

ENENTO GROUP PLC

# INTERIM REPORT

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1.1.–30.9.2021

CEO Jukka Ruuska and  
CFO Elina Stråhlman  
29 October 2021



Building trust in the everyday.



# Content



- Enento Group in brief
- Business Areas
- Nordic integration
- New services Q3 / 2021
- Key ratios Q3 / 2021
- Guidance and long-term financial targets
- Changes in the Management



# 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  
30.9.2021  
**848 MEUR**

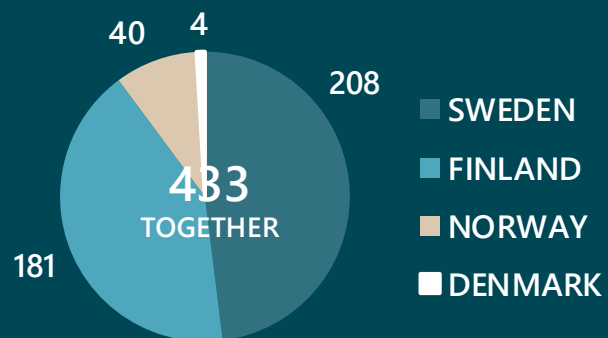


Partners  
in Nordic  
region and  
in Europe.

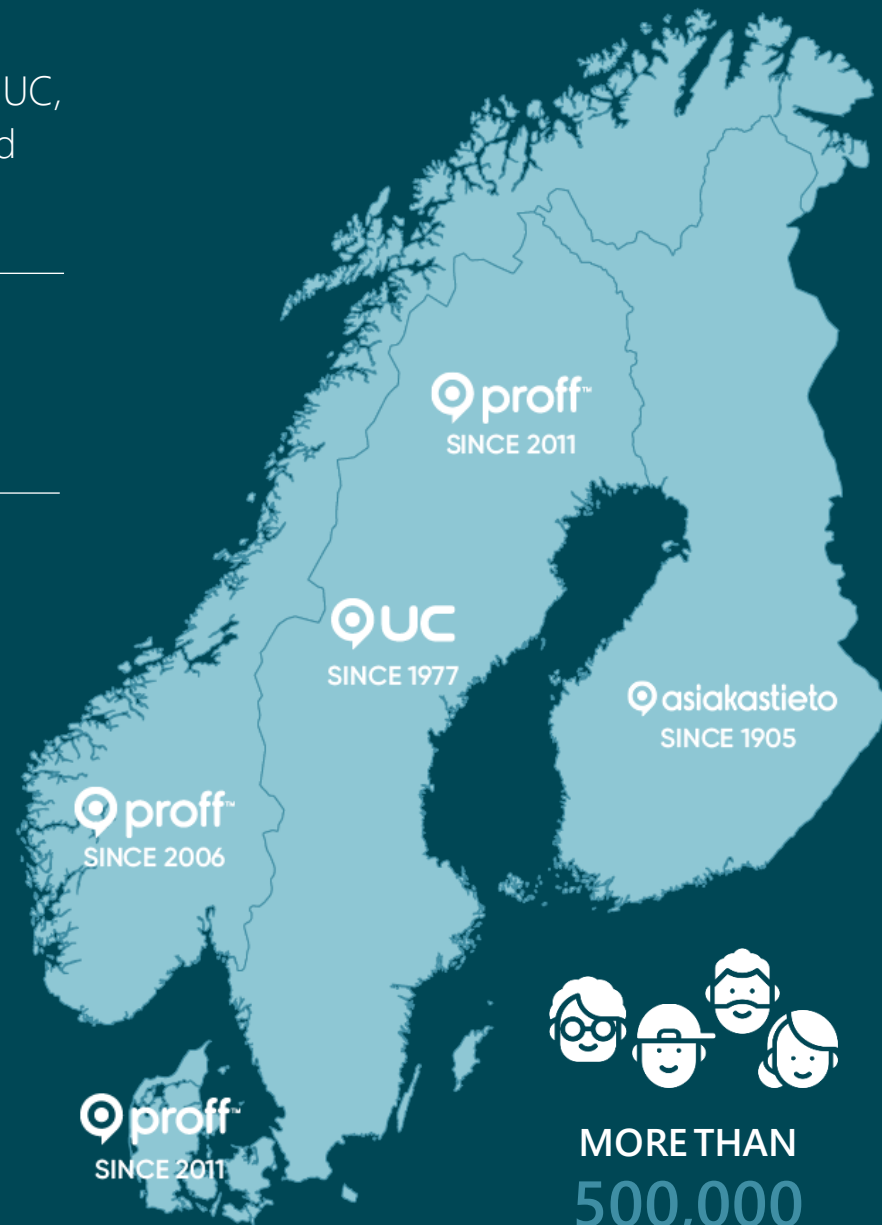
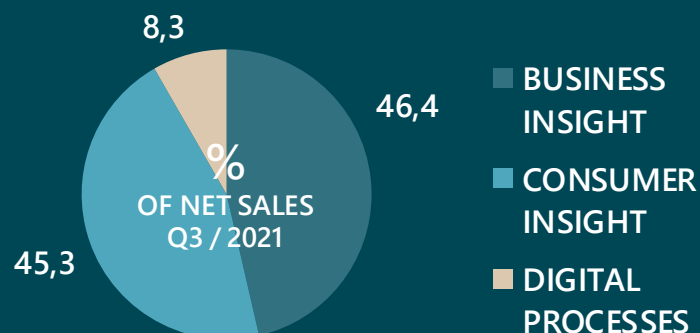


Approximately 73,000 corporate  
customers within banking, finance,  
retail, public sector and small  
companies.

## EMPLOYEES 30.9.2021



## BUSINESS AREAS 30.9.2021



MORE THAN  
**500,000**  
consumer customers



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.



