

Results due: 1 November

## Pandemic effects reverse

**We cut our estimates substantially following the profit warning last week and ahead of Inderes' Q3 report. The warning confirmed that virtual event momentum is flagging as business returns to normal following the pandemic, especially for unlisted customers which are important outside reporting seasons. We cut our fair value range from EUR 33-37 to EUR 21-24. We believe the defensive research business offers resilience in weak market conditions.**

### Key Data (2022E)

Price (EUR)	24.35
Reuters	INDERES.HE
Bloomberg	INDERES.FH
Market cap (EURm)	40
Market cap (USDm)	39
Net debt (EURm)	(4)
Net gearing	(71%)
Net debt/EBITDA (x)	(2.9)
Shares fully dil. (m)	1.6
Avg daily turnover (m)	0.1
Free float	76%

### Q3 estimates cut after profit warning

Inderes cut its FY guidance in the profit warning, and we now cut our 2022-24 EBITA estimates by over 30%. Our new FY 2022 EBITA estimate is the mid-point of the guidance range. For Q3, we estimate sales of EUR 3.0m and EBITA of EUR 0.5m. In the Q3 report we will continue to focus on the case drivers: the number of commissioned research agreements; and management comments on progress in international operations.

### Virtual event market now needs to grow from a lower base

The profit warning made it clear that the market for virtual events in 2020-21 was strongly supported by the pandemic and thus that future growth must come from a lower base. The volume decline owes largely to unlisted clients. Although this segment is small it provides crucial volumes outside the listed companies' reporting seasons. On a positive note, unlisted client virtual event activity represents only 5% of total revenues, so there should be little more downside to come. Also, the company's resilient commissioned research business should cushion a downturn.

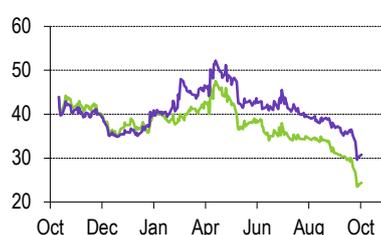
### Estimate Revisions (%)

	2022E	2023E	2024E
Revenues	(7)	(9)	(10)
Adj. EBIT	(39)	(37)	(33)
Adj. EPS	(39)	(37)	(33)

### Fair value range down to EUR 21-24 on estimate cuts and peer valuation

Our DCF valuation is down because of our estimate cuts and because we apply a higher WACC. Our estimate cuts also affect our peer valuation, where peer group multiples have fallen. Taken together, our fair value falls range from EUR 33-37 to EUR 21-24.

### Share Price (12M)



Absolute (green) / Relative to Finland (purple).

**Marketing communication commissioned by:**  
**Inderes**

### Financials (EUR)

Year end: Dec	2020	2021	2022E	2023E	2024E
Revenues (m)	9	12	13	15	17
Adj. EBIT	1	2	1	2	3
Pre-tax profit (m)	2	2	1	2	3
EPS	0.00	0.79	0.50	0.85	1.43
Adj. EPS	0.00	0.79	0.50	0.85	1.43
DPS	0.00	0.80	0.70	1.00	1.50
Revenue growth (%)	76.3	35.4	12.1	11.6	12.9
Adj. EBIT growth (%)	74.8	41.7	(48.2)	70.5	68.0
Adj. EPS growth (%)	n.m.	n.m.	(37.2)	70.5	68.0
Adj. EBIT margin (%)	15.9	16.6	7.7	11.7	17.4
ROE (%)	67.4	29.8	12.7	22.0	34.4
ROCE (%)	75.5	43.8	15.5	26.9	42.2
PER (x)		47.3	48.9	28.7	17.1
Free cash flow yield (%)		4.8	1.4	3.5	5.8
Dividend yield (%)		2.1	2.9	4.1	6.2
P/BV (x)		9.18	6.44	6.19	5.59
EV/Sales (x)		4.59	2.67	2.37	2.06
EV/Adj. EBITDA (x)	0.0	22.3	23.4	15.6	9.8
EV/Adj. EBIT (x)	0.0	27.6	34.8	20.2	11.8
Operating cash flow/EV (%)		5.7	3.6	5.0	7.8
Net debt/EBITDA (x)	(0.50)	(2.90)	(3.00)	(2.18)	(1.62)

Source for all data on this page: SEB (estimates) and Millstream/Thomson Reuters (prices)

## Estimate changes

We have cut our sales estimates by 7%-10% for 2022-2024E. In addition to the lowered assumptions for virtual events outside the listed company client segment we expect slower growth in commissioned research agreements. The key reason for this is less IPO activity. There is also the concern of companies squeezing their IR budgets as recession looms. Our EBITA estimates are down by more than 30% for 2022-24. Our new 2022E sales estimate of EUR 13.3m is slightly above the new guidance range (EUR 12.8-13.5m) mid-point while our EBITA estimate of EUR 1.3m represents the new range (EUR 1.0-1.6m) mid-point.

