

Professional Business Support Services

Key data

Price (EUR)*	11.9
Country	Finland
Bloomberg	TNOM.FH
Reuters	TNOM.HE
Free float	59.6%
Market cap (EURm)	522
Net debt (current Y/E) (EURm)	46
No. of shares (m)	43.9
Next event	Q3: 25-Oct

* Price as at 12:42 EET on 2 August 2022

CEO Otto-Pekka Huhtala
CFO Matti Elonen

Company description

Talenom is an accounting services company operating in Finland, Sweden and Spain. Talenom offers a wide range of accountancy and other services including tax and legal advisory, banking services and financial management tools for SMEs. Talenom has over 1000 employees and 55 locations, and provides accounting through its proprietary in-house software. The company is headquartered in Oulu, Finland.

Ownership structure

Harri Tahkola	17.7%
Markus Tahkola	10.8%
SEB Funds	6.6%
Allianz Vie S.A.	5.0%
Danske Invest	4.2%

Source: Company data (30 July 2022)

Estimate changes

	22E	23E	24E
Sales	0.2%	0.2%	0.2%
EBITDA	1.7%	0.5%	-0.1%
EBIT (adj.)	3.2%	0.6%	-0.4%
EPS (adj.)	n.m.	n.m.	n.m.

Source: Danske Bank Equity Research estimates

Analyst(s)

Daniel Lepistö

Find our research here:
<https://research.danskebank.com>

Important disclosures and certifications are contained from page 8 of this report

Talenom

Strong results and high ambitions continue

Talenom reported strong Q2 22 numbers with sales of EUR27m (+26% y/y, 2% above FactSet consensus) and EBIT of EUR5.1m (19% margin, 13% above consensus). Organic growth accelerated to 11-12%. We reiterate our view that Talenom is an impressive growth case in a highly defensive industry, but note that the valuation has become more demanding compared with peers. We raise our 12M fair value range to EUR12.0-14.0.

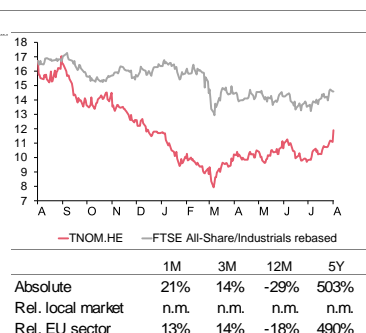
- Impact on the investment case.** Positive. Sales growth, especially organic, was above our expectations, with 11-12% organic growth during the period. In Finland, the majority (85%) of growth (+16% y/y) was organic, as the number of local acquisitions has moderated considerably of late. Talenom has clearly moved its inorganic growth focus to Sweden and Spain, and potentially to a new fourth market over time. In H2, the investments in sales growth, localisation of Talenom's own software and possible further acquisitions may burden profitability comps somewhat, but profitability guidance is unchanged.
- Nomo Fintech acquisition emphasises current ambitions.** In late June, Talenom acquired a Spanish Fintech platform, Nomo, which provides a digital platform for accounting and tax planning. The platform is aimed at SMEs and the self-employed, sharing similarities with Talenom's current freemium platform TiliJaska. Over time, Talenom says it plans to unify the platforms and brands, but short term we see the acquisition as a clear signal that Talenom seeks to be even more tech focused, enabling cost-efficient and high-quality service production while addressing the difficult-to-serve SME space.
- Estimate changes.** We raise our 2022 estimates due to the Q2 earnings beat, and make various other minor adjustments.
- Valuation.** We raise our fair value range to EUR12.0-14.0, from EUR11.0-13.0, on the back of higher estimates and peer multiples. Talenom is trading currently at a 15-30% discount to Nordic SaaS peers on EV/EBITDA and EV/EBIT, which we argue is unwarranted. However, we note that the short-term upside now appears more limited, as the gap to peers has narrowed somewhat. Longer term, we remain positive on Talenom's ability to show sustained growth in the highly defensive accounting services market.

