

CEO Jeanette Jäger / CFO Elina Stråhlman  
February 13, 2023

ENENTO GROUP PLC

# FINANCIAL STATEMENTS

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1.1.–31.12.2022



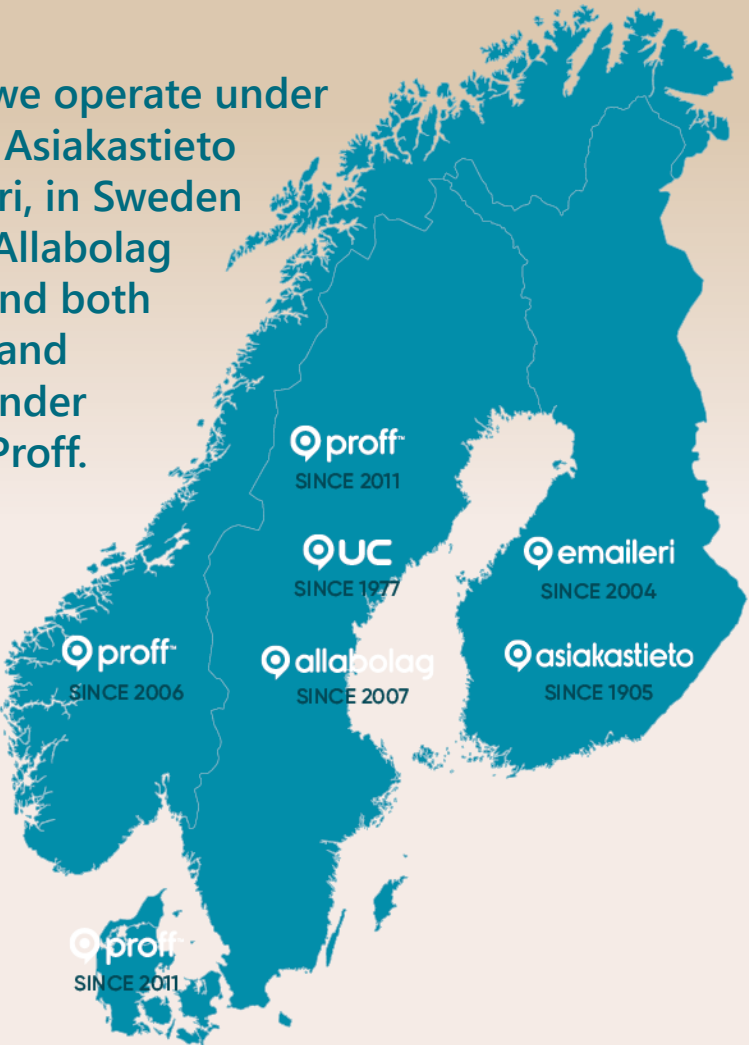
Building trust in the everyday.



# ENENTO GROUP 2022

Building trust in the everyday.

In Finland we operate under the brands Asiakastiето 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  
31.12.2022

**514** MEUR



NET SALES, YTD 31.12.2022

**167,5**  
MEUR

ADJUSTED EBITDA, YTD 31.12.2022

**61,2**  
MEUR



Partners in Europe and  
in the Nordic region.

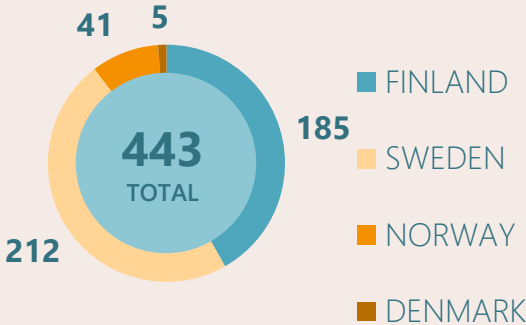


Approximately **76 000** corporate customers within  
banking, finance, retail, public sector and small companies.

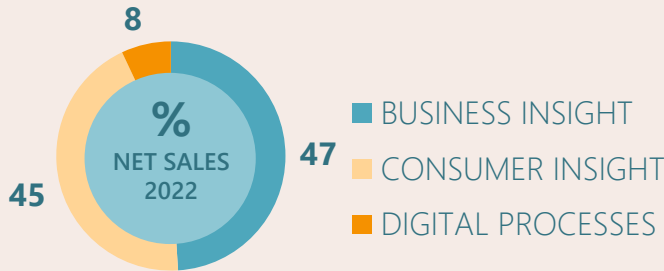


Approximately **500 000** consumer customers.

EMPLOYEES  
31.12.2022



BUSINESS AREAS  
31.12.2022



# Year ending with continued positive profitability development



## Q4/2022 in brief

Net sales grew by 4,1%\*. Growth driven by Consumer Insight and Business Insight, while Digital Processes were declining.

Continued improvement in profitability with adjusted EBITDA margin of 37,2% and strong free cash flow

IT incident in Sweden affected some of our services – limited damages due to successful crisis management

Efficiency program announced on 26 January with annualized efficiency target of EUR 8 million

Write-down of EUR 10,9 million of platform development investments

\* At comparable foreign exchange rates

# Key figures full year 2022

Net sales +5,1%\*

**167,5** MEUR

Adjusted EBITDA +5,9%\*

**61,2** MEUR

Adjusted EBITDA margin +0.4 pp-%

**36,6** %

Free cash flow +13,6%

**33,9** MEUR

Net debt to adjusted EBITDA

**2,2** x (2,4x)

Share of new services -2,7 pp-%

**4,6** % MEUR

Distribution of funds of EUR 1.00 per share proposed – representing a yield of 4.8% \*\*

\* At comparable foreign exchange rates

\*\* Calculated with closing share price on 9 Feb 2023



# Key highlights 2022



## Profitable Growth Agenda Materializing

- Profitability started improving according to plans from Q3, and we have proactively acted to secure and improve our profitability



## Customers are our highest priority

- Enento B2B NPS score outperforms finance industry peers: Business NPS 48\*



## We are becoming One Enento

- We have continued investing in modern technologies, processes, and developing our Nordic company culture with the goal of realizing synergies of scale



## Employee temperature driving actions

- Certified as Great Place to Work in Sweden, Finland and Norway. Launched Pulse surveys and Enento Academy.