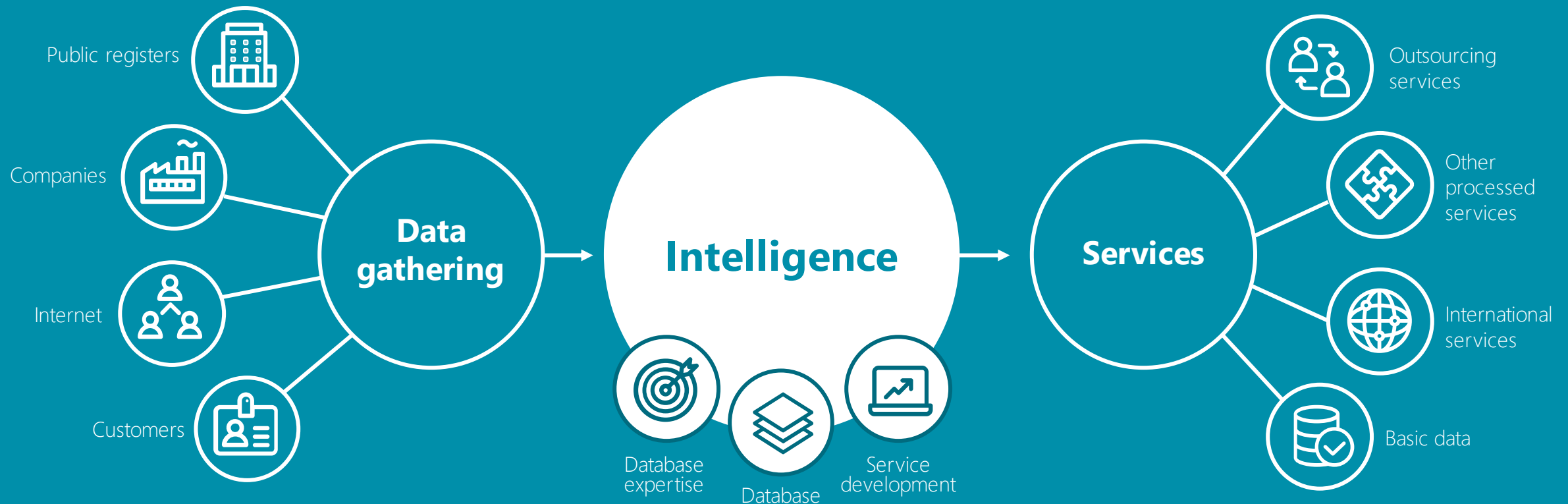
Need for trust,  
privacy and  
control of private data.



Agility.  
Innovation.  
Speed to market.



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





# 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

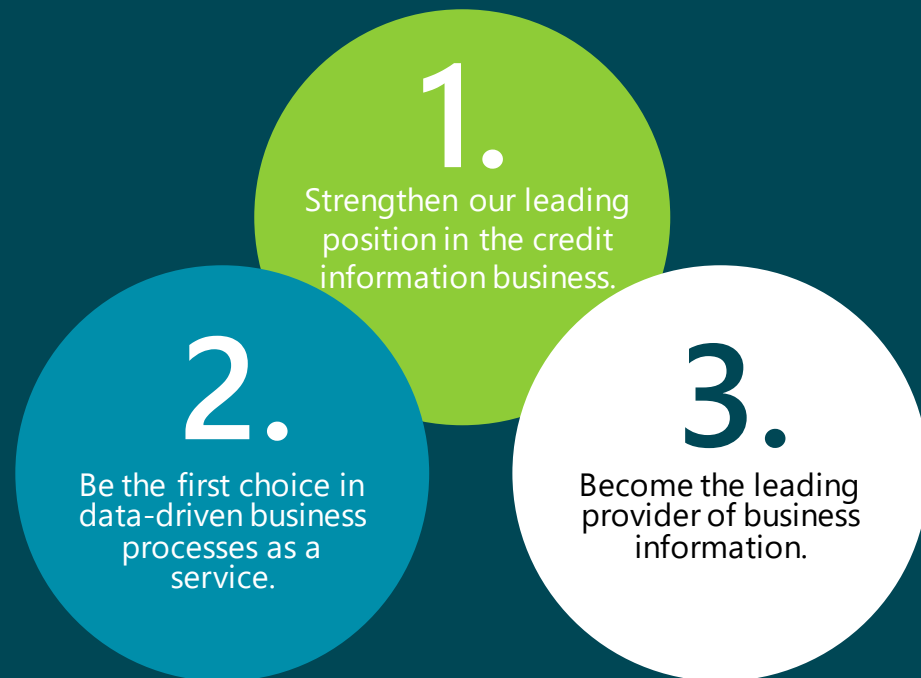
- Services integrated into customers' business processes
- Our freemium business information websites have more than 6 million unique visitors per month.

# 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 Business Areas

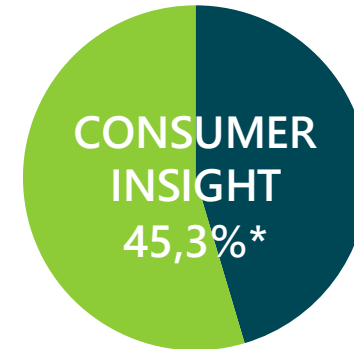


## Enento's Business Areas 1 April 2021 >

\*% of net sales Q3 / 2021



**BUSINESS  
INSIGHT**  
46,4%\*



**CONSUMER  
INSIGHT**  
45,3%\*



**DIGITAL  
PROCESSES**  
8,3%\*

### Business Insight consists of 3 business lines:

- **Enterprise Solutions** is responsible for service offering and development for the strategic and large customers in the key customer verticals, including banking and finance.
- **Premium Solutions** business line provides business information services for the needs of SMEs.
- **Freemium Solutions** develops freemium-model business information websites in all Nordic markets.

### Consumer Insight:

- Develops and provides leading consumer information and decisioning services in the Nordics.
- Serves both consumers and several industries, the largest ones including finance and banking as well as e-commerce, oil and energy sectors.
- Services are primarily used for risk management, finance, administration and decision-making.

### Digital Processes range of services includes:

- Real estate and apartment information
- Information about buildings and their valuation
- Solutions to automate collateral management processes
- Solutions to digitalize the management of housing transactions
- Compliance services to identify companies' beneficial owners and politically exposed persons.



A low-angle, upward-looking photograph of a multi-story yellow building with numerous windows. The perspective creates a sense of height and scale. The sky is visible at the top center. A small white circular icon with a dot inside is located in the top right corner.

# NORDIC INTEGRATION PROGRESS AND BUSINESS DEVELOPMENT AS GROWTH DRIVERS



# Integration proceeding according to the plan

At the end of Q3 / 2021 we are very close to 100 % of the reported 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.

