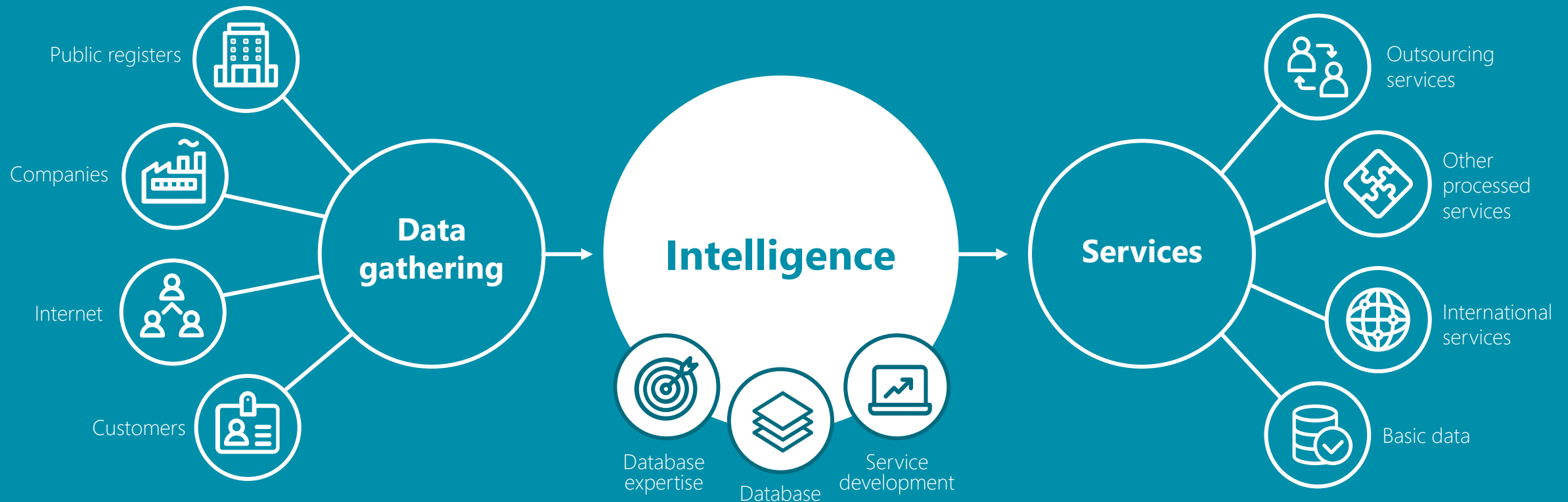
Need for trust,  
privacy and  
control of private data.



Agility.  
Innovation.  
Speed to market.



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

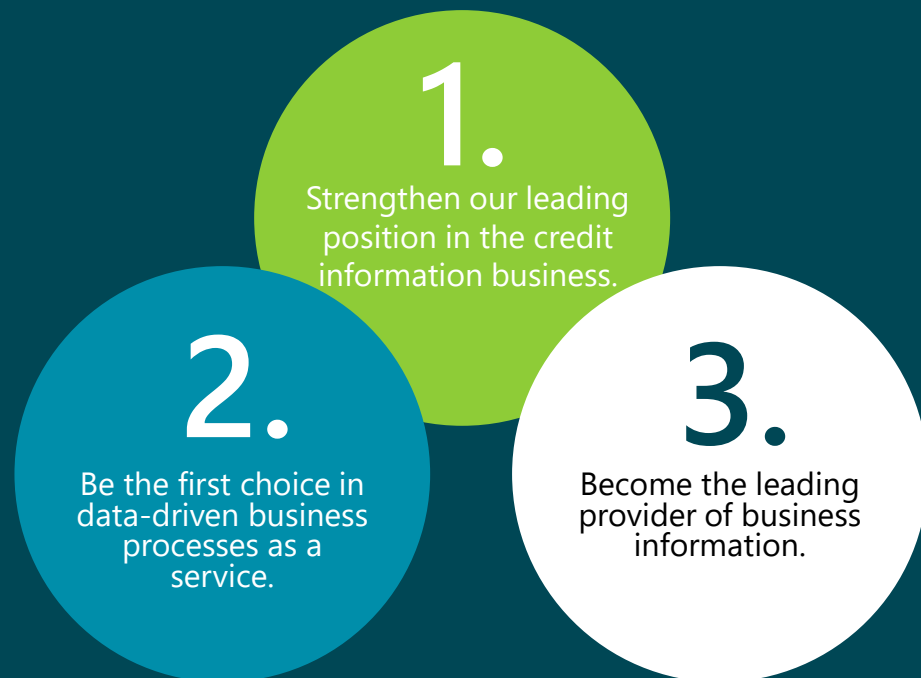


# Group Strategy 2020–2023

We build trust in the everyday.



## STRATEGIC OFFERING GOALS



## GROWTH OPPORTUNITIES

OWNERSHIP   NEW DATA   ANALYTICS   PROCUREMENT  
API INTERFACES   FRAUD   HOUSING  
COMPLIANCE   MACHINE LEARNING   SUSTAINABILITY

## ENABLERS

FUTURE FIT AND INNOVATIVE  
ORGANISATION

NORDIC  
FUTURE PLATFORM



# 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.





# 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.

# Key figures Q1 / 2021 and 2020



Net sales

**39,7** MEUR

Adjusted EBITDA

**13,9** MEUR

Adjusted EBITDA margin

**35,2** %

Net debt to  
adjusted  
EBITDA  
Q1 / 2021  
2,5x

Net sales

**151,3** MEUR

Adjusted EBITDA

**54,0** MEUR

Adjusted EBITDA margin

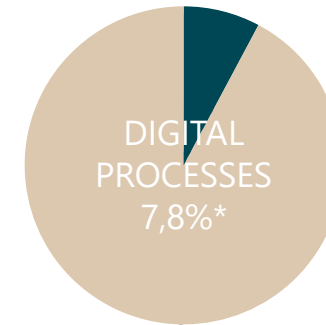
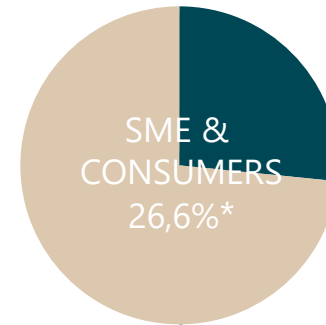
**35,7** %

