

CEO Jeanette Jäger, CFO Elina Stråhlman
24 April 2023

ENENTO GROUP PLC

INTERIM REPORT

1.1.–31.3.2023



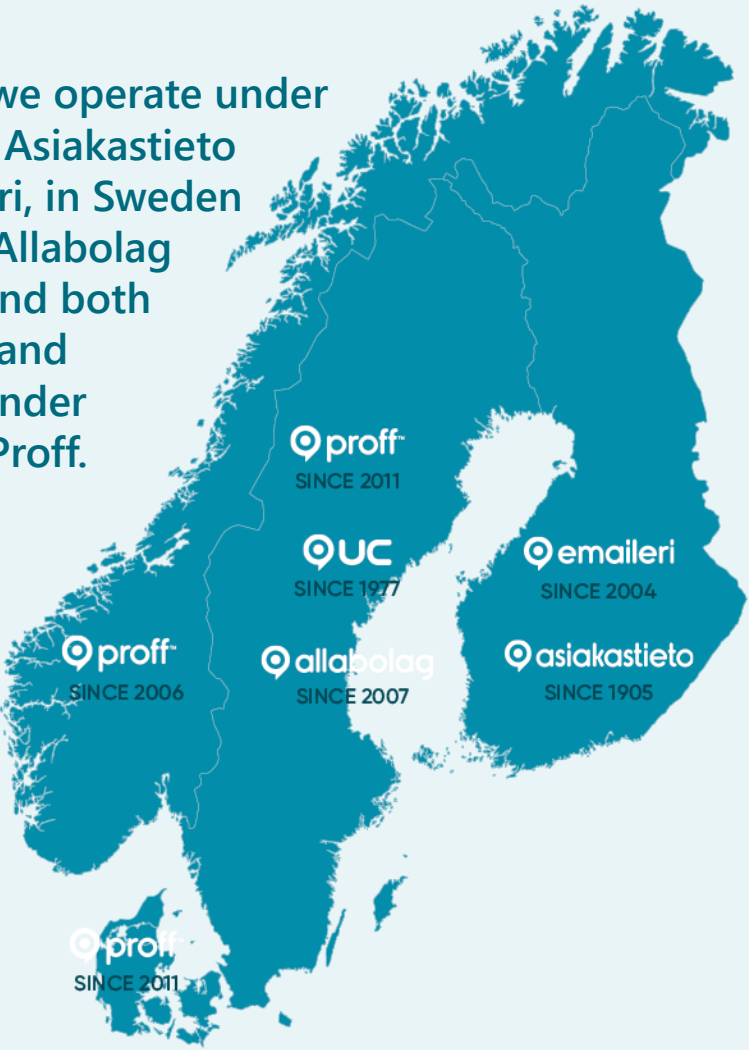
Building trust in the everyday.



ENENTO GROUP 2023

Building trust in the everyday.

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



LISTED ON
NASDAQ
HELSINKI.



MARKET CAPITALISATION
31.3.2023

394 MEUR



NET SALES, YTD
31.3.2023

40,0
MEUR

ADJUSTED EBITDA, YTD
31.3.2023

14,7
MEUR



Partners in Europe and
in the Nordic region.

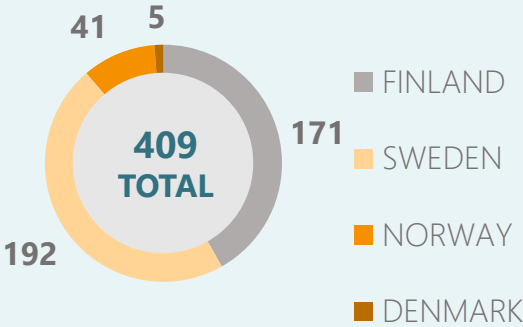


Approximately **76 000** corporate customers within
banking, finance, retail, public sector and small companies.

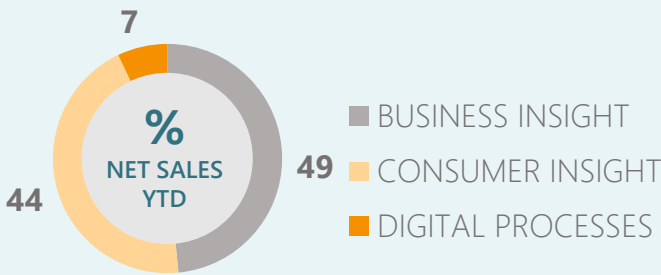


Approximately **500 000** consumer customers.

EMPLOYEES
31.3.2023



BUSINESS AREAS
31.3.2023



Building trust in the everyday.

Executive Management Team as of April 1st



Jeanette Jäger
CEO



Elina Stråhlman
CFO



Siri Hane
Director
Business Insight Business Area



Gabriella Göransson
Director
Consumer Insight Business Area



Heikki Ylpekkala
Director
Digital Processes Business Area



Karl-Johan Werner
Chief Operating Officer
Chief Data & Analytics Officer



Victoria Preger
Chief Marketing &
Customer Officer



Sari Ek-Petroff
Director
HR (Interim)



Daniel Ejderberg
CIO



Mikko Karemo
Chief Commercial
Officer & Deputy CEO



Andreas Darner
Director
Strategy and Transformation

Positive start to the year with steady profitable growth trajectory continuing



Q1/2023 in brief

Net Sales Growth	Margin Improvement	Efficiency Program	Customer Experience
+2,3%* driven by Business Insight's Enterprise Solutions and high volumes in Norway	Topline growth and efficiency measures driving adjusted EBITDA up 12,3%*, margin of 36,8%	Program proceeding according to plans, around half of the planned efficiencies realized	Q1 NPS of 43 from strategic and large customers clearly above industry peers**