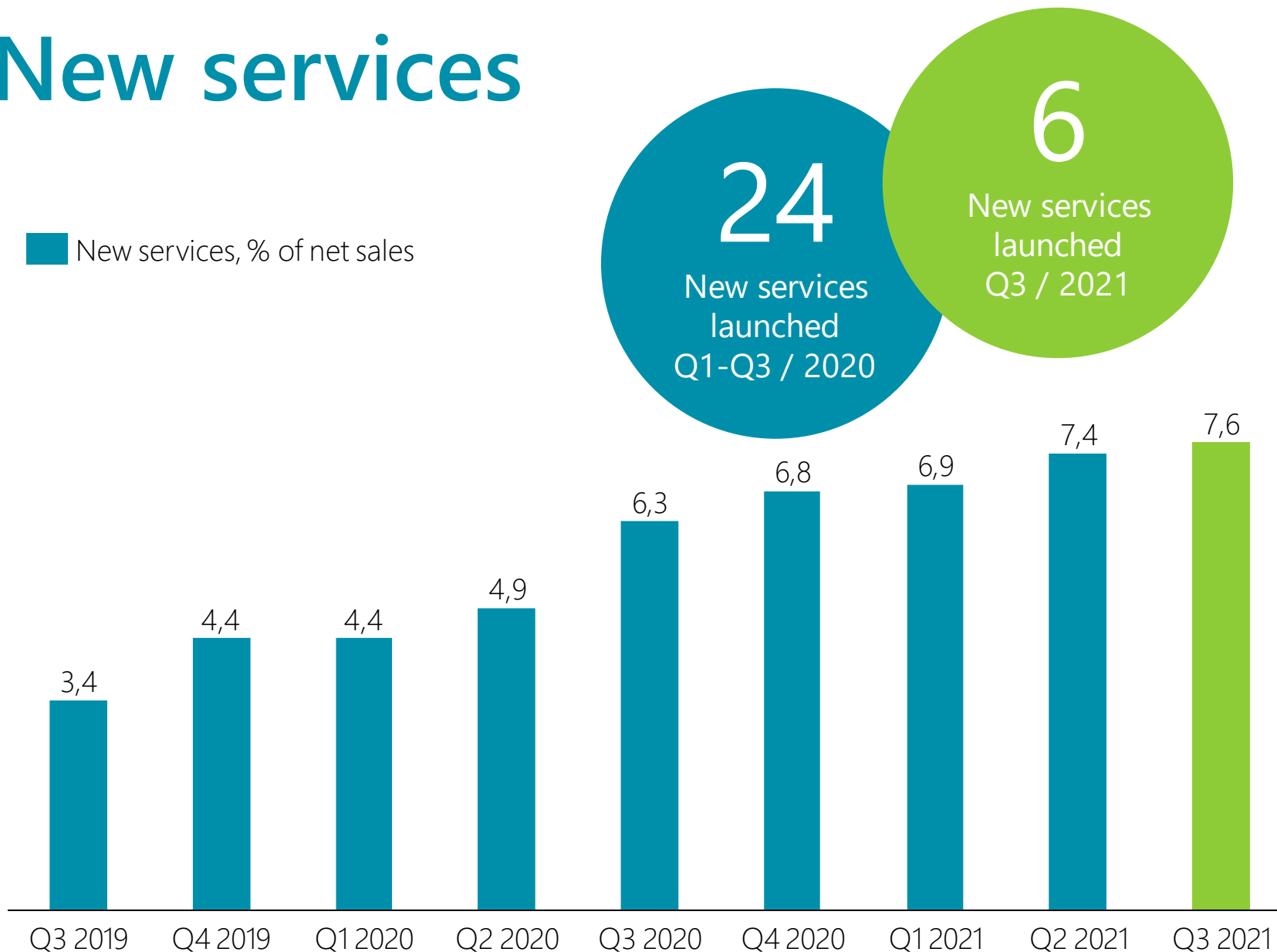




# New services



■ New services, % of net sales



## COMMENTS

- Share of new services was 7,6 %.
- Six new services launched during the third quarter.

## EXAMPLES

- UC Direct API (SE)
- Nordic Growth Certificate (FI)
- Consumer Credit Inquiry System Mortgages (FI)
- Free Credit Report (FI)
- Real Estate Report (SE)
- Price and Building Information Report (FI)





# KEY RATIOS Q3 / 2021

# Key figures Q3 / 2021 and 2020



Net sales

**38,6** MEUR

Adjusted EBITDA

**14,5** MEUR

Adjusted EBITDA margin

**37,5** %

Net debt to  
adjusted  
EBITDA  
Q3 / 2021  
2,6x

Net sales

**151,3** MEUR

Adjusted EBITDA

**54,0** MEUR

Adjusted EBITDA margin

**35,7** %

# Overview of Q3 / 2021



EUR million (unless stated otherwise)	Q3 / 2021	Q3 / 2020	FY 2020
Net Sales	38,6	36,7	151,3
Growth (year-on-year)	5,2 %	0,1 %	3,7 %
Adjusted EBITDA	14,5	14,8	54,0
Adjusted EBITDA margin	37,5%	40,3 %	35,7 %
Adjusted EBIT	11,9	12,4	45,0
Adjusted EBIT margin	30,9%	33,7 %	29,7 %
New services (% of net sales)	7,6%	6,3 %	5,6 %
EBITDA	14,6	14,7	49,1
EBIT	8,9	9,2	27,8

