

CEO Jeanette Jäger, CFO Elina Stråhlman  
20 July 2023

ENENTO GROUP PLC

# HALF YEAR FINANCIAL REPORT

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1.1.–30.6.2023



# ENENTO GROUP 2023

Building trust in the everyday.



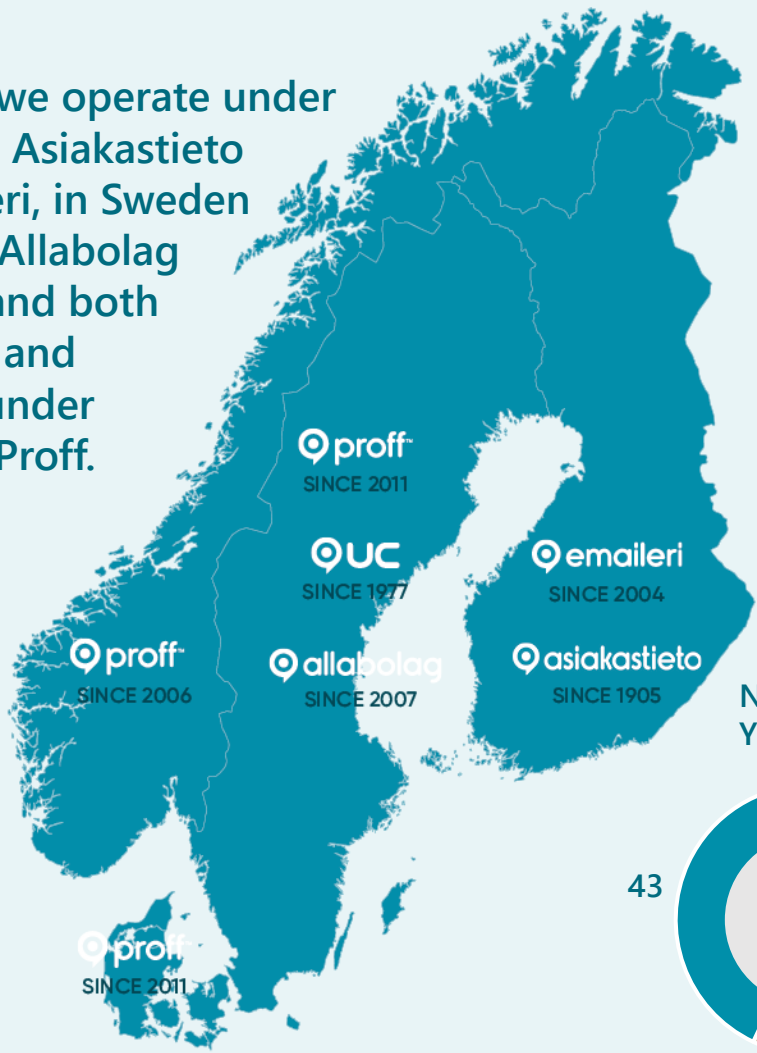
LISTED ON  
NASDAQ  
HELSINKI.



MARKET CAPITALISATION  
30 June 2023  
**506** MEUR



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.



NET SALES, YTD 30 June 2023 **79,6** MEUR

ADJUSTED EBITDA, YTD 30 June 2023 **29,2** MEUR



Partners in Europe and in the Nordic region.

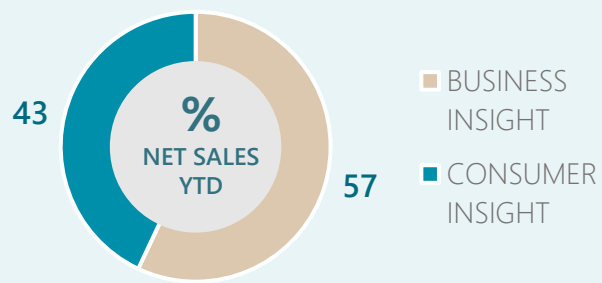


Approximately **76 000** corporate customers within banking, finance, retail, public sector and small companies.

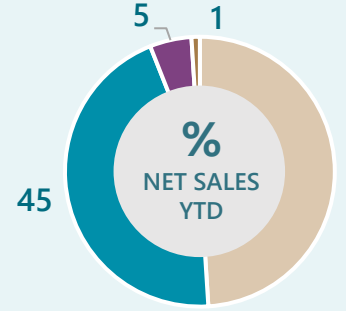


Approximately **500 000** consumer customers.

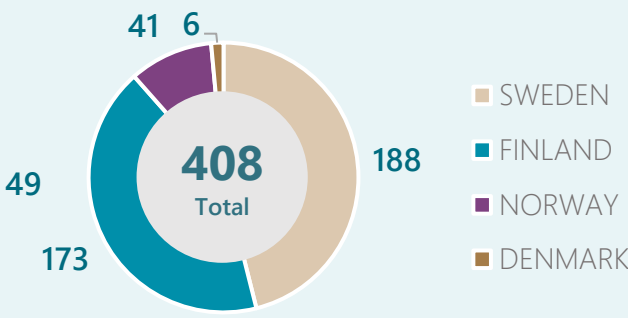
Net Sales by Business Area YTD



Net Sales by Country YTD



Employees by Country



# Executive Management Team as of June 14<sup>th</sup>



**Jeanette Jäger**  
CEO



**Elina Stråhlman**  
CFO



**Siri Hane**  
Director  
Business Insight  
Business Area



**Gabriella Göransson**  
Director  
Consumer Insight  
Business Area



**Andreas Darner**  
Director  
Strategy and Transformation



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



**Victoria Preger**  
Chief Marketing &  
Customer Officer



**Sari Ek-Petroff**  
Director  
HR



**Daniel Ejderberg**  
CIO



**Mikko Karemo**  
Chief Commercial  
Officer & Deputy CEO



# Net sales impacted by declining Swedish consumer credit volumes, while the demand for new services surged, and adjusted EBITDA margin improved



## Quarter in brief

### Net Sales & Profitability

Net sales declined 1,2%\* as consumer credit volumes drop sharply in Sweden, while adjusted EBITDA margin improves to 36,5%

### Efficiency Program

Program proceeding according to plans, MEUR 5 run-rate impact achieved, equal to ~60% of FY24 targeted benefits

### Merging Business Areas

Integration of Digital Processes into Business Insight in mid-June, generating multiple synergies and enabling Nordic offerings

### Customer Experience

Q2 NPS of 44 from strategic and large customers improving from Q1 and clearly above industry peers\*\*\*