# Efficiency program launched to secure profitable growth in the coming years



## Targeting EUR 8 million annualized benefits

- Full free cash flow impact from 2025 onwards
- More than half of benefits as permanent improvement in the adj. EBITDA
- Main drivers IT efficiencies, reduction of no of employees



## Write-down part of the platform development investment

- Benefit realization not expected as initially planned
- One-time negative impact of EUR 10,9 million for Q4, no cash flow or adjusted EBITDA/EBIT effect



## Pre-study about improving IT efficiency started in Sweden

- Analysis on application development and application maintenance will focus and involve current external IT suppliers
- The result will be a recommendation how other partner(s) can support a more effective delivery within the area



Long-term financial targets confirmed

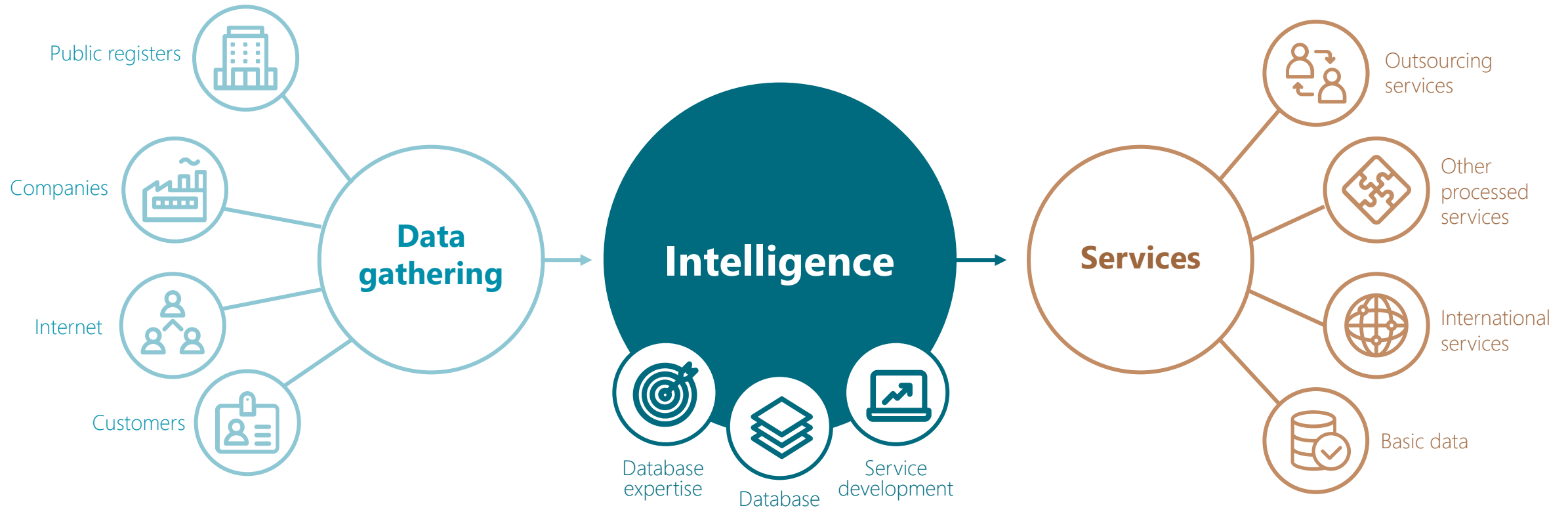


Progress reporting on a quarterly basis



# Reshaped Nordic Business Platform

# Our long-term target state is a scalable business with intelligence at the core





# Transformation from siloes to a common Nordic production facility is still the strategic vision



## Current state 2020

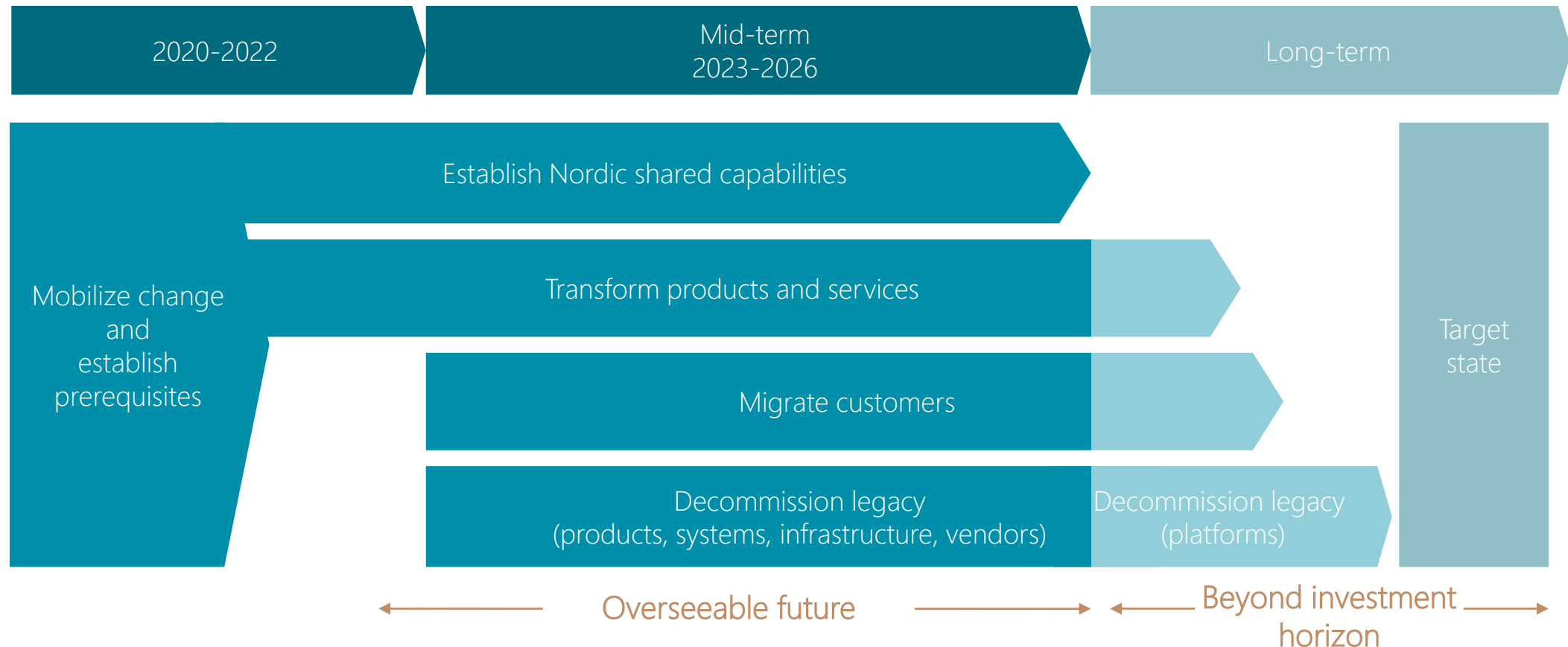
Customer	Customer	Customer	Customer
Sales Channels	Sales Channels	Sales Channels	Sales Channels
Delivery	Delivery	Delivery	Delivery
Products & Services	Products & Services	Products & Services	Products & Services
Capabilities	Capabilities	Capabilities	Capabilities
Data	Data	Data	Data



## Our vision

Customer	Customer	Customer	Customer
Sales Channels	Sales Channels	Sales Channels	Sales Channels
Delivery			
Products & Services	Products & Services	Products & Services	
Capabilities			
Data			

# New capabilities enabling service modernization while having consolidation focus in the mid-term



# A reshaped, business-driven approach is expected to yield better results going forward

## Identified NBP challenges

Transformation complexity

Up-front investments

Macro development

Customer migration



## Reshaped NBP – what will we do differently

Business-driven transformation

Pace investment roadmap with agile product modernization

Mid term benefit realization through cost-reduction and revenue focus

Leverage partnership

Hybrid migration



## Expected results

Profitable growth

Extended, but de-risked and credible time plan

Future proof infrastructure

Sustainable operational costs

# Progress and benefit realization will be followed on stream level



Prerequisites established by end of 2022 include new platform and modernized data-handling

Future Transformation – NBP metrics		Current		Targets 2026	
Establish Nordic shared capabilities	% Nordic shared capabilities available	>		>>	TBD
Transform products and services	% modernized legacy products available	>		>>	TBD
Migrate customers	% Net sales through new platform from new and modernized services	>		>>	TBD
Decommission legacy	% legacy applications decommissioned	>		>>	TBD





