

# netum

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Netum Group Plc  
Business review  
1 January – 31 March 2024

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# Netum Group Plc's business review

## 1 January–31 March 2024 (unaudited)

### Turnaround in profitability proceeded according to plan

Unless otherwise stated, the figures in parenthesis refer to the comparison period and are in the same unit as the figures for the review period. The figures for 2024 contained in this business review are unaudited.

### January–March 2024 in brief

- Revenue increased 35.4% on the comparison period and was EUR 11.4 (8.4) million. Organic growth was 7.1 %.
- EBITDA was EUR 1.5 (0.9) million or 12.7 (11.0) % of revenue
- EBITA was EUR 1.4 (0.8) million or 12.4 (9.9) % of revenue
- Comparable EBITA was EUR 1.4 (0.9) million or 12.2 (11.0) % of revenue
- Operating profit was EUR 0.6 (0.3) million or 5.3 (4.1) % of revenue
- Result for the period was EUR 0.1 (0.2) million or 1.0 (2.9) % of revenue
- Number of personnel at the end of the period was 393 (298)

### Group key figures

EUR thousand unless otherwise stated	1–3/2024	1–3/2023	Change	1–12/2023
Revenue	11,429	8,443	35.4%	37,069
Revenue growth, per cent	35.4%	6.9%		27.2%
Organic growth, per cent	7.1%	2.7%		11.3%
EBITDA	1,453	927	56.8%	2,614
EBITDA, % of revenue	12.7%	11.0%		7.1%
Operating profit excluding goodwill amortisation (EBITA)	1,423	834	70.6%	2,341
EBITA, % of revenue	12.4%	9.9%		6.3%
Comparable EBITA <sup>1)</sup>	1,390	928	49.8%	2,754
Comparable EBITA, % of revenue	12.2%	11.0%		7.4%
Operating profit (-loss)	609	342	77.8%	-235
Operating profit (-loss), % of revenue	5.3%	4.1%		-0.6%
Result for the reporting period	113	244	-53.7%	-1,075
Result for the reporting period, % of revenue	1.0%	2.9%		-2.9%
Number of employees at the end of the period	393	298	31.9%	412

<sup>1)</sup> Items affecting comparability are presented in the table Comparable EBITA.

### Outlook for 2024 unchanged

Netum continues to expect its revenue in the financial year 2024 to be EUR 45–49 million and comparable EBITA to be approximately 8–11 % of revenue.

Netum expects the demand for IT services in the public sector to remain strong but the intensified price competition to bring challenges to the market. The outlook for the corporate sector is weighed down by the general economic situation, which slows down decision-making. Netum expects the measures started during 2023 to improve profitability.

## CEO's statement



"Netum's year 2024 has started well. Our revenue grew strongly, and our profitability improved as expected. At the beginning of the year, we focused especially on sales development and new customer acquisition, as well as strategy and responsibility work.

Our revenue grew to EUR 11.4 million in the first quarter, i.e. 35 per cent from the comparison period. Organically, revenue increased by 7 per cent. Revenue growth was supported by acquisitions completed last year, strong demand from existing customers and higher invoicing rates. Revenue development was strong especially in Studyo Oy's product business and in digital services. More than ten new customers were gained during the review period, and it was gratifying that a significant number of new customers came from the private sector.

Profitability started to grow in line with expectations. EBITA for the first quarter was EUR 1.4 million (12.4% of revenue), compared to EUR 0.8 million (9.9%) in the comparison period. In the fourth quarter of 2023, EBITA was 7.8 percent of revenue. In addition to revenue growth, the turnaround in profitability was impacted by the changes in our cost structure in the second half of 2023 and measures to reduce overhead costs.

During the current year, we have continued to develop our sales operations by, for example, streamlining the sales process and arranging sales training. We have also continued our artificial intelligence programme, which will help us concretely improve the efficiency of our processes and operations and create new customer added value. The development of our sustainability work will also continue. We are preparing for CSRD reporting and have started by conducting a double materiality assessment that will define the sustainability areas that are important to us. In addition, we are currently updating our medium-term financial targets and strategy, and we aim to publish them towards the end of May.

Demand for public administration IT services remains strong, although cost-saving measures and announced personnel reduction plans in the sector may slow down customers' decision-making. In the health and social services market, the financing of services poses challenges. We see small signs of recovery in corporate sector demand.

Although we have received orders from our current customers, the planned savings in public administration will bring uncertainty towards the end of the year. We estimate that our revenue will continue to grow both organically and inorganically, and that the efficiency measures we have taken will significantly improve our profitability. In 2024, we still expect our revenue to be in the range of EUR 45–49 million and comparable EBITA to be approximately 8–11 per cent of revenue.

My warmest thanks for a successful first quarter to all our employees, customers, partners and investors."

Matti Mujunen  
CEO

## Financial reporting in 2024

In 2024, Netum Group Plc will publish the following financial reports:

- half-year report for January–June 2024 on Tuesday 20 August 2024
- business review for January–September 2024 on Tuesday 5 November 2024

## Reconciliation of alternative performance measures

### EBITA and EBITDA

EUR 1,000	1-3/2024	1-3/2023
Operating profit (-loss)	609	342
Consolidated goodwill amortisation	791	469
Goodwill amortisation	23	22
<b>EBITA</b>	<b>1,423</b>	<b>834</b>
Depreciation and amortisation	31	93
<b>EBITDA</b>	<b>1,453</b>	<b>927</b>

### Comparable EBITA

EUR 1,000	1-3/2024	1-3/2023
<b>EBITA</b>	<b>1,423</b>	<b>834</b>
Items affecting comparability		
Change negotiations	13	
Double materiality assessment	8	
Items affecting comparability of salaries	-59	69
Proceeds for equipment sales/leaseback	5	8
Transaction expenses for the acquisition		17
<b>Items affecting comparability in operating profit total</b>	<b>-33</b>	<b>94</b>
<b>Comparable EBITA</b>	<b>1,390</b>	<b>928</b>

In Helsinki, 7 May 2024

**Netum Group Plc**  
Board of Directors

**Additional information:**

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