# Enento's Business Areas

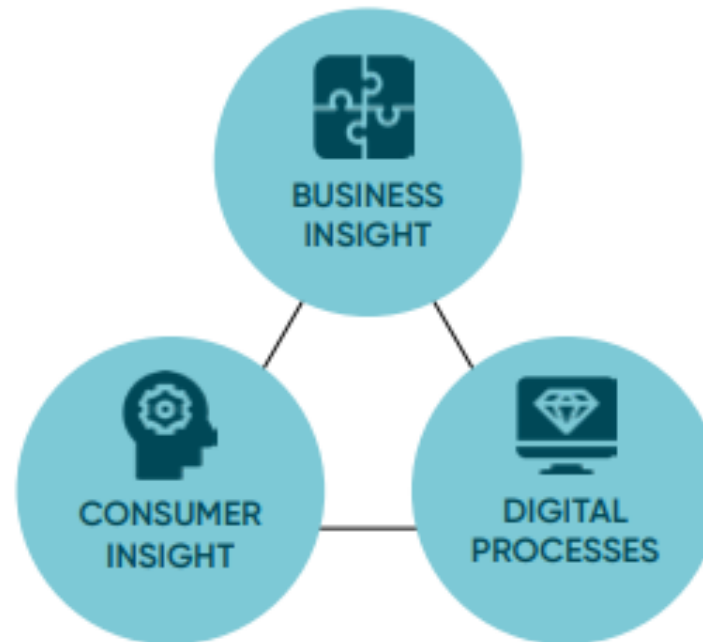


Enento Group's offering  
Q1 / 2021 was divided in four  
Business Areas

\*% of net sales 1 / 2021



Enento's Business Areas and  
Functional Units  
1 April 2021





A low-angle, upward-looking photograph of a multi-story building with a textured yellow facade and numerous dark-framed windows. The perspective creates a sense of height and architectural detail. The sky is visible at the top center.

# NORDIC INTEGRATION PROGRESS AND BUSINESS DEVELOPMENT AS GROWTH DRIVERS





# Integration proceeding according to the plan

At the end of Q1 / 2021 we have realized almost 90 % of the synergy benefits of **EUR 17,8 million** from the combination of Asiakastiето, UC and Proff.

The integration has proceeded according to plan. We have now several revenue initiatives in production related to new services and cross-sales initiatives and several in the pipeline.



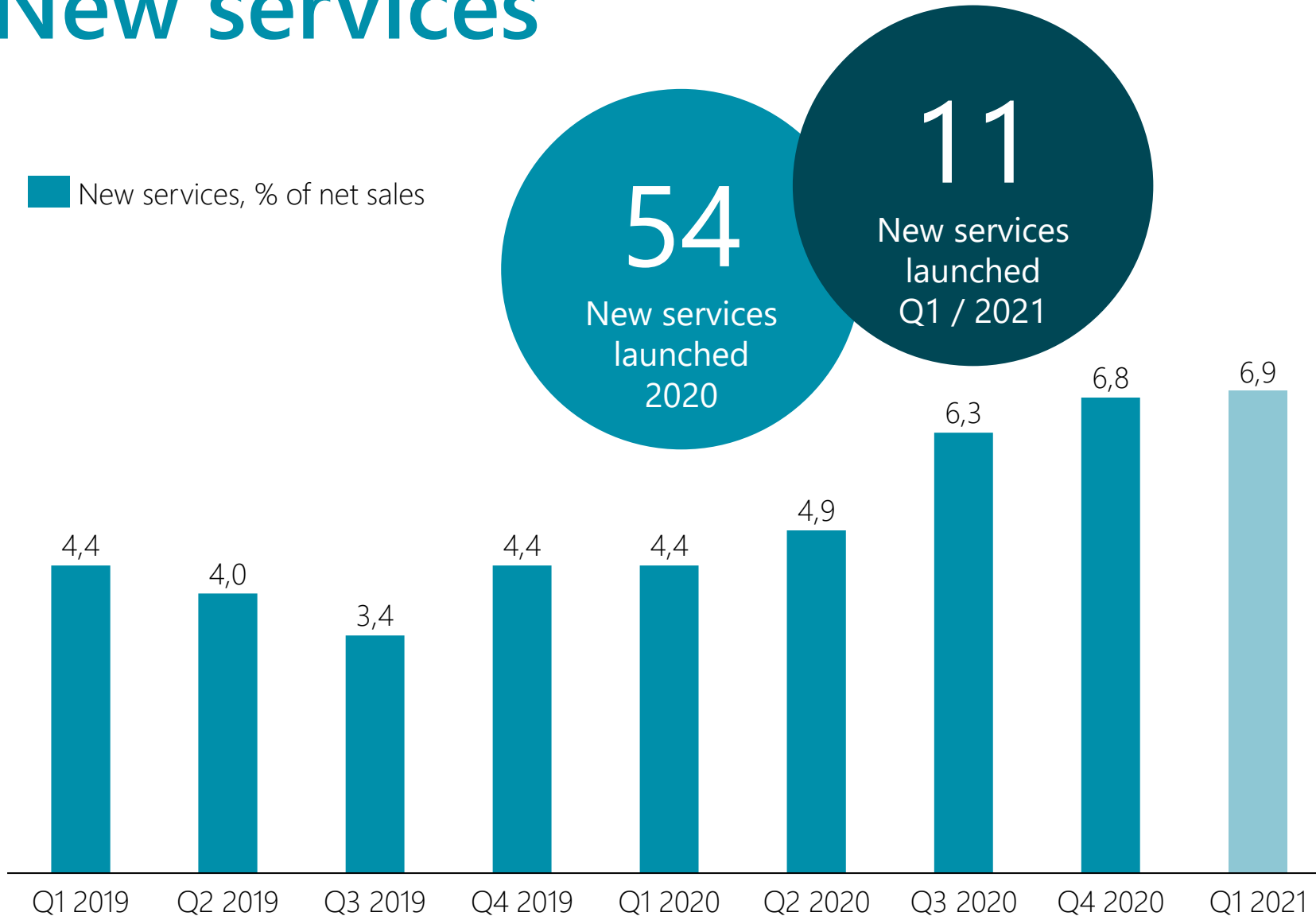




# New services



■ New services, % of net sales



## COMMENTS

- Share of new services was 6,9 %.
- Eleven new services launched during the first quarter.