# CFO HIGHLIGHTS

# Key figures Q4 / 2022



Q4 / 2022

Net sales +4.1%

**42,9** MEUR

Adjusted EBITDA +13,4%

**16,0** MEUR

Adjusted EBITDA margin +3,1 pp-%

**37,2** %

Net debt to  
adjusted  
EBITDA  
Q4 / 2022  
2,2x

2022

Net sales +5,1%

**167,5** MEUR

Adjusted EBITDA +5,9%

**61,2** MEUR

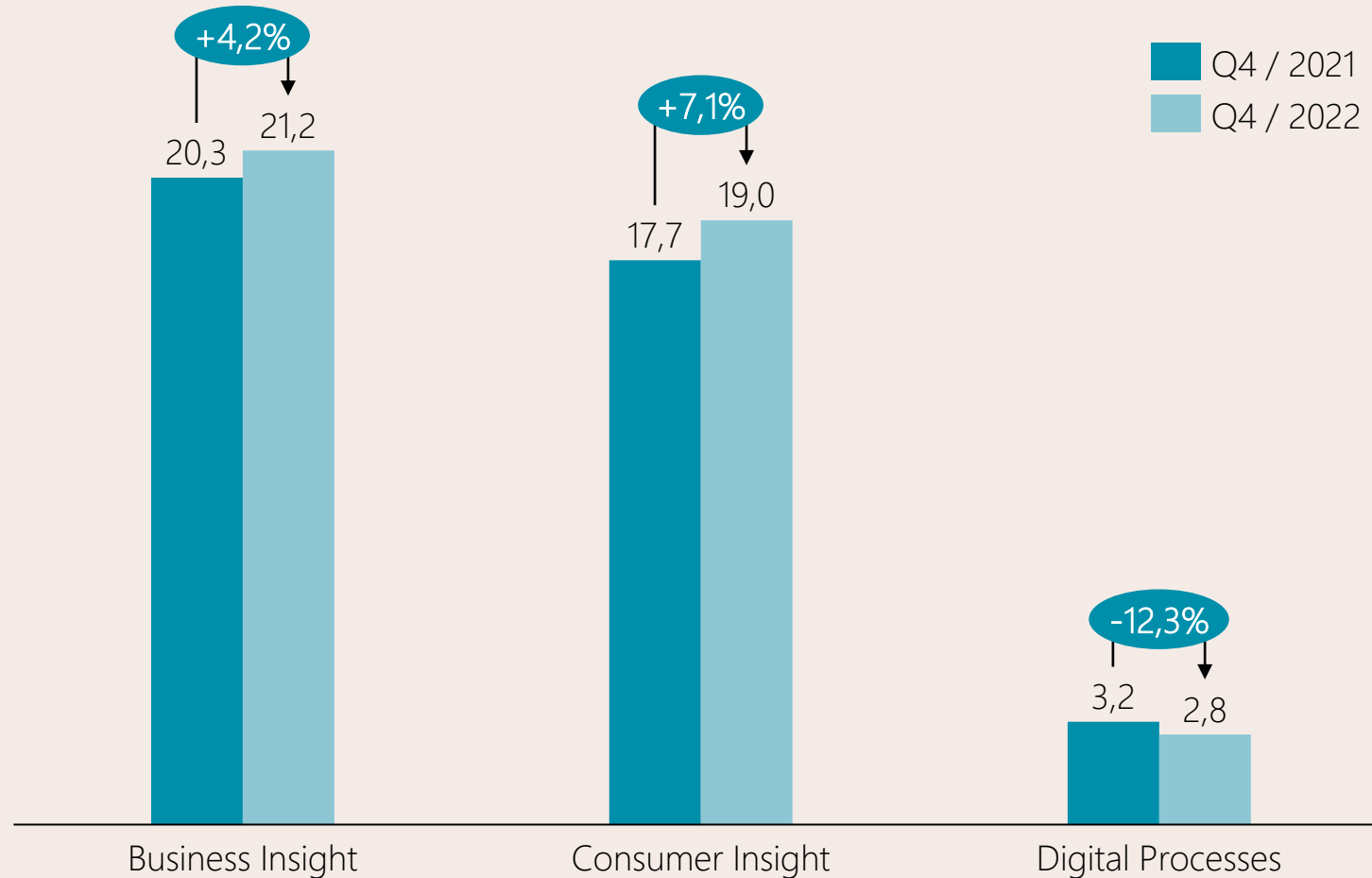
Adjusted EBITDA margin +0,4 pp-%

**36,6** %



# Revenue by business area

GROWTH AT COMPARABLE FX RATES



## COMMENTS

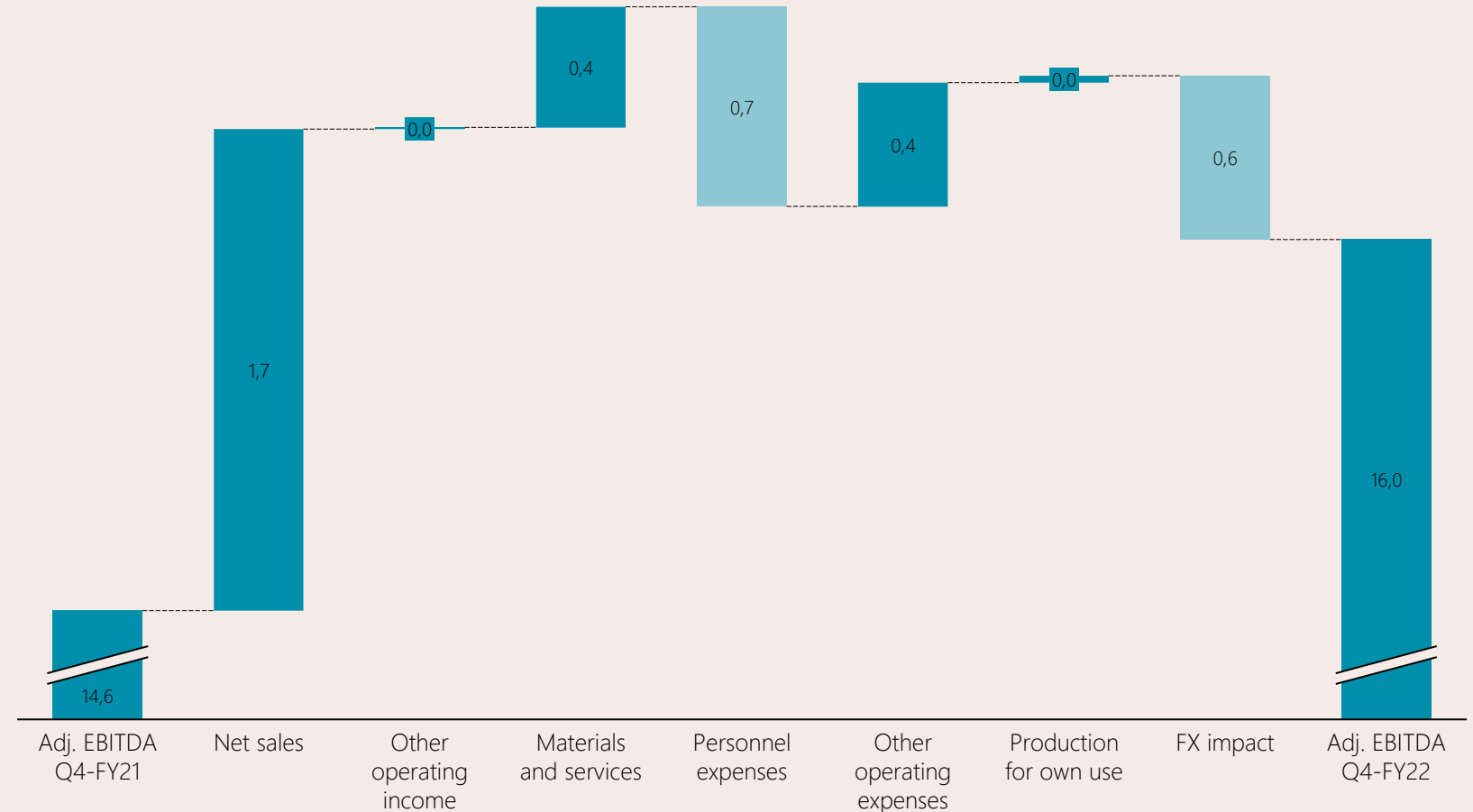
- Business Insight net sales developed well in all business lines.
- Consumer Insight had a strong Q4 following the trend from previous quarters. Consumer credit services high growth continued both in Finnish and Swedish markets.
- Digital Processes declined due to decreasing market activity for real estate and digital housing transaction services. Growth in compliance services continued.

