

CEO Jeanette Jäger, CFO Elina Stråhlman
27 October 2023

ENENTO GROUP PLC

INTERIM REPORT

1.1.–30.9.2023



Building trust in the everyday.



ENENTO GROUP 2023

Building trust in the everyday.



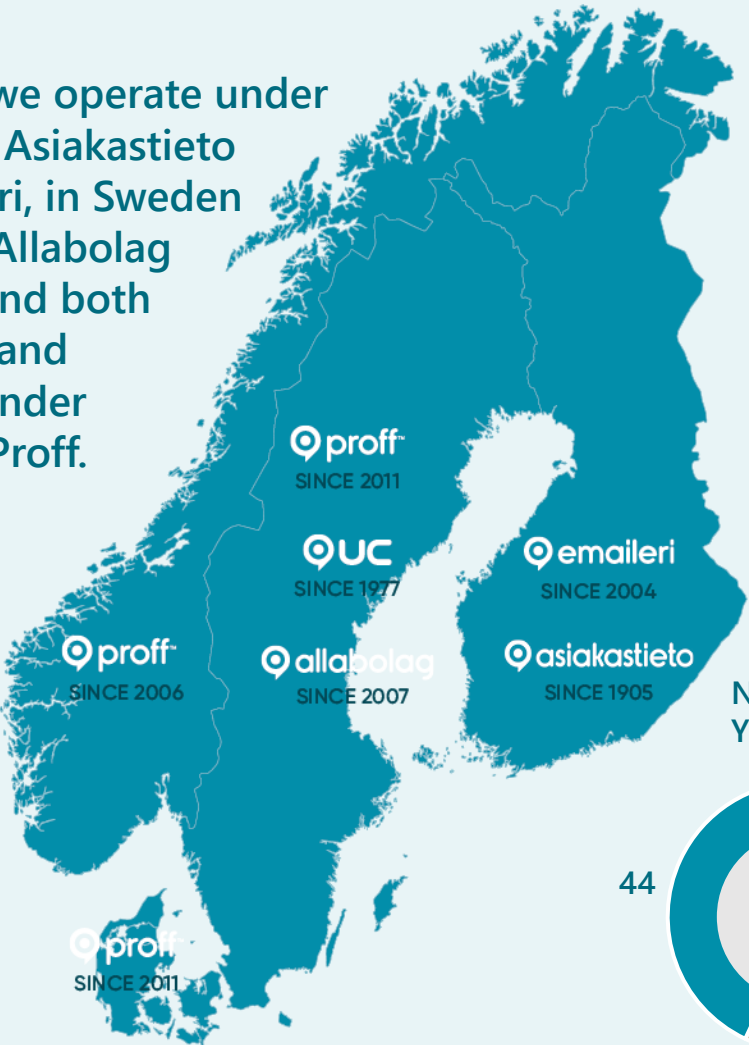
LISTED ON
NASDAQ
HELSINKI.



MARKET CAPITALISATION
30 September 2023
510 MEUR



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



NET SALES, YTD
30 September 2023
117,0
MEUR

ADJUSTED EBITDA, YTD
30 September 2023
43,7
MEUR



Partners in Europe and in the Nordic region.

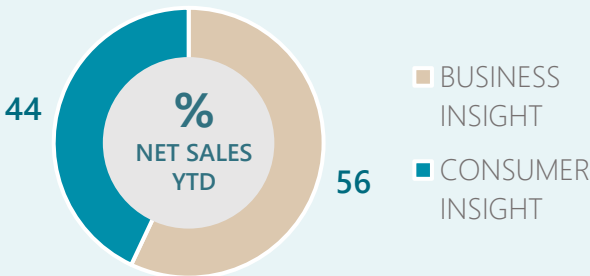


Approximately **76 000** corporate customers within banking, finance, retail, public sector and small companies.

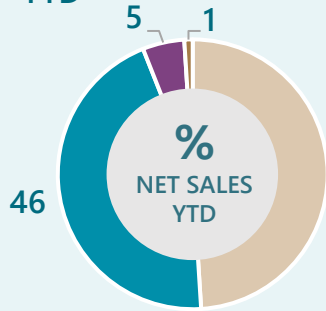


Approximately **500 000** consumer customers.

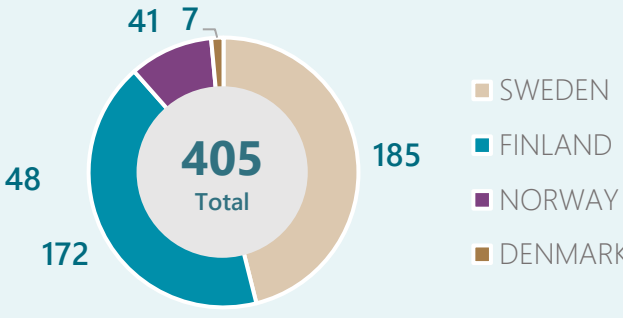
Net Sales by Business Area YTD



Net Sales by Country YTD



Employees by Country



Building trust in the everyday.