Key financials

Year-end Dec (EUR)	2020	2021	2022E	2023E	2024E
Revenues (m)	65.2	82.8	106	120	134
Revenues growth	12.4%	27.1%	27.6%	13.2%	12.0%
EBITDA (m)	23.3	27.7	33.9	39.4	46.2
EBIT adj. (m)	12.9	14.8	16.7	20.4	26.3
EBIT growth	23.7%	14.6%	13.0%	22.0%	29.1%
Pre-tax profit (m)	12.0	14.0	15.6	19.1	25.0
EPS adj.	0.22	0.25	0.29	0.35	0.46
DPS	0.15	0.17	0.18	0.19	0.20
Dividend yield	1.0%	1.5%	1.5%	1.6%	1.7%
FCFE yield (pre-IFRS16)	0.9%	0.3%	0.6%	3.0%	4.0%
EBIT margin (adj.)	19.8%	17.8%	15.8%	17.0%	19.6%
Net debt/EBITDA (x)	1.2	1.4	1.3	1.0	0.6
ROIC	18.1%	15.5%	14.5%	16.5%	20.9%
EV/sales (x)	10.4	6.7	5.4	4.7	4.1
EV/EBITDA (adj.) (x)	29.2	20.0	16.8	14.3	11.9
EV/EBIT (adj.) (x)	52.7	32.7	28.3	23.2	18.2
EV/EBIT (adj.) (x)	52.7	37.4	34.0	27.6	21.0
P/E (adj.) (x)	67.9	47.2	41.7	34.2	25.8

Source: Company data, Danske Bank Equity Research estimates

Price performance



Source: FactSet

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Q2 22 review

Talenom reported strong Q2 numbers with sales of EUR27m (+26% y/y, 2% above FactSet consensus), EBIT of EUR5.1m (19% margin, 13% above consensus). Close to half of sales growth was organic, translating to around 11-12%. Talenom's profitability remained excellent despite weaker profitability in acquired businesses, and increased depreciation levels. In Finland, organic growth represented some 85% of total growth (of +16% y/y), while EBITDA margin improved to 40%.

In Sweden, growth was again mainly inorganic (+77% y/y) but commentary on the new customer acquisitions remained positive. Profitability was solid (16% EBITDA margin), which we expect to weaken somewhat later this year due to software localisation and other growth investments in Sweden. The company restated its previous guidance of EUR100m-110m sales with EUR15m-18m EBIT, which we believe leaves open the possibility of a guidance upgrade later this year, if the costs of software localisation are managed well or if Talenom makes more new notable acquisitions.

Table 1: Deviation between Q2 results and estimates

EURm	Actual	Danske	Diff %	Consensus (FactSet)		Q2 21
	Q2 22	Q2 22E		Q2 22E	Diff %	
Sales	27.0	26.8	1%	26.6	2%	21.4
EBIT	5.1	4.5	13%	4.5	13%	4.1
Net profit or loss	4.1	3.4	20%	3.4	21%	3.1
Basic EPS	0.09	0.08	16%	0.08	13%	0.07
						0
Sales growth	26.3%	25.5%		24.4%		16.5%
EBIT growth	23.2%	8.9%		8.7%		34.1%
EBIT-margin	18.9%	16.8%		16.9%		19.4%