# Adjusted EBITDA



## COMMENTS

- Adjusted EBITDA increased significantly year-on-year due to strong sales growth in scalable services combined with successful cost optimization and profitability improvement actions.
- Successful profitability measures leading to declining other operating expenses
- Increase y-on-y +9,0 % in Q4/2022.
- FX comparable growth +13,4 %.

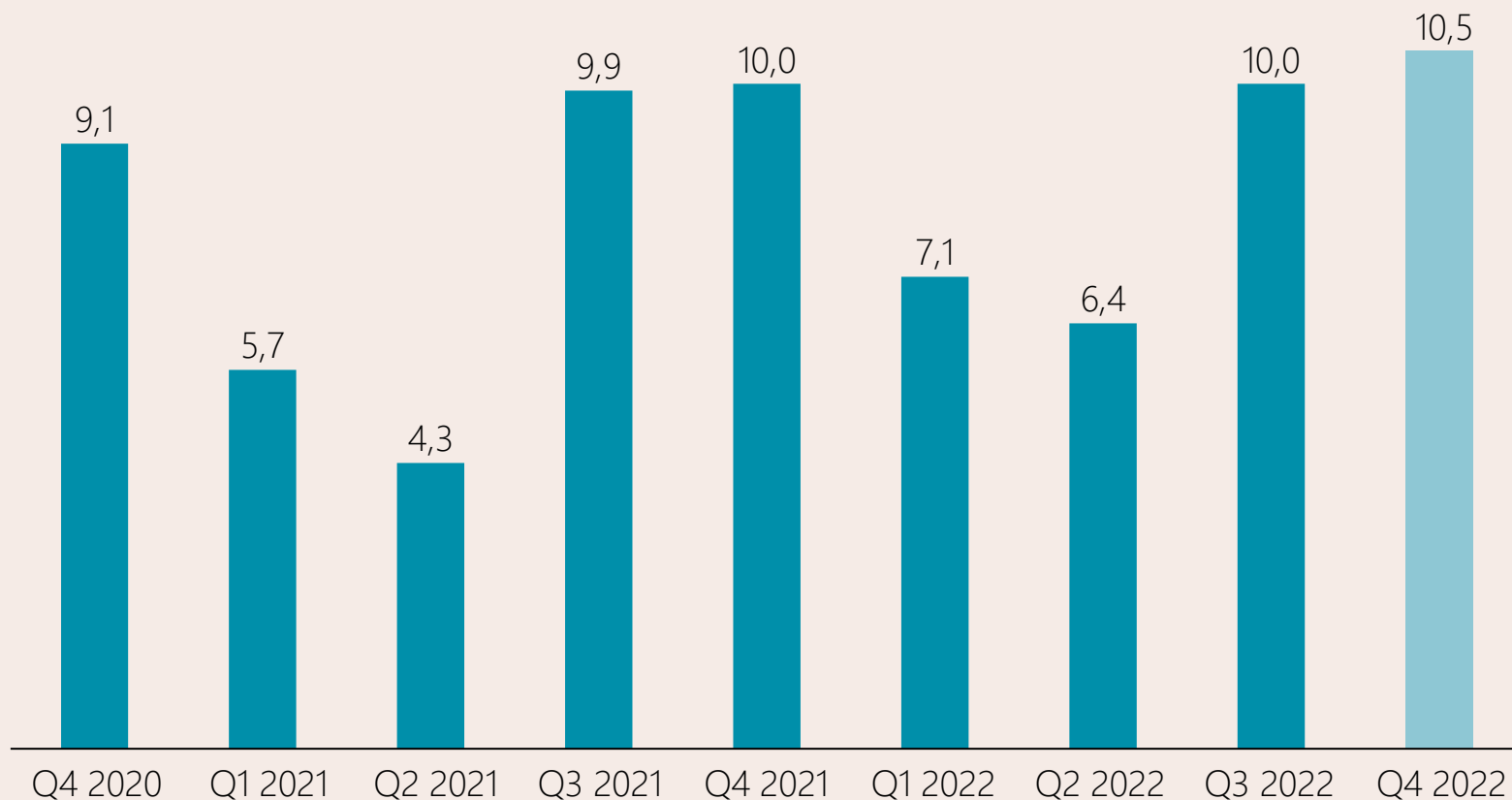




# Free cash flow



■ Free cash flow, EUR million



## COMMENTS

- Cash conversion at 56,0%\*
- Free cash flow increased mainly due to lower development investments, while impact of operating cash flow was close to flat.
- Operating cash flow before change in working capital increased in line with positive development in the Adjusted EBITDA. Impact of the change in net working capital was negative compared with the corresponding quarter of the previous year mainly due to increase of accounts receivables.
- Items affecting comparability having no significant impact on cash flow from operating activities in the fourth quarter, EUR 0,2 million (EUR 0,1 million).

# Key indicators



EUR million (unless stated otherwise)	Q4 / 2022	Q4 / 2021	FY 2022	FY 2021
Net debt	131,8	141,6	131,8	141,6
Net debt / adjusted EBITDA	2,2	2,4	2,2	2,4
Gearing, %	44,7	44,7	44,7	44,7
Equity ratio, %	60,3	59,4	59,4	59,4
Free cash flow	10,5	10,0	33,9	29,8
Cash conversion, %	66,2	74,6	56,0	51,5
Gross investments	3,0	3,9	12,6	15,7

## COMMENTS

- Cash position at EUR 20,8 million (committed EUR 30 million facility remains fully unutilized).
- Net debt / adjusted EBITDA at 2,2x.
- Gross investments EUR 3,0 million (EUR 3,9 million). Investment activity remains high, but the development reflects more focused investment activity in new service development, IT platform transformation, and technology infrastructure consolidation.