## COMMENTS

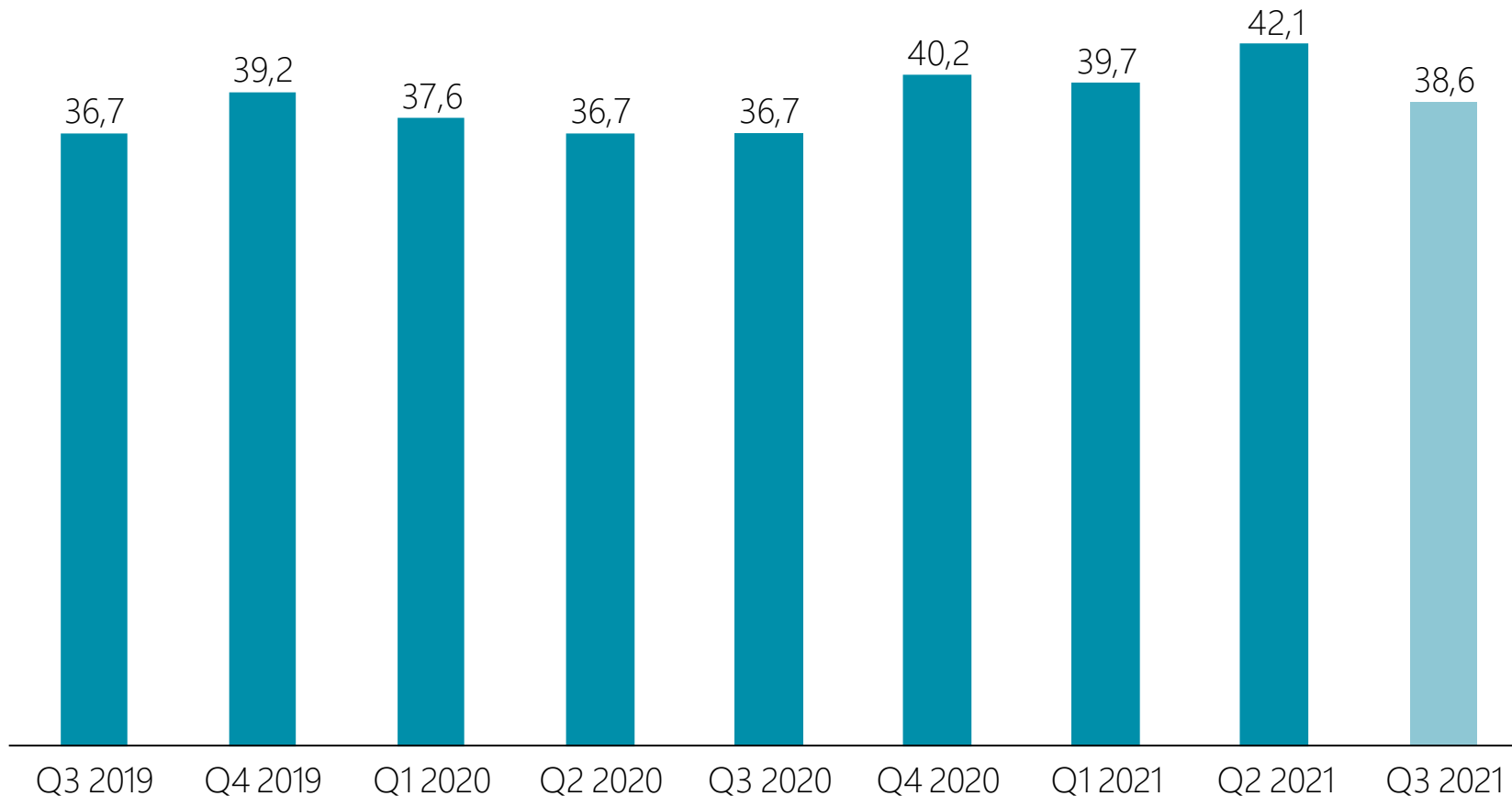
- Net sales grew 5,2 % at reported FX rates and 4,0 % at comparable FX rates.
- Adjusted EBITDA decreased by 2,2 % at reported FX rates and 3,1 % at comparable FX rates.
- Negative adjusted EBITDA development is mainly caused by expensed investments made to support future growth. Comparison period cost levels were exceptionally low due to cost saving measures taken in the prior year. The future growth investments together with third quarter relatively modest net sales development had an impact on profitability.
- Investments in growth and service development have increased personnel and IT costs.