# Examples of new services Q1 / 2021



## **Business Loan Information System**

Provides up to date data on applied and granted company credits for business credit decisioning gathered from corporate lenders.

## **Forest and Farmland Valuation Reports**

The online reports provide valuations of the forest and farmland areas.

## **Nordic Growth Certificate**

To qualify for the certificate, the companies must meet criteria based on Nordic growth model.

# Business Loan Information System



## CHALLENGE

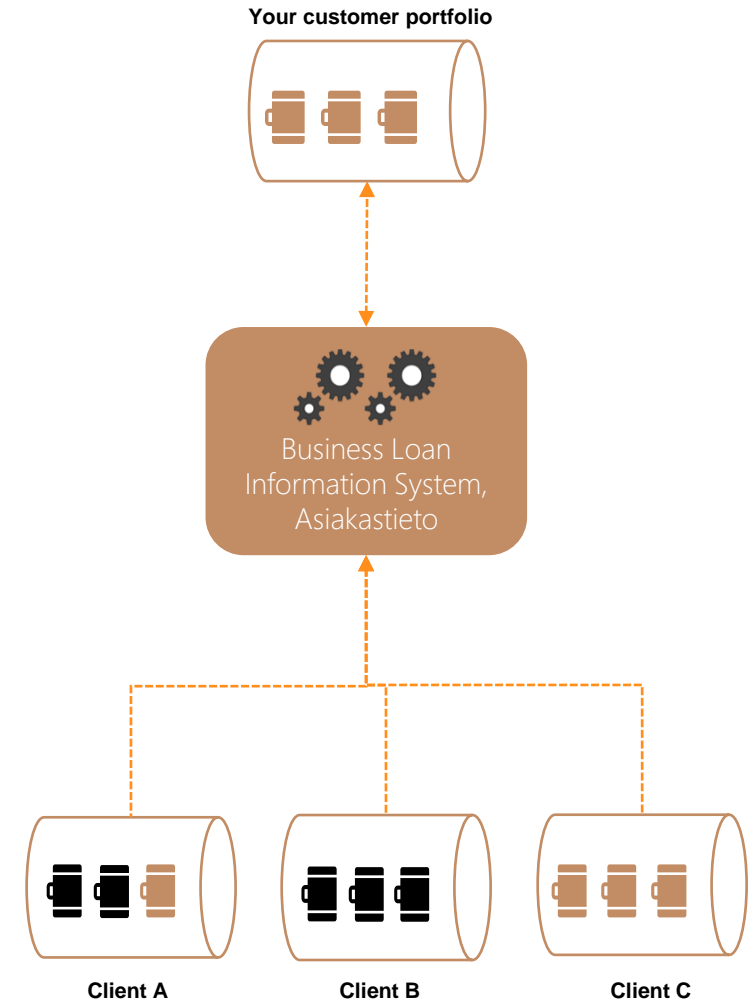
- How to know what really are a company's current overall liabilities and payment terms.

## CONCEPT

- Gathers together data of company's applied and granted credits from corporate lenders which have joined to the data sharing platform.
- Offers most accurate and up-to-date information as the data is updated daily and it contains data points not available elsewhere.

## BENEFIT

- You get a better **overall picture about your clients' open credits and effective payment capacity** as you are able to investigate your customers' all open credits granted by other vendors **and follow the changes in payment behaviour**.
- You may compare your own portfolio's payment terms and behaviour towards other vendors.
- You can get an automated alert in case your client's payment behaviour deteriorates within the cluster and you are able to react fast.





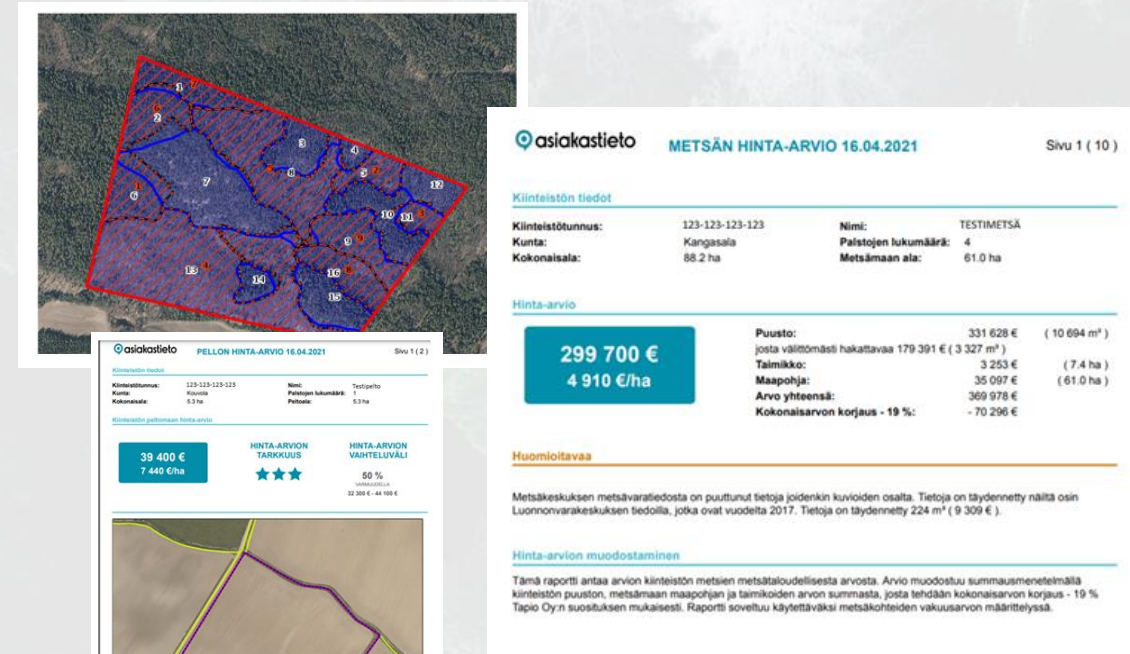
# Forest and Farmland Valuation Reports

The online reports provide reliable estimates on the value of the forest and farmland areas and contain maps and detail information of the facts that the valuation is based on.