## Key figures

Net sales -3,5%\*\*  
-1,2%\*

**39,7** MEUR

Adjusted EBITDA -2,1%\*\*

**14,5** MEUR

Free cash flow -8,2%

**5,9** MEUR

Adjusted EBITDA margin +0,5 pp-%\*\*

**36,5** %

Net debt to adjusted EBITDA

**2,4**x (2,6x)

Share of new services +6,0 pp-%

**11,1** %

\* Organic growth (excl. Tambur), at comparable foreign exchange rates





\*\* At comparable foreign exchange rates

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



# Efficiency Program proceeding according to plans:

EUR 5M run-rate impact achieved by end of Q2, equal to more than half of FY2024 targeted benefits of EUR 8M

	FTE Efficiency	<ul style="list-style-type: none"><li>Impact from reduced number of FTEs visible from Q2 onwards</li></ul>
	IT Efficiency	<ul style="list-style-type: none"><li>Application service analysis pre-study completed in Sweden and transition phase started</li><li>IT capacity and other cost reductions through decommissioning and optimization being implemented</li></ul>
	Other Measures	<ul style="list-style-type: none"><li>Continuing the digitalization of manual processes</li><li>Renegotiation of service agreements leading into permanent benefits</li></ul>
	Total Progress KPI	<ul style="list-style-type: none"><li>Measures leading to around 60% of the planned benefits implemented on a run-rate basis</li></ul>



# BUSINESS AREA UPDATE Q2

# Business Insight Q2



## Business Overview

Demand continues high in financial risk management services in Enterprise Solutions, supported by Premium Solutions and high growth in compliance services in Finland

Net Sales +4,2%  
EUR 22,8 million

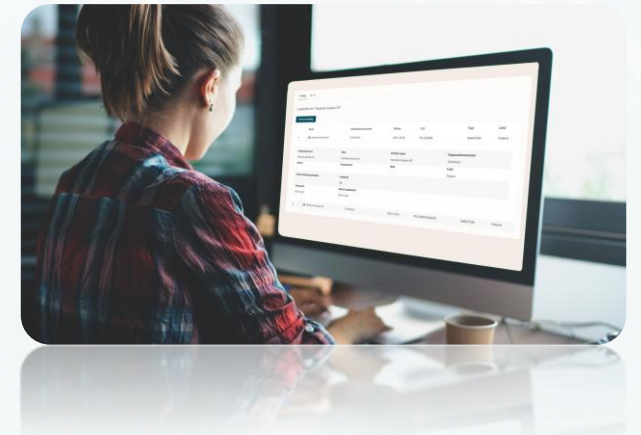
Organic, at comparable FX rates



## Highlights

- ✓ Compliance offering in Sweden
  - First service launched: *PEP & Sanction List Screening Service* -Easy access through a web interface to screen your counterparties
  - Key customer vertical is companies subject to AML regulation
- ✓ Customer success story
  - A banking customer in Finland conducted a comparison of fraud risk detection capabilities in their corporate lending process
  - With the *Corporate Radar* service, the customer can detect warning signs that other solutions did not identify. The customer decided to implement the service due to its clear benefits and the decrease in fraud risk.

PEP & Sanction List Screening Service



# Consumer Insight Q2



## Business Overview

Consumer credit information services following continuing slowdown in consumer lending volumes; weak real-estate market and mortgage volumes decline sharply in Sweden while more stable development in Finland.

Net Sales -7,7%  
EUR 16,8 million

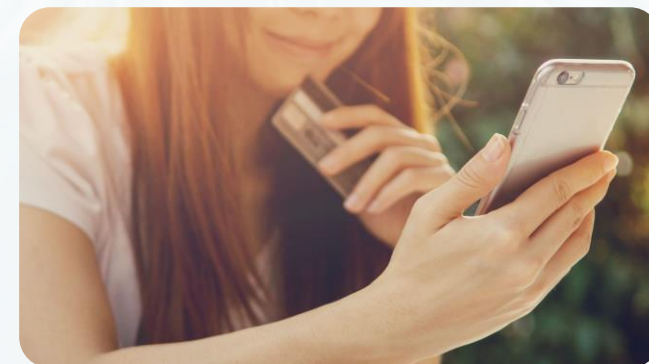
Organic, at comparable FX rates



## Highlights

- ✓ Customers continue adopting the *daily credit register* in Sweden
- ✓ Preparations for the launch of *Decision Hub* proceeding according to plans in Finland
- ✓ Customer vertical success story
  - We have helped number of *buy now, pay later* providers with our consumer credit information solutions tailored for the e-commerce sector in Sweden
  - The e-com sector is the fastest growing customer vertical in consumer credit information services with significant untapped potential

Growth in e-com vertical





# Focus ahead



## Building trust in the everyday

### Future changes in business landscape

- ✓ Governmental credit register Finland: Preparations with new solutions utilizing the data proceeding as planned
- ✓ Over-indebtedness report and proposed measures in Sweden:
  - Report proposes several measures to prevent over-indebtedness, including a license-model based credit register
  - Referral process has commenced, followed by a legal council referral period, during which a decision is made regarding the acceptance of any of the proposals
  - Our current position in Sweden will remain for years, and we are preparing proactively for different scenarios

### New strategy launched – Focus on implementation

- ✓ Focus on strategy implementation in all units and countries
  1. Organizational Alignment: ensuring internal framework supports and enables strategy implementation
  2. Resource Allocation: ensuring we have right resources in place to drive our strategy forward
  3. Execution Plan: driving the execution according to our plan that outlines required steps, actions, and related responsibilities and milestones to ensure effective execution