# Net sales by quarter



■ Net sales, EUR million



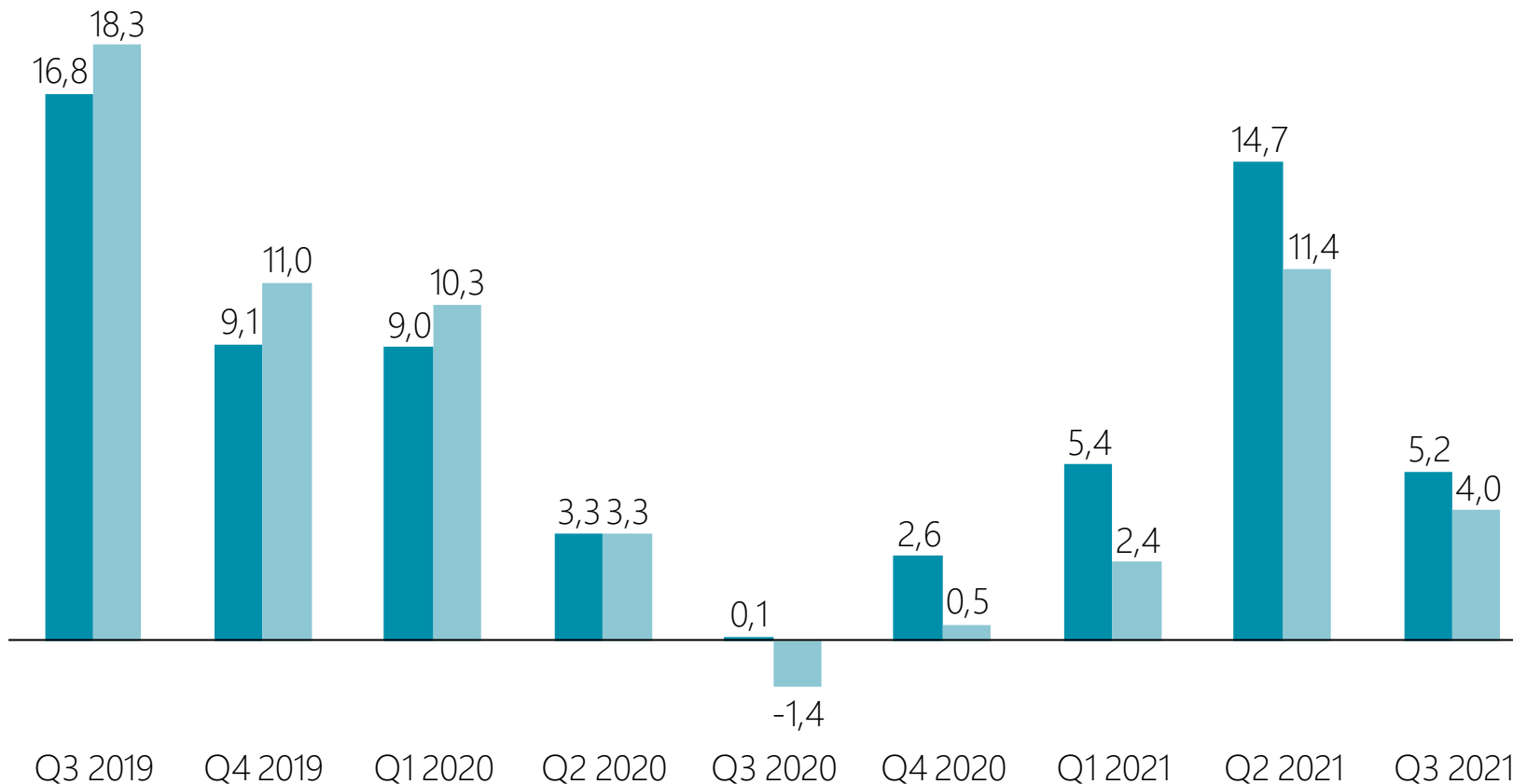
## COMMENTS

→ Q3/2021 reported Net sales growth continued but growth rate was considerably more moderate than in previous quarters.

# Net sales growth

## PRO FORMA

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



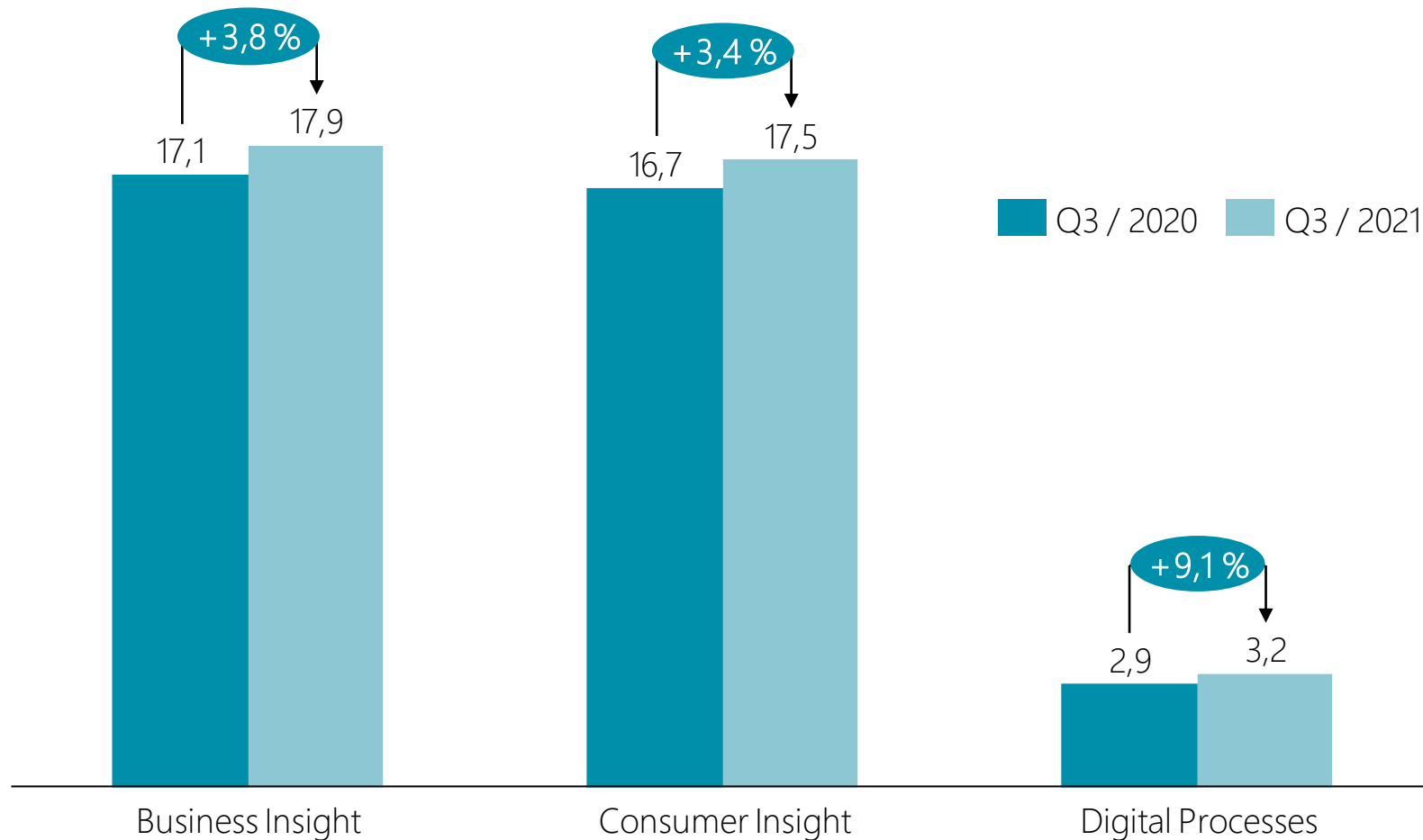
## COMMENTS

- FX comparable growth rate +4,0 % in Q3/2021.
- In Q3/2021 the number of banking days was the same as last year.
- New services provided for an important growth component across all business areas in Q3/2021.



# Revenue by business area

AT COMPARABLE FX RATES



## COMMENTS

- Business Insight was able to deliver growth in Q3, especially driven by the Freemium services as advertising market recovered but Enterprise services for large customers remained on prior year level.
- Consumer Insight grew moderately. Consumer data services begun to recover in the Finnish market but in the Swedish market the growth in demand for Consumer services slowed down.
- Digital Processes grew due to high demand for real estate information services and digital housing transaction services, however the record high comparables moderated the growth rate.
- Successful service development investments supported the development of net sales in all business areas.