Executive Management Team as of October 1st



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



Arto Pauku
Chief Marketing &
Customer Officer



Sari Ek-Petroff
Director
HR



Daniel Ejderberg
CIO



Mikko Karemo
Chief Commercial
Officer & Deputy CEO

Weak Swedish consumer credit demand impacts net sales, strong performance by Business Insight in Finland and Norway



Quarter in brief

Net Sales & Profitability

Net sales declined 0,9%* as consumer credit volumes drop in Sweden, while adjusted EBITDA margin was 38,9%

Customer Experience

Q3 NPS of 47 from strategic and large customers improving from Q2 (44) and clearly above industry peers***

Efficiency Program

Program proceeding according to plans, MEUR 5,3 run-rate impact achieved, equal to ~65% of FY24 targeted benefits

Empowering People

Employee temperature and engagement index (7,7) above benchmark as we are boosting growth mindset and Nordic collaboration

Key figures

Net sales -2,2%**
-0,9%*

37,3 MEUR

Adjusted EBITDA -5,5%**

14,5 MEUR

Free cash flow -29,0%

7,1 MEUR

Adjusted EBITDA margin
-1,4 pp-%**

38,9 %

Net debt to adjusted EBITDA

2,4x (2,4x)

Share of new services

10,0 %
+6,0 pp-%

* Organic growth (exlc. 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 5,3M run-rate impact achieved by end of Q3, equaling to 65% of FY2024 targeted benefits of EUR 8M

	FTE Efficiency	<ul style="list-style-type: none">Impact from reduced number of FTEs visible from Q2 2023 onwards
	IT Efficiency	<ul style="list-style-type: none">Application service transition in Sweden in handover phaseIT infrastructure consolidation analysis startedIT capacity and other cost reductions through decommissioning and optimization partly implemented
	Other Measures	<ul style="list-style-type: none">Continuing the digitalization of manual processesRenegotiation of service agreements leading into permanent benefits
	Total Progress KPI	<ul style="list-style-type: none">Measures leading to around 65% of the planned benefits implemented on a run-rate basis



BUSINESS AREA UPDATE Q3

Business Insight



Business Overview

Demand continues high in financial risk management services in Enterprise Solutions, supported by high growth by Compliance Services in Finland and solid performance by Premium Solutions in Finland and Norway

Net Sales +4,8%
EUR 20,9 million

Organic, at comparable FX rates



Highlights

- ✓ Compliance offering expansion continues:
 - *Sanction List Monitoring* and *KYC Monitoring* services launched in Finland
- ✓ Unique *Apartment Information Reports* launched in Finland
 - Six new reports launched in the Apartment Information Services providing detailed information that our customers can easily use in core processes
 - Targeting real estate and banking verticals – data is required in all transactions
 - Asiakastieto first one out in the market to offer to this data
 - Attractive growth prospects as the data coverage is expanding and the service is already generating revenue

Apartment Information Report in Finland



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

Targeting a leading position in the Nordic compliance services market



Typical use cases

Due Diligence

Sanctions

All companies with a need to comply with sanctions regulations (exporting/importing entities)

Anti Money Laundering (AML)

Politically exposed person (PEP) + sanctions

Companies affected by AML directive

Current compliance offering



Nordic offering roadmap

Current offering extended to NO market



Adverse media



Monitoring database



KYC Monitoring benefiting our customers by automating processes around anti-money laundering, fraud, and terrorist financing



Follows the UN, EU, OFAC and UK lists daily basis

Screens the background persons and group structure of selected companies

Flags sanctions hits and hit removals

Changes in persons-in-charge automatically included in monitoring service



United Nations



HM TREASURY



OFAC



Enhanced monitoring creating instant benefits to our customers

Easy setup – Automated and efficient processes – Always up-to-date data

Consumer Insight



Business Overview

Consumer credit information services in Sweden declining as the weak real-estate market continues to impact mortgage loan volumes; some lenders leaving the unsecured consumer loans market and broker channel continues to decline. More stable development in consumer credit information services continues in Finland.