- **FOREST VALUATION REPORT** is created by adding up the values of the property's standing timber, subsoil in the forested areas and sapling stands.
- **FARMLAND VALUATION REPORT** is based on a statistical model and time-adjusted information from the Official Purchase Price Register on field transactions in the vicinity of the property in question.

The service has been developed in close co-operation with banks to support collateral valuation and monitoring.

New Forest and Farmland Valuation Reports complement the Housing valuation service and are part of Asiakastieto's comprehensive Property and Apartment Information Service.





# Nordic Growth Certificate



The companies that are rewarded show growth, where parameters such as profitability and ability to pay are taken into account. To qualify for the certificate, the companies must meet criteria based on the Nordic growth model, which include:

- TURNOVER LAST 2 YEARS
- GROWTH
- EBITDA MARGIN
- SOLIDITY
- NUMBER OF EMPLOYEES

Enables companies to show i.a.

- Societal benefit in terms of job creation
- Growth due to customer demand
- Fast-growing companies often have a need for new capital and the certificate may facilitate that need.





# KEY RATIOS Q1 / 2021

# Overview of Q1 / 2021



EUR million (unless stated otherwise)	Q1 / 2021	Q1 / 2020	FY 2020
Net Sales	39,7	37,6	151,3
Growth (year-on-year)	5,4 %	9,0 %	3,7 %
Adjusted EBITDA	13,9	12,4	54,0
Adjusted EBITDA margin	35,2 %	33,0 %	35,7 %
Adjusted EBIT	11,5	10,5	45,0
Adjusted EBIT margin	29,0 %	27,8 %	29,7 %
New products and services (% of Net sales)	6,9 %	4,4 %	5,6 %
EBITDA	14,1	12,1	49,1
EBIT	8,5	7,1	27,8

## COMMENTS

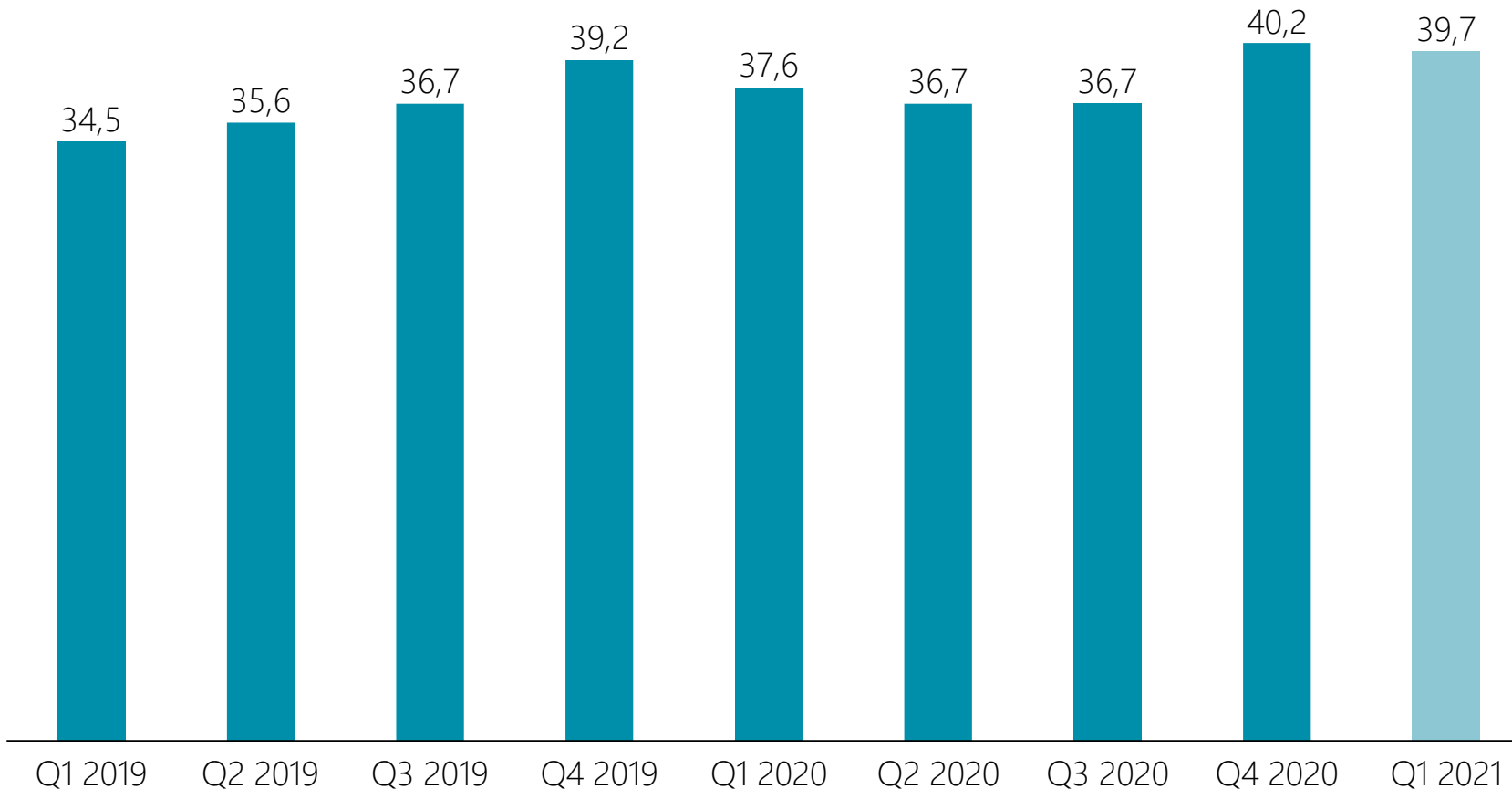
- Net sales grew +5,4 % at reported FX rates and +2,4 % at comparable FX rates.
- Adjusted EBITDA increased by +12,4 % at reported FX rates and +9,9 % at comparable FX rates.
- Adjusted EBITDA and Adjusted EBITDA margin increased year-on-year due to positive net sales development of the scalable service offering, cost consciousness and prioritization, as well as realized cost synergies.