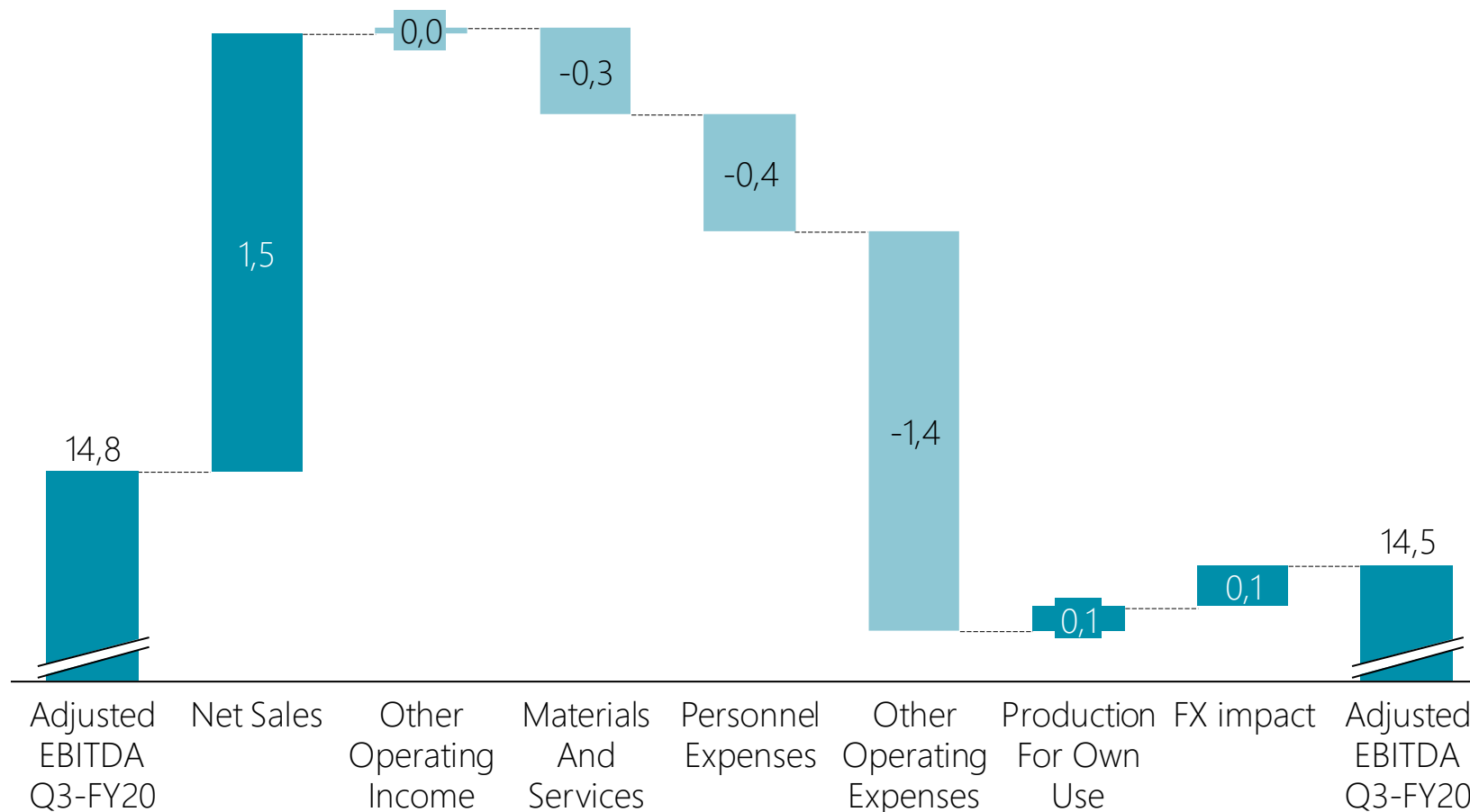


# Adjusted EBITDA



## COMMENTS

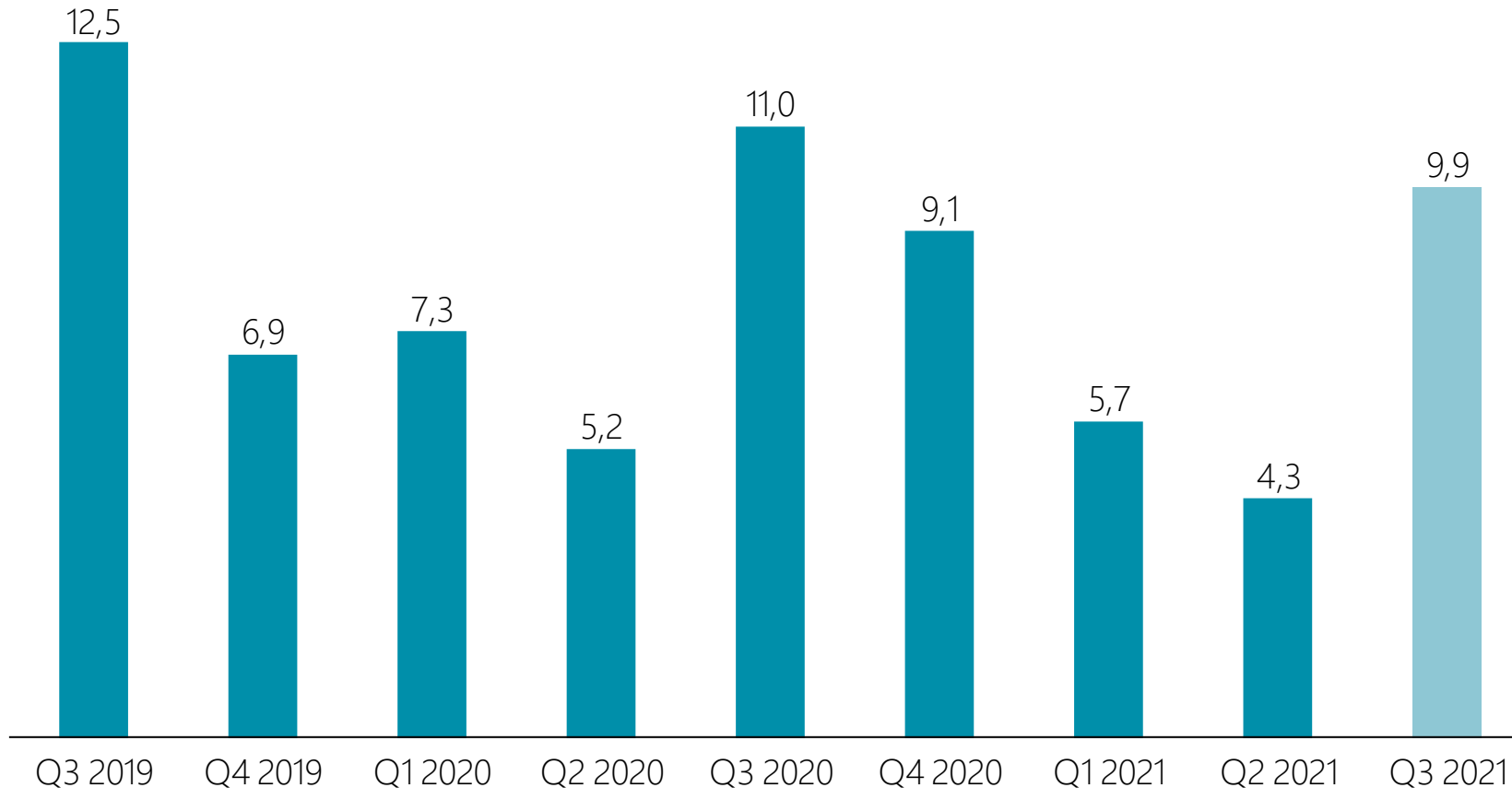
- Negative adjusted EBITDA development is mainly caused by expensed investments made to support future growth. Comparison period cost levels were exceptionally low due to cost saving measures taken in the prior year. The future growth investments together with third quarter relatively modest net sales development had an impact on profitability.
- Investments in growth and service development have increased personnel and IT costs.
- Decrease y-on-y -2,2 % in Q3/2021.
- FX comparable decline -3,1 %.



