

Financial Statement Release 2023

Talenom investor presentation at Danske Bank Small & Mid Cap Seminar on 14 March 2024

TALENOM

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Talenom in brief

Talenom in 2023



Net sales
EUR 121.7 million

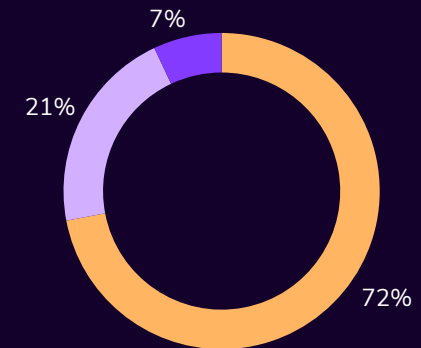
EBITDA
26.2% of net sales

Comparable EBIT
9.1% of net sales

Employees at year-end
1,560

Operating countries
Finland, Sweden, Spain, Italy

Net sales distribution 2023



■ Finland ■ Sweden ■ Other countries

Key market trends to accelerate growth

01.

Legislation and market trends boost digitalisation (PSD2, e-invoice, e-receipt, EU's green transition).

02.

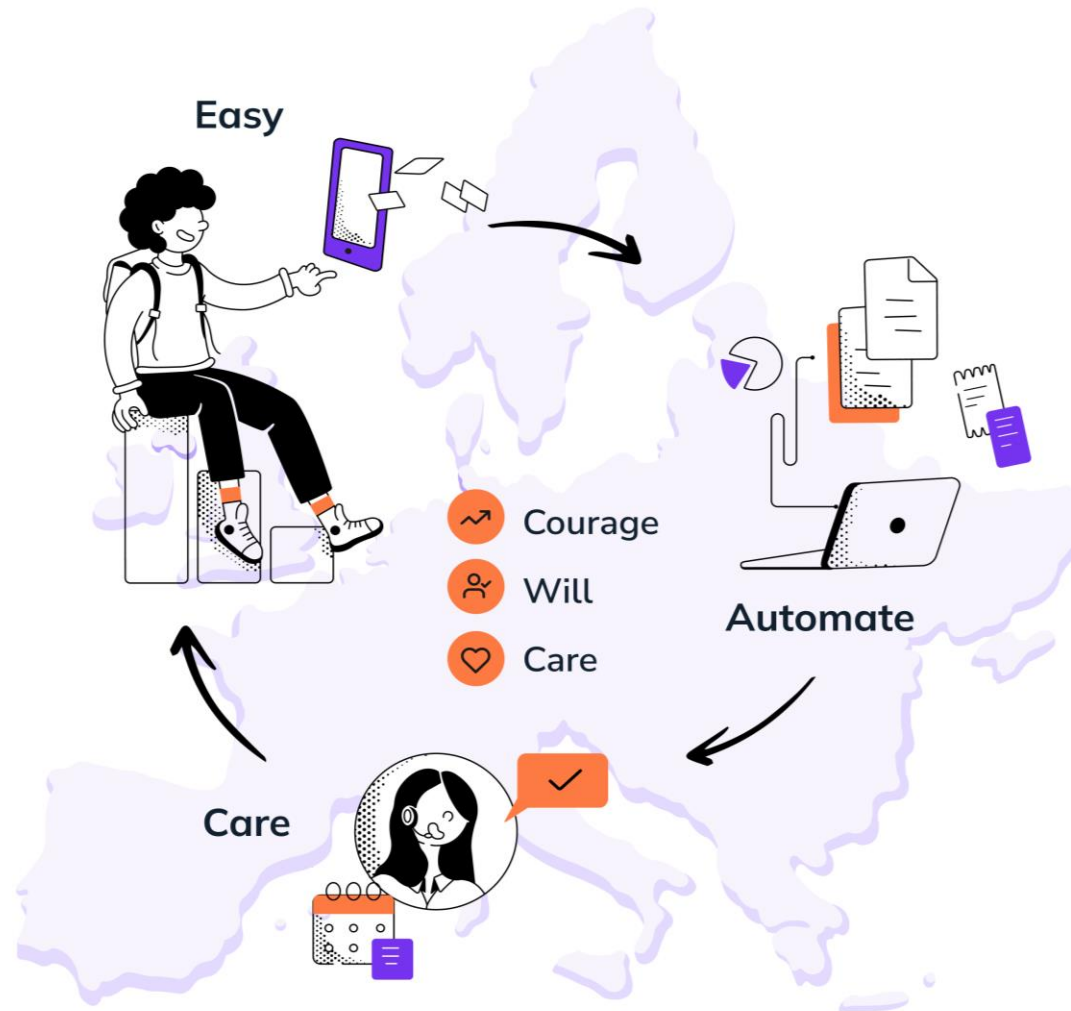
Customer behavior is changing towards digital platforms.