Source: Company data, FactSet consensus, Danske Bank Equity Research estimates

Table 2: Quarterly and annual financials

EURm	2020	Q1 21	Q2 21	Q3 21	Q4 21	2021	Q1 22	Q2 22	Q3 22E	Q4 22E	2022E	2023E
Sales	65.2	20.3	21.4	19.4	21.8	82.8	25.2	27.0	25.1	28.4	105.7	119.6
Growth y/y	12.4%	17.0%	29.6%	30.4%	32.2%	27.1%	24.1%	26.2%	29.5%	30.5%	27.6%	13.2%
Personnel costs	-33.9	-10.8	-11.5	-10.1	-12.2	-44.6	-13.4	-14.2	-13.3	-16.2	-57.1	-63.5
% of sales	-52.1%	-53.2%	-54.0%	-52.1%	-56.1%	-53.9%	-53.2%	-52.6%	-53.1%	-57.1%	-54.1%	-53.1%
Materials and services	-2.5	-0.5	-0.8	-0.8	-0.9	-3.1	-0.9	-0.9	-1.0	-1.1	-3.9	-4.1
Other costs	-5.6	-1.9	-2.0	-2.1	-2.3	-8.2	-2.6	-2.6	-3.1	-3.0	-11.2	-13.2
EBITDA	23.3	7.2	7.2	6.7	6.6	27.7	8.9	9.3	7.7	8.1	33.9	39.4
EBITDA margin	35.7%	35.4%	33.7%	34.5%	30.3%	33.4%	35.2%	34.3%	30.6%	28.5%	32.1%	32.9%
D&A	-10.4	-2.5	-2.6	-2.7	-2.6	-2.8	-2.8	-3.1	-3.2	-3.8	-12.9	-17.2
EBIT	12.9	4.4	4.1	3.4	2.8	14.8	4.9	5.1	3.3	3.4	16.7	20.4
EBIT margin	19.8%	21.7%	19.4%	17.8%	12.7%	17.8%	19.3%	18.9%	13.2%	12.1%	15.8%	17.0%
Net financials	-0.9	-0.2	-0.3	-0.2	-0.2	-0.8	-0.2	-0.3	-0.2	-0.2	-1.0	-1.2
Pre-tax profit	12.0	4.2	3.8	3.3	2.6	14.0	4.7	4.8	3.1	3.3	15.6	19.1
Taxes	-2.4	-0.7	-0.7	-0.6	-0.4	-3.2	-0.9	-0.8	-0.8	-0.8	-3.1	-3.8
Tax rate	20.3%	16.6%	18.6%	18.9%	15.6%	22.9%	19.2%	16.3%	24.0%	23.2%	20.0%	20.0%
Net income	9.6	3.5	3.1	2.7	2.2	10.8	3.8	4.0	2.4	2.5	12.5	15.3

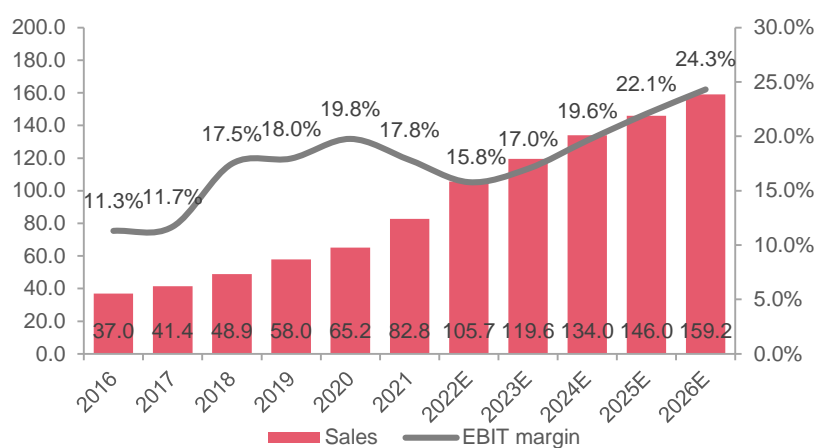
Source: Company data, Danske Bank Equity Research estimates

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Executive summary

We see Talenom as a growth case driven by market share gains in fragmented and non-cyclical end-markets in accounting services. The company operates in Finland, Sweden and most recently Spain. Over 90% of Talenom's revenue is recurring and we expect the company to maintain its organic sales CAGR of over 10% in the coming years. The company's current appetite for M&A is driven by both its international expansion strategy and ability to convert acquired local (Finnish) businesses to its current profitability level, due to its largely automated in-house accounting software. In our view, Talenom will continue to acquire smaller accounting firms, mostly for their existing customer bases, which is set to drive revenues near term but keep the company's profitability expansion modest. We discussed our view on Talenom in detail in our longer report, *Talenom A winning growth model with inorganic support*, 16 June 2021.

Chart 1: Talenom sales (EURm) and EBIT margin



Source: Company data, Danske Bank Equity Research estimates

Differentiating model in a conservative industry

Talenom is a Finnish accounting service provider that has the following three elements to its strategy. 1) Talenom aims to provide easy and automated financial accounting for customers, which are mainly smaller companies. 2) Talenom has its own in-house software, which has largely automated the bookkeeping process, improving profitability and eliminating Talenom's dependency on third-party accounting software firms. 3) With increased automation, Talenom aims to provide more value-added services to its existing customers, including hourly-paid financial consulting and other tax, legal and advisory services.