* At comparable foreign exchange rates

** Survicate's 2023 NPS benchmark report, finance industry

Key figures Q1/2023

Net sales +2,3%*

40,0 MEUR

Adjusted EBITDA +12,3%*

14,7 MEUR

Adjusted EBITDA margin

36,8 %
+3,5 pp-%

Free cash flow +42,7%

10,1 MEUR

Net debt to adjusted EBITDA

2,1 X (2,3x)

Share of new services





8,3 %
+2,4 pp-%

* At comparable foreign exchange rates



Efficiency Program proceeding according to plans:

About EUR 4M run-rate impact achieved by end of Q1, equal to around half of FY2024 targeted benefits of EUR 8M





	FTE Efficiency	<ul style="list-style-type: none">Change negotiations completed in Finland, Sweden and Norway in mid March and as a result, total of 40 employees reduced
	IT Efficiency	<ul style="list-style-type: none">Application service analysis pre-study in Sweden ongoing and to be finalized during Q2
	Other measures	<ul style="list-style-type: none">Facility optimization in Sweden completedContinuing the digitalization of manual processes: consumer credit inquiry notifications in Sweden completed
	Progress KPI	<ul style="list-style-type: none">Measures leading to around 50% of the planned benefits implemented on a run-rate basisMajority of benefits from reduced number of FTEs, impact from Q2 onwards

Nordic Business Platform Update



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

Transformation key performance indicators

Establish Nordic shared capabilities	% Number of Nordic shared capabilities available		Modern identity and access management solution commercially available in the latest BI and CI products
Transform products and services	% EUR modernized legacy products available		Copy to inquired process modernized and new Business insights API launched in Sweden
Migrate customers	% EUR net sales through new platform from new and modernized services		50% customer adoption to daily Swedish credit register
Decommission legacy	% Number of legacy assets decommissioned		Swedish infrastructure services partially consolidated



BUSINESS AREA UPDATE Q1

Business Insight Q1



Business Overview

Demand high in counter-cyclical risk management services in Enterprise Solutions, supported by ESG services and Norway with double-digit growth.

