

Professional Business Support Services

Key data

Price (EUR)*	14.5
Country	Finland
Bloomberg	TNOM.FH
Reuters	TNOM.HE
Free float	59.6%
Market cap (EURm)	635
Net debt (current Y/E) (EURm)	35
No. of shares (m)	43.8
Next event	Q3: 8-Feb

* Price as at close on 1 November 2021

CEO	Otto-Pekka Huhtala
CFO	Antti Aho

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 900 employees and 55 locations, and provides accounting through its proprietary in-house software. The company is headquartered in Oulu, Finland.

Ownership structure

Harri Tahkola	18.6%
Markus Tahkola	11.0%
Danske Invest Finnish Equity Fund	4.7%
Conficap	4.2%
Evli Suomi Pieniyhtiöt	3.9%

Source: Company data ("d Mmmm YYYY")

Estimate changes

	21E	22E	23E
Sales	-0.4%	-0.4%	-0.4%
EBITDA	2.7%	0.5%	1.1%
EBIT (adj.)	1.2%	-3.1%	-2.2%
EPS (adj.)	n.m.	n.m.	n.m.

Source: Danske Bank Equity Research estimates

Analyst(s)

Daniel Lepistö
Panu Laitinmäki

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

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

Talenom

Solid report with improved visibility

Talenom reported Q3 sales of EUR19.4m and EBIT of EUR3.4m, roughly in line with consensus (FactSet) estimates. The company for the first time disclosed its geographic figures, better quantifying the uplift potential in margins when the software localisation in Sweden is ready in roughly four years. Short-term, we see the growth investments limiting steep margin expansion. We reiterate our fair value range of EUR14-16.

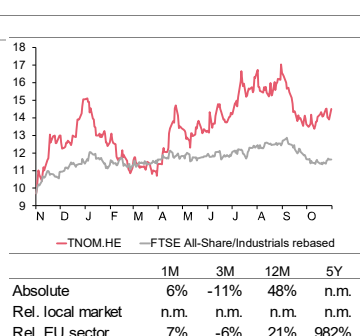
- Investment case.** Talenom continued its impressive growth by reporting sales of EUR19.4m (+30% y/y) of which two-thirds came from acquisitions and one third from organic growth during the quarter. EBIT was EUR3.4m, translating into a 17.8% EBIT margin. Talenom also disclosed some key figures for its Swedish operations, which account for around 13% of group sales. The new enhanced disclosure gives a clear indication of the magnitude of margin uplift potential in Sweden, as Talenom starts to convert its customers to its own software in autumn 2022. After that, within three years, Talenom believes it should be able to lift Sweden's profitability (2% EBIT margin) to be on a par with Finland (23%). Overall, our investment case remains intact, and the enhanced visibility gives more tools to quantify the potential for Talenom's accounting service concept in the future.
- Estimate changes.** We have slightly lowered our EBIT margin estimates for the coming years, due to clearly accelerated growth investments, and the relatively growing depreciation.
- Valuation.** We reiterate our fair value range of EUR14-16 for Talenom, as the company remains fully valued with a 12M horizon. At our fair-value mid-point, Talenom trades at EV/EBIT 38.2x in 2022E, only a slight discount against its Nordic pure SaaS peers. Talenom is a service company with its own software, and thus its business model is not as scalable as that of its pure software peers.

