

# Talenom Annual General Meeting 2025

CEO's review

Otto-Pekka Huhtala, 19 March 2025

# TALENOM

# Content

- Review period
- Strategy progress
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# Moderate net sales growth, improving EBITDA and software business separation marked year 2024

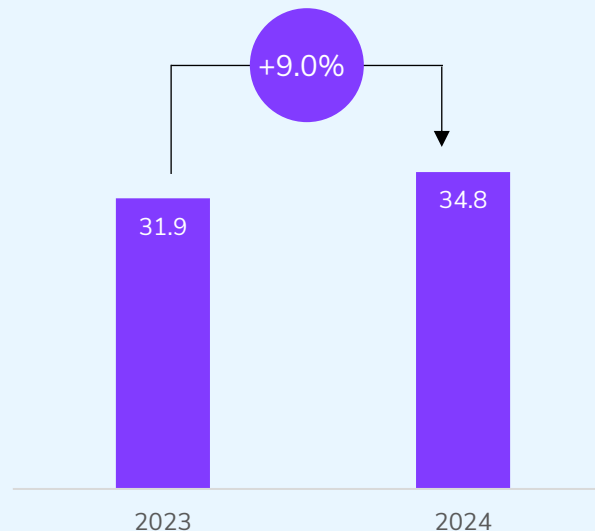
The weak economic cycle and the Swedish integration slowed down growth

Net sales January-December (EUR million)



EBITDA improved due to efficiency measures in Finland and higher volumes in the Spanish business

EBITDA January-December (EUR million)



Strategy was updated in October 2024

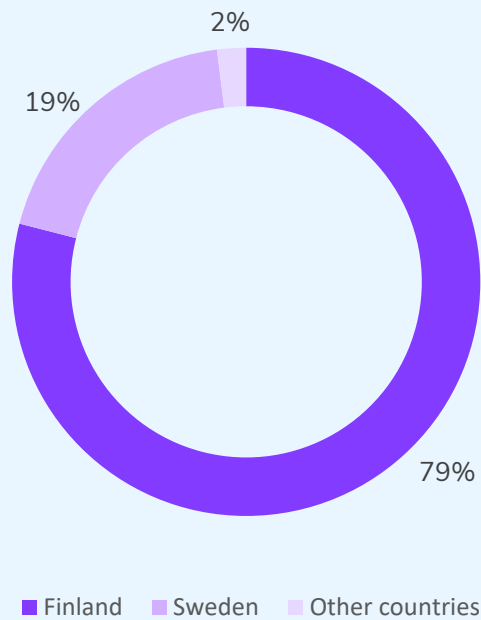
**The core of our business remains the same:**  
Our competitive advantage is based on a comprehensive approach, considering the entire value chain through own software and services.

**There are two major changes in the strategy update:**

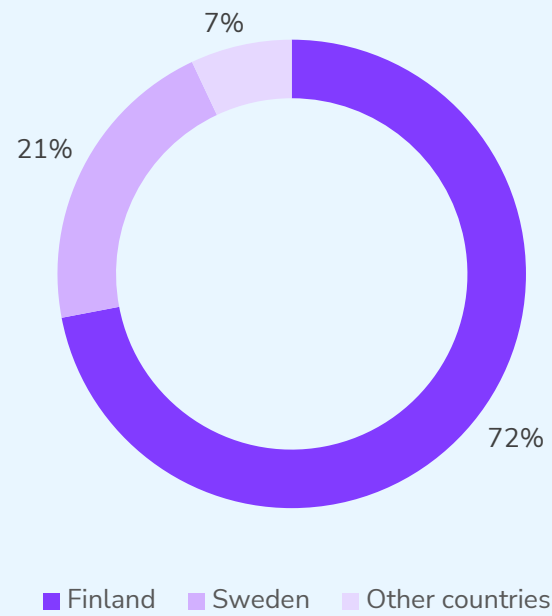
1. The software business will form a second strategic pillar going forward and we will start offering our software also to other accountants, accounting firms and their customers.
2. We will transfer other service areas outside our core business to our strategic partners, and our customers will receive comprehensive services through our partner ecosystem in the future. We abandoned debt collection services in late 2024 and renewed the cooperation agreement for banking services to correspond with the strategy.