# CFO HIGHLIGHTS

# Key figures



Q2 / 2023

Net sales <sup>-3,5%\*</sup>  
<sup>-1,2%\*\*</sup>

**39,7** MEUR

Adjusted EBITDA <sup>-2,1%\*</sup>

**14,5** MEUR

Adjusted EBITDA %  
<sup>+0,5 pp-%\*</sup>

**36,5** %

Adjusted EBIT <sup>-3,6%\*</sup>

**11,8** MEUR

Net debt to adjusted EBITDA  
<sup>-0,2x</sup>

**2,4**<sub>x</sub>

Q2 / 2022

Net sales

**43,4** MEUR

Adjusted EBITDA

**15,5** MEUR

Adjusted EBITDA %

**35,7** %

Adjusted EBIT

**12,8** MEUR

Net debt to adjusted EBITDA

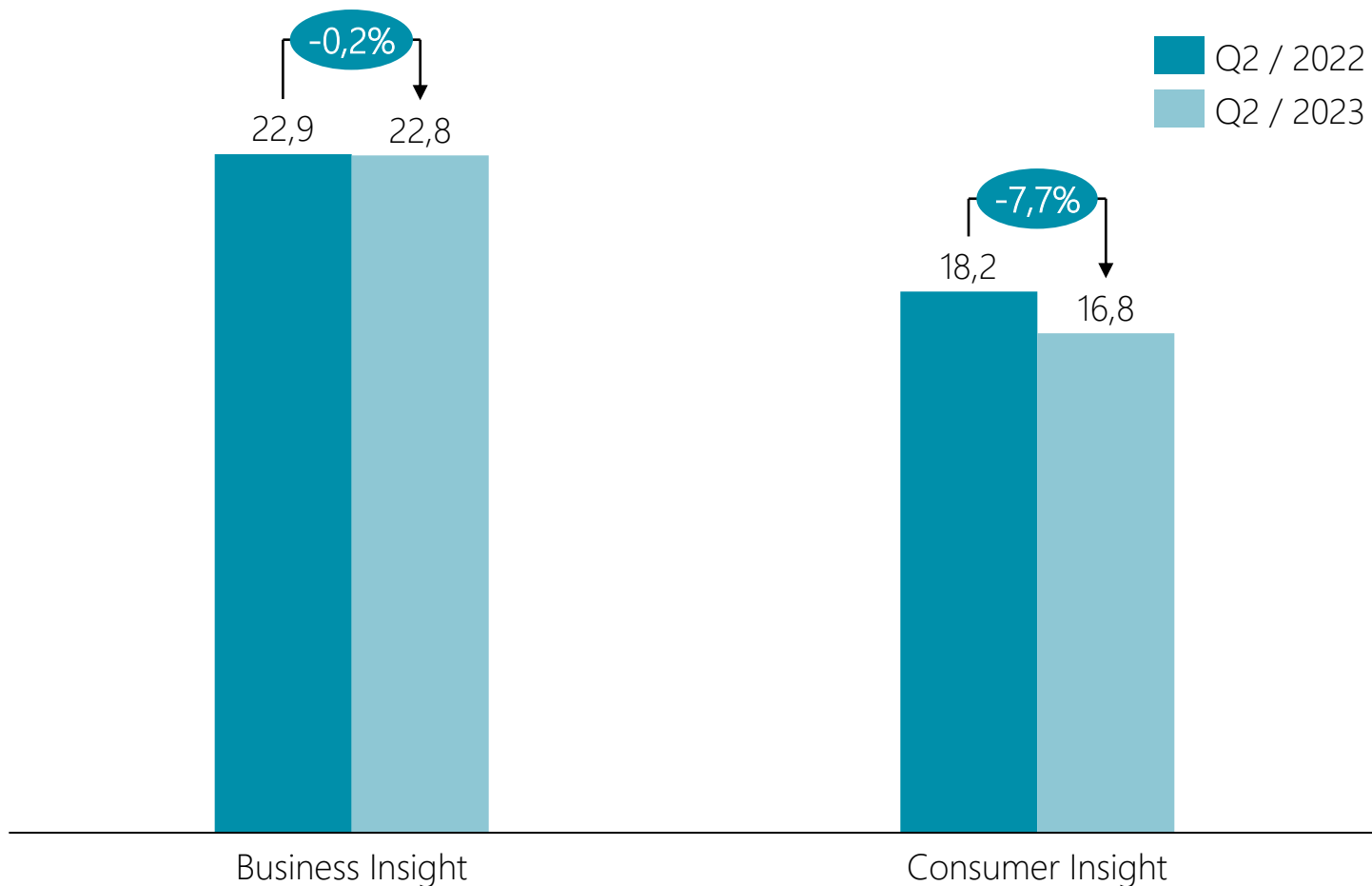
**2,6**<sub>x</sub>

\* At comparable foreign exchange rates

\*\* Organic growth (excl. Tambur), at comparable foreign exchange rates

# Revenue by business area

GROWTH AT COMPARABLE FX RATES



## COMMENTS

- Business Insight growth excluding Tambur impact\* was +4,2%. Net sales developed well in Premium, Freemium and Compliance. Enterprise performed in line with the previous year.
- In Consumer Insight, low consumer lending volumes impacted the net sales negatively especially in Sweden