Key financials

Year-end Dec (EUR)	2019	2020	2021E	2022E	2023E
Revenues (m)	58.0	65.2	82.7	93.5	105
Revenues growth	18.6%	12.4%	26.9%	13.0%	12.0%
EBITDA (m)	18.9	23.3	27.9	32.0	36.3
EBIT adj. (m)	10.4	12.9	15.6	18.0	20.6
EBIT growth	21.8%	23.7%	21.4%	15.3%	14.4%
Pre-tax profit (m)	9.6	12.0	14.9	17.2	19.8
EPS adj.	0.18	0.22	0.27	0.32	0.36
DPS	0.13	0.15	0.16	0.17	0.18
Dividend yield	1.7%	1.0%	1.1%	1.2%	1.2%
FCFE yield (pre-IFRS16)	1.7%	0.9%	-0.9%	1.8%	2.4%
EBIT margin (adj.)	18.0%	19.8%	18.9%	19.3%	19.7%
Net debt/EBITDA (x)	1.5	1.2	1.3	1.0	0.8
ROIC	18.9%	18.0%	17.3%	17.2%	18.8%
EV/sales (x)	5.9	10.4	8.1	7.2	6.3
EV/EBITDA (adj.) (x)	18.1	29.2	24.0	20.9	18.3
EV/EBIT (adj.) (x)	20.9	34.2	26.5	22.9	19.8
EV/EBIT (adj.) (x)	32.9	52.8	42.9	37.1	32.2
P/E (adj.) (x)	40.9	67.9	53.8	46.0	40.0

Source: Company data, Danske Bank Equity Research estimates

Price performance



Source: FactSet

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Q3 21 key conclusions

Talenom's Q3 sales and EBIT came in roughly in line with consensus (FactSet) estimates, slightly beating our Q3 profitability estimates. The overall message from management seemed confident. Management say that the future growth prospects have been strengthening, due to entries into new markets (Spain), the growth in TiliJaska's user base and the perceived acceleration of the ongoing digital transformation in the accounting services market.

Furthermore, the management message seemed to be that growth investments have been clearly ramped up and the current trend of digitalisation in accounting is set to accelerate from here on. Talenom needs to invest into its own proprietary in-house software platform to remain competitive against other financial software, especially in terms of UX (User Experience). The company indicated that its depreciation relative to sales is set to increase somewhat in the coming years due to these growing capex investments.

Overall, the company is clearly ambitious. It trusts its concept (Talenom Online), and is confident that potential future growth in Sweden will not be hampered by local competition. Talenom indicated that 80-90% of the current customers in Sweden are expected to convert to the Talenom software as the localisation proceeds, which should ongoing by autumn 2022 and is expected eventually to lift Sweden's profitability to be on a par with Finland's three years after the localisation starts (thus by the end of 2025).

Table 1: Estimate summary

EURm	Actual	Danske	Diff %	Consensus (FactSet)		Q3 20
	Q3 21	Q3 21E		Q3 21E	Diff %	
Sales	19.4	19.6	-1%	19.6	-1%	14.8
EBIT	3.4	3.3	5%	3.4	1%	3.1
Net profit	2.5	2.4	6%	2.6	-3%	2.3
EPS	0.06	0.06	8%	0.06	0%	0.05
Sales growth	30.4%	32.0%		32.0%		16.5%
EBIT growth	9.6%	4.4%		8.1%		34.1%
EBIT-margin	17.8%	16.8%		17.3%		21.2%