Net Sales -7,2%
EUR 16,5 million

Organic, at comparable FX rates



Highlights

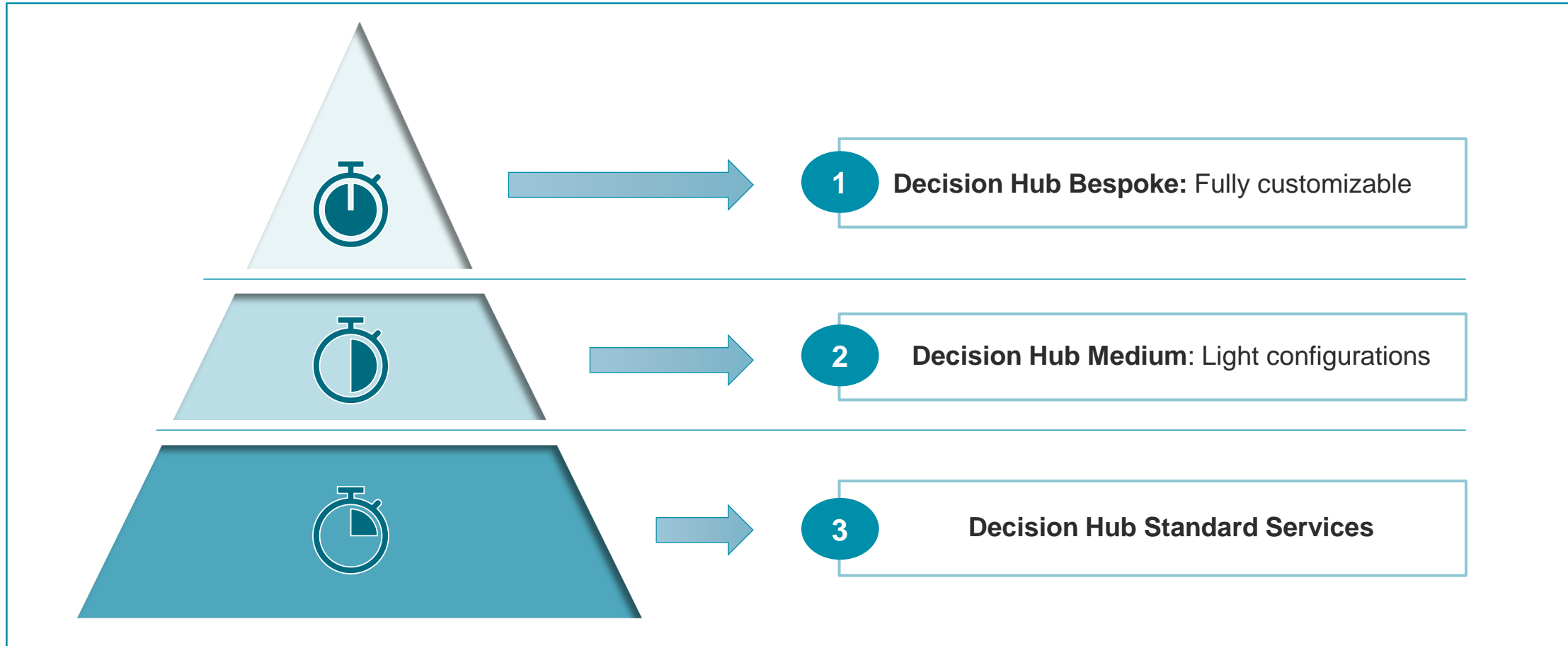
- ✓ Nordic decisioning service *Decision Hub* launched in Finland
- ✓ Strategic initiatives status updates:
 - *PSD2* growth initiative proceeding according to plans → new services expected to be launched during H1 2024
 - Analysis phase of the new *Fraud* offering ongoing in Finland and Sweden, services planned to be launched later in 2024

Re-check service launched in Sweden





Nordic consolidation of decisioning services proceeding: *Decision Hub* launched in Finland – enabling future growth and decommissioning legacy solutions





Focus ahead

Strategy execution, transformation and efficiency activities expected to secure reaching our financial targets



Growth avenues: Advancing in the development of roadmaps across several strategic growth themes (ESG, compliance, master data, PSD2) with stream governance models in place



Optimized, **agile ways-of-working:** All development teams in all countries working the same agile way to create faster time-to-market and enable constant value creation



Active **capacity and resource planning:** Having optimal level of resources needed for the prioritized strategic initiatives



Optimized **cost structure:** Progressing with further IT efficiencies in application service transition and infrastructure consolidation