Talenom's own accounting software has been developed for over 10 years and the high automation increases process efficiency, which significantly improves accountant productivity, enabling faster processes and a higher capacity of firms for accountants to oversee. Moreover, the streamlined accounting process enables Talenom to create value through M&A, as the company is able to convert acquired local companies to Talenom's own profitability within three years, according to management estimates. This allows Talenom to purchase recurring revenue with low risk and maintain its sales growth even in times of weakening organic growth.

Talenom's main strategic choices include investing heavily in own software development and automation of operations and it has developed a scalable bookkeeping production line, with dedicated teams for different industries. This has improved company profitability and releases people for value-added consultancy work. Organic growth is seen by management as the best way to grow due to lower total cost, but the significant salesforce (up to 15% of personnel) burdens the cash flow (costs are partly capitalised so they are not fully visible in the income

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statement). Talenom's core business is stable with >90% recurring revenues, low customer churn and long contracts.

Valuation

We raise our 12M valuation range for Talenom to EUR12-14 (previously EUR11-13), due to upward estimate revisions and higher peer multiples, but overall note that the current upside potential is somewhat more limited than before, as the gap to peers has narrowed somewhat. In our view, in the medium term, Talenom's small company solutions are set to support organic growth and continued bolt-on acquisitions should keep reported sales growth at a high level.

Table 3: Peer group comparison

Company	Ticker	Mkt cap EURm (lcl ccy)	Price	EV/Sales			EV/EBITDA			EV/EBIT			P/E		
				2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
Nordic Information services															
Enento Group Oyj	ENENTO FH	553	23.00	4.2	4.0	3.8	11.6	10.9	9.7	18.7	16.6	13.2	20.7	17.9	14.3
Karnov Group AB	KAR SS	674	64.70	5.6	3.1	3.0	15.8	11.6	9.8	18.0	12.5	10.8	23.3	16.0	13.5
Aallon Group Oyj	AALLON FH	38	9.78	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Nordic SaaS software															
Admicom Oyj	ADMCM FH	294	59.00	9.3	8.1	7.3	20.2	17.5	15.6	24.8	21.2	18.6	33.0	27.5	23.1
Basware Oyj	BAS1V FH	572	39.55	3.9	3.7	3.4	52.7	22.5	19.0	80.3	52.2	38.4	232.6	94.2	56.5
Fortnox AB	FNOX SS	3,278	55.64	26.6	20.0	15.4	57.5	41.7	31.2	71.7	49.1	36.3	94.9	65.0	47.3
Heeros Oyj	HEEROS FH	19	3.56	1.7	1.6	1.4	9.1	7.8	6.5	n.a.	53.5	19.4	76.7	27.4	17.2
Lemonsoft Oyj	LEMON FH	230	12.50	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	41.7	31.3	26.0
Lime Technologies AB	LIME SS	370	289.20	8.5	7.3	6.4	26.8	22.7	20.4	45.4	35.6	30.3	43.5	34.4	30.1
Simcorp A/S	SIM DC	2,845	523.40	5.2	4.9	4.4	19.6	17.4	15.8	21.8	19.3	17.1	27.9	24.5	20.9
Nordic SaaS software				6.8	6.1	5.4	23.5	20.0	17.4	45.4	42.3	24.9	43.5	31.3	26.0
Nordic Information services				4.9	3.6	3.4	13.7	11.3	9.7	18.4	14.5	12.0	22.0	16.9	13.9
Peer group median				5.4	4.4	4.1	19.9	17.5	15.7	24.8	28.4	19.0	41.7	27.5	23.1
Talenom	TNOM FH	543	12.08	5.4	4.8	4.2	17.0	14.5	12.1	34.5	28.0	21.3	42.4	34.7	26.2
Vs Nordic SaaS software				-20%	-22%	-23%	-28%	-28%	-31%	-24%	-34%	-14%	-3%	11%	1%
Vs Nordic Information services				12%	34%	22%	24%	28%	25%	88%	92%	77%	93%	105%	89%
Vs Peer group median				1%	8%	2%	-15%	-17%	-23%	39%	-1%	12%	2%	26%	14%

Prices as of 15:10 EET on 2 August 2022

Source: FactSet (peers), Danske Bank Equity Research estimates (Talenom)

At our fair value mid-point, Talenom would trade on par with/slightly below the Nordic SaaS players, and clearly below the high-growth, high-margin peer Fortnox. We believe that a valuation clearly below Fortnox is warranted, but overall Talenom has similar long-term structural drivers in its business to Fortnox, in addition of being able to provide the accounting service, alongside the software.