# WAY FORWARD AND 2023 GUIDANCE



# Future outlook and guidance 2023

Future Outlook <sup>1</sup>	
	The general macroeconomic environment remains uncertain and unpredictable and is expected to impact negatively on the growth outlook of the Group. The weakening demand for sales and marketing and direct-to-consumer services is expected to negatively impact the net sales development. Enento expects increased demand for risk management and compliance services, which together with the introduction of new services will offset the decline. The discontinuance of the Swedish housing transaction service Tambur from second quarter onwards is estimated to have a negative impact up to -1.5% of the Group's net sales at comparable exchange rates.
	Enento expects cost inflation to increasingly burden the profitability level of the Group and is mitigating the impact by the introduction of the efficiency program.
Guidance <sup>1</sup>	
Net sales	Enento Group expects net sales in 2023 to grow between 0% - 5% excluding the impact from the discontinued Tambur service at comparable exchange rates as compared to 2022.
Adjusted EBITDA	Enento Group expects its adjusted EBITDA margin to be in the range of 36,0% - 37,0%.
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.*

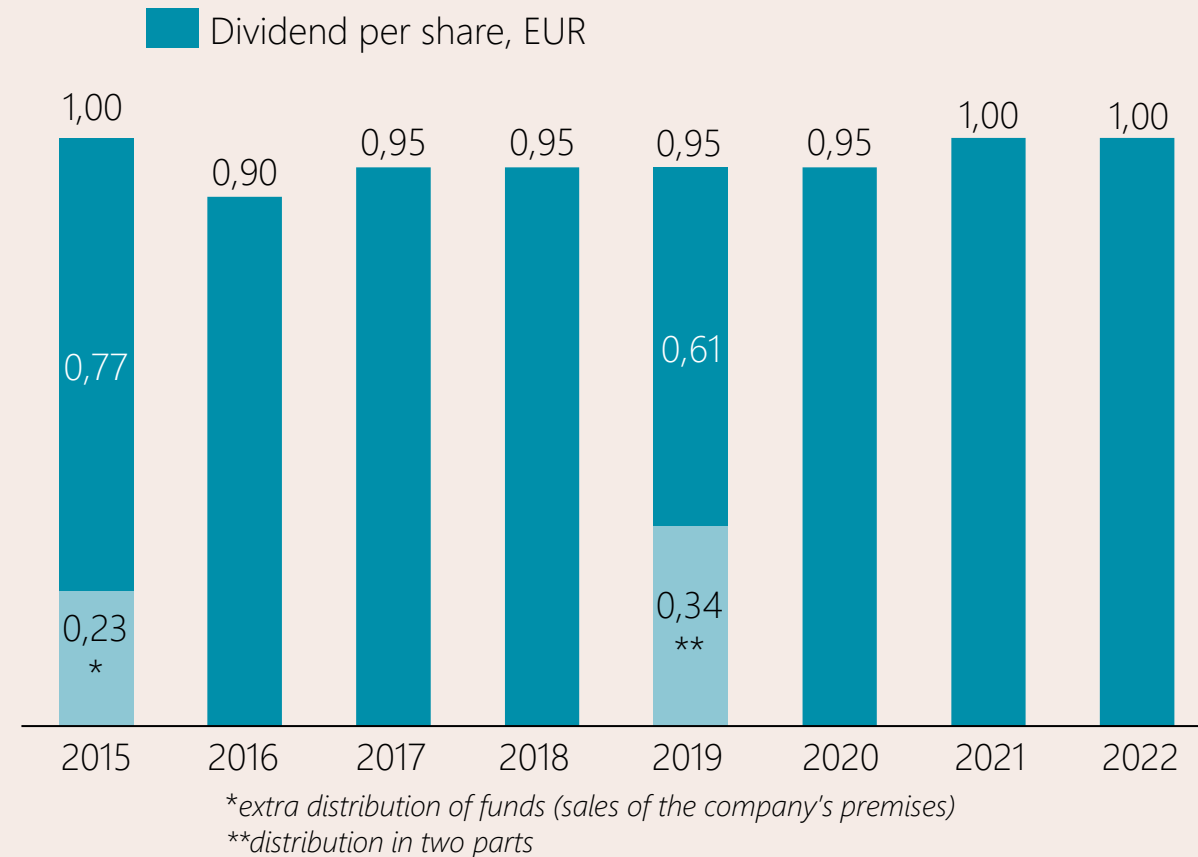




# Board of Directors' proposal on distribution of funds

The Board of Directors proposes to the Annual General Meeting convening on 28 March 2023 that from the financial year ended 31 December 2022, funds be distributed as equity repayment from the reserve for invested unrestricted shareholders' equity of **EUR 1.00 per share**, i.e., EUR 24,034,856.00 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 shall be paid on 11 April 2023.