Commitment in long-term financial targets for 2024-2026

Updated net sales and profitability guidance 2023



CFO HIGHLIGHTS

Key figures



Q3 / 2023

Net sales ^{-2,2%*}
^{-0,9%**}

37,3 MEUR

Adjusted EBITDA ^{-5,5%*}

14,5 MEUR

Adjusted EBITDA %
^{-1,4 pp-%*}

38,9 %

Adjusted EBIT ^{-8,6%*}

11,8 MEUR

Net debt to adjusted EBITDA
^{0,0x}

2,4_x

Q3 / 2022

Net sales

40,5 MEUR

Adjusted EBITDA

16,2 MEUR

Adjusted EBITDA %

40,1 %

Adjusted EBIT

13,6 MEUR

Net debt to adjusted EBITDA

2,4_x

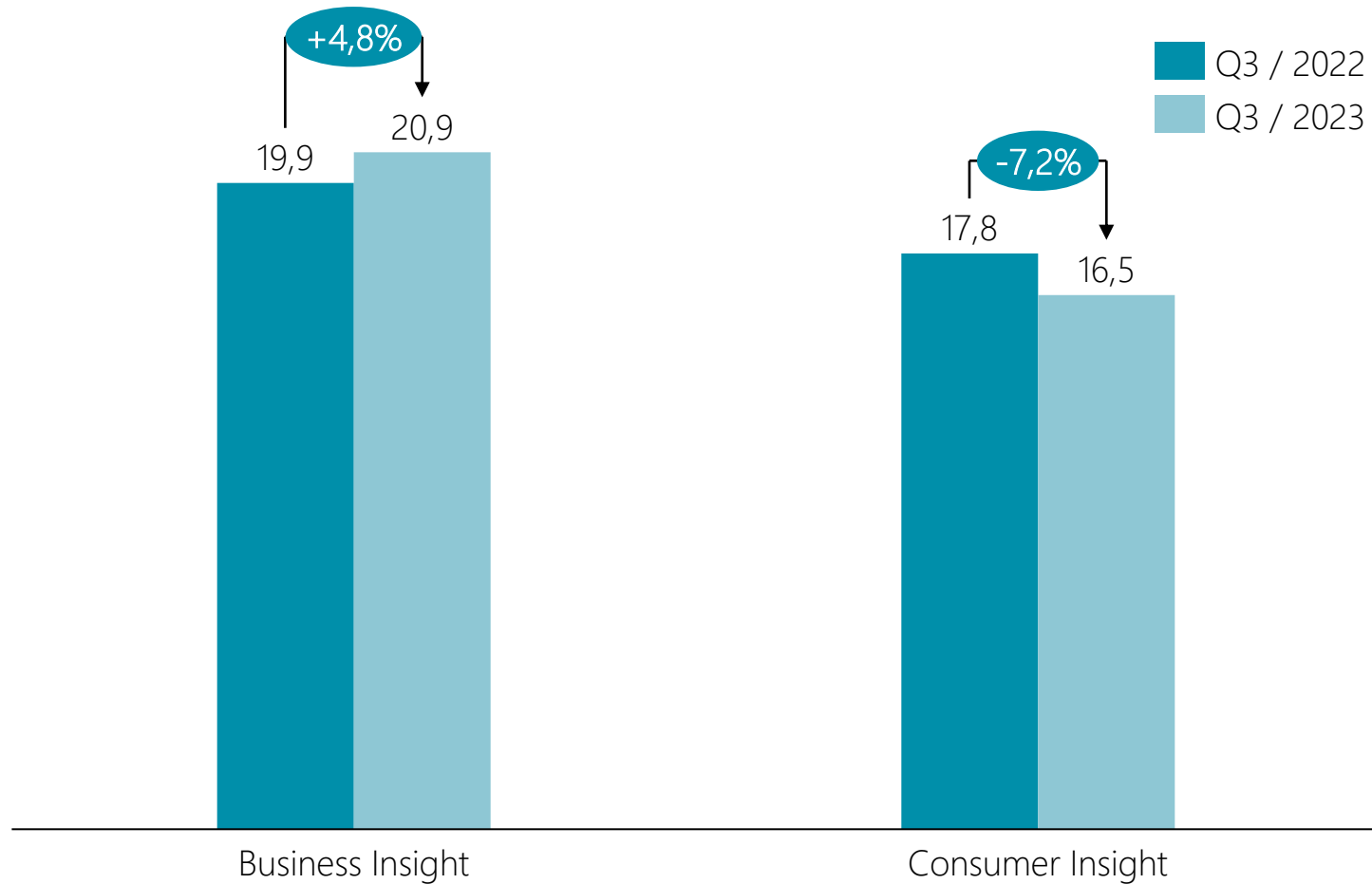
* At comparable foreign exchange rates

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



Revenue by business area

GROWTH AT COMPARABLE FX RATES



COMMENTS

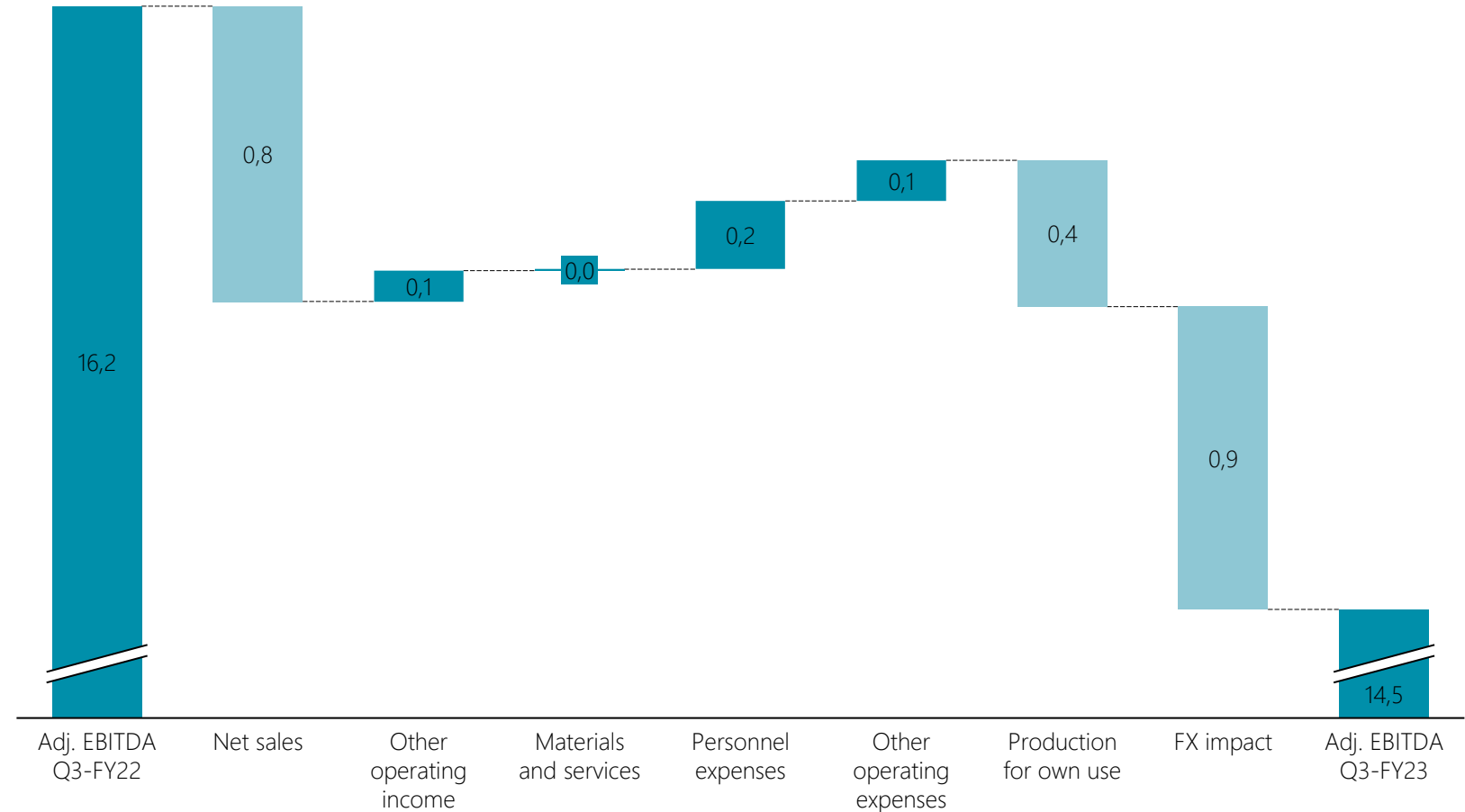