Internationalisation has progressed as planned. We are focusing our business operations on our current target markets: Finland, Sweden, Spain and Italy

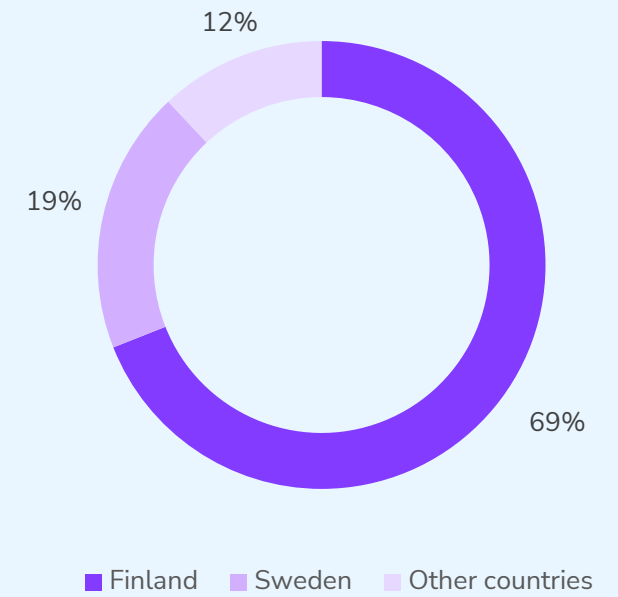
Net sales distribution 1–12/2022



Net sales distribution 1–12/2023



Net sales distribution 1–12/2024



## Strategy progress 1–12/2024

### 01. Improving efficiency

- We improved the absolute EBITDA by EUR 2.9 million and the relative EBITDA by 1.3 percentage points, but we missed our target mainly due to the economic cycle in Finland and Sweden.

### 02. Platform roll-out in Sweden

- In Sweden, we managed to migrate the remaining targeted 50% of customers to our accounting system during the latter part of the year. Systematic accounting production for these customers will begin in 2025.
- We expect systems, operating models, processes and One Talenom benefits to be visible in Sweden as improving financial performance during the second half of 2025.

### 03. Organic growth

- Overall, we succeeded in acquiring new customers and generating additional sales to existing customers as targeted. Despite record-high new sales, the economic slowdown significantly impacted net sales development, as the average net sales per customer decreased and customers' business closures reached record levels while other churn remained at a normal level. To develop our long-term scalable growth capability, we began incorporating our own software and offering it to customers outside Talenom's accounting firm clientele.

# Strategy progress




Target state

# Growth.

We want to focus on our core competencies and promote scalable growth.



A man with a beard and glasses, wearing large blue headphones, is focused on his work in a workshop. He is wearing a blue denim shirt and is positioned in front of a piece of machinery. The background shows wooden shelves and various tools, creating a professional and industrial atmosphere.

## Key market trends accelerating growth

01.

Legislation and market trends are driving digitalization (PSD2, e-invoicing, e-receipts, EU Green Transition).

02.

Customer behavior is changing towards digital platforms.

03.

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



# The European accounting market and its evolution

- Market size is around EUR 100 billion, of which Finland represents ~1%, Sweden ~2%, Spain ~10% and Italy ~10%.
- The **digitalization** is accelerated by many structural changes:
  - **Labour shortages together with increasing regulation** forces us to seek more effective practices.
  - The introduction of the **e-invoicing directive in the EU** will force every company to implement software that enables sending and receiving e-invoices.
- The transformation accelerated by digitalization offers a pioneer the opportunity to grow, and Talenom has decided to exploit this growth potential.



## Updated strategy

# A.

The core remains unchanged:  
Our competitive advantage is based on a comprehensive approach, considering the entire value chain through own software and services.

Ease, automation and care will continue to be the foundation of our business in the future.

~85% of net sales

# B1.

First change:  
We separate the software business into its own company and begin offering our software to other accounting firms and their customers.

~15% of net sales

# B2.

Second change:  
We focus on our core expertise by transferring all non-accounting services and products like debt collection, banking and financial services to our partners.