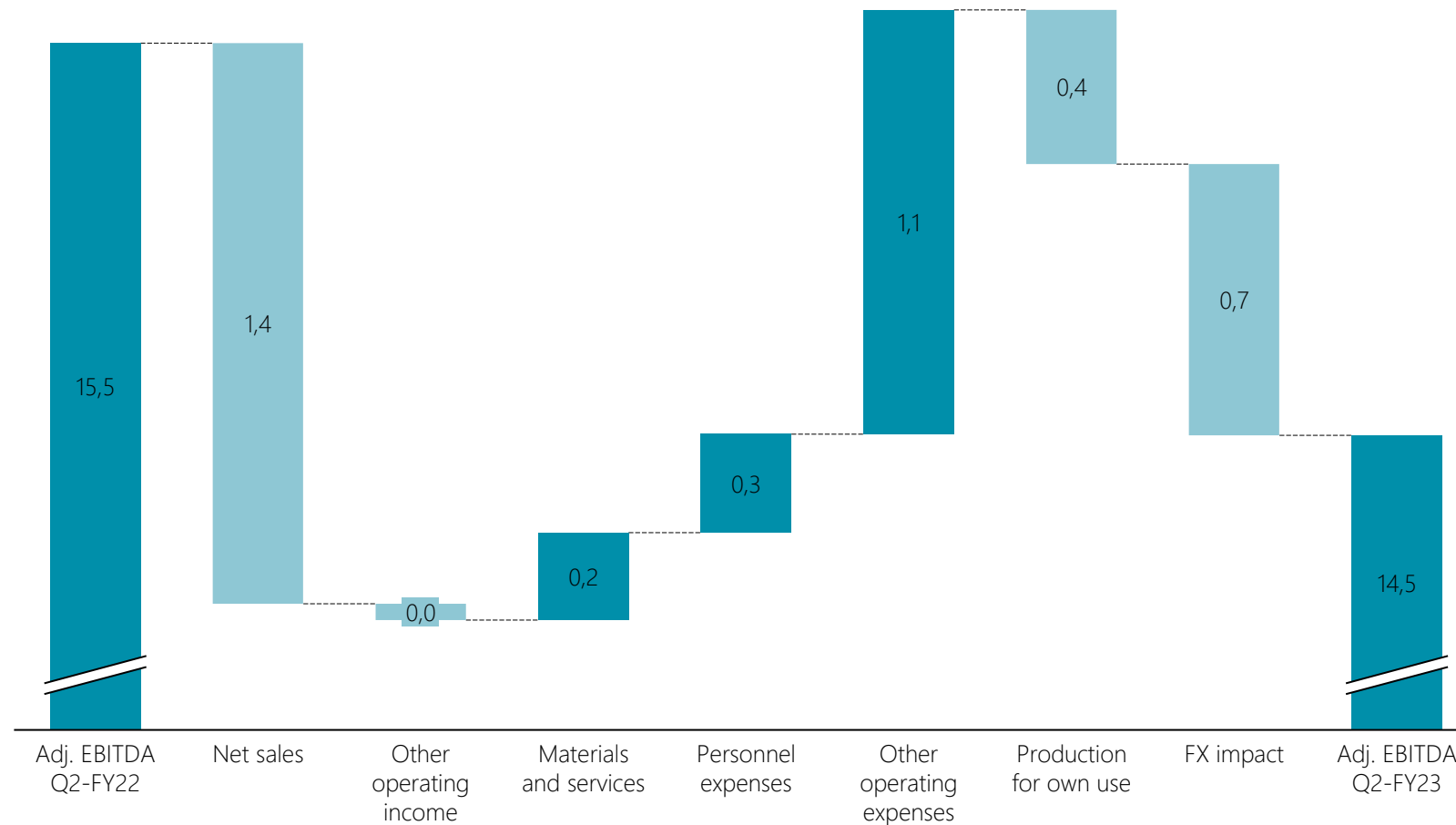


# Adjusted EBITDA



## COMMENTS

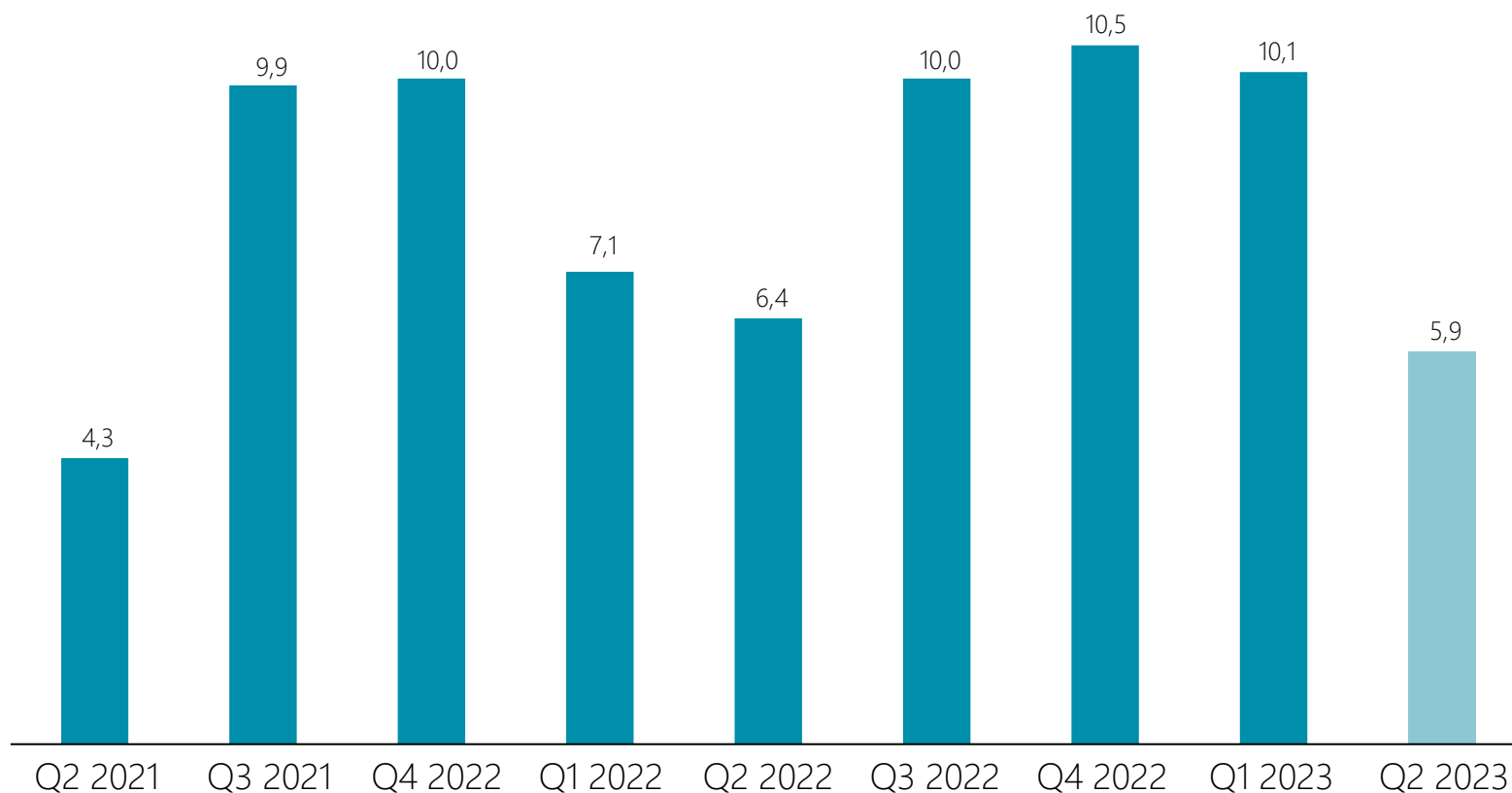
- Adjusted EBITDA margin 36,5%, margin expansion continued with +0,5%p increase y-on-y
- Adjusted EBITDA decreased year-on-year due to challenging market conditions resulting in lower revenue especially in credit information services. Also, discontinuation of Tambur business had a negative impact.
- However, successful cost optimization and profitability improvement actions partly mitigated for the negative topline development
- Decrease y-on-y -6,5% in Q2/2023.
- FX comparable development -2,1%.



# Free cash flow



■ Free cash flow, EUR million



## COMMENTS

- Cash conversion in H1 at 61,8%, clearly improving compared to comparative period in prior year (47.1%)
- Free cash flow decreased compared with the corresponding quarter due to higher tax payments, partly offset by improved cash flow from operations and lower development investments.
- The impact of items affecting comparability in the second quarter of 2023 in the cash flow amounted to EUR -0,9 million (EUR -0,2 million) mainly due to efficiency program related payments.


# Key indicators



EUR million (unless stated otherwise)	Q2 / 2023	Q2 / 2022	FY 2022
Net debt	147,7	153,4	131,8
Net debt / adjusted EBITDA	2,4	2,6	2,2
Gearing, %	55,9	52,2	44,7
Equity ratio, %	58,0	58,5	60,3
Free cash flow	5,9	6,4	33,9
Cash conversion, %	42,7	41,5	56,0
Gross investments	2,2	3,3	12,6

## COMMENTS

- Cash position at EUR 5,3 million (committed EUR 30 million facility remains fully unutilized).
- Net debt / adjusted EBITDA at 2,4x.
- Gross investments EUR 2,2 million (EUR 3,3 million).