Net Sales +4,7%
EUR 19,4 million

At comparable FX rates



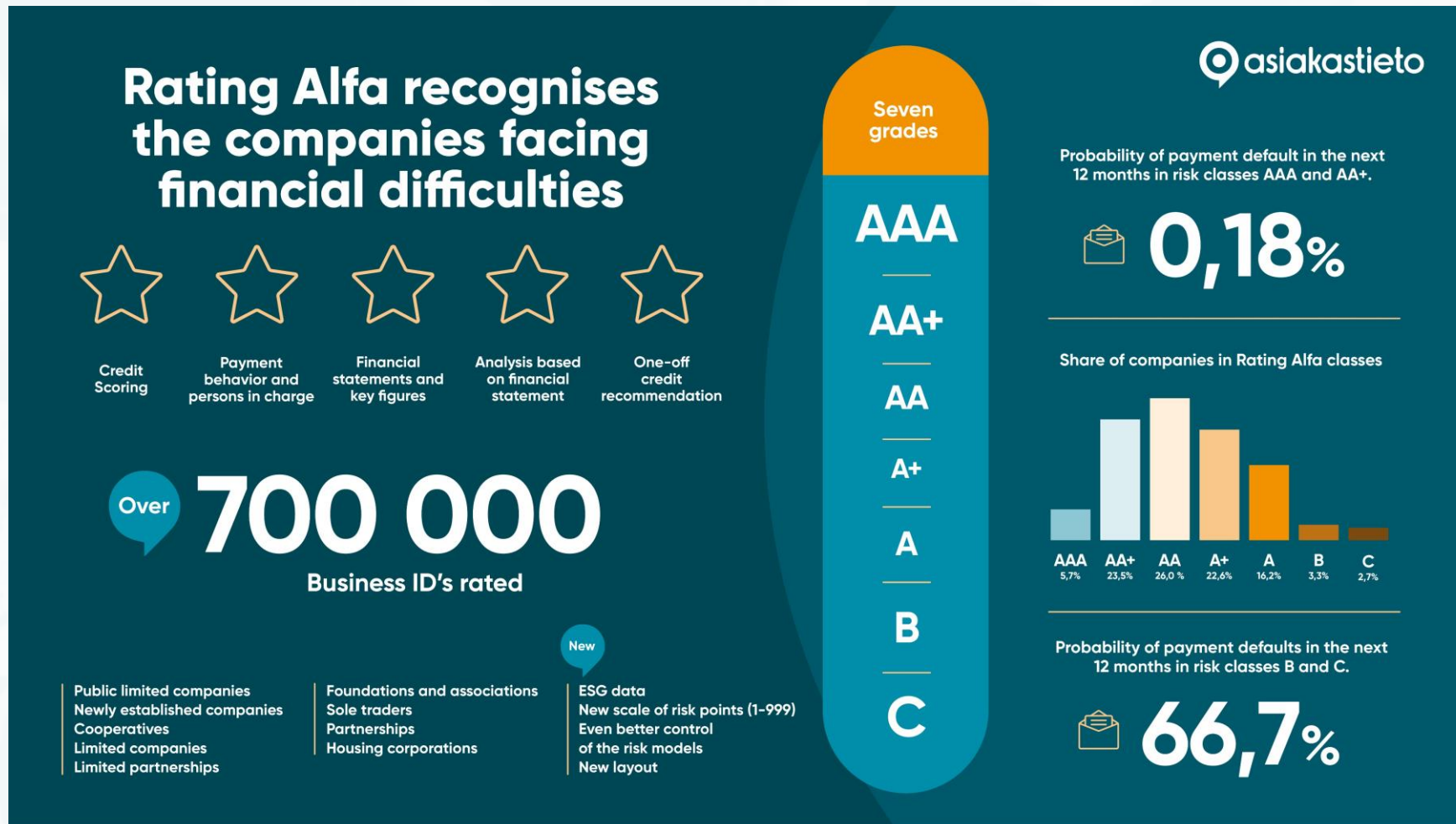
Highlights

- ✓ Investing in intelligence and modern delivery mechanisms - Two new services launched to strengthen our position and attract new customer verticals: Business Insight API in Sweden and Proff Premium Credit API in Norway
- ✓ Launched renewed company rating model *Rating Alfa* in Finland
- ✓ Launched renewed company certificate offering in Finland
- ✓ Improved ESG service with CO2 calculator in Finland
- ✓ Preparations for the launch of Swedish compliance offering proceeding

CO2 calculator in Finland



Finnish Rating Alfa renewed to be even more accurate, includes ESG data



Highlights

- ✓ Best-in-class rating predictability and accuracy to allow users to do even better credit decisions.
- ✓ Model uses more information than older version. New data, such as ESG, utilized.
- ✓ New model allows users to combine ratings and ESG data with one score.
- ✓ Acknowledged rating quality gives us competitive edge in all client segments.

New APIs launched to expand customer base in Norway and Sweden



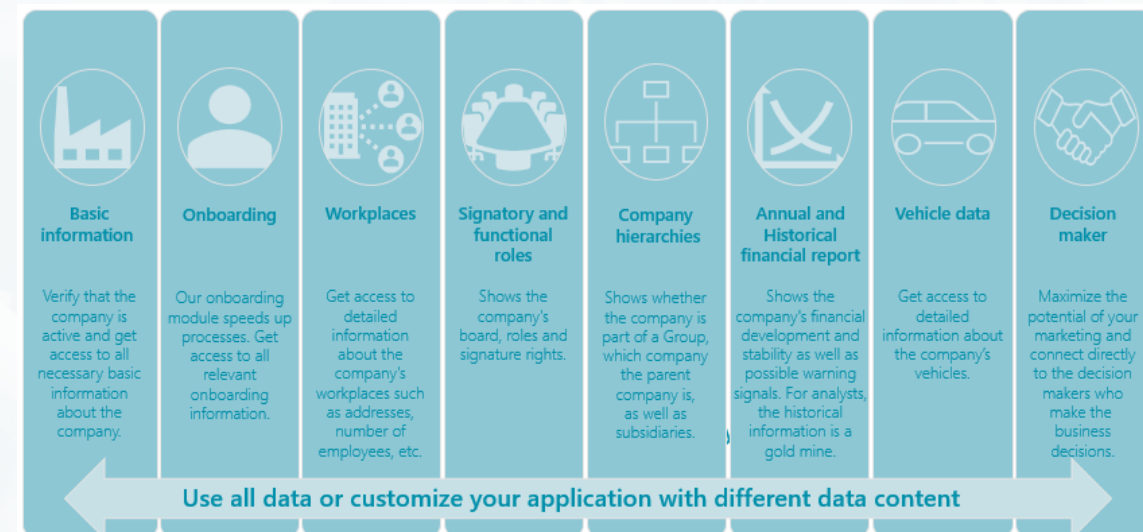
Norwegian Credit API

- ✓ Gain access to company payment remarks with data from public sources and major Norwegian debt collection companies
- ✓ Fit-for-purpose solution to strengthen decisioning, being fully up-to-date on customer risks and have notifications real-time on changes
- ✓ Ability to implement Proff Premium rating & scoring model



Swedish Master Data Management API

- ✓ State-of-the-art delivery mechanism for quality data supporting multiple use cases: onboarding, monitoring, selection & enrichment
- ✓ High quality UC data packaged in a broad range of data blocks
- ✓ API to combine data, insights and intelligence
- ✓ First step is to launch service for the Swedish market – End game is fully scalable Nordic service



Consumer Insight Q1



Business Overview

Consumer credit following the macro trends; consumer lending growth in all time low in Sweden and housing transactions declining in Sweden and Finland. Strong growth in direct-to-consumer services in Finland.

Net Sales +2,2%
EUR 17,6 million

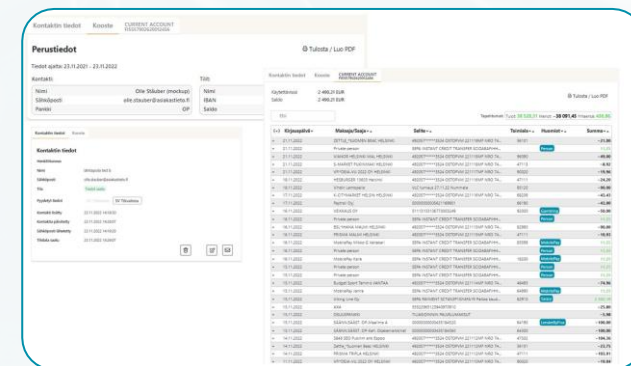
At comparable FX rates



Highlights

- ✓ Consumer credit expansion continues in e-com and short-term loan verticals in Sweden
- ✓ Full coverage with Swedish daily credit register, value-added services built on top and customers moving from legacy solutions
- ✓ Account Insight (PSD2) web interface launched in Finland, and first customers signed
- ✓ Digitalizing consumer credit inquiry notifications processes to gain efficiencies in Sweden

Account Insight (PSD2)



Digital Processes Q1



Business Overview

Despite housing transaction volumes down by 30-40% in Finland and Sweden, solid results from value-added real estate information services, supported by double-digit growth from compliance services in Finland.