03.

Digitalisation is happening now: choices between platforms are being made and the barrier to switch is proven to be high.

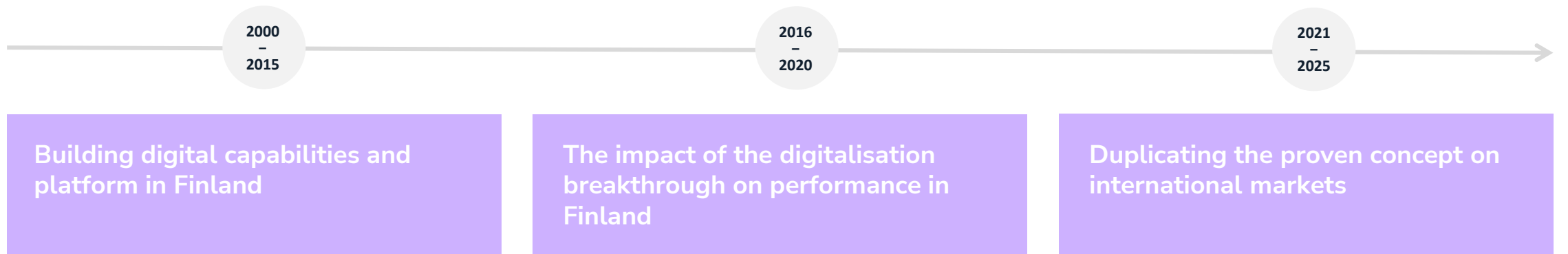
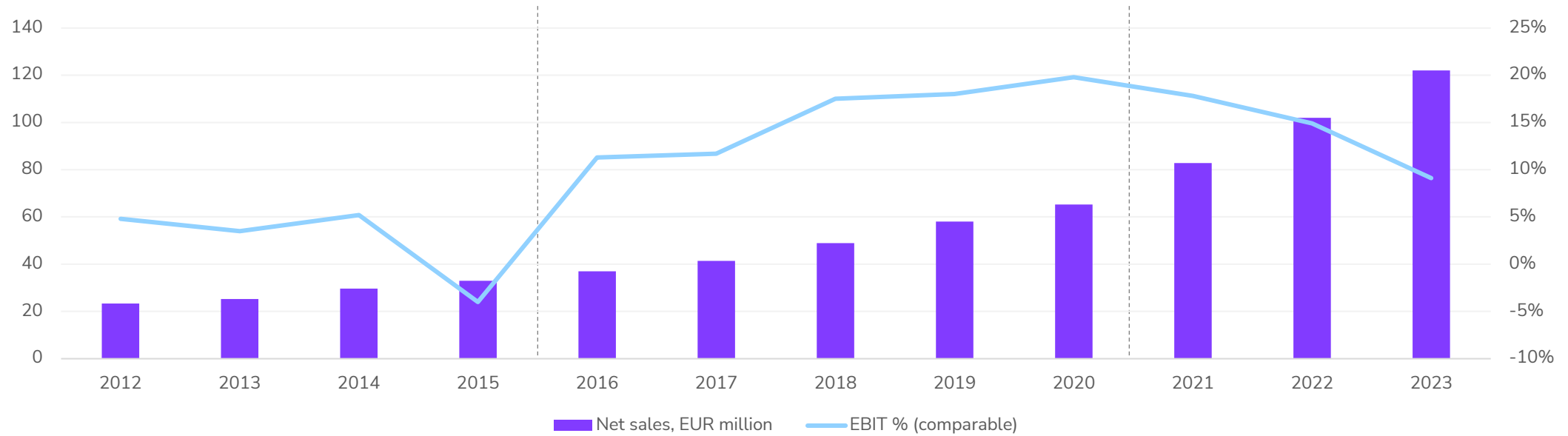
Strategy progress

Vision



Unbeatable accounting and banking services for SMEs

A proven strategy and strong track-record



Strategic focus areas for 2024

01.