Table 4: Valuation range

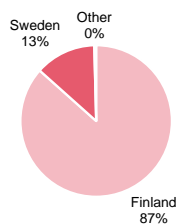
	Share price, EUR				
2022E	11.0	12.0	13.0	14.0	15.0
EV/Sales (x)	4.9	5.3	5.7	6.1	6.6
EV/EBITDA (x)	15.3	16.6	17.9	19.2	20.5
EV/EBIT (x)	31.1	33.7	36.3	39.0	41.6
P/E (x)	38.6	42.1	45.6	49.1	52.6
2023E	11.0	12.0	13.0	14.0	15.0
EV/Sales (x)	4.3	4.7	5.0	5.4	5.8
EV/EBITDA (x)	13.1	14.2	15.3	16.4	17.5
EV/EBIT (x)	25.3	27.5	29.6	31.8	33.9
P/E (x)	31.6	34.4	37.3	40.2	43.1

Source: Danske Bank Equity Research estimates

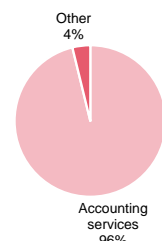
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Company summary

Sales breakdown by geographical area



Sales breakdown by division



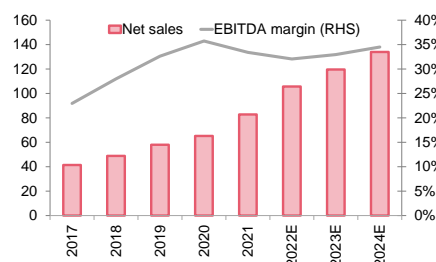
Company information

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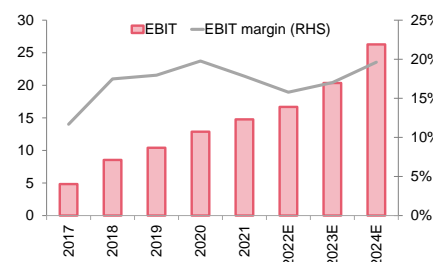
Main shareholders

Name	Votes (%)	Capital (%)
Harri Tahkola	17.7%	17.7%
Markus Tahkola	10.8%	10.8%
SEB Funds	6.6%	6.6%
Allianz Vie S.A.	5.0%	5.0%
Danske Invest	4.2%	4.2%

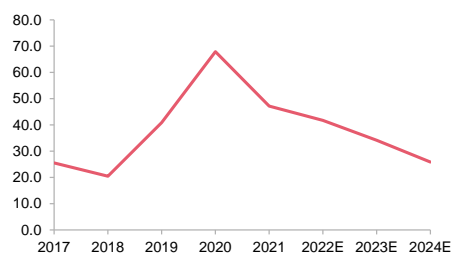
Net sales and EBITDA margin (EURm)



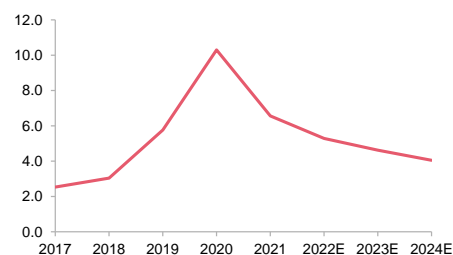
EBIT and EBIT margin (EURm)



P/E NTM (x)



EV/sales NTM (x)