# Exciting year ahead



## Building trust in the everyday

### Customer First

Maximizing customer value as we aim for a superior customer experience and keeping and growing our competitive position

### Operational Excellence

Efficiency program and reshaped NBP striving for permanent improvements in cost structure to create foundation for future growth

### One Enento

Synergy benefits and scaling on a Nordic level as we focus on developing our Nordic culture, integration and offering

### Empowered People

Ensuring we have a learning organization with a growth mindset that drives innovation and improvements



# THANK YOU!

Time for Q&A



# FINANCIALS Q4 / 2022 SUMMARY

# Overview of Q4 / 2022



EUR million (unless stated otherwise)	Q4 / 2022	Q4 / 2021	FY 2022	FY 2021
Net Sales	42,9	43,1	167,5	163,5
Growth (year-on-year, comparable fx)	+4,1 %	+6,0 %	+5,1 %	+5,9 %
Adjusted EBITDA	16,0	14,6	61,2	59,1
Growth (year-on-year, comparable fx)	+13,4%	+1,0 %	+5,9%	+7,8%
Adjusted EBITDA margin	37,2%	34,0%	36,6%	36,2%
Adjusted EBIT	13,3	12,1	49,1	49,0
Adjusted EBIT margin	30,9%	28,1%	29,3%	30,0%
New services (% of net sales)	4,0%	7,4%	4,6%	7,3%
EBITDA	10,8	13,4	55,6	58,0
EBIT	-0,5	7,8	25,8	35,2

## COMMENTS

- Net sales declined 0,4 % at reported FX rates and grew 4,1 % at comparable FX rates.
- Adjusted EBITDA increased by 9,0 % at reported FX rates and 13,4 % at comparable FX rates.
- Adjusted EBIT grew in line with Adjusted EBITDA.

# Income statement



EUR million	Q4 / 2022	Q4 / 2021	FY 2022	FY 2021
<b>Net sales</b>	<b>42,9</b>	<b>43,1</b>	<b>167,5</b>	<b>163,5</b>
Other operating income	0,1	0,1	0,4	0,7
Materials and services	-6,8	-7,4	-27,7	-27,6
Personnel expenses	-10,8	-10,5	-40,1	-39,7
Work performed by the entity and capitalised	0,3	1,3	3,6	3,9
Other operating expenses	-15,0	-13,2	-47,5	-42,8
Depreciation and amortisation	-11,3	-5,7	-29,8	-22,7
<b>Operating profit</b>	<b>-0,5</b>	<b>7,8</b>	<b>25,8</b>	<b>35,2</b>
Finance income and expenses	-1,3	-0,6	-2,7	-2,2
<b>Profit before income tax</b>	<b>-2,2</b>	<b>7,0</b>	<b>22,1</b>	<b>32,7</b>
Income tax expense	0,3	-1,6	-4,8	-6,8
<b>Profit for the period</b>	<b>-1,9</b>	<b>5,4</b>	<b>17,4</b>	<b>25,9</b>
Earnings per share attributable to the owners of the parent during the period:				
Basic earnings per share (EUR)	-0,08	0,22	0,72	1,08
Diluted earnings per share (EUR)	-0,08	0,22	0,72	1,08