Improving efficiency.

02.

Platform roll-out in Sweden.

03.

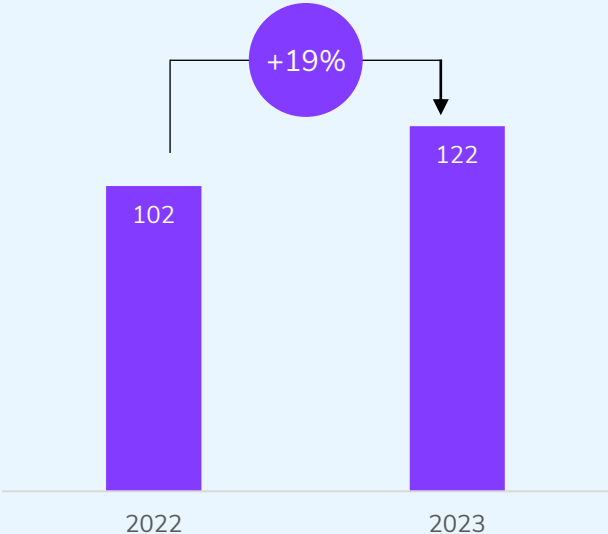
Organic growth.

Finances

Growth was strong, but profitability targets were missed. Thanks to profitability and strategic measures, expectations for 2024 are positive.

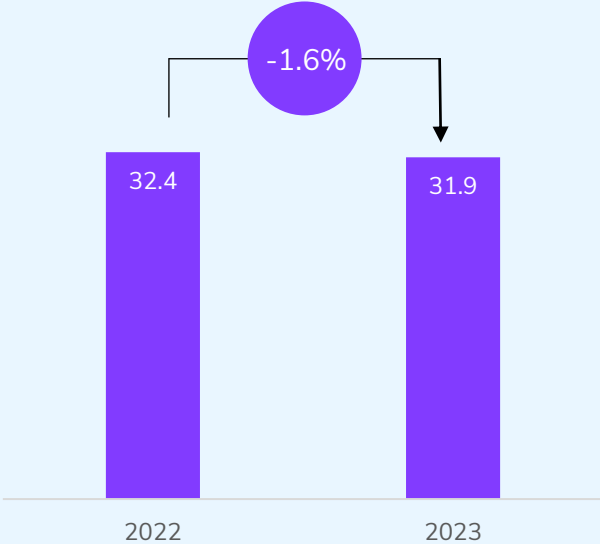
Growth continued strong

Net sales January-December (EUR million)



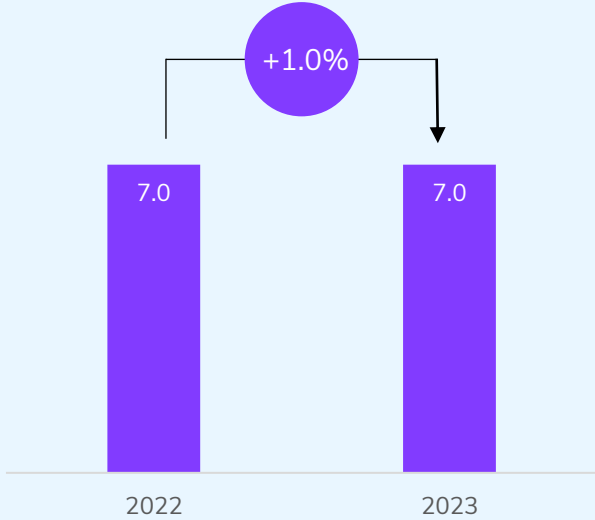
Investments related to internationalisation depressed profitability

EBITDA January-December (EUR million)