Source: FactSet, Company data, Danske Bank Equity Research estimates

Summary tables

INCOME STATEMENT

Year end Dec, EURm	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Net sales	33.0	37.0	41.4	48.9	58.0	65.2	82.8	106	120	134
Cost of sales & operating costs	-28.4	-30.5	-32.3	-35.9	-39.4	-42.0	-55.9	-72.3	-80.7	-88.2
EBITDA	4.9	6.8	9.5	13.7	18.9	23.3	27.7	33.9	39.4	46.2
EBITDA, adj.	4.9	6.8	9.5	13.7	18.9	23.3	27.7	33.9	39.4	46.2
Depreciation	-6.2	-2.6	-0.7	-0.7	-2.5	-2.9	-3.6	-3.9	-4.1	-4.3
EBITA	-1.3	4.2	4.8	8.5	10.4	12.9	16.9	20.0	24.2	30.3
EBIT incl. EO, bef. ass.	-1.3	4.2	4.8	8.5	10.4	12.9	14.8	16.7	20.4	26.3
EBIT, adj.	-0.3	4.2	5.2	8.5	10.4	12.9	14.8	16.7	20.4	26.3
Financial items, net	-1.1	-0.6	-0.5	-0.6	-0.8	-0.9	-0.8	-1.0	-1.2	-1.2
Pre-tax profit	-2.5	3.6	4.3	8.0	9.6	12.0	14.0	15.6	19.1	25.0
Taxes	0.0	-0.7	-0.9	-1.6	-2.0	-2.4	-3.2	-3.1	-3.8	-4.8
Net profit, rep.	-2.4	2.9	3.4	6.4	7.6	9.6	10.8	12.5	15.3	20.2
Net profit, adj.	-1.5	2.9	3.7	6.4	7.6	9.6	10.8	12.5	15.3	20.2

CASH FLOW

EURm	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
EBITDA	4.9	6.8	9.5	13.7	18.9	23.3	27.7	33.9	39.4	46.2
Change in working capital	0.1	-0.1	0.5	-0.5	1.4	1.4	-0.2	0.9	1.1	1.1
Net interest paid	-0.8	0.0	0.1	0.1	0.1	0.1	0.1	-1.0	-1.2	-1.2
Taxes paid	0.0	0.0	-0.4	-1.1	-2.4	-1.9	-2.9	-3.1	-3.8	-4.8
Other operating cash items	0.0	0.1	0.1	0.1	0.3	0.6	0.9	0.6		
Cash flow from operations	4.1	6.8	9.9	12.2	18.3	23.4	25.6	31.2	35.5	41.3
Capex	-8.4	-5.2	-7.4	-8.4	-11.3	-15.4	-16.8	-17.5	-17.8	-18.3
Div to min										
Free cash flow	-4.3	1.6	2.4	3.8	7.1	8.1	8.8	13.7	17.6	23.0
Disposals/(acquisitions)		-0.4		-0.5	-1.8	-2.2	-7.6	-11.0	-2.2	-2.4
Free cash flow to equity	-4.3	1.2	2.4	3.3	5.2	5.9	1.2	2.6	15.4	20.6
Dividend paid		-0.5	-1.4	-2.2	-3.8	-5.4	-6.6	-7.5	-7.9	-8.3
Share buybacks	0.0									
New issue common stock	6.6			-0.2		1.9				
Incr./(decr.) in debt	2.1	-1.0		1.0			10.0	21.0	2.2	2.4
Minorities & other financing CF	-0.6	-0.7	-0.5	-0.9	0.4	-1.0	-3.6	-2.0	-1.8	-1.8
Cash flow from financing	8.1	-2.2	-1.9	-2.3	-3.4	-4.6	-0.2	11.6	-7.5	-7.7
Disc. ops & other										
Incr./(decr.) in cash	3.8	-1.0	0.5	1.0	1.9	1.3	1.0	14.3	8.0	12.9