- Business Insight growth excluding Tambur impact* was +4,8%. Net sales developed well in Enterprise, Premium and Compliance.
- In Consumer Insight, low consumer lending volumes impacted the net sales negatively especially in Sweden. Also, Finland declining slightly.

Adjusted EBITDA



COMMENTS

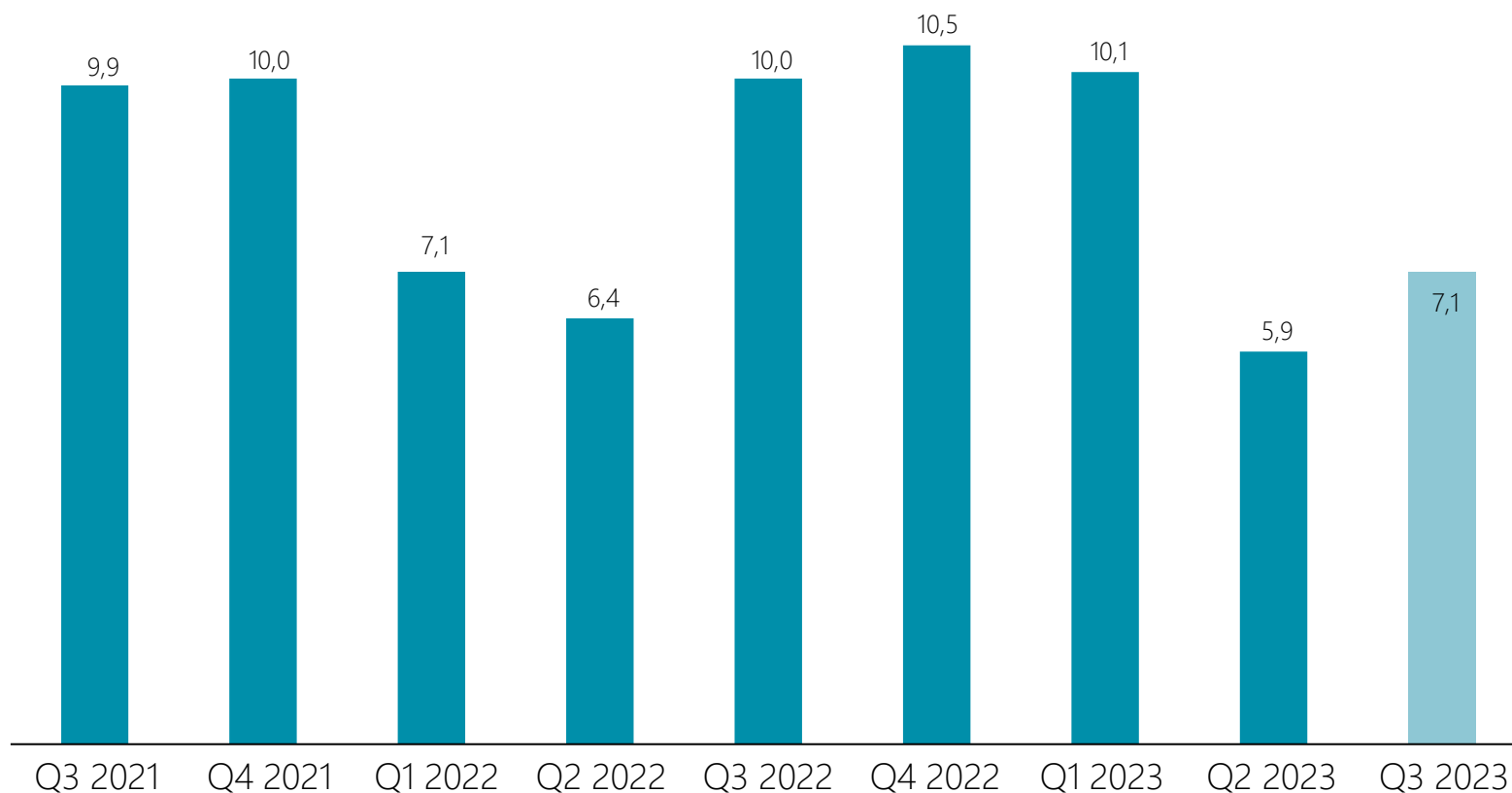
- Adjusted EBITDA margin 38,9%, margin declined with -1,4%p y-on-y at comparable rates and -1,2%p y-on-y at reported rates.
- Adjusted EBITDA decreased year-on-year due to challenging market conditions resulting in lower revenue especially in credit information services.
- However, successful cost optimization and profitability improvement actions partly offsetting the negative topline development
- Adjusted EBITDA decrease y-on-y -5,5% with comparable rates and -10,5% with reported rates