# Free cash flow



Free cash flow, EUR million



## COMMENTS

- Cash conversion at 67,6 %.
- Cash flow from operating activities before change in working capital was on comparison period level. Impact of change in the net working capital on cash flow was slightly positive mainly due to decrease in accounts receivable.
- Free cash flow decreased compared to prior year due to high product development investments in new services, service platform and consolidation of IT environments.
- Items affecting comparability affected cash flow from operating activities in the third quarter by EUR 0,0 million (EUR 0,6 million).

# Key indicators



EUR million (unless stated otherwise)	Q3 / 2021	Q3 / 2020	FY 2020
Net debt	151,0	140,3	143,0
Net debt / adjusted EBITDA	2,6	2,4	2,6
Gearing, %	48,9	45,6	45,4
Equity ratio, %	58,3	58,4	58,3
Free cash flow	9,9	11,0	32,6
Cash conversion, %	67,6	74,6	66,3
Gross investments	3,4	2,3	12,0

## COMMENTS

- Cash position of EUR 16,8 million (committed EUR 20 million facility remains fully unutilized).
- Cash position impacted by distribution of funds (EUR 22,8 million) and Goava transaction (EUR 3,8 million) in Q2 and continuing high investment activity
- Net debt / adjusted EBITDA at 2,6x.
- Gross investments EUR 3,4 million (EUR 2,3 million). Increase related to high investment activity in new service development, IT platform transformation, and technology infrastructure consolidation, in accordance with strategy.

# Net sales guidance 2021



Guidance <sup>1</sup>	Released 21 July 2021, unchanged
Net sales	Enento Group expects its net sales growth in 2021 to be in the middle of the range of its long-term target (5-10%) compared to previous year's net sales.
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 assumes that exchange rates remain approximately on the same level as in the first half of 2021.
Previous guidance for 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.
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.

# Jeanette Jäger will commence as the CEO of Enento Group on 1 January 2022



ENENTO GROUP PLC, STOCK EXCHANGE RELEASE ON 15 JULY 2021 AT 9.30 A.M. EEST

Jeanette Jäger has been appointed Enento Group Plc's CEO and member of the Executive Management Team. She will start in her position on 1 January 2022.

Jeanette Jäger has strong experience in the Nordic banking and finance sector in leadership, ICT, Finance and Sales & Marketing positions. Since 2016 she has worked in the Swedish company Bankgirot, first as VP Digital Services and from 2017 as CEO of Bankgirot. Previously she has acted in different C-level positions in Tieto and TDC Communication.

# Changes in the management



Enento Group's CEO **Jukka Ruuska** gave notice of his resignation from the company on 21 April 2021. Jukka Ruuska will continue in his position until **31 October 2021**.

Enento Group's Board of Directors has appointed Elina Stråhlman, the Group's CFO, as an acting CEO for the interim period **from 1 November 2021 to 31 December 2021**.

Enento Group's Director of the Business Insight Business Area and member of the Executive Management Team **Heikki Koivula** will continue in his position until **15 January 2022**. Board of Directors has today appointed **Siri Hane** as Director of the Business Insight Business Area. She will take up the position on **1 January 2022**. Siri Hane has previously served as Director of the Consumer Insight Business Area.

**Gabriella Göransson** has been appointed Director of the Consumer Insight Business Area as of **1 November 2021**. She has been in charge of the Business Area during Siri Hane's parental leave between 1.4. - 30.9.2021.

Enento Group's CIO and member of the Executive Management Team **Jörgen Olofsson** will continue in his position until **25 November 2021**.







# FINANCIALS Q3 / 2021 SUMMARY



# Q3 / 2021 Income statement



EUR million	Q3 / 2021	Q3 / 2020	FY 2020
<b>Net sales</b>	<b>38,6</b>	<b>36,7</b>	<b>151,3</b>
Other operating income	0,2	0,2	0,6
Materials and services	-6,6	-6,3	-25,4
Personnel expenses	-8,6	-8,1	-36,8
Work performed by the entity and capitalised	0,7	0,6	2,7
Other operating expenses	-9,6	-8,4	-43,3
Depreciation and amortisation	-5,7	-5,5	-21,3
<b>Operating profit</b>	<b>8,9</b>	<b>9,2</b>	<b>27,8</b>
Finance income and expenses	-0,5	-0,7	-2,7
<b>Profit before income tax</b>	<b>8,2</b>	<b>8,5</b>	<b>25,1</b>
Income tax expense	-1,7	-1,8	-5,6
<b>Profit for the period</b>	<b>6,5</b>	<b>6,7</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	0,28	0,81
Diluted earnings per share (EUR)	0,27	0,28	0,81