BALANCE SHEET

EURm	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Cash & cash equivalents	5.4	4.3	4.9	5.9	7.8	9.1	10.1	24.4	32.3	45.2
Inventory										
Trade receivables	4.4	4.8	5.5	5.5	6.5	7.1	9.8	11.6	13.2	14.7
Other current assets		0.1	0.0	0.0						
Goodwill	18.4	18.4	18.4	18.4	20.7	24.0	37.3	41.7	42.6	43.5
Other intangible assets	9.8	6.7	7.8	10.5	14.9	22.9	36.3	44.6	47.0	49.2
Fixed tangible assets	2.1	2.5	2.5	2.2	2.6	2.5	2.8	3.2	2.7	2.0
Associated companies										
Other non-current assets	0.4	5.2	6.8	8.7	10.4	11.4	12.7	12.2	12.2	12.2
Total assets	40.5	42.0	45.9	51.2	71.3	84.9	118	146	159	176
Shareholders' equity	9.9	11.7	13.9	18.7	23.6	32.2	44.7	49.8	57.2	69.0
Of which minority interests										
Current liabilities	7.1	7.5	8.9	8.6	10.7	13.3	19.7	22.4	25.0	27.8
Interest-bearing debt	23.5	22.7	22.6	23.6	28.1	30.0	40.2	61.2	63.4	65.8
Pension liabilities										
Oth non-curr. liabilities		0.4	0.4	0.3	0.5	1.3	4.2	4.2	4.2	4.2
Total liabilities	30.6	30.6	32.0	32.5	47.8	52.8	73.0	96.6	101	107
Total liabilities and equity	40.5	42.3	45.9	51.2	71.3	84.9	118	146	159	176
Net debt	18.1	18.4	17.8	17.7	20.3	20.9	30.1	36.8	31.1	20.6