Less than 1% of net sales

Updated strategy is focused on the core expertise

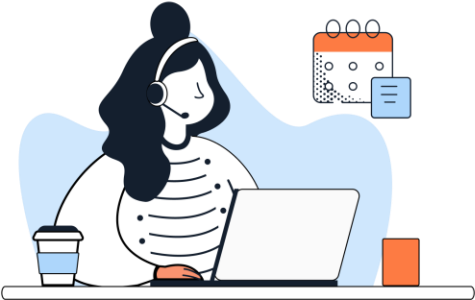


Automation





"We help entrepreneurs succeed"

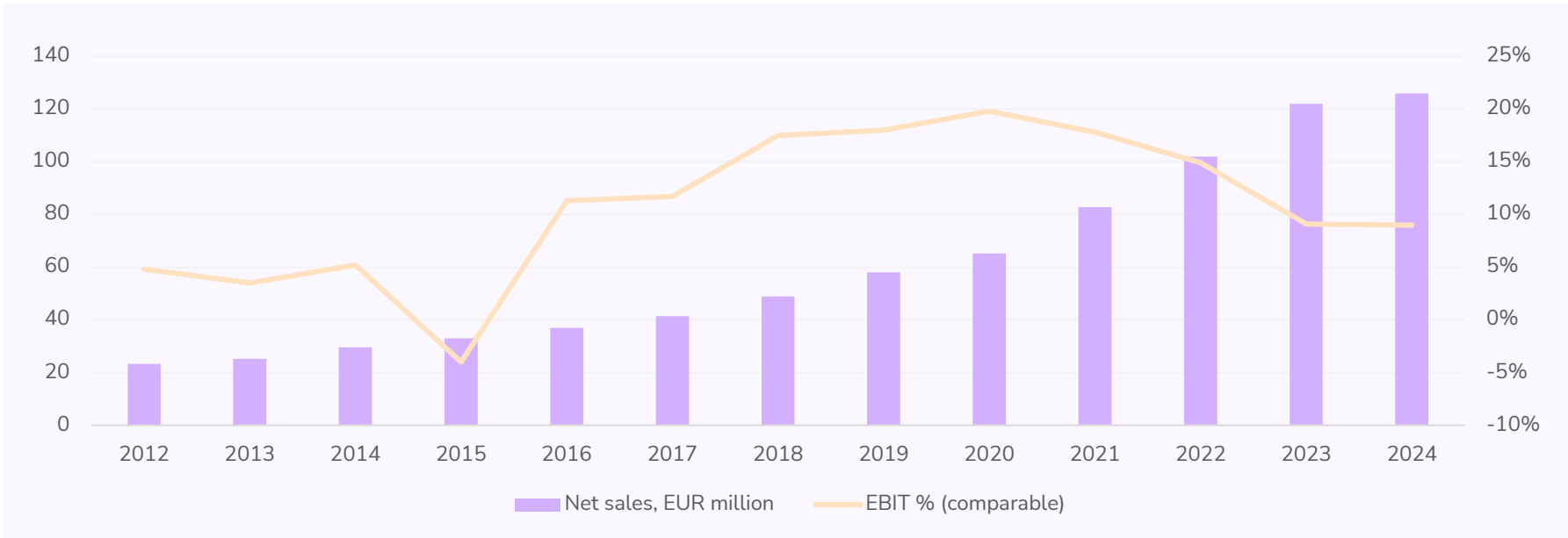
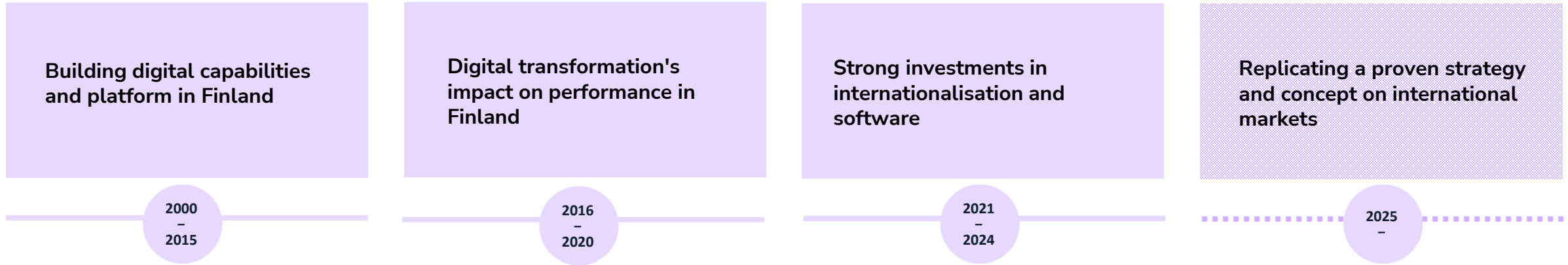
Care