# Net sales by quarter



■ Net sales, EUR million



## COMMENTS

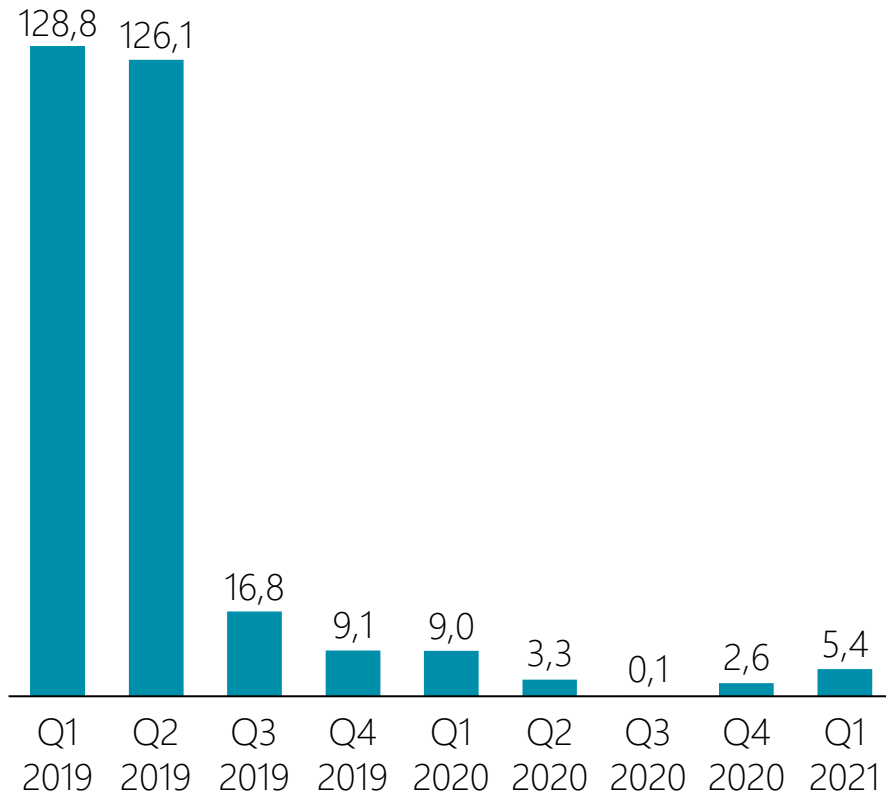
- Q1/2021 reported Net sales growth driven by both favorable FX development as well as organic growth.
- Q3/2019 onwards with Proff companies' results consolidated to Enento Group.