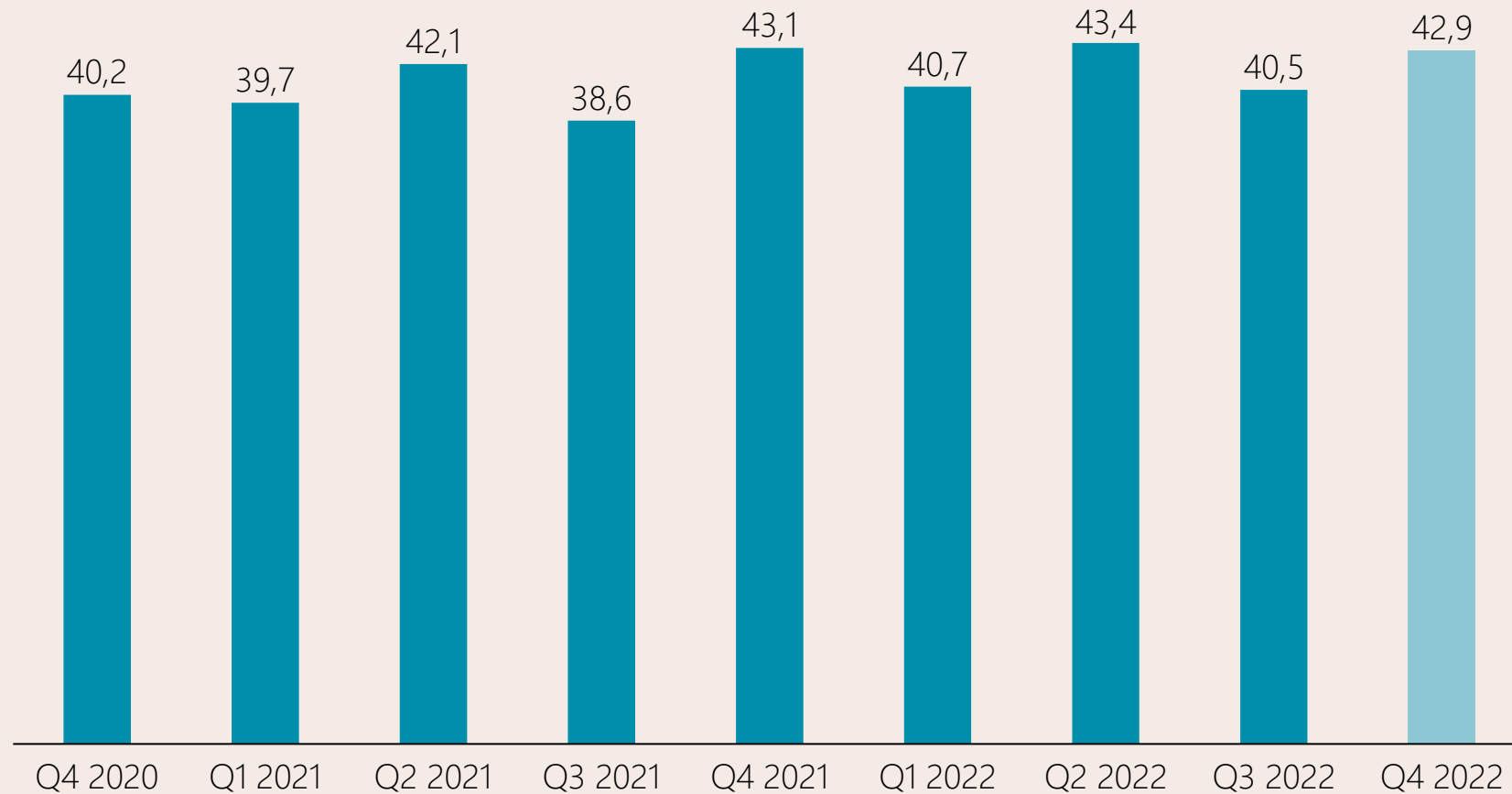
# Cash flow



EUR million	Q4 / 2022	Q4 / 2021	FY 2022	FY 2021
<b>Cash flows from operating activities</b>				
Cash flows before change in working capital	15,7	14,4	60,6	57,9
Change in working capital	-0,1	1,6	-4,0	-3,3
Net interests and other financing items	0,0	-1,0	-2,3	-2,1
Income taxes paid	-1,7	-1,7	-9,5	-8,5
Net cash from operating activities	13,9	13,3	44,8	43,9
<b>Cash flows from investing activities</b>				
Net cash used in investing activities	-3,4	-4,1	-14,8	-19,5
<b>Cash flows from financing activities</b>				
Net cash used in financing activities	-0,7	-0,6	-33,6	-25,2