### Estimate revisions

(EURm)	New estimates			Old estimates			Difference (%)		
	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
Sales	13.3	14.8	16.7	14.3	16.2	18.6	-7	-9	-10
EBITA	1.3	2.0	3.1	2.0	3.0	4.5	-33	-34	-32
EBITA margin (%)	9.9	13.3	18.3	13.9	18.5	24.2	-3.9pp	-5.2pp	-5.9pp
EPS	0.50	0.85	1.43	0.82	1.35	2.13	-39	-37	-33
<b>Sales</b>									
Recurring revenue	7.3	7.8	8.2	7.3	7.8	8.4	0	-1	-2
Project revenue	6.0	7.0	8.5	7.0	8.3	10.2	-14	-15	-17
<b>Other data</b>									
No. of paid reserach, period-end	131	133	137	131	135	140	0	-1	-2
No. of employees, avg.	95	103	107	95	103	107	0	0	0

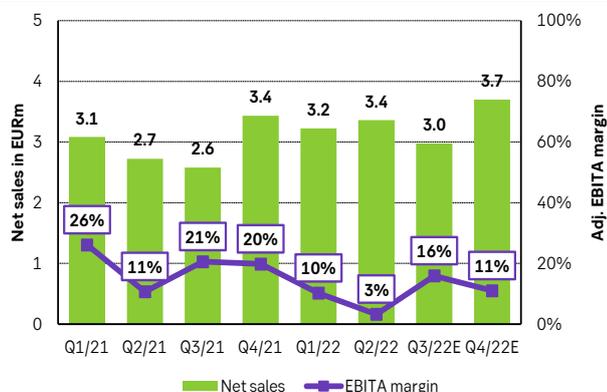
Source: SEB

## Q3 expectations

We expect Q3 sales of EUR 3.0m. While recurring revenue might grow a little, q/q project revenue will be at seasonal lows. We believe Inderes added two commissioned research agreements during the quarter. Remember that the research service is the foundation of the Inderes equity case, because this business funds the growth initiatives.

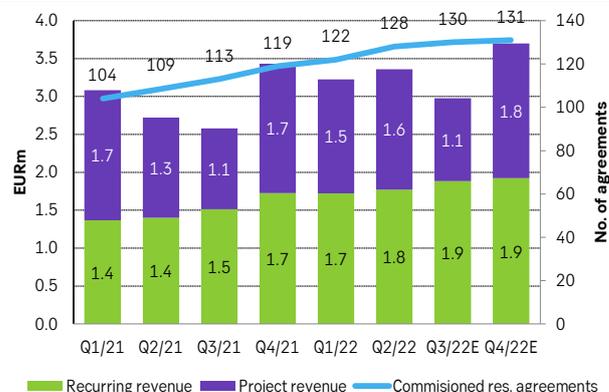
We expect EBITA of EUR 0.5m, up EUR 0.1m in Q2. We note that the seasonal impact of salaries plays a meaningful role in Q3, supporting the profits.

### Quarterly sales (EURm) and EBITA margin (%)



Source: SEB

### Sales split and no. of research agreements



Source: SEB

**Quarterly estimates**

	Q1/21	Q2/21	Q3/21	Q4/21	Q1/22	Q2/22	Q3/22E	Q4/22E
<b>Net sales</b>	<b>3.1</b>	<b>2.7</b>	<b>2.6</b>	<b>3.4</b>	<b>3.2</b>	<b>3.4</b>	<b>3.0</b>	<b>3.7</b>
Other income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Materials and services	-0.4	-0.3	-0.4	-0.4	-0.4	-0.5	-0.4	-0.4
Gross profit	2.6	2.4	2.1	3.0	2.9	2.8	2.5	3.3
<i>-margin-%</i>	86%	87%	83%	87%	89%	84%	85%	88%
Personnel expenses	-1.3	-1.5	-1.1	-1.8	-2.0	-2.1	-1.5	-2.3
Other operating costs	-0.5	-0.5	-0.4	-0.5	-0.5	-0.6	-0.5	-0.5
EBITDA reported	0.8	0.3	0.6	0.7	0.4	0.2	0.5	0.4
EBITDA adjusted	0.8	0.3	0.6	0.7	0.4	0.2	0.5	0.4
<i>-margin-%</i>	0.3	0.1	0.2	0.2	0.1	0.0	0.2	0.1
Depreciation	-0.03	-0.04	-0.03	-0.03	-0.03	-0.05	-0.03	-0.03
EBITA	0.8	0.3	0.5	0.7	0.3	0.1	0.5	0.4
<b>EBITA adjusted</b>	<b>0.8</b>	<b>0.3</b>	<b>0.5</b>	<b>0.7</b>	<b>0.3</b>	<b>0.1</b>	<b>0.5</b>	<b>0.4</b>
<i>-margin-%</i>	<b>26%</b>	<b>11%</b>	<b>21%</b>	<b>20%</b>	<b>10%</b>	<b>3%</b>	<b>16%</b>	<b>11%</b>
Amortisation	-0.09	-0.09	-0.09	-0.09	-0.09	-0.09	-0.09	-0.09
EBIT reported	0.7	0.2	0.4	0.6	0.2	0.0	0.4	0.3
EBIT adjusted	0.7	0.2	0.4	0.6	0.2	0.0	0.4	0.3
<i>-margin-%</i>	23%	8%	17%	17%	8%	1%	13%	9%