# Enento Strategy 2023-2026



# Enento Group strategy is focused on execution to deliver consistent growth and EBITDA margin expansion



## Strategic goals

Retain and strengthen our leading position in the credit information business

Become the leading provider of business information

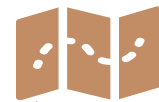
## Strategic focus areas

Customer first

Empowered people

Operational excellence

One Enento



## 2024 -2026 targets



5-10% average annual net sales growth



Around 40% Adjusted EBITDA margin in 2026



Net debt to adjusted EBITDA below 3x

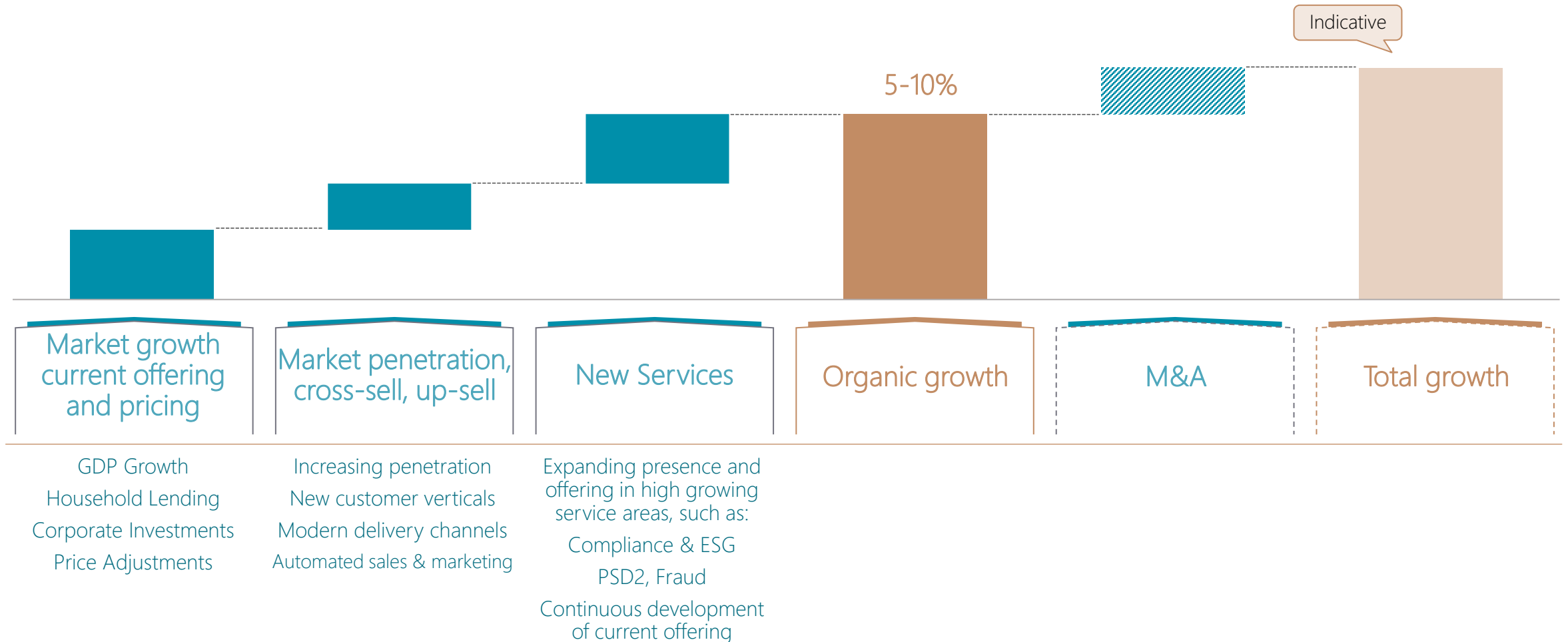


Around 10% share of new services in 2026



Carbon neutral by 2023  
Net zero emissions by 2030 by

# Road to 5-10% average annual growth in 2026 consists of underlying market growth, price increases, market penetration and new services

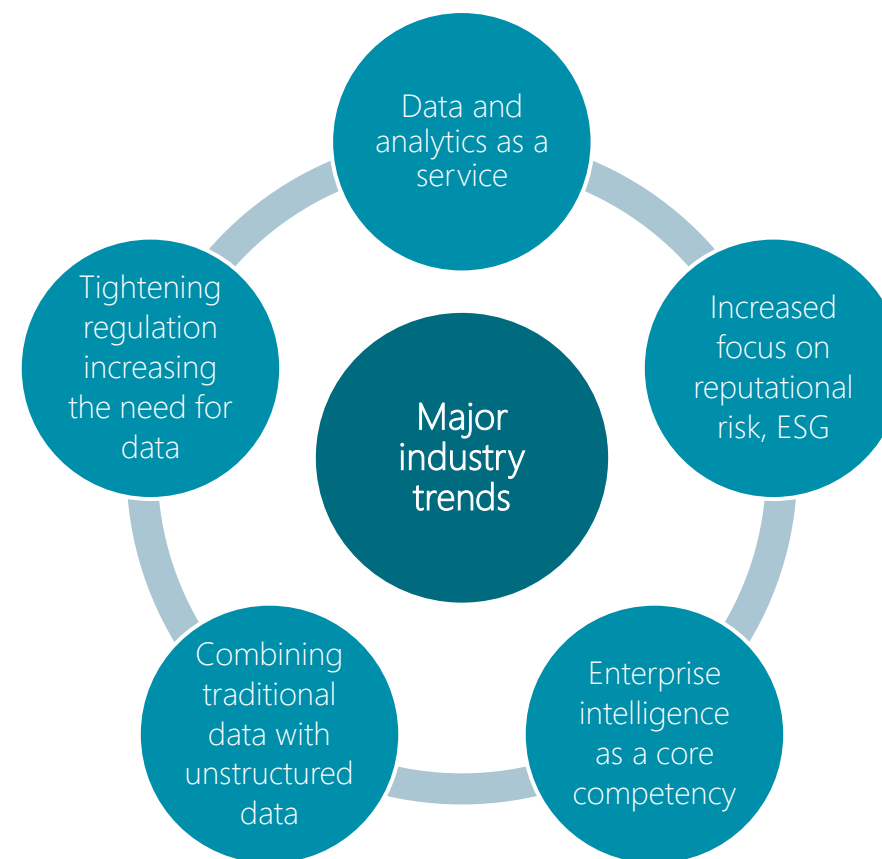


# Attractive growth dynamics in the data market driven by the compelling industry trends



## Market drivers during the strategy period

- ✓ EMEA region **data-as-a-service** expected growth >8% p.a.
- ✓ Global **KYC and AML** IT spend expected growth >20% p.a.
- ✓ ESG projected **high growth** driven by **tightening regulation** and need to manage **reputational risk**
- ✓ Stable macro development expected in the Nordics:  
GDP (>1% on average p.a.)  
Household lending (>3% on average p.a.)  
Corporate investments (~1% on average p.a.)