Our values

-  Courage
-  Will
-  Care

# Proven strategy and strong historical track record – high investment phase is over



- Capabilities for profitable growth created in Sweden
- Well-positioned in Spain to benefit from the e-invoicing reform
- Focusing on core business
- Software business becomes a second pillar alongside the service business

## Long-term financial targets

>20%

annual software business net  
sales growth

>10%

annual service business net  
sales growth



## Strategic focus areas for 2025

# 01.

Improving profitability in Sweden.

Systematic implementation of the software, processes and the ONE Talenom operating model.

# 02.

Leveraging the entry into force of the Spanish e-invoicing directive.

The mandatory introduction of e-invoicing forces companies to receive and send e-invoices. Customers must acquire software for this purpose, which creates a rare demand spike for software and accounting services.

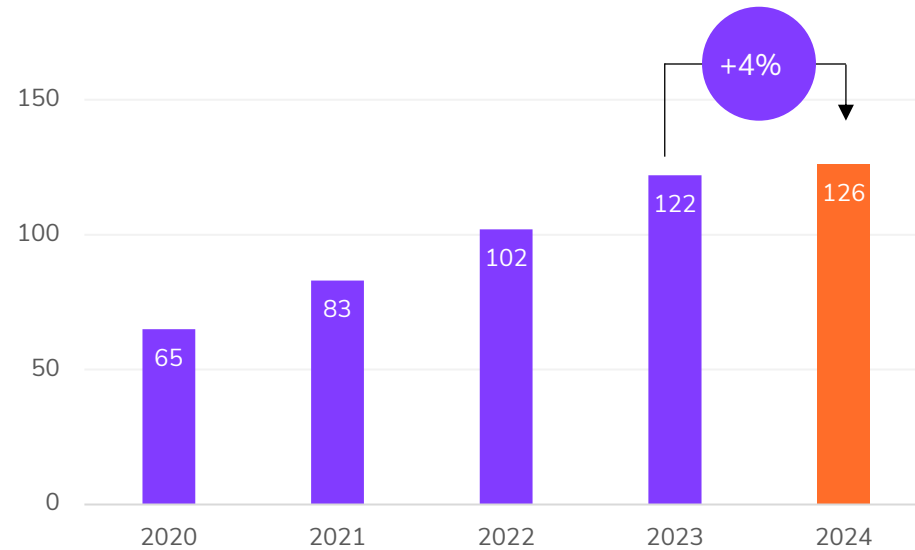
# 03.

Building sales channels and developing SaaS capabilities in the software business.