Free cash flow



■ Free cash flow, EUR million



COMMENTS

- Free cash flow remains strong but decreased compared with the corresponding quarter mainly due to decline in EBITDA and change in working capital that was partly offset by lower tax payments and lower development investments.
- Free cash flow in YTD was close to flat compared to the corresponding period in the previous year with EUR 23,1 million (EUR 23,4 million). Adjusted free cash flow, excluding paid items affecting comparability was EUR 25,8 million (EUR 23,7 million).
- Cash conversion in the third quarter was at 50,4% (61,9%). Decline year-on-year was due to the profitability development and timing of receivable payments. Adjusted cash conversion, comparing the adjusted free cash flow to Adjusted EBITDA was 53,7% (61,3%).

Key indicators



EUR million (unless stated otherwise)	Q3 / 2023	Q3 / 2022	FY 2022
Net debt	145,6	143,4	131,8
Net debt / adjusted EBITDA	2,4	2,4	2,2
Gearing, %	53,1	48,1	44,7
Equity ratio, %	59,0	62,3	60,3
Free cash flow	7,1	10,0	33,9
Cash conversion, %	50,4	61,9	56,0
Gross investments	1,7	2,8	12,6

COMMENTS

- Cash position at EUR 8,7 million (committed EUR 30 million facility remains fully unutilized).
- Net debt / adjusted EBITDA at 2,4x.
- Gross investments EUR 1,7 million (EUR 2,8 million).



THANK YOU

Time for Q&A



FINANCIALS Q3 / 2023 SUMMARY

Overview



EUR million (unless stated otherwise)	Q3 / 2023	Q3 / 2022	FY 2022
Net Sales	37,3	40,5	167,5
Change (year-on-year, comparable fx)	-2,2%	+7,1%	+5,1%
Adjusted EBITDA	14,5	16,2	61,2
Change (year-on-year, comparable fx)	-5,5%	+14,4%	+5,9%
Adjusted EBITDA margin	38,9%	40,1%	36,6%
Adjusted EBIT	11,8	13,6	49,1
Adjusted EBIT margin	31,5%	33,6%	29,3%
New services (% of net sales)	10,0%	4,0%	4,6%
EBITDA	14,0	16,1	55,6
EBIT	8,9	10,5	25,8

COMMENTS

- Net sales decreased by 7,8 % at reported FX rates and by 2,2 % at comparable FX rates.
- Adjusted EBITDA decreased by 10,5 % at reported FX rates and by 5,5 % 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 13,4% at reported FX rates and by 8,6% at comparable FX rates.