Source: Management; Company annual reports and investor materials; Global Management Consultant analysis

# Growing from Enento's strong Nordic foothold to gain market share in the 600 MEUR addressable market



Sweden and Finland are the largest Nordic markets, driven by data availability and overall price point

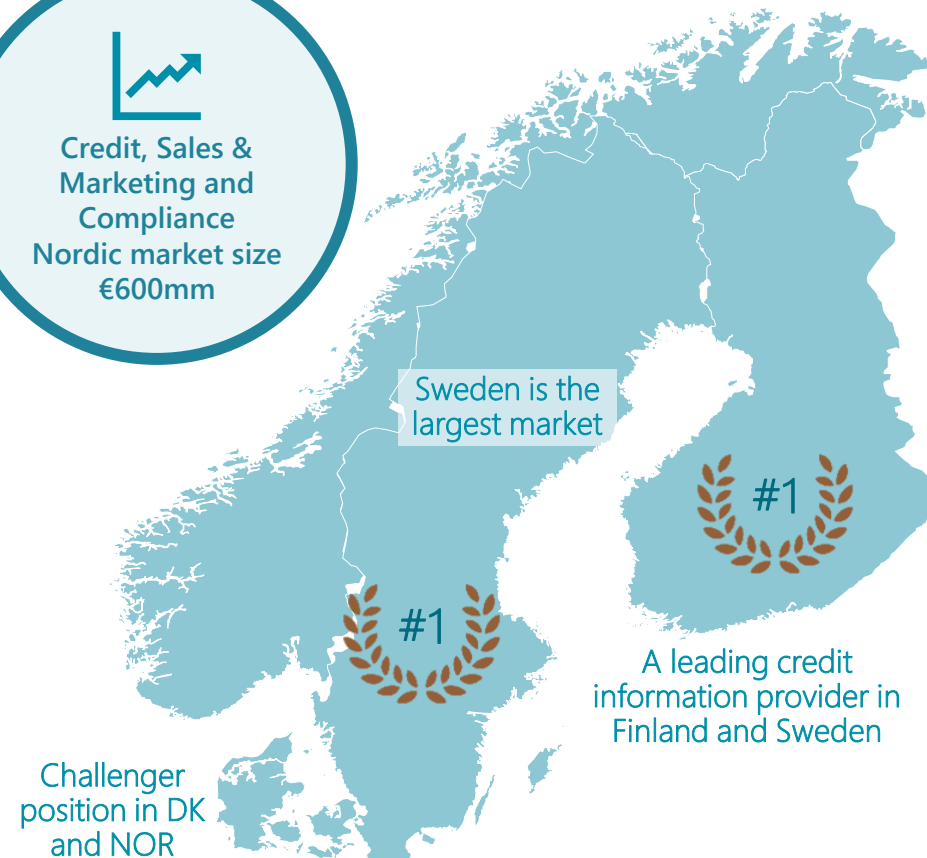


Enento is a leading credit information provider in Finland and Sweden, and a challenger in smaller markets Denmark and Norway



Out of the 600 MEUR total Nordic market size, Credit and Sales & Marketing are the largest sub-markets

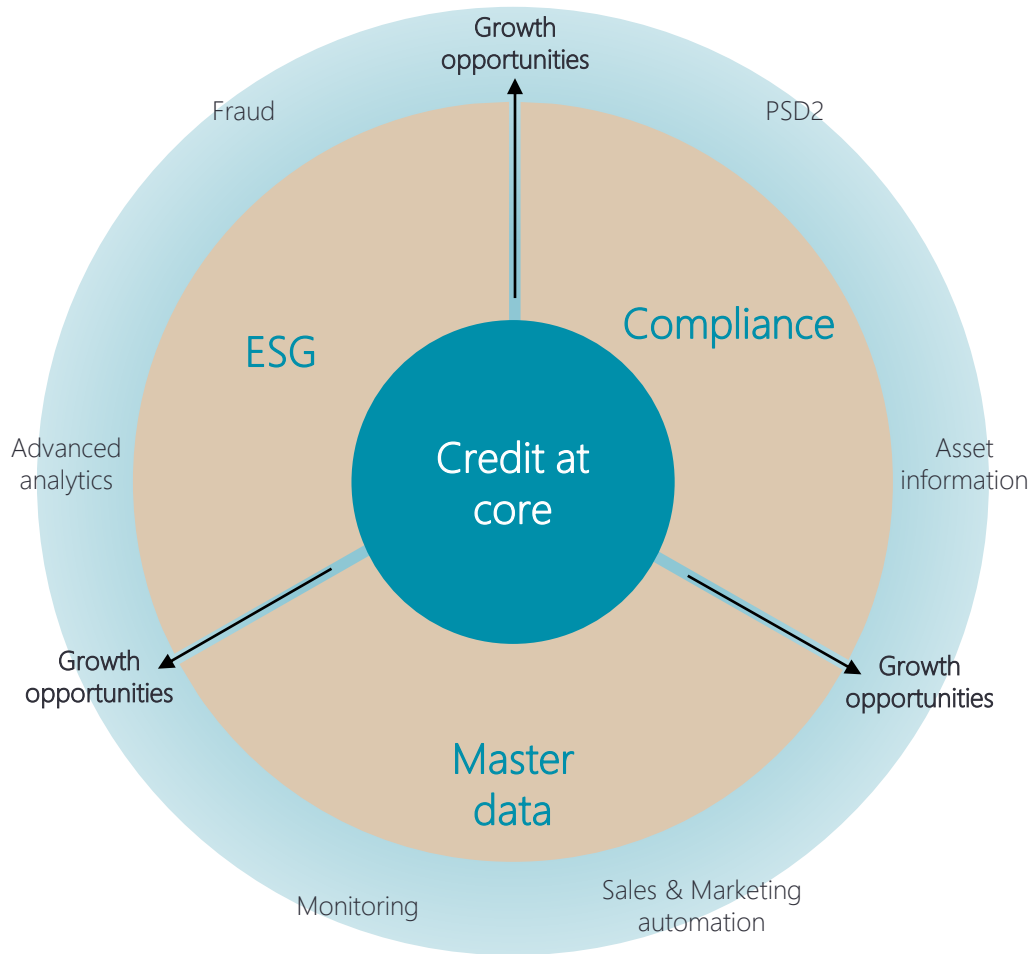
 Enento



Source: Management; Global Management Consultant analysis, Annual Reports 2021-2022  
Note: Based on third party market analysis and Management assessment