Net Sales -10,8%
EUR 2,9 million

At comparable FX rates



Highlights

- ✓ Strong demand for compliance services continues
- ✓ Improved compliance monitoring service to be launched during Q2 in Finland
- ✓ Energy efficiency information database of housing associations and buildings and related energy certificate information report launched in Finland



Focus ahead



Building trust in the everyday

Recent and upcoming changes in business landscape

- ✓ The handover of Swedish housing transaction platform Tambur completed on 6 April 2023
- ✓ Interest rate cap of 15% for consumer loans to be effective as of 1 October 2023 in Finland
- ✓ Governmental credit register Finland: Preparations with new solutions utilizing the data proceeding as planned
- ✓ Potential governmental credit register in Sweden: Outcome from the investigation recommendation unknown. Our current position will remain for years, and we are preparing proactively for different scenarios

Execution mode: Expansion, transformation and modernization

- ✓ Strong pipeline of new and improved services in all markets and business areas driving expansion to new customer verticals and segments
- ✓ Building and strengthening the foundation for the future growth through the Efficiency and Nordic Business Platform programs. Modernization of products and services, customer migrations, and decommissioning of legacy continues
- ✓ Having customer first in everything we do as we aim for superior customer experience and improved customer loyalty; keeping customer satisfaction and retention high