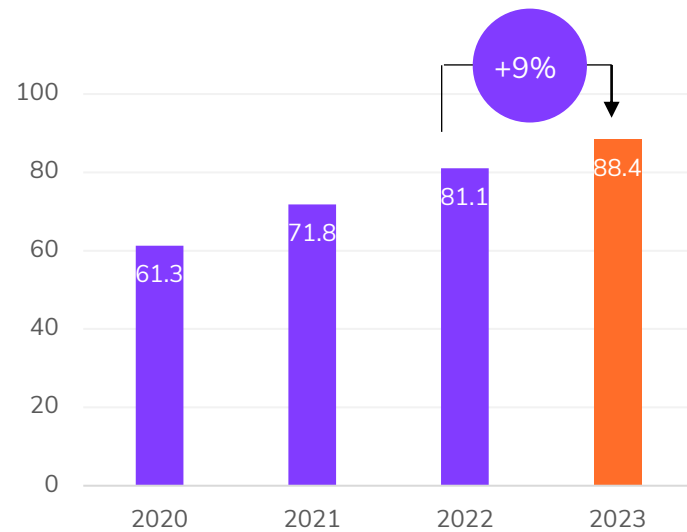
EBITDA development took a turn for the better towards the end of the year, in 2024 the focus will be on improving profitability and organic growth

EBITDA Q4 (EUR million)