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

Table 3: Quarterly estimates

EURm	2019	Q1 20	Q2 20	Q3 20	Q4 20	2020	Q1 21	Q2 21	Q3 21	Q4 21E	2021E	2022E
Sales	58.0	17.4	16.5	14.8	16.5	65.2	20.3	21.4	19.4	21.6	82.7	93.5
Growth y/y	18.5%	17.4%	11.8%	10.0%	10.4%	12.4%	17.0%	29.6%	30.4%	31.5%	26.9%	13.0%
Personnel costs	-29.9	-8.6	-8.8	-7.3	-9.4	-33.9	-10.8	-11.5	-10.1	-12.3	-44.7	-49.3
% of sales	-51.6%	-49.5%	-53.0%	-48.9%	-56.8%	-52.1%	-53.2%	-54.0%	-52.1%	-56.8%	-54.1%	-52.8%
Materials and services	-3.6	-1.0	-0.3	-0.6	-0.6	-2.5	-0.5	-0.8	-0.8	-0.8	-2.9	-3.3
Other costs	-5.9	-1.5	-1.3	-1.2	-1.5	-5.6	-1.9	-2.0	-2.1	-2.0	-7.9	-8.9
EBITDA	19.0	6.2	6.2	5.8	5.0	23.3	7.2	7.2	6.7	6.9	27.9	32.0
EBITDA margin	32.7%	36.0%	37.5%	39.1%	30.7%	35.7%	35.4%	33.7%	34.5%	31.7%	33.8%	34.2%
D&A	-8.5	-2.5	-2.6	-2.7	-2.6	-10.4	-2.8	-3.1	-3.2	-3.2	-12.3	-13.9
EBIT	10.4	3.7	3.6	3.1	2.4	12.9	4.4	4.1	3.4	3.6	15.6	18.0
EBIT margin	18.0%	21.4%	21.8%	21.2%	14.7%	19.8%	21.7%	19.4%	17.8%	16.8%	18.9%	19.3%
Net financials	-0.8	-0.2	-0.2	-0.2	-0.2	-0.9	-0.2	-0.3	-0.2	-0.2	-0.8	-0.8
Pre-tax profit	9.6	3.5	3.4	2.9	2.2	12.0	4.2	3.8	3.3	3.5	14.9	17.2
Taxes	-2.0	-0.7	-0.7	-0.6	-0.4	-2.4	-0.9	-0.8	-0.8	-0.7	-3.1	-3.4
Tax rate	20.4%	20.1%	21.2%	21.1%	18.4%	20.3%	21.2%	20.4%	23.0%	20.0%	21.1%	20.0%
Net income	7.6	2.8	2.7	2.3	1.8	9.6	3.3	3.1	2.5	2.8	11.7	13.8

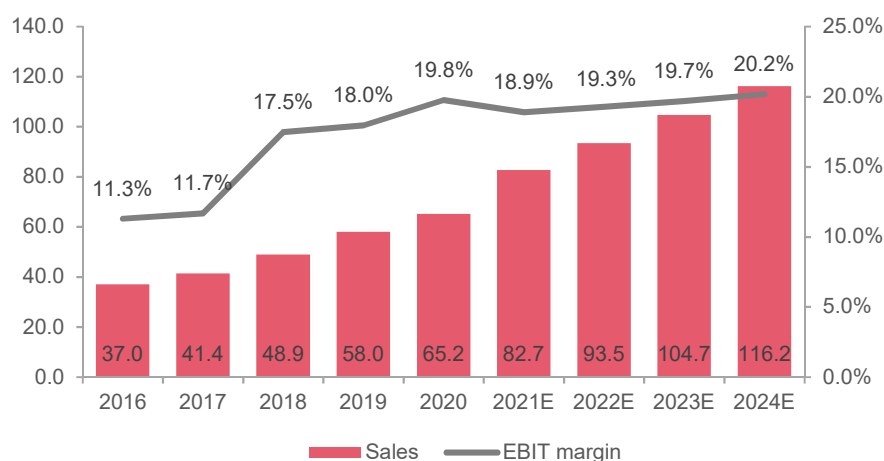
Source: Company data, Danske Bank Equity Research estimates

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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% during the coming years. The company’s current appetite for M&A is driven both by Talenom’s international expansion strategy and the company’s 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”*

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 whose strategy has the following three elements. 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 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 keep its sales growth up 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

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way to grow due to lower total cost, but the significant salesforce (up to 15% of personnel) burdens the cash flow (the costs are partly capitalised so they are not fully visible in the income statement). Talenom's core business is stable with >90% recurring revenues, low customer churn and long contracts.

Valuation

We reiterate our 12M valuation range for Talenom of EUR14-16. In our view, the TiliJaska small company solution is set to back up organic growth in the medium term and the many bolt-on acquisitions are keeping reported sales growth at a high level (and consensus estimates on a rising trend).

Our range implies that Talenom would be valued at a slight discount to Nordic SaaS software companies and at a considerable premium to Nordic information services companies on 2022E EV/EBIT. Talenom currently trades within our target range, but it is difficult to argue for Talenom being valued at a premium against its pure software peers over a 12M horizon. Long-term, Talenom has several good structural drivers that support its current high valuation.