Income statement



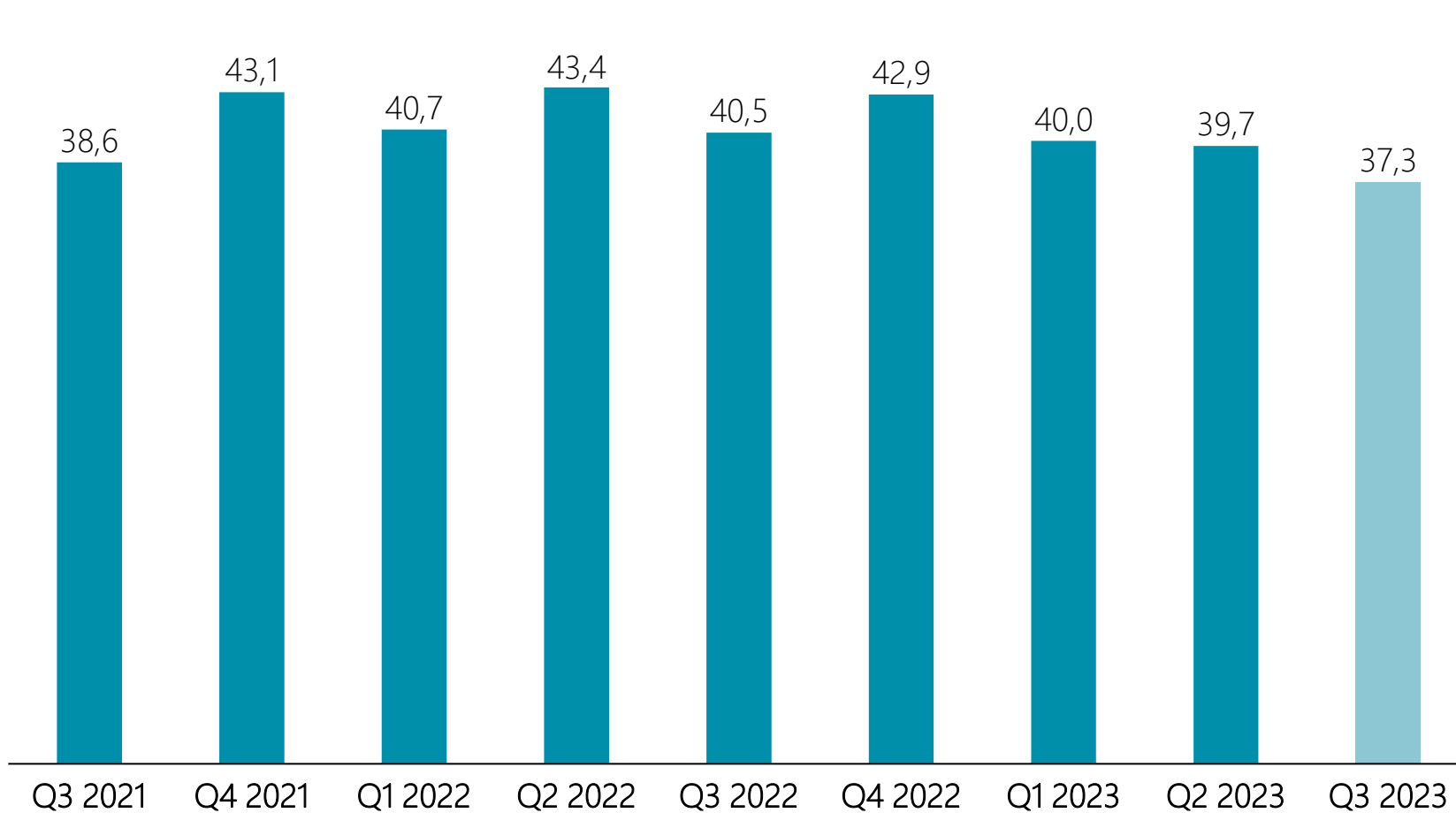
EUR million	Q3 / 2023	Q3 / 2022	FY 2022
Net sales	37,3	40,5	167,5
Other operating income	0,2	0,1	0,4
Materials and services	-6,5	-6,8	-27,7
Personnel expenses	-8,0	-8,9	-40,8
Work performed by the entity and capitalised	0,4	0,9	3,6
Other operating expenses	-9,3	-9,8	-47,5
Depreciation and amortisation	-5,1	-5,6	-29,8
Operating profit	8,9	10,5	25,8
Share of results of associated companies	-0,1	-0,2	-0,9
Finance income and expenses	-1,9	-0,4	-2,7
Profit before income tax	6,9	9,9	22,1
Income tax expense	-1,5	-2,1	-4,8
Profit for the period	5,4	7,8	17,4
Earnings per share attributable to the owners of the parent during the period:			
Basic earnings per share (EUR)	0,23	0,33	0,72
Diluted earnings per share (EUR)	0,23	0,32	0,72

Cash flow



EUR million	Q3 / 2023	Q3 / 2022	FY 2022
Cash flows from operating activities			
Cash flows before change in working capital	13,2	16,2	60,6
Change in working capital	-3,6	-1,1	-4,0
Net interests and other financing items	-3,5	-1,4	-2,3
Income taxes paid	-1,5	-2,3	-9,5
Net cash from operating activities	4,6	11,4	44,8
Cash flows from investing activities			
Net cash used in investing activities	-0,7	-2,7	-14,8
Cash flows from financing activities			
Net cash used in financing activities	-1,0	-7,5	-33,6
Cash and cash equivalents at beginning of the period	5,3	10,1	25,3
Cash and cash equivalents at end of the period	8,7	11,0	20,8