CFO HIGHLIGHTS

Key figures Q1 / 2023



Q1 / 2023

Net sales +2,3%*

40,0 MEUR

Adjusted EBITDA +12,3%*

14,7 MEUR

Adjusted EBITDA %
+3,5 pp-%

36,8 %

Adjusted EBIT +30,2%*

12,0 MEUR

Net debt to adjusted EBITDA
-0,2x

2,1x

Q1 / 2022

Net sales

40,7 MEUR

Adjusted EBITDA

13,5 MEUR

Adjusted EBITDA %

33,3 %

Adjusted EBIT

9,5 MEUR

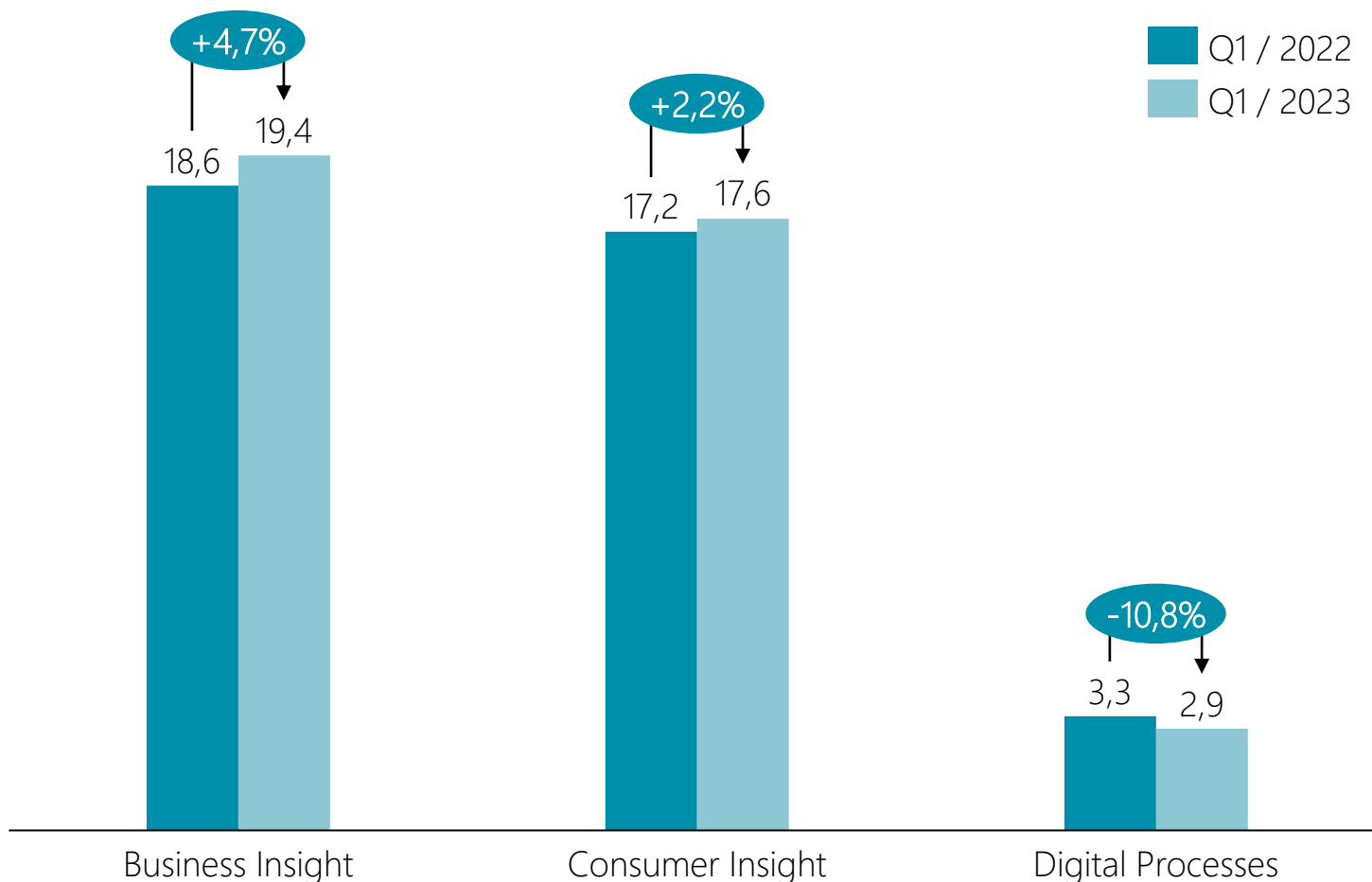
Net debt to adjusted EBITDA

2,3x

* At comparable foreign exchange rates

Revenue by business area

GROWTH AT COMPARABLE FX RATES



COMMENTS

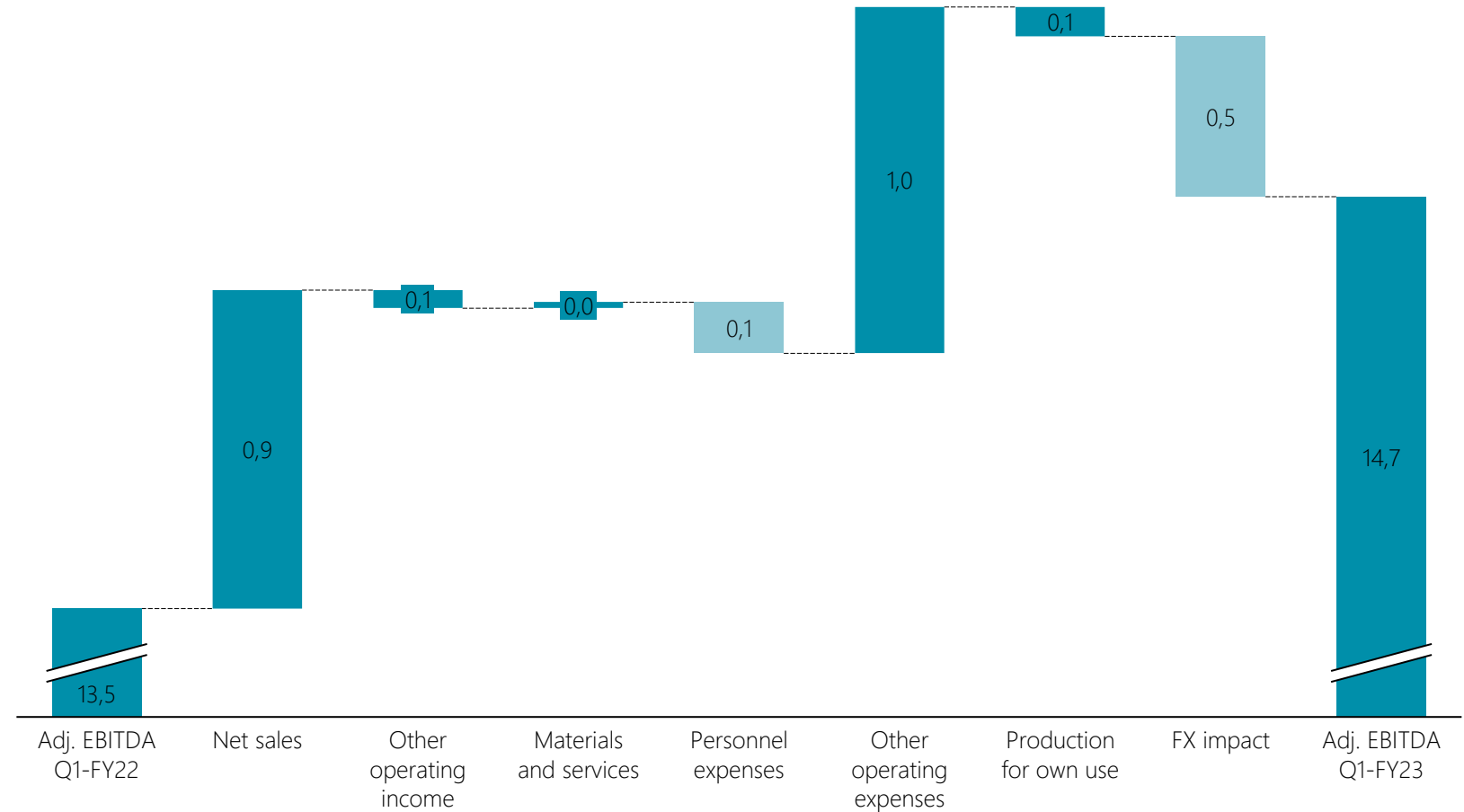
- Business Insight net sales developed well in Enterprise and Freemium, while Premium was declining due to certificate delivery delay as a result of product renewal in Finland.
- Consumer Insight was still positive, but the low consumer lending volumes impacted negatively the net sales growth pace especially in Sweden
- Digital Processes declined due to decreasing market activity for real estate and digital housing transaction services. Growth in compliance services continued.