# Q3 / 2021 Cash flow



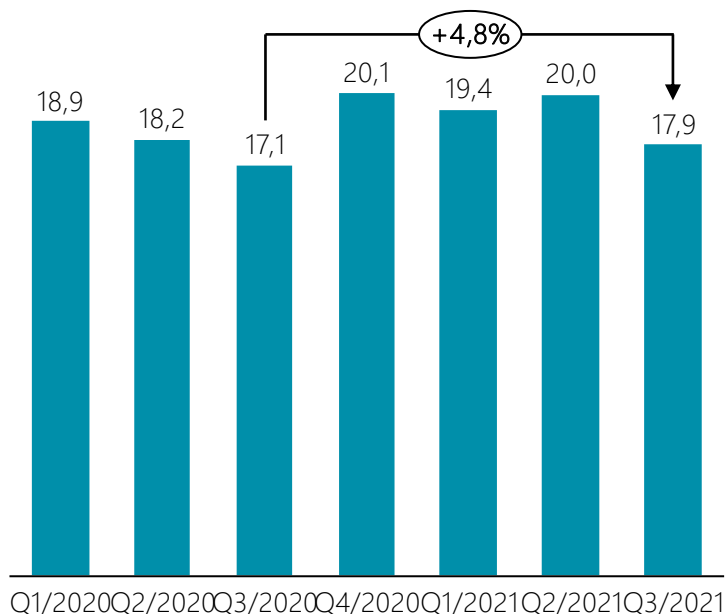
EUR million	Q3 / 2021	Q3 / 2020	FY 2020
<b>Cash flows from operating activities</b>			
Cash flows before change in working capital	14,6	14,8	48,7
Change in working capital	0,3	-0,3	0,4
Net interests and other financing items	-0,1	-0,1	-2,5
Income taxes paid	-1,6	-1,3	-5,7
Net cash from operating activities	13,2	13,2	40,9
<b>Cash flows from investing activities</b>			
Net cash used in investing activities	-3,2	-2,2	-10,3
<b>Cash flows from financing activities</b>			
Net cash used in financing activities	-0,6	-1,9	-24,9
<b>Cash and cash equivalents at beginning of the period</b>	7,4	17,1	20,4
<b>Cash and cash equivalents at end of the period</b>	16,8	25,9	26,2

# Business area quarterly net sales

AT REPORTED FX RATES

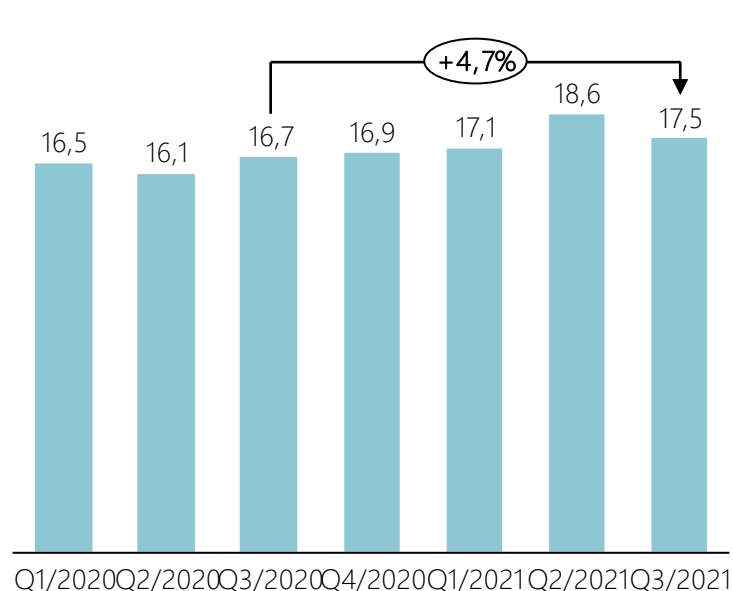
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## Business Insight



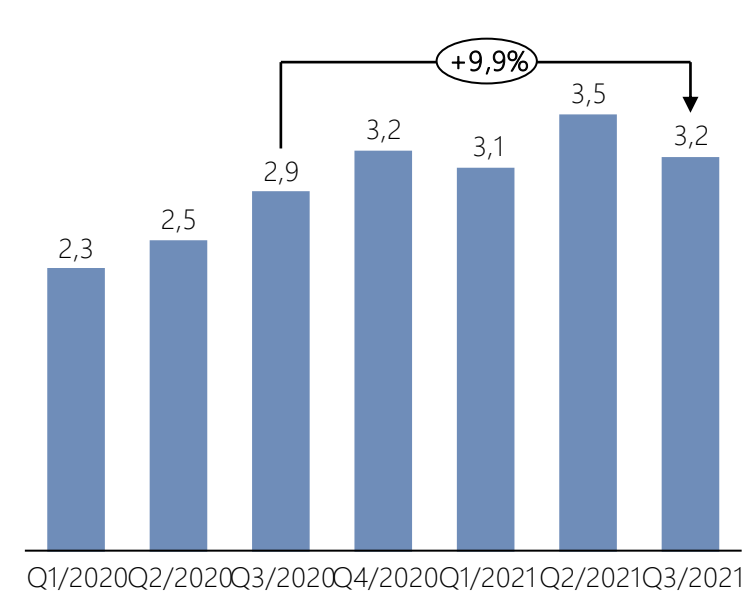
- Enterprise services designed for large customers remained on prior year level.
- Premium services for SMEs performing strong, driven by sales activities and new service development, while net sales from freemium services increased in Sweden and Norway as the advertising market saw a substantial recovery compared to the corresponding quarter in the previous year.

## Consumer Insight



- The development of the demand for consumer information and decision-making services in Sweden was moderate in Q3/2021. In Finland, the market demand for consumer information services developed favourably in spite of the temporary interest rate cap regulations remaining in effect.
- Direct-to-consumer as well as sales and marketing related services continued to delivered strong growth in Q3/2021.

## Digital Processes



- Digital Processes growing strong during last twelve months, driven by high market demand for digital real estate and housing related services, combined with service development driving higher value per transaction.
- Future growth will require continued success of new service launches, and the development focus is further in the digitalization of data intensive processes in housing.



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





# Further information Enento Group Plc

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