# Solid growth expected in the core Credit business with additional growth to be prioritized through ESG, Compliance and Master data



## Growth avenues

- Strong competitive position in core consumer and business Credit information business in Finland and Sweden – capability to further strengthen advantages and keep stable growth
- Compliance and ESG prioritized growth areas and well positioned to capture rapid growth
- Target to strengthen the position in general Master Data as fundamental enabler of Credit and Business information businesses with strong synergies
- Synergistic approach to other Asset Data and Sales & Marketing offerings

# Road to margin expansion through scalable growth, remodelled sales and distribution, Nordic consolidation of capabilities and cost efficiencies



## Investing in scalable growth



- New services in strategic growth areas and continuous enhancing of existing offerings
- Expansion to selected new and underdeveloped customer verticals
- Increased share of wallet of existing customer and focus on market penetration

## Remodelled sales and distribution



- Optimized sales models and processes to enable focus on growth areas – Easy to sell
- Building seamless customer experience and journey - Easy to buy, easy to use
- Improved online sales and marketing automation capabilities, customer-centric APIs and GUIs as strategic distribution choices – Easy to sell

## Nordic consolidation of capabilities



- Enhanced IT efficiency with gradual decommissioning of old solutions
- Transformation and modernization of products and services
- IT legacy decommissioning in the longer term

## Cost efficiencies



- Decommission retired and non-profitable products/services
- Service delivery model refinement
- Vendor, infrastructure, and application consolidations



# THANK YOU

Time for Q&A



# FINANCIALS Q2 / 2023 SUMMARY



# Overview



EUR million (unless stated otherwise)	Q2 / 2023	Q2 / 2022	FY 2022
Net Sales	39,7	43,4	167,5
Growth (year-on-year, comparable fx)	-3,5%	+4,8%	+5,1%
Adjusted EBITDA	14,5	15,5	61,2
Growth (year-on-year, comparable fx)	-2,1%	-2,2%	+5,9%
Adjusted EBITDA margin	36,5%	35,7%	36,6%
Adjusted EBIT	11,8	12,8	49,1
Adjusted EBIT margin	29,8%	29,5%	29,3%
New services (% of net sales)	11,1%	5,1%	4,6%
EBITDA	13,7	15,4	55,6
EBIT	8,7	9,7	25,8

## COMMENTS

- Net sales decreased by 8,6 % at reported FX rates and by 3,5 % at comparable FX rates.
- Adjusted EBITDA decreased by 6,5 % at reported FX rates and by 2,1 % at comparable FX rates. Adjusted EBITDA development compared to the prior year was impacted negatively by declining revenue while the negative impact was partly offset with profitability improvement actions.
- Adjusted EBIT decreased in line with Adjusted EBITDA development by 7,8% at reported FX rates and by 3,6% at comparable FX rates.

# Income statement



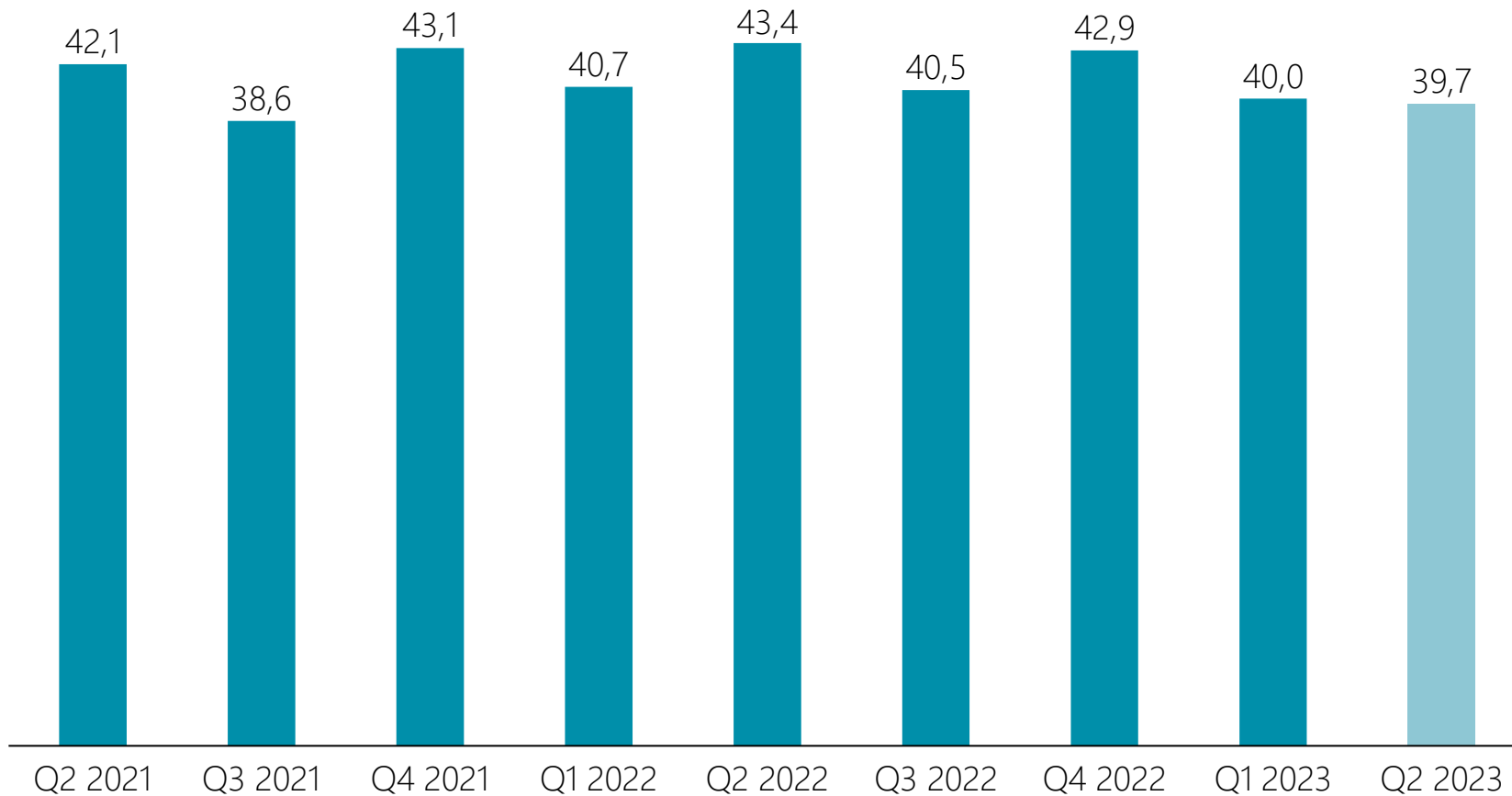
EUR million	Q2 / 2023	Q2 / 2022	FY 2022
<b>Net sales</b>	<b>39,7</b>	<b>43,4</b>	<b>167,5</b>
Other operating income	0,0	0,1	0,4
Materials and services	-6,9	-7,3	-27,7
Personnel expenses	-9,8	-10,2	-40,8
Work performed by the entity and capitalised	0,7	1,2	3,6
Other operating expenses	-10,0	-11,7	-47,5
Depreciation and amortisation	-5,1	-5,8	-29,8
<b>Operating profit</b>	<b>8,7</b>	<b>9,7</b>	<b>25,8</b>
Finance income and expenses	-1,6	-0,7	-3,7
<b>Profit before income tax</b>	<b>7,1</b>	<b>8,9</b>	<b>22,1</b>
Income tax expense	-1,5	-1,9	-4,8
<b>Profit for the period</b>	<b>5,6</b>	<b>7,1</b>	<b>17,4</b>
Earnings per share attributable to the owners of the parent during the period:			
Basic earnings per share (EUR)	0,24	0,29	0,72
Diluted earnings per share (EUR)	0,24	0,29	0,72