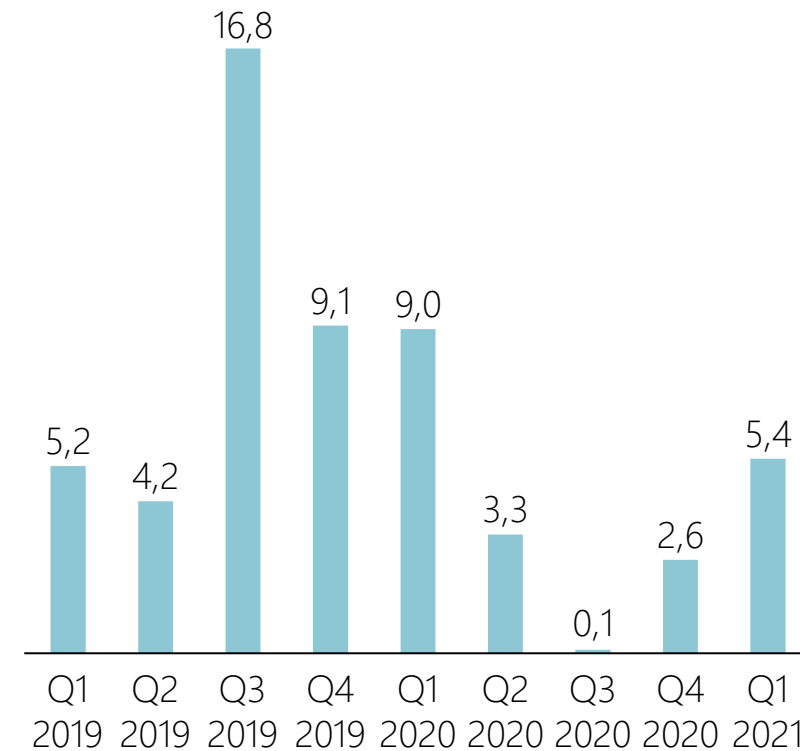
# Net sales growth

## REPORTED AND PRO FORMA

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



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



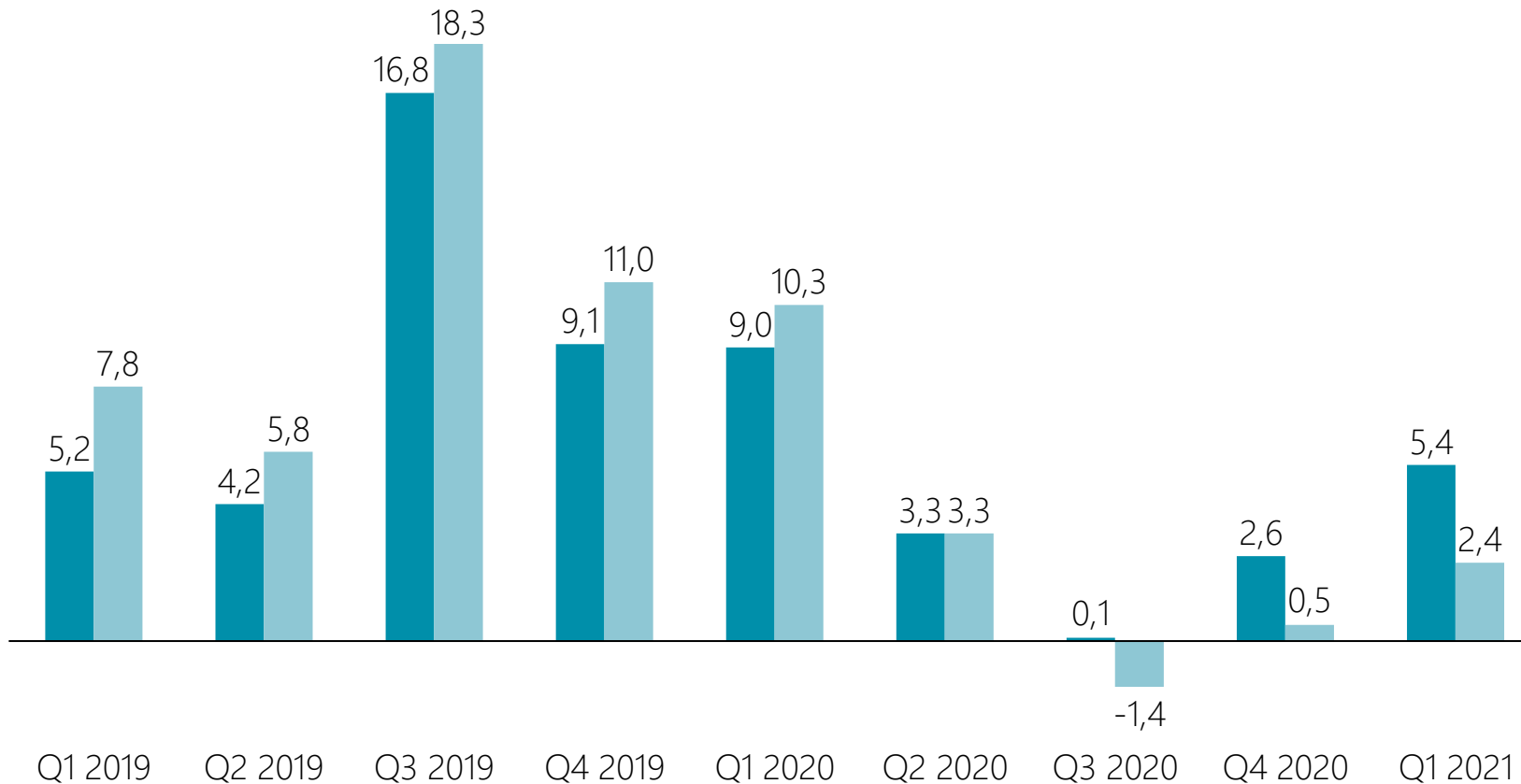
## COMMENTS

- Q1/2021 reported Net sales growth driven by both favorable FX development as well as organic growth.
- 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, %



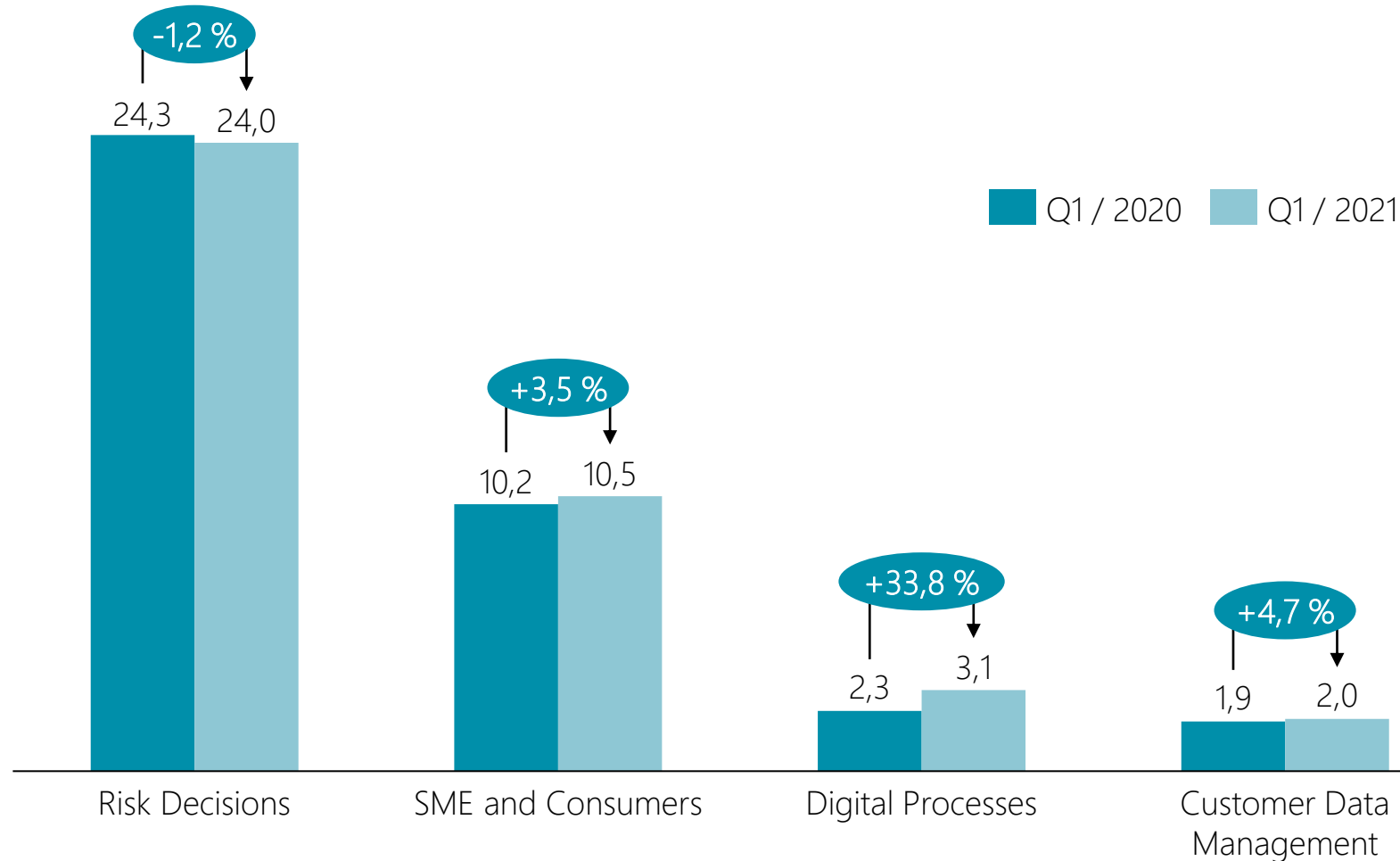
## COMMENTS

- FX comparable growth rate +2,4 %.
- One banking day less year-on-year in both main markets in Q1/2021.
- Proff companies consolidated to Group from the beginning of Q3/2019.