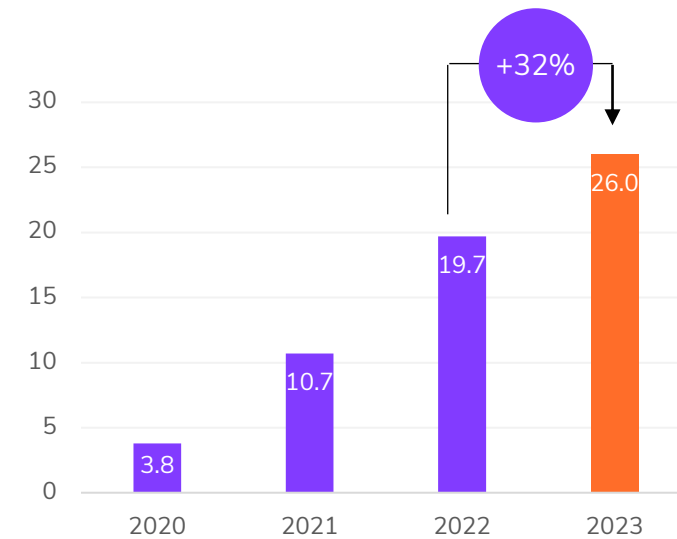


Net sales development in different markets, EUR million

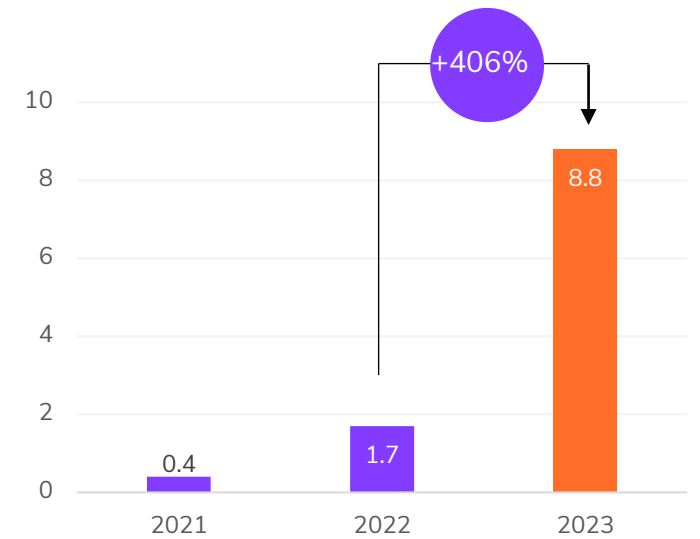
Net sales Finland 2020-2023



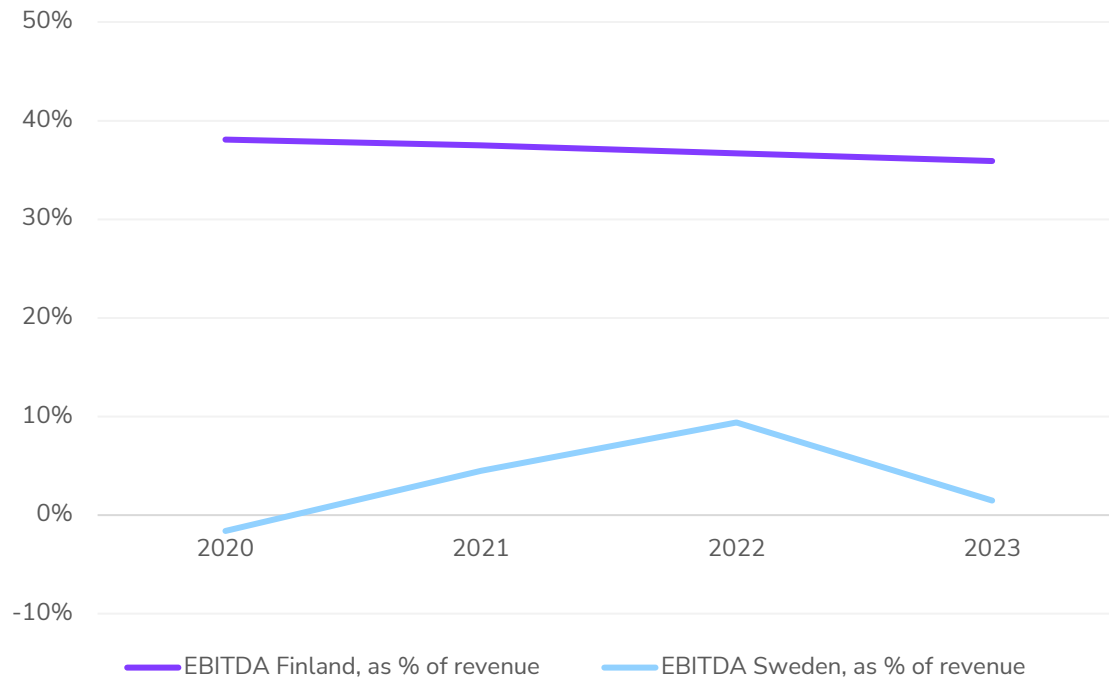
Net sales Sweden 2020-2023



Net sales Other countries 2020-2023



With automation, Sweden's and other countries' EBITDA is expected to rise to the Finnish level



- Our strong software expertise has enabled a highly efficient and automated accounting process in Finland.
- The difference between the EBITDA in Finland and Sweden is explained especially by the difference in the degree of automation.
- Based on the experience in Finland, the working time spent on routine activities can be cut to one-quarter with Talenom's processes and implementation of own software.
- This, in turn, enables us to provide services that generate value-added to our customers also in Sweden.

Outlook and guidance for 2024

Guidance

- Net sales about EUR 130–140 million
- EBITDA about EUR 34–40 million
- Operating profit about EUR 14–17million

Background for the guidance

Talenom expects the accounting services market to grow in all of the company's operating countries in 2024 and demand to remain stable. In addition, consolidation in the industry is expected to continue accelerated by, for instance, digital disruption and tightening legislation concerning digital financial management. Talenom's goal is to continue strong growth and expansion in all of its operating countries and other European countries with significant potential to expand as a forerunner in the digitalisation of the accounting services industry.

In addition to organic growth, the guidance includes an assessment of possible acquisitions during 2024. The number of acquisitions is expected to decrease from the previous year's level and to focus more on strategically significant acquisitions. Expanding into new market areas enables the company's long-term growth. The software roll-out phase in Sweden will weigh on profitability in 2024, but the introduction of our own software will have a clear positive impact on profitability in the coming years.

Acquisitions will have a negative impact on relative profitability in the short term due to integration costs. The profitability of the acquisition targets increases when Talenom's own systems have been fully implemented in the target. Talenom's investments in automation, customer-friendly user interfaces and the small customer segment in recent years, as well as the internationally scalable software platform increase the depreciation level but the relative share to net sales is expected to decrease. Operational relative profitability improves measured by EBITDA and operating profit.



Why to invest in Talenom

1. Clearly faster growth than on the market and scalable profitability
2. Technological competence brings a clear competitive edge
3. Lasting customer relationships and high share of continuous business provide predictability
4. Strong position on the Finnish core market
5. Growth potential from internationalisation and small customer concept



TALENOM

Thank you

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