Net sales by quarter



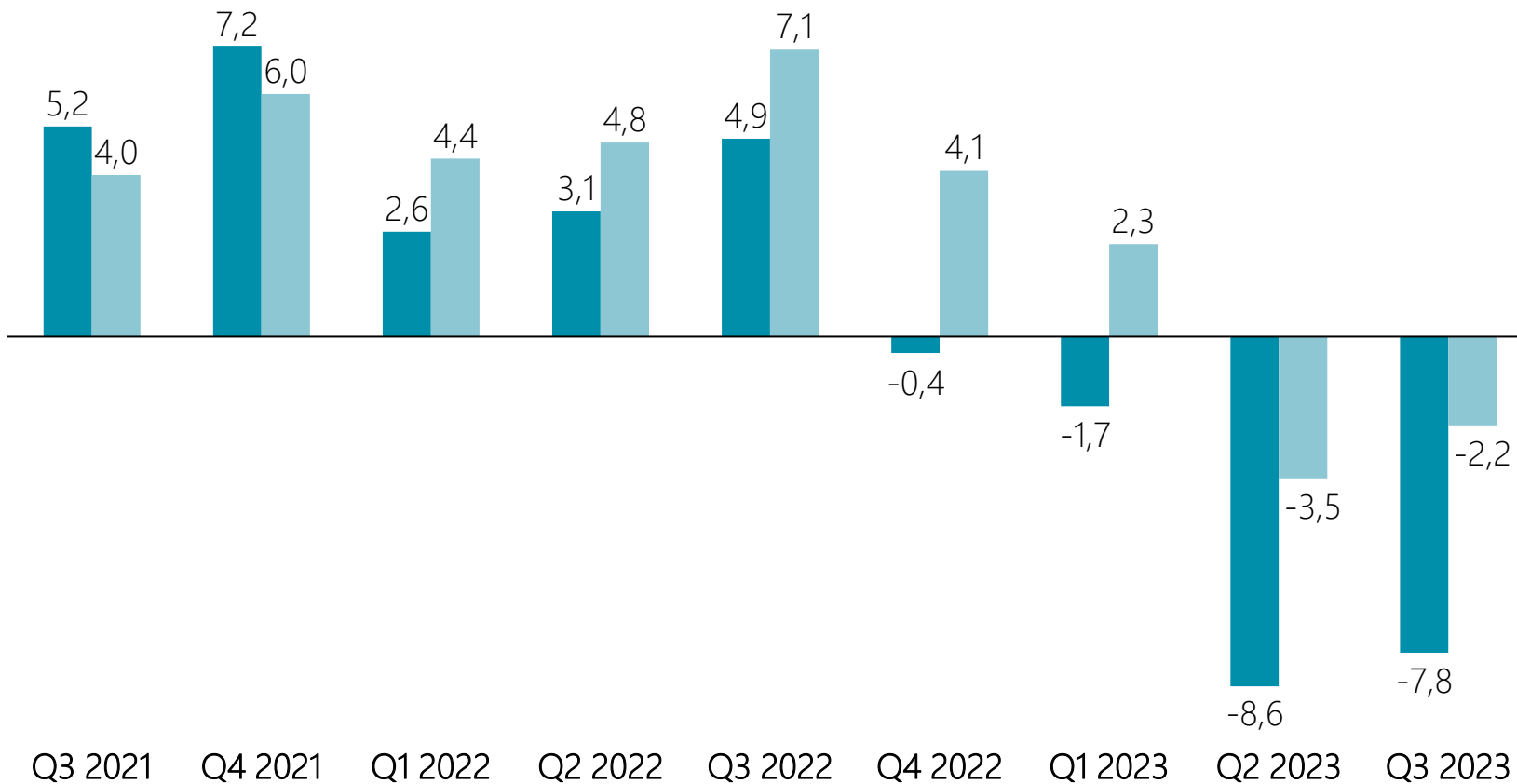
COMMENTS

- Q3/2023 reported Net sales declined in Business Insight and Consumer Insight. Business Insight growth excluding Tambur impact* was +4,8%.

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 -2,2 % in Q3/2023.
- In Q3/2023 -1 business day both in Finland and Sweden.



Future outlook and guidance 2023

(updated on 9 October 2023)

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 consumer credit information services, direct-to-consumer services and services used for sales and marketing purposes 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 to partially 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 efficiency program and temporary efficiency measures.

Guidance ¹	
Net sales	Enento Group expects net sales in 2023 to decline between 0% – 1,5% 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

Enento Group Plc

Arto Pauku
IRO

+358 50 469 5380
arto.pauku@enento.com

Elina Stråhlman
CFO

+358 40 564 7877
elina.strahlman@enento.com