Talenom shares some similarities with Nordic SaaS software companies like Fortnox and Admicom, but as Talenom is a services company and not a pure software provider, it has structurally lower scalability in its business and should deserve a discount against pure software players. On the other hand, given Talenom's increasing automation (and scalability), significantly higher total addressable market (than for example Admicom has) and new concept for small customers, which shares similarities with Fortnox products, the comparability to SaaS peers becomes more relevant. The following key factors support the relatively high multiples for Talenom, in our view.

- High revenue growth rate and a favourable long-term outlook for further growth (only 5-6% market share in a fragmented market in Finland and under 1% in Sweden and new market Spain completely untapped).
- High margins with potential to improve further along with higher revenue.
- Low risks in current customer base (>90% recurring revenues, on average 10-year customer contracts, low churn) and non-cyclical end-markets.

Table 4 : Valuation range

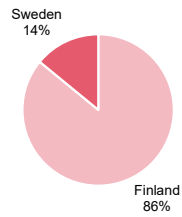
		Share price, EUR				
	13.0	14.0	15.0	16.0	17.0	
2021E						
EV/Sales (x)	7.3	7.8	8.4	8.9	9.4	
EV/EBITDA (x)	21.6	23.2	24.8	26.3	27.9	
EV/EBIT (x)	38.7	41.5	44.3	47.1	49.9	
P/E (x)	48.6	52.3	56.0	59.8	63.5	
2022E	13.0	14.0	15.0	16.0	17.0	
EV/Sales (x)	6.4	6.9	7.4	7.8	8.3	
EV/EBITDA (x)	18.8	20.2	21.6	22.9	24.3	
EV/EBIT (x)	33.4	35.8	38.2	40.7	43.1	
P/E (x)	41.3	44.4	47.6	50.8	54.0	

Source: Danske Bank Equity Research estimates

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Company summary

Sales breakdown by geographical area



Sales breakdown by division



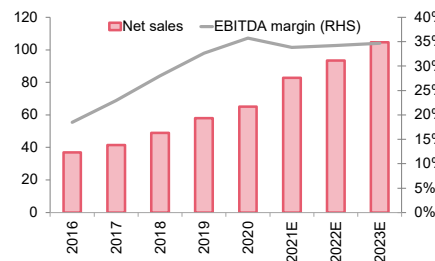
Company information

Talenom
Yrtyipellontie 2, 90230 Oulu
Finland
www.talenom.fi

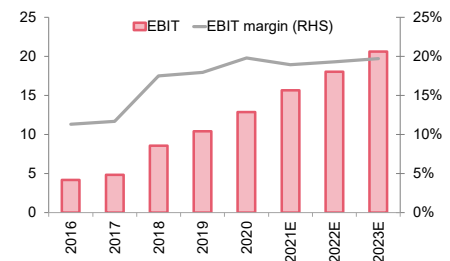
Main shareholders

Name	Votes (%)	Capital (%)
Harri Tahkola	18.6%	18.6%
Markus Tahkola	11.0%	11.0%
Danske Invest Finnish Equity Fund	4.7%	4.7%
Conficap	4.2%	4.2%
Ev li Suomi Pienyhtiöt	3.9%	3.9%

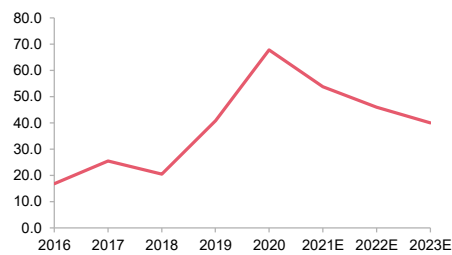
Net sales and EBITDA margin (EURm)



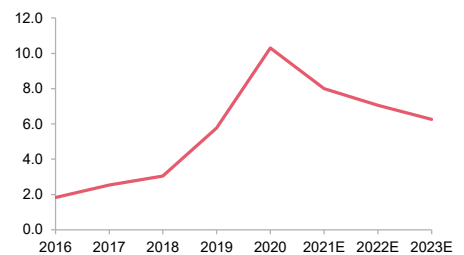
EBIT and EBIT margin (EURm)



P/E NTM (x)