Adjusted EBITDA



COMMENTS

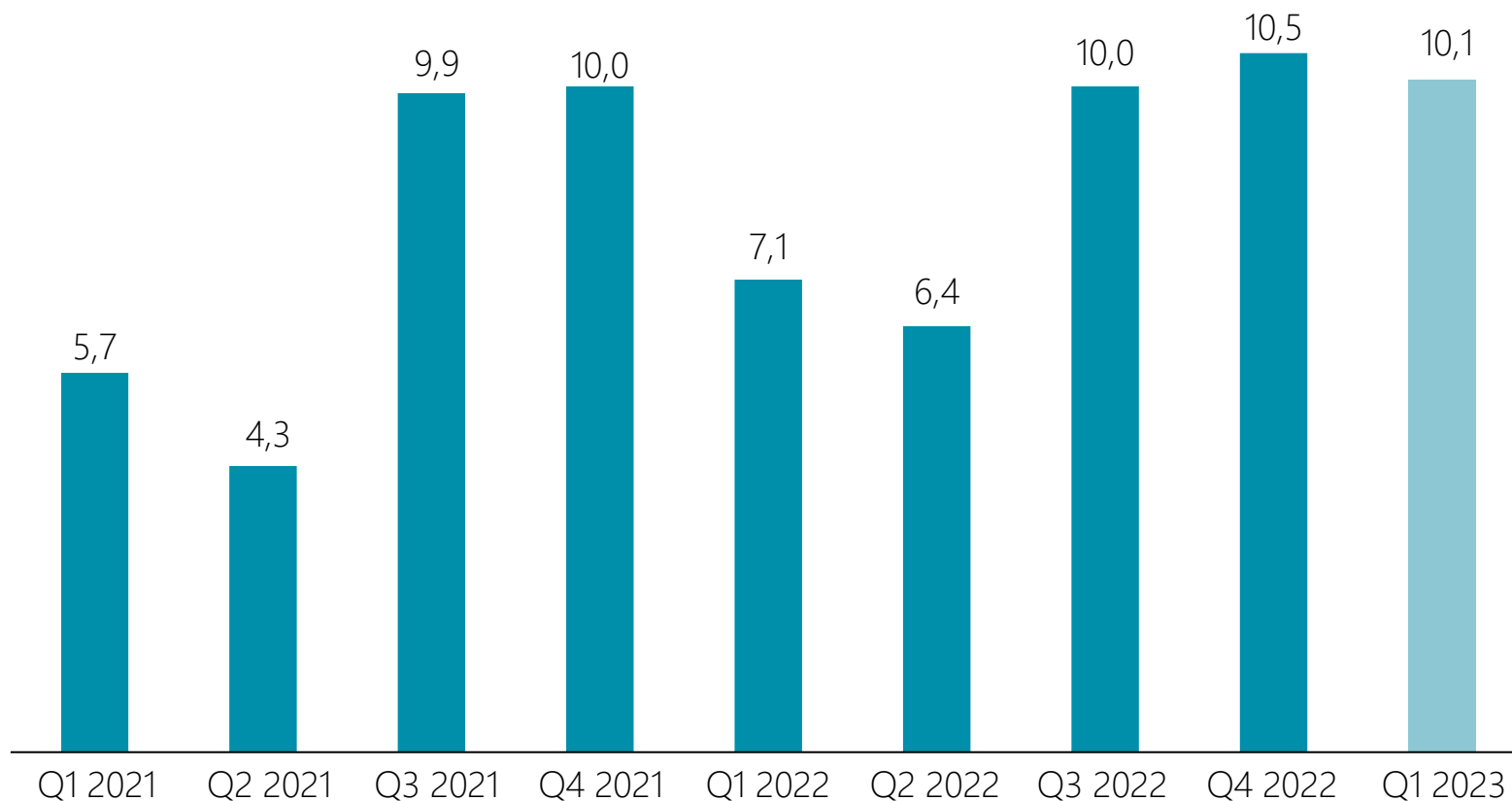
- Adjusted EBITDA increased significantly year-on-year due to strong sales growth in scalable services combined with successful cost optimization and profitability improvement actions.
- Successful profitability measures leading to declining other operating expenses.
- Increase y-on-y +8,6% in Q1/2023.
- FX comparable growth +12,3%.



Free cash flow



Free cash flow, EUR million



COMMENTS

- Cash conversion at 83,5%
- Free cash flow increased mainly due to cash flow from operations and lower tax payments.
- Operating cash flow before change in working capital increased in line with the positive development in Adjusted EBITDA. Impact of the change in working capital was positive compared with the corresponding quarter of the previous year mainly due to timing of payments from accounts receivables.
- Items affecting comparability affected cash flow from operating activities in the first quarter by EUR -1,2 million (EUR 0,1 million). This was mainly due to efficiency program related payments and the payment of the administrative fine imposed by Finnish Data Protection Ombudsman.

Key indicators



EUR million (unless stated otherwise)	Q1 / 2023	Q1 / 2022	FY 2022
Net debt	128,7	134,5	131,8
Net debt / adjusted EBITDA	2,1	2,3	2,2
Gearing, %	47,4	45,6	44,7
Equity ratio, %	55,2	55,2	60,3
Free cash flow	10,1	7,1	33,9
Cash conversion, %	83,5	53,6	56,0
Gross investments	4,5	3,5	12,6

COMMENTS

- Cash position at EUR 27,2 million (committed EUR 30 million facility remains fully unutilized).
- Net debt / adjusted EBITDA at 2,1x.
- Gross investments EUR 4,5 million (EUR 3,5 million). Investments include an investment in a storage system, of which the impact was EUR 1,2 million in Q1 2023.