# Revenue by business area

AT COMPARABLE FX RATES



## COMMENTS

- Demand for consumer-related risk management services in the Risk Decisions business area continued to weaken moderately year-on-year, but sales volumes for services have clearly recovered during the first quarter, despite the abnormal market situation.
- In the SME and Consumers business area, the strong development of online consumer services continued in both main market areas in Finland and Sweden.
- Digital Processes business area grew very strongly due to continued high demand for real estate information services and digital housing transaction services.
- Customer Data Management business area continued to grow, driven by Finland's B2C customer management services.
- Successful service development investments supported the development of net sales in all business areas.

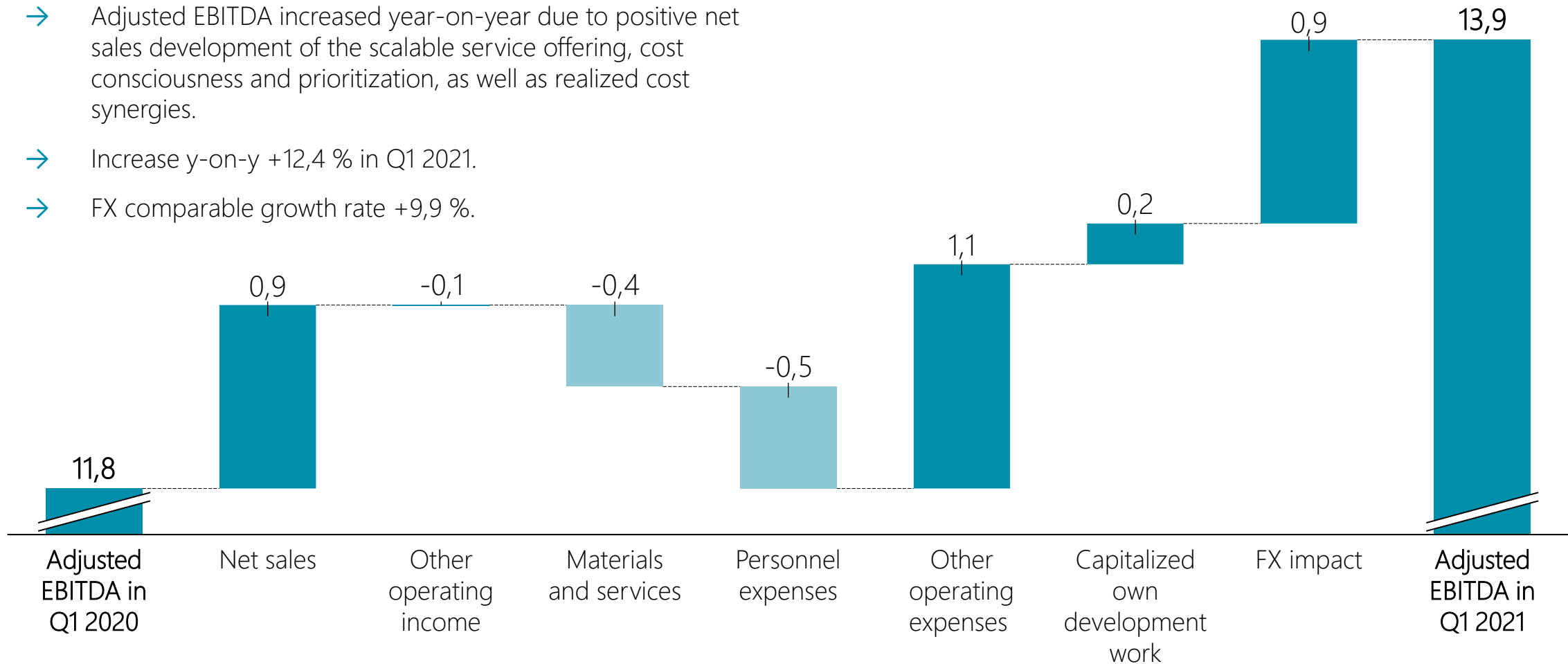


# Adjusted EBITDA



## COMMENTS

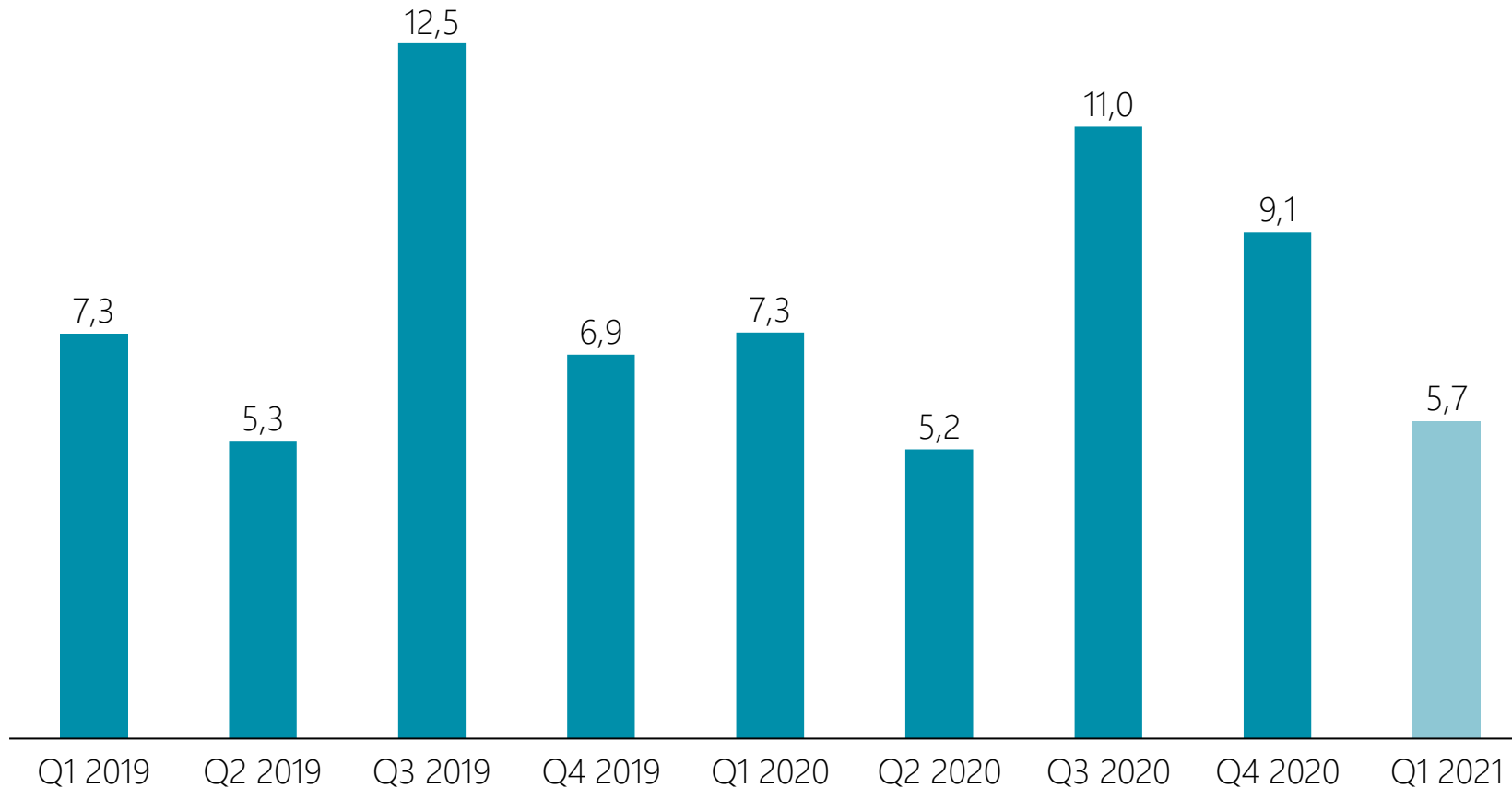
- Adjusted EBITDA increased year-on-year due to positive net sales development of the scalable service offering, cost consciousness and prioritization, as well as realized cost synergies.
- Increase y-on-y +12,4 % in Q1 2021.
- FX comparable growth rate +9,9 %.