<b>Cash and cash equivalents at beginning of the period</b>	11,0	16,8	25,3	26,2
<b>Cash and cash equivalents at end of the period</b>	20,8	25,3	20,8	25,3



# Net sales by quarter



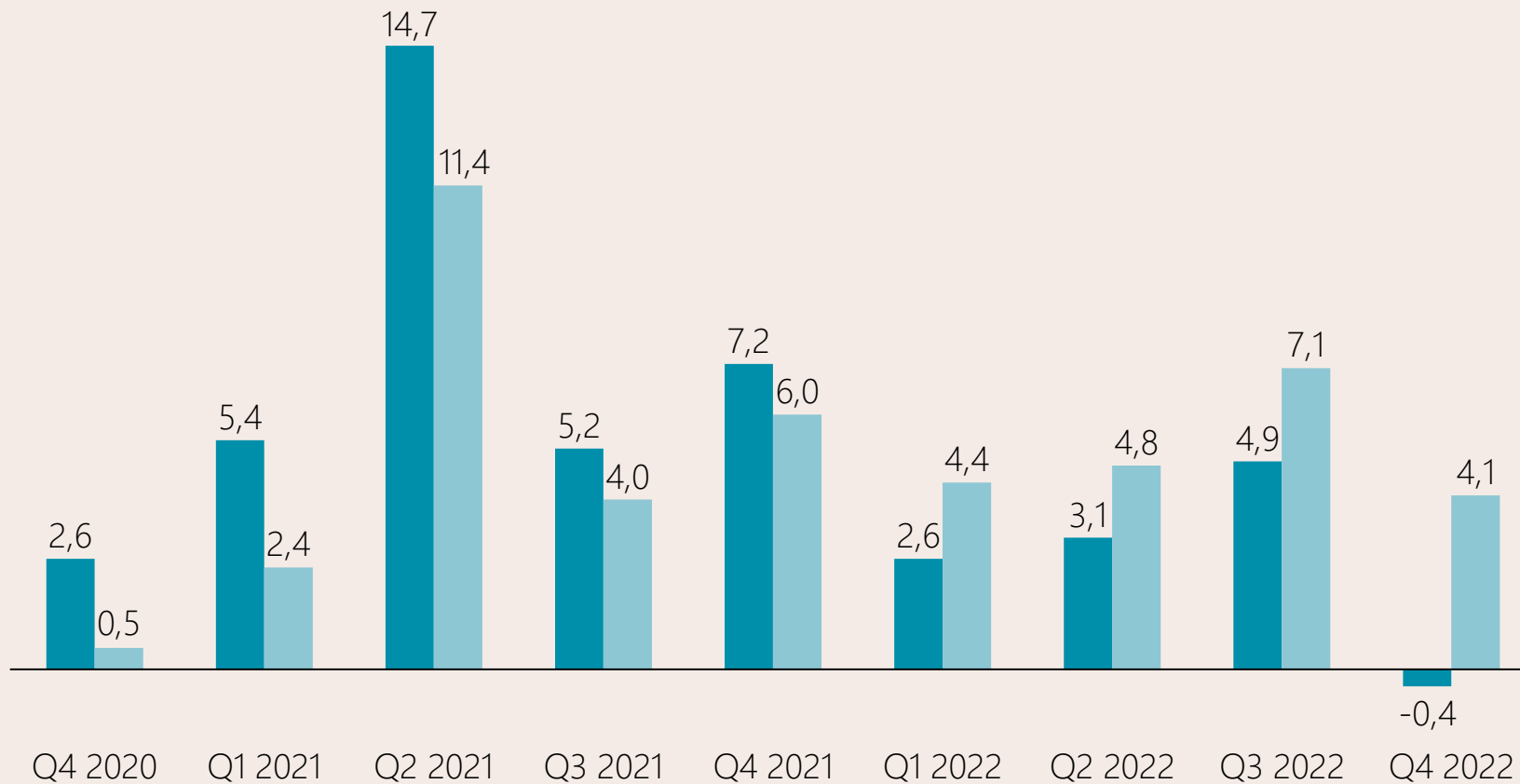
## COMMENTS

- Q4/2022 reported Net sales growth continued in Consumer Insight and Business Insight while decline in Digital Processes due to Real Estate

# Net sales growth



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



## COMMENTS

- FX comparable growth rate +4,1 % in Q4/2022.
- In Q4/2022 same number of banking days both in Finland and Sweden.

# Enento Group Plc

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