EV/sales NTM (x)



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

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Summary tables
INCOME STATEMENT

Year end Dec, EURm	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Net sales		33.0	37.0	41.4	48.9	58.0	65.2	82.7	93.5	105
Cost of sales & operating costs		-28.4	-30.5	-32.3	-35.9	-39.4	-42.0	-54.7	-61.5	-68.4
EBITDA		4.9	6.8	9.5	13.7	18.9	23.3	27.9	32.0	36.3
EBITDA, adj.		4.9	6.8	9.5	13.7	18.9	23.3	27.9	32.0	36.3
Depreciation		-6.2	-2.6	-0.7	-0.7	-2.5	-3.4	-2.6	-2.7	-2.8
EBITA		-1.3	4.2	8.8	13.0	16.4	19.9	25.3	29.2	33.5
EBIT incl. EO, bef. ass.		-1.3	4.2	4.8	8.5	10.4	12.9	15.6	18.0	20.6
EBIT, adj.		-0.3	4.2	5.2	8.5	10.4	12.9	15.6	18.0	20.6
Financial items, net	0.0	-1.1	-0.6	-0.5	-0.6	-0.8	-0.9	-0.8	-0.8	-0.8
Pre-tax profit		-2.5	3.6	4.3	8.0	9.6	12.0	14.9	17.2	19.8
Taxes		0.0	-0.7	-0.9	-1.6	-2.0	-2.4	-3.1	-3.4	-4.0
Net profit, rep.		-2.4	2.9	3.4	6.4	7.6	9.6	11.7	13.8	15.9
Net profit, adj.		-1.5	2.9	3.7	6.4	7.6	9.6	11.7	13.8	15.9

CASH FLOW

EURm	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
EBITDA		4.9	6.8	9.5	13.7	18.9	23.3	27.9	32.0	36.3
Change in working capital		0.1	-0.1	0.5	-0.5	1.4	1.4	1.4	0.8	0.9
Net interest paid		-0.8	0.0	0.1	0.1	0.1	0.1	-0.8	-0.8	-0.8
Taxes paid		0.0	0.0	-0.4	-1.1	-2.4	-1.9	-3.1	-3.4	-4.0
Other operating cash items		0.0	0.1	0.1	0.1	0.3	0.6			
Cash flow from operations		4.1	6.8	9.9	12.2	18.3	23.4	25.4	28.6	32.4
Capex		-8.4	-5.2	-7.4	-8.4	-11.3	-15.4	-22.1	-17.3	-17.7
Div to min										
Free cash flow		-4.3	1.6	2.4	3.8	7.1	8.1	3.3	11.3	14.8
Disposals/(acquisitions)			-0.4		-0.5	-1.8	-2.2	-9.0		
Free cash flow to equity		-4.3	1.2	2.4	3.3	5.2	5.9	-5.7	11.3	14.8
Dividend paid			-0.5	-1.4	-2.2	-3.8	-5.4	-6.6	-7.0	-7.4
Share buybacks		0.0								
New issue common stock		6.6			-0.2			9.0		
Incr./(decr.) in debt		2.1	-1.0		1.0			10.0		
Minorities & other financing CF		-0.6	-0.7	-0.5	-0.9	0.4	0.8	-2.2	-2.0	-2.0
Cash flow from financing		8.1	-2.2	-1.9	-2.3	-3.4	-4.6	10.3	-9.0	-9.4
Disc. ops & other										
Incr./(decr.) in cash		3.8	-1.0	0.5	1.0	1.9	1.3	4.5	2.3	5.3