THANK YOU

Time for Q&A



FINANCIALS Q1 / 2023 SUMMARY

Overview of Q1 / 2023



EUR million (unless stated otherwise)	Q1 / 2023	Q1 / 2022	FY 2022
Net Sales	40,0	40,7	167,5
Growth (year-on-year, comparable fx)	+2,3%	+4,4%	+5,1%
Adjusted EBITDA	14,7	13,5	61,2
Growth (year-on-year, comparable fx)	+12,3%	-1,3%	+5,9%
Adjusted EBITDA margin	36,8%	33,3%	36,6%
Adjusted EBIT	12,0	9,5	49,1
Adjusted EBIT margin	29,9%	23,3%	29,3%
New services (% of net sales)	8,3%	5,9%	4,6%
EBITDA	12,1	13,2	55,6
EBIT	6,9	6,1	25,8

COMMENTS

- Net sales declined 1,7 % at reported FX rates and grew 2,3 % at comparable FX rates.
- Adjusted EBITDA increased by 8,6 % at reported FX rates and 12,3 % at comparable FX rates.
- Adjusted EBIT grew more compared with the Adjusted EBITDA, driven by the decrease in depreciations and the impairment made in the comparison period of EUR 1,3 million of Tambur development expenses.



Income statement

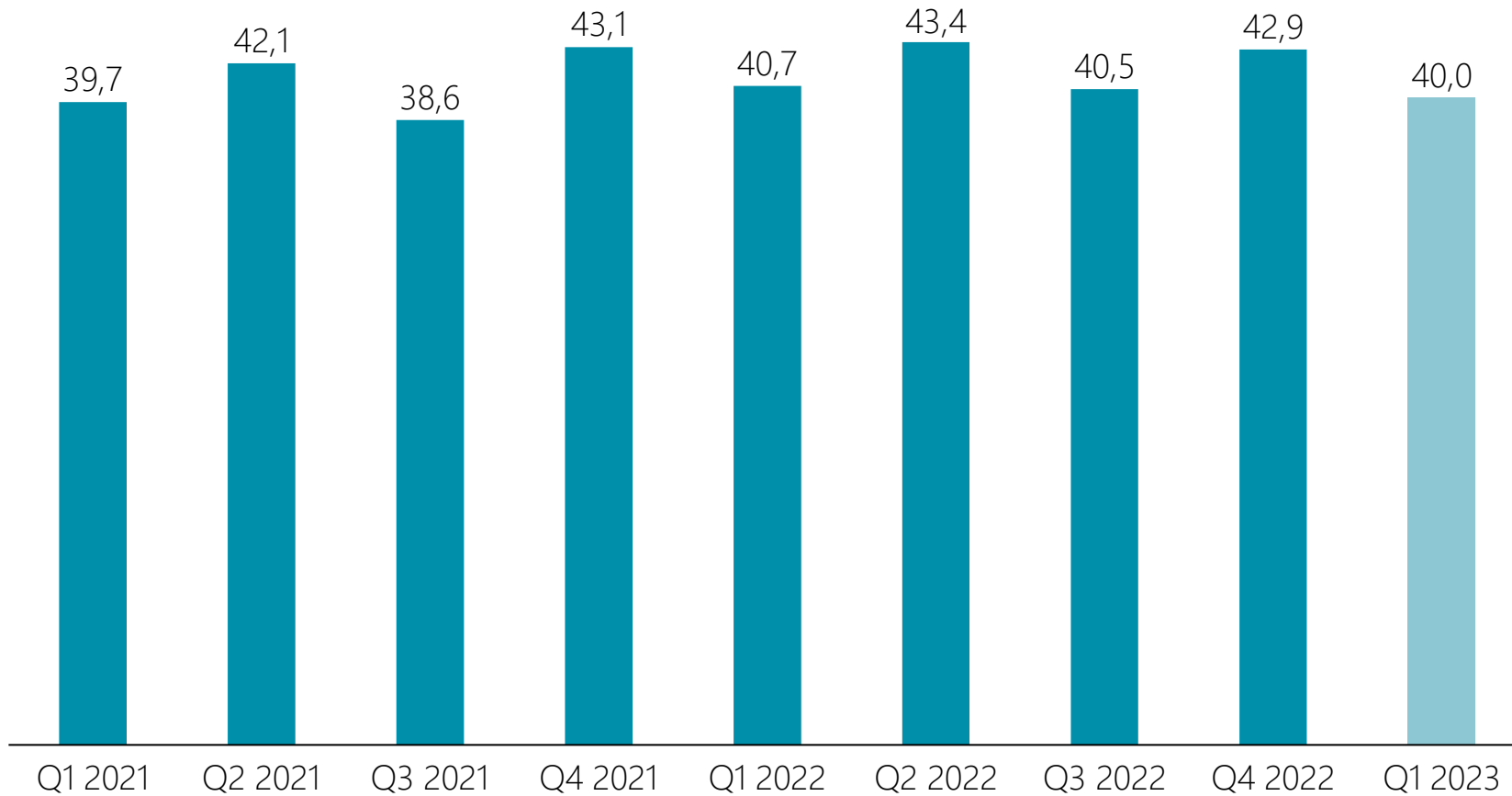
EUR million	Q1 / 2023	Q1 / 2022	FY 2022
Net sales	40,0	40,7	167,5
Other operating income	0,1	0,1	0,4
Materials and services	-6,6	-6,8	-27,7
Personnel expenses	-12,0	-10,9	-40,8
Work performed by the entity and capitalised	1,1	1,2	3,6
Other operating expenses	-10,3	-11,1	-47,5
Depreciation and amortisation	-5,2	-7,1	-29,8
Operating profit	6,9	6,1	25,8
Finance income and expenses	-1,6	-0,7	-3,7
Profit before income tax	5,3	5,4	22,1
Income tax expense	-1,1	-1,1	-4,8
Profit for the period	4,3	4,3	17,4
Earnings per share attributable to the owners of the parent during the period:			
Basic earnings per share (EUR)	0,18	0,18	0,72
Diluted earnings per share (EUR)	0,18	0,18	0,72