Source: Company data, Danske Bank Equity Research estimates

Summary tables

PER SHARE DATA	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
No. of shares, fully diluted (y.e.) (40.9	40.9	40.9	41.2	41.8	43.2	43.9	43.9	43.9	43.9
No. of shares, fully diluted (avg.)	40.9	40.9	40.9	41.1	41.5	43.2	43.5	43.9	43.9	43.9
EPS (EUR)	-0.06	0.07	0.08	0.16	0.18	0.22	0.25	0.29	0.35	0.46
EPS adj. (EUR)	-0.04	0.07	0.09	0.16	0.18	0.22	0.25	0.29	0.35	0.46
DPS (EUR)	0.01	0.03	0.05	0.09	0.13	0.15	0.17	0.18	0.19	0.20
CFFO/share (EUR)	0.1	0.2	0.2	0.3	0.4	0.5	0.6	0.7	0.8	0.9
Book value/share (EUR)	0.24	0.29	0.34	0.45	0.56	0.74	1.02	1.13	1.30	1.57
MARGINS AND GROWTH	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
EBITDA margin	14.8%	18.5%	23.0%	28.0%	32.6%	35.7%	33.4%	32.1%	32.9%	34.5%
EBITA margin	-4.0%	11.3%	11.7%	17.5%	18.0%	19.8%	20.4%	19.0%	20.2%	22.6%
EBIT margin	-4.0%	11.3%	11.7%	17.5%	18.0%	19.8%	17.8%	15.8%	17.0%	19.6%
EBIT adj margin	-1.0%	11.3%	12.4%	17.5%	18.0%	19.8%	17.8%	15.8%	17.0%	19.6%
Sales growth		12.0%	12.1%	18.0%	18.6%	12.4%	27.1%	27.6%	13.2%	12.0%
EBITDA growth		39.9%	39.4%	43.8%	38.3%	23.1%	18.8%	22.4%	16.3%	17.3%
EBITA growth		n.m.	15.9%	76.5%	21.8%	23.7%	30.8%	18.8%	20.8%	25.3%
EPS adj growth		n.m.	28.3%	70.2%	18.3%	20.9%	11.9%	15.0%	22.1%	32.1%
PROFITABILITY	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
ROIC (after tax, incl. GW, adj.)	-2.4%	11.5%	13.2%	20.0%	18.9%	18.1%	15.5%	14.5%	16.5%	20.9%
ROIC (after tax, excl. GW, adj.)	-6.8%	31.2%	32.5%	43.2%	33.6%	29.6%	26.3%	25.2%	28.4%	36.2%
ROE (adj.)	-29.4%	26.8%	29.0%	39.0%	36.0%	34.4%	28.1%	26.5%	28.6%	32.0%
ROIC (adj.) - WACC	-10.2%	3.6%	5.3%	12.1%	11.0%	10.2%	7.7%	6.7%	8.6%	13.0%
MARKET VALUE	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Share price (EUR)	0.88	1.20	2.13	3.18	7.50	15.1	11.7	11.9	11.9	11.9
No. shares reduced by buybacks	40.9	40.9	40.9	41.2	41.8	43.2	43.9	43.9	43.9	43.9
Mkt cap used in EV (m)	36	49	87	131	314	650	513	522	522	522
Net debt, year-end (m)	18	18	18	18	29	29	39	46	40	29
MV of min/ass and oth (m)	0	0	0	0	0	0	0	0	0	0
Enterprise value (m)	54	67	105	149	343	679	552	568	562	551
VALUATION	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
EV/sales (x)	1.64	1.82	2.53	3.04	5.91	10.42	6.66	5.37	4.70	4.12
EV/EBITDA (x)	11.1	9.9	11.0	10.9	18.1	29.2	20.0	16.8	14.3	11.9
EV/EBITA (x)	n.m.	16.1	21.7	17.4	32.9	52.7	32.7	28.3	23.2	18.2
EV/EBIT (x)	n.m.	16.1	20.4	17.4	32.9	52.7	37.4	34.0	27.6	21.0
P/E (reported) (x)	n.m.	16.9	25.5	20.5	40.9	67.9	47.2	41.7	34.2	25.8
P/E (adj.) (x)	n.m.	16.9	23.4	20.5	40.9	67.9	47.2	41.7	34.2	25.8
P/BV (x)	3.61	4.19	6.25	7.00	13.3	20.2	11.5	10.5	9.13	7.56
EV/invested capital (x)	5.6	5.7	7.8	8.2	10.7	17.8	11.0	9.8	9.6	9.3
Dividend yield	1.33%	2.78%	2.50%	2.89%	1.67%	1.00%	1.45%	1.51%	1.60%	1.68%
Total yield (incl. buybacks)	-1.34%	2.78%	2.50%	2.89%	1.67%	1.00%	1.45%	1.51%	1.60%	1.68%
FCFE-yield	-12.13%	3.27%	2.79%	2.90%	2.26%	1.24%	1.71%	2.62%	3.38%	4.41%
FINANCIAL RATIOS	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Net debt/EBITDA (x)	3.7	2.7	1.9	1.3	1.5	1.2	1.4	1.3	1.0	0.6
Net debt/equity (x), year-end	1.8	1.6	1.3	0.9	1.2	0.9	0.9	0.9	0.7	0.4
Dividend payout ratio	n.m.	46.9%	63.9%	59.1%	68.2%	67.7%	68.6%	63.1%	54.5%	43.4%
Interest coverage (x)	-1.2	7.2	8.1	13.5	12.4	15.0	19.2	16.0	16.3	21.0
Cash conversion (FCF/net profit)	n.m.	55.3%	71.2%	59.8%	93.0%	84.3%	81.2%	109.2%	115.4%	114.0%
Capex/sales	25.6%	14.1%	17.9%	17.2%	19.4%	23.6%	20.3%	16.6%	14.9%	13.6%
NWC/sales	-8.2%	-7.1%	-8.3%	-6.4%	-7.2%	-9.6%	-11.9%	-10.2%	-9.9%	-9.7%
QUARTERLY P&L			Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22E	Q4 22E
Sales (m)			20.3	21.4	19.4	21.8	25.2	27.0	25.1	28.4
EBITDA (m)			7.2	7.2	6.7	6.6	8.9	9.3	7.7	8.1
EBIT before non-recurring items (m)			4.4	4.1	3.4	2.8	4.9	5.1	3.3	3.4
Net profit (adj.) (m)			3.3	3.1	2.5	1.9	3.7	3.9	2.4	2.5
EPS (adj.) (EUR)			0.08	0.07	0.06	0.04	0.09	0.09	0.05	0.06
EBITDA margin			35.4%	33.7%	34.5%	30.3%	35.2%	34.3%	30.6%	28.5%
EBIT margin (adj.)			21.7%	19.4%	17.8%	12.7%	19.3%	18.9%	13.2%	12.1%

Source: Company data, Danske Bank Equity Research estimates

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