Finances

# The Group's full-year net sales grew moderately

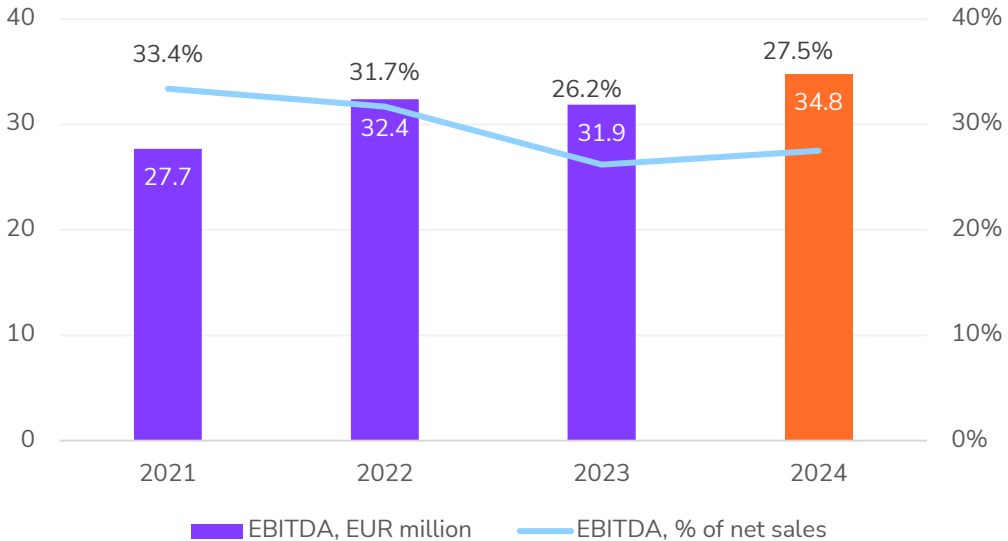
Net sales in January-December (EUR million)



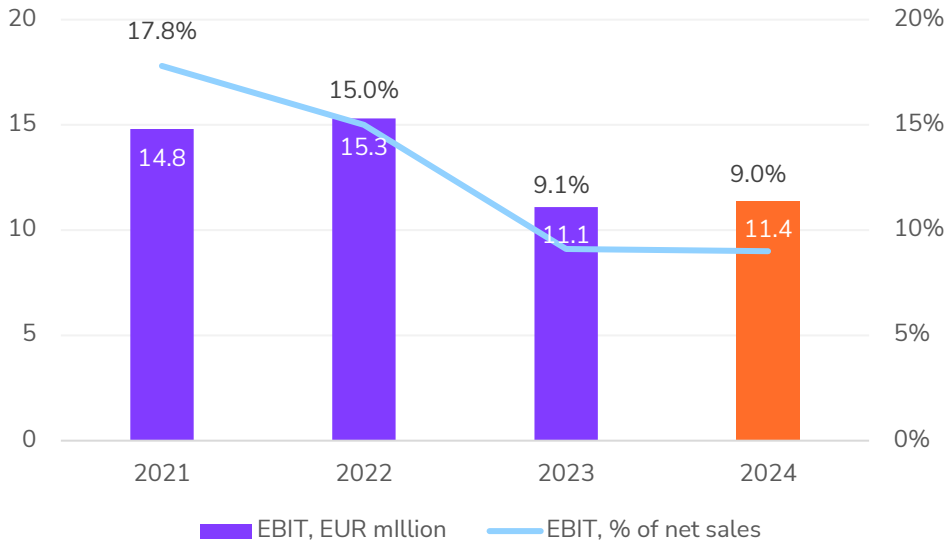
- The net sales growth was mainly due to acquisitions in Spain.
- Despite record-high new sales, the economic slowdown significantly impacted net sales development.

# The Group's EBITDA improved, comparable operating profit at the comparison period level

EBITDA in January-December



Operating profit\* in January-December



- The majority of the improvement in EBITDA came from Finland and Spain. Development in Sweden slowed down the improvement in Group profitability as revenue there remained lower than in the comparison period and due to one-off costs related to the formation of the software business.

- The Group's comparable operating profit improved slightly, but its development was slowed by increased amortisation of software investments.

\* comparable operating profit

# Outlook and guidance



# Outlook and guidance for 2025

## Guidance same as before (published 13 December 2024)

- Net sales around EUR 130–140 million
- EBITDA around EUR 36-42 million

## Background for the guidance

- Talenom expects demand in the accounting services market to remain stable in all of the company's operating countries in 2025. Market conditions affecting the company are estimated to remain unchanged in Finland and Sweden in the first half of 2025 and to pick up during the second half of the year.
- In addition to organic growth, the guidance includes an estimate of possible acquisitions to be completed during 2025. In addition, consolidation in the industry is expected to continue, driven by, for instance, the digital revolution and tightening legislation in electronic financial management. Expansion into new market areas has enabled long-term growth for the company. Acquisitions are focused on strategically significant targets. Talenom expects profitability to improve driven by uniform processes and automation.



# TALENOM

Thank you

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