Cash flow



EUR million	Q1 / 2023	Q1 / 2022	FY 2022
Cash flows from operating activities			
Cash flows before change in working capital	13,7	13,2	60,6
Change in working capital	2,8	0,5	-4,0
Net interests and other financing items	-2,5	0,0	-2,3
Income taxes paid	-1,7	-3,0	-9,5
Net cash from operating activities	12,3	10,6	44,8
Cash flows from investing activities			
Net cash used in investing activities	-4,6	-3,5	-14,8
Cash flows from financing activities			
Net cash used in financing activities	-0,6	-0,7	-33,6
Cash and cash equivalents at beginning of the period	20,8	25,3	25,3
Cash and cash equivalents at end of the period	27,2	31,9	20,8

Net sales by quarter



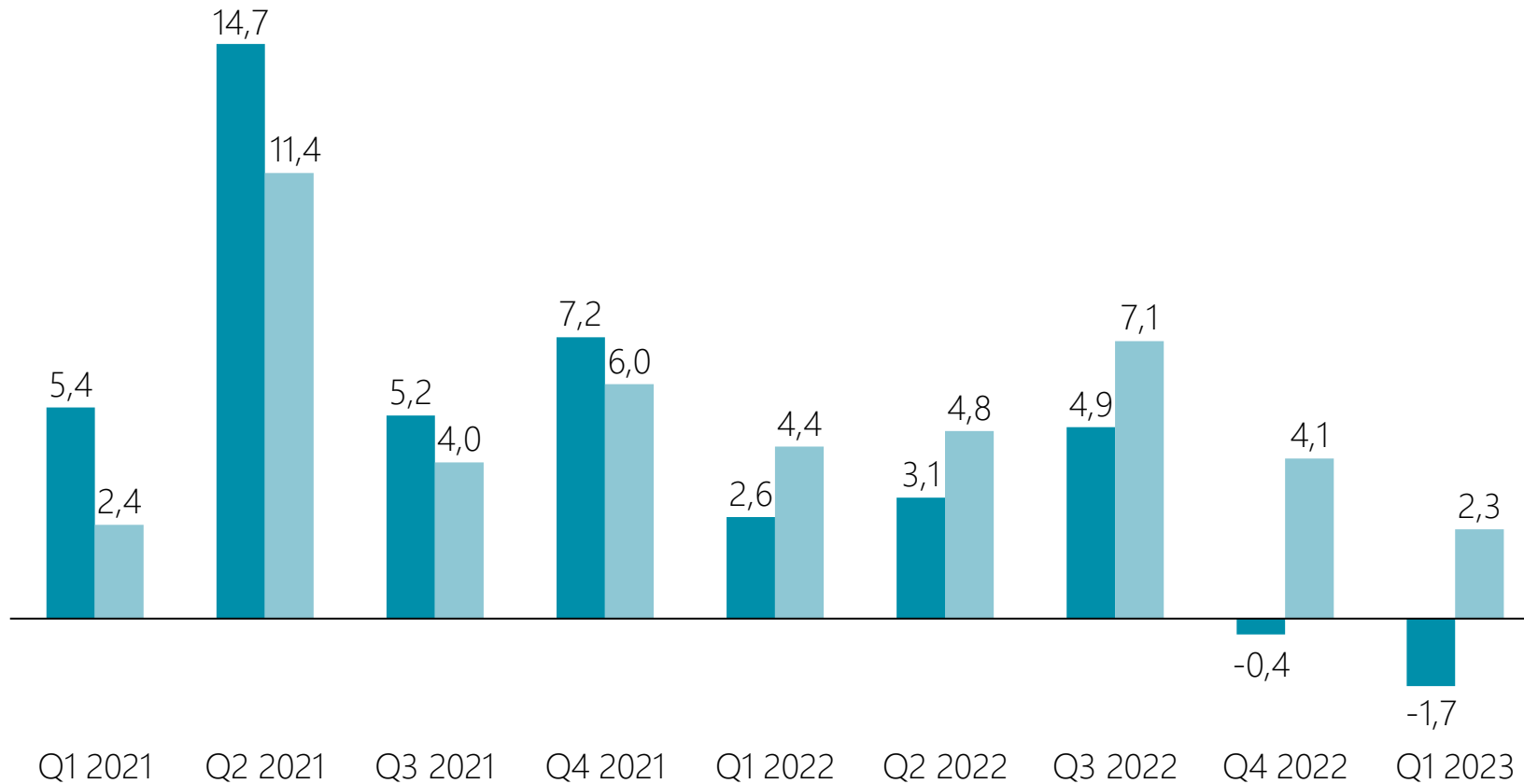
COMMENTS

- Q1/2023 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 +2,3 % in Q1/2023.
- In Q1/2023 +1 business day both in Finland and Sweden.



Future outlook and guidance 2023 (unchanged)

Future Outlook ¹	
	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 ¹	
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%.

Note: (1) This forward-looking statement is not a guarantee of future performance

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