BALANCE SHEET

EURm	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Cash & cash equivalents		5.4	4.3	4.9	5.9	7.8	9.1	13.6	15.9	21.2
Inventory										
Trade receivables		4.4	4.8	5.5	5.5	6.5	7.1	9.0	10.1	11.3
Other current assets			0.1	0.0	0.0					
Goodwill		18.4	18.4	18.4	18.4	20.7	24.0	33.0	33.0	33.0
Other intangible assets		9.8	6.7	7.8	10.5	14.9	22.9	34.4	39.0	41.7
Fixed tangible assets		2.1	2.5	2.5	2.2	2.6	2.5	2.8	3.6	4.8
Associated companies										
Other non-current assets		0.4	5.2	6.8	8.7	10.4	11.4	11.4	11.4	11.4
Total assets		40.5	42.0	45.9	51.2	71.3	84.9	113	122	133
Shareholders' equity		9.9	11.7	13.9	18.7	23.6	32.2	46.3	53.1	61.5
Of which minority interests										
Current liabilities		7.1	7.5	8.9	8.6	10.7	13.3	16.6	18.6	20.7
Interest-bearing debt		23.5	22.7	22.6	23.6	28.1	30.0	40.0	40.0	40.0
Pension liabilities										
Oth non-curr. liabilities			0.4	0.4	0.3	0.5	1.3	1.3	1.3	1.3
Total liabilities		30.6	30.6	32.0	32.5	47.8	52.8	66.8	69.0	71.3
Total liabilities and equity		40.5	42.3	45.9	51.2	71.3	84.9	113	122	133
Net debt		18.1	18.4	17.8	17.7	20.3	20.9	26.4	24.1	18.8