# Free cash flow



Free cash flow, EUR million



## COMMENTS

- Cash conversion at 40,2 %.
- Cash flow from operating activities was supported by the good development of the business but decreased on a year-on-year basis mainly due to higher investments and timing of tax and other payments.
- Items affecting comparability impacted cash flow from operating activities in the first quarter by EUR -0,0 million (EUR -0,1 million).

# Key indicators



EUR million (unless stated otherwise)	Q1 / 2021	Q1 / 2020	FY 2020
Net debt	136,8	138,3	143,0
Net debt / adjusted EBITDA	2,5	2,8	2,6
Gearing, %	46,6	45,7	45,4
Equity ratio, %	54,5	58,2	58,3
Free cash flow	5,7	7,3	32,6
Cash conversion, %	40,2	60,6	66,3
Gross investments	4,0	2,9	12,0

## COMMENTS

- Cash position of EUR 31,2 million (committed EUR 20 million facility remains fully unutilized).
- Net debt / adjusted EBITDA at 2,5x.
- Free cash flow containing EUR +0,0 million (EUR -0,1 million) impact from items affecting comparability.
- Gross investments EUR 4,0 million (EUR 2,9 million).

# Guidance 2021



Guidance <sup>1</sup>	Released 12 February 2021, unchanged
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.
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.*



# 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.

# Changes in the management



ENENTO GROUP PLC, STOCK EXCHANGE RELEASE ON 21 APRIL 2021 AT 9.00 A.M. EEST

## **Enento Group's CEO Jukka Ruuska leaves the company**

Enento Group Plc's CEO Jukka Ruuska has given notice of his resignation from the company. The Group's Board of Directors will start the recruiting process of a new CEO immediately. Jukka Ruuska will continue in his position until his successor will start, however no later than 31 October 2021.

*"After nearly a decade as CEO, it's time for personal renewal and time to move towards new. It has been a great opportunity to develop Asiakastiето to Enento Group together with great Enento employees committed to business development. I am proud of the results we have achieved and would like to thank all my excellent colleagues. Meeting customers is one of the best parts of this work and I want to express my gratitude to our customers for the opportunity for a real dialogue."*

*Jukka Ruuska, CEO*



# FINANCIALS Q1 / 2021 SUMMARY

# Q1 / 2021 Income statement



EUR million	Q1 / 2021	Q1 / 2020	FY 2020
<b>Net sales</b>	<b>39,7</b>	<b>37,6</b>	<b>151,3</b>
Other operating income	0,2	0,2	0,6
Materials and services	-6,6	-6,1	-25,4
Personnel expenses	-10,3	-9,6	-36,8
Work performed by the entity and capitalised	1,0	0,7	2,7
Other operating expenses	-9,8	-10,7	-43,3
Depreciation and amortisation	-5,6	-5,0	-21,3
<b>Operating profit</b>	<b>8,5</b>	<b>7,1</b>	<b>27,8</b>
Finance income and expenses	-0,4	-0,4	-2,7
<b>Profit before income tax</b>	<b>8,0</b>	<b>6,7</b>	<b>25,1</b>
Income tax expense	-1,6	-1,3	-5,6
<b>Profit for the period</b>	<b>6,5</b>	<b>5,4</b>	<b>19,4</b>
Earnings per share attributable to the owners of the parent during the period:			
Basic earnings per share (EUR)	0,27	0,23	0,81
Diluted earnings per share (EUR)	0,27	0,22	0,81



# Q1 / 2021 Cash flow



EUR million	Q1 / 2021	Q1 / 2020	FY 2020
<b>Cash flows from operating activities</b>			
Cash flows before change in working capital	14,1	12,3	48,7
Change in working capital	-1,6	-0,3	0,4
Net interests and other financing items	-0,1	-0,1	-2,5
Income taxes paid	-2,9	-1,7	-5,7
Net cash from operating activities	9,6	10,1	40,9
<b>Cash flows from investing activities</b>			
Net cash used in investing activities	-4,0	-2,7	-10,3
<b>Cash flows from financing activities</b>			
Net cash used in financing activities	-0,6	-0,4	-24,9
<b>Cash and cash equivalents at beginning of the period</b>	26,2	20,4	20,4
<b>Cash and cash equivalents at end of the period</b>	31,2	26,1	26,2



Enento Group's  
environmental  
impact.



We contribute to  
a more sustainable  
economy  
in society.

# Sustainability at Enento Group



We help our  
customers  
make  
sustainable  
decisions.



Enento  
Group as a  
sustainable  
workplace.



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



# Further information

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