# Cash flow



EUR million	Q2 / 2023	Q2 / 2022	FY 2022
<b>Cash flows from operating activities</b>			
Cash flows before change in working capital	13,7	15,5	60,6
Change in working capital	-0,9	-3,3	-4,0
Net interests and other financing items	0,3	-0,9	-2,3
Income taxes paid	-4,2	-2,4	-9,5
Net cash from operating activities	8,9	8,9	44,8
<b>Cash flows from investing activities</b>			
Net cash used in investing activities	-1,3	-5,2	-14,8
<b>Cash flows from financing activities</b>			
Net cash used in financing activities	-28,8	-24,7	-33,6
<b>Cash and cash equivalents at beginning of the period</b>	27,2	31,9	25,3
<b>Cash and cash equivalents at end of the period</b>	5,3	10,1	20,8

# Net sales by quarter



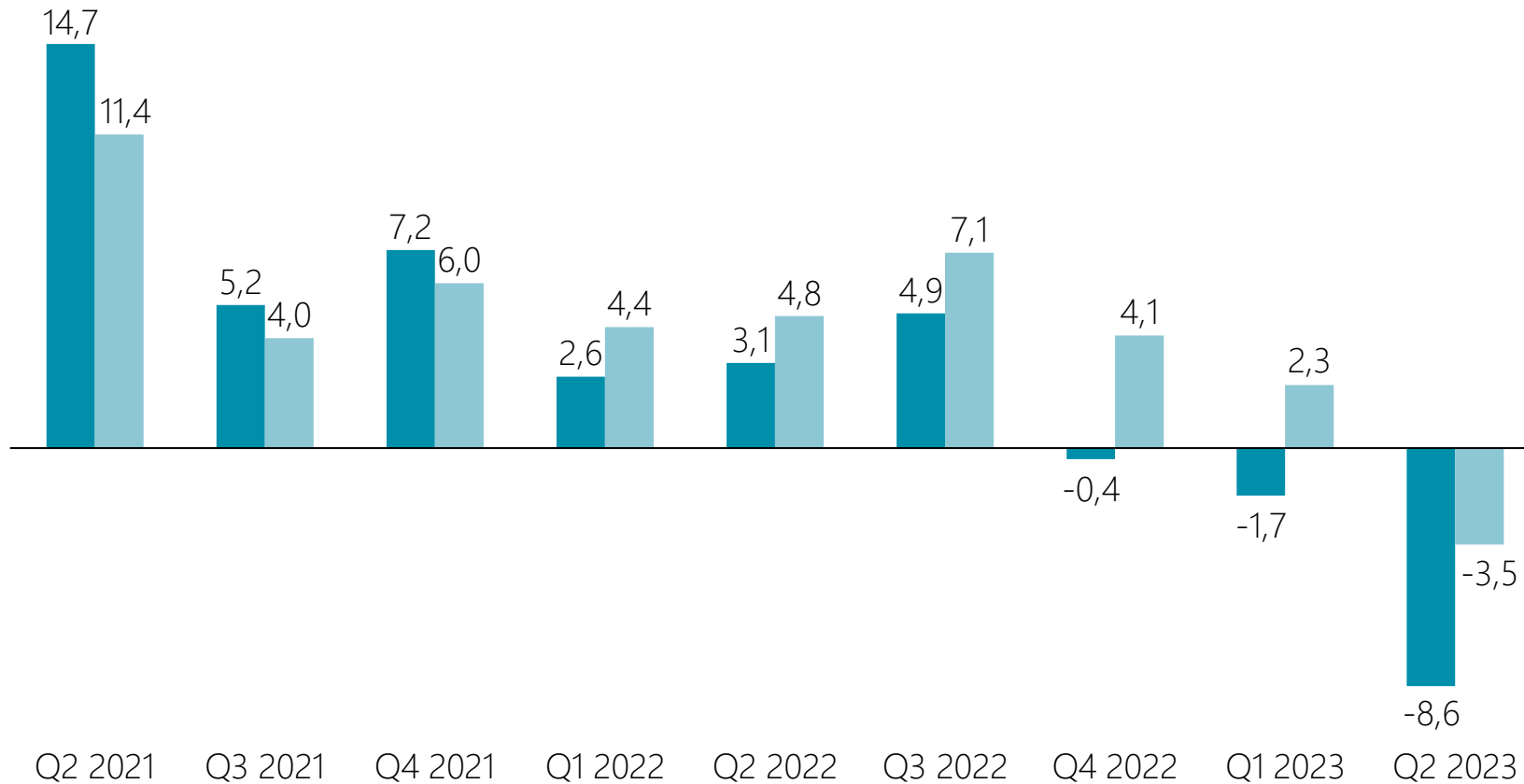
## COMMENTS

- Q2/2023 reported Net sales declined in Business Insight and Consumer Insight. Excluding the impact of Tambur discontinuation, Business Insight growth continued

# Net sales growth



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



## COMMENTS

- FX comparable change -3,5 % in Q2/2023.
- In Q2/2023 -1 business day both in Finland and Sweden.



# Future outlook and guidance 2023 (unchanged)

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%.

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



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