Source: Company data, Danske Bank Equity Research estimates

Summary tables

PER SHARE DATA	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
No. of shares, fully diluted (y.e.) (m)	40.9	40.9	40.9	41.2	41.8	43.2	43.8	43.8	43.8	43.8
No. of shares, fully diluted (avg.) (m)	40.9	40.9	40.9	41.1	41.5	43.2	43.5	43.8	43.8	43.8
EPS (EUR)	-0.06	0.07	0.08	0.16	0.18	0.22	0.27	0.32	0.36	0.36
EPS adj. (EUR)	-0.04	0.07	0.09	0.16	0.18	0.22	0.27	0.32	0.36	0.36
DPS (EUR)	0.01	0.03	0.05	0.09	0.13	0.15	0.16	0.17	0.18	0.18
CFFO/share (EUR)	0.1	0.2	0.2	0.3	0.4	0.5	0.6	0.7	0.7	0.7
Book value/share (EUR)	0.24	0.29	0.34	0.45	0.56	0.74	1.06	1.21	1.41	1.41
MARGINS AND GROWTH	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
EBITDA margin	14.8%	18.5%	23.0%	28.0%	32.6%	35.7%	33.8%	34.2%	34.7%	34.7%
EBITA margin	-4.0%	11.3%	21.3%	26.6%	28.3%	30.5%	30.6%	31.3%	32.0%	32.0%
EBIT margin	-4.0%	11.3%	11.7%	17.5%	18.0%	19.8%	18.9%	19.3%	19.7%	19.7%
EBIT adj margin	-1.0%	11.3%	12.4%	17.5%	18.0%	19.8%	18.9%	19.3%	19.7%	19.7%
Sales growth		12.0%	12.1%	18.0%	18.6%	12.4%	26.9%	13.0%	12.0%	12.0%
EBITDA growth		39.9%	39.4%	43.8%	38.3%	23.1%	20.1%	14.3%	13.6%	13.6%
EBITA growth		n.m.	n.m.	47.8%	26.1%	21.3%	27.1%	15.5%	14.6%	14.6%
EPS adj growth		n.m.	n.m.	28.3%	70.2%	18.3%	20.9%	21.6%	16.9%	15.0%
PROFITABILITY	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
ROIC (after tax, incl. GW, adj.)	-2.4%	11.5%	13.2%	20.0%	18.9%	18.0%	17.3%	17.2%	18.8%	18.8%
ROIC (after tax, excl. GW, adj.)	-6.8%	31.2%	32.5%	43.2%	33.6%	29.3%	28.3%	28.1%	29.8%	29.8%
ROE (adj.)	-29.4%	26.8%	29.0%	39.0%	36.0%	34.4%	29.9%	27.7%	27.7%	27.7%
ROIC (adj.) - WACC	-9.3%	4.6%	6.3%	13.0%	12.0%	11.1%	10.3%	10.3%	11.9%	11.9%
MARKET VALUE	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Share price (EUR)	0.88	1.20	2.13	3.18	7.50	15.1	14.5	14.5	14.5	14.5
No. shares reduced by buybacks (m)	40.9	40.9	40.9	41.2	41.8	43.2	43.8	43.8	43.8	43.8
Mkt cap used in EV (m)	36	49	87	131	314	650	635	635	635	635
Net debt, year-end (m)	18	18	18	18	29	30	35	33	28	28
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	680	670	668	663	663
VALUATION	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
EV/sales (x)	1.64	1.82	2.53	3.04	5.91	10.44	8.10	7.15	6.34	6.34
EV/EBITDA (x)	11.1	9.9	11.0	10.9	18.1	29.2	24.0	20.9	18.3	18.3
EV/EBITA (x)	n.m.	16.1	11.9	11.4	20.9	34.2	26.5	22.9	19.8	19.8
EV/EBIT (x)	n.m.	16.1	20.4	17.4	32.9	52.8	42.9	37.1	32.2	32.2
P/E (reported) (x)	n.m.	16.9	25.5	20.5	40.9	67.9	53.8	46.0	40.0	40.0
P/E (adj.) (x)	n.m.	16.9	23.4	20.5	40.9	67.9	53.8	46.0	40.0	40.0
P/BV (x)	3.61	4.19	6.25	7.00	13.3	20.2	13.7	12.0	10.3	10.3
EV/invested capital (x)	5.6	5.7	7.8	8.2	10.7	17.5	13.5	12.3	11.5	11.5
Dividend yield	1.33%	2.78%	2.50%	2.89%	1.67%	1.00%	1.10%	1.17%	1.24%	1.24%
Total yield (incl. buybacks)	1.34%	2.78%	2.50%	2.89%	1.67%	1.00%	1.10%	1.17%	1.24%	1.24%
FCFE-yield	-12.13%	3.27%	2.79%	2.90%	2.26%	1.24%	0.51%	1.78%	2.33%	2.33%
FINANCIAL RATIOS	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Net debt/EBITDA (x)	3.7	2.7	1.9	1.3	1.5	1.2	1.3	1.0	0.8	0.8
Net debt/equity (x), year-end	1.8	1.6	1.3	0.9	1.2	0.9	0.8	0.6	0.5	0.5
Dividend pay out ratio	n.m.	46.9%	63.9%	59.1%	68.2%	67.7%	59.4%	54.0%	49.7%	49.7%
Interest coverage (x)		7.2	8.1	13.5						
Cash conversion (FCF/net profit)	n.m.	55.3%	71.2%	59.8%	93.0%	84.3%	27.9%	81.9%	93.2%	93.2%
Capex/sales	25.6%	14.1%	17.9%	17.2%	19.4%	23.6%	26.8%	18.5%	16.9%	16.9%
NWC/sales	-8.2%	-7.1%	-8.3%	-6.4%	-7.2%	-9.6%	-9.2%	-9.1%	-8.9%	-8.9%
QUARTERLY P&L		Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21E	
Sales (m)		17.4	16.5	14.8	16.5	20.3	21.4	19.4	21.6	
EBITDA (m)		6.2	6.2	5.8	5.0	7.2	7.2	6.7	6.9	
EBIT before non-recurring items (m)		3.7	3.6	3.1	2.4	4.4	4.1	3.4	3.6	
Net profit (adj.) (m)		2.8	2.7	2.3	1.8	3.3	3.1	2.5	2.8	
EPS (adj.) (EUR)		0.06	0.06	0.05	0.04	0.08	0.07	0.06	0.06	
EBITDA margin		36.0%	37.5%	39.1%	30.7%	35.4%	33.7%	34.5%	31.7%	
EBIT margin (adj.)		21.4%	21.8%	21.2%	14.7%	21.7%	19.4%	17.8%	16.8%	

Source: Company data, Danske Bank Equity Research estimates

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Report completed: 1 November 2021 at 18:50 CET

Report disseminated: 1 November 2021 at 19:10 CET

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