Source: SEB

**Annual estimates****Annual financials**

	2019	2020	2021	2022E	2023E	2024E
<b>Net sales</b>	<b>5.0</b>	<b>8.7</b>	<b>11.8</b>	<b>13.3</b>	<b>14.8</b>	<b>16.7</b>
Other income	0.0	0.0	0.0	0.0	0.0	0.0
Materials and services	-0.5	-1.2	-1.7	-1.8	-1.6	-1.5
Gross profit	4.4	7.5	10.2	11.5	13.2	15.2
<i>-margin-%</i>	89%	86%	86%	86%	89%	91%
Personnel expenses	-2.9	-4.1	-5.8	-7.9	-8.9	-9.5
Other operating costs	-0.6	-1.5	-1.9	-2.1	-2.1	-2.4
EBITDA reported	0.9	1.8	2.4	1.5	2.1	3.3
<b>EBITDA adjusted</b>	<b>0.9</b>	<b>1.8</b>	<b>2.4</b>	<b>1.5</b>	<b>2.1</b>	<b>3.3</b>
<i>-margin-%</i>	<b>19%</b>	<b>21%</b>	<b>21%</b>	<b>11%</b>	<b>14%</b>	<b>20%</b>
Depreciation	-0.07	-0.10	-0.12	-0.15	-0.18	-0.25
EBITA	0.9	1.7	2.3	1.3	2.0	3.1
<b>EBITA adjusted</b>	<b>0.9</b>	<b>1.7</b>	<b>2.3</b>	<b>1.3</b>	<b>2.0</b>	<b>3.1</b>
<i>-margin-%</i>	<b>18%</b>	<b>20%</b>	<b>20%</b>	<b>10%</b>	<b>13%</b>	<b>18%</b>
Amortisation	-0.1	-0.3	-0.3	-0.3	-0.3	-0.3
EBIT reported	0.8	1.4	2.0	1.0	1.6	2.7
EBIT adjusted	0.8	1.4	2.0	1.0	1.6	2.7
<i>-margin-%</i>	16%	16%	17%	7%	11%	16%
Net financials	0.0	0.2	-0.2	0.0	0.0	0.0
Pre-tax profit	0.8	1.6	1.7	1.0	1.7	2.9
Earnings	0.6	1.2	1.3	0.8	1.4	2.3
Minority share	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings for owners	0.6	1.1	1.3	0.8	1.4	2.3
<b>EPS</b>			<b>0.82</b>	<b>0.50</b>	<b>0.85</b>	<b>1.43</b>
<b>Other data</b>						
Employees avg.	42	52	72	95	103	107
No. of Finnish commissioned research, period end	94	98	119	131	133	137

Source: SEB

# Valuation

We value Inderes based on a DCF analysis and peer group multiples. Because the peer group is small, we give a 60/40 valuation weighting in favour of DCF. When setting our fair value range, we narrow the outcome at both ends by 5%.

In addition to our short-term estimate cuts we have raised our WACC assumption slightly for Inderes. Although we continue to argue that the Finnish commissioned research business is relatively defensive and thus justifies a low valuation yield we note that our sales growth assumptions are highly dependent on the success of the international operations. These remains in early stage and is hence very uncertain and should be valued at a high yield. In our long-term DCF estimates we continue to believe that the company could reach EBITDA margin of over 20%. The current profitability is burdened by the ramp-up of the Swedish operations, which still lack critical mass. Our DCF valuation mid-point for Inderes declines from EUR 39 to EUR 26.

Inderes trades at a 60%-plus EV/EBITDA premium to peers for 2022-24E. Applying a multiple in line with peers gives us a valuation range of EUR 13-19.

All in all, we set our new fair value range at EUR 21-24 (previously EUR 33-37) for Inderes.

<b>SEB fair value overview</b>			
<b>DCF valuation</b>			
Mid-point		26	
Range with +/-2% growth sensitivity	24	-	28
<b>Peer group benchmarking</b>			
	13	-	19
DCF & peer group valuation with 60/40 weightings	20	-	25
<b>SEB fair value range</b>	<b>21</b>	-	<b>24</b>

Source: SEB

<b>DCF summary table</b>			
<b>DCF valuation (EURm)</b>		<b>Weighted average cost of capital (%)</b>	
NPV of FCF in explicit forecast period	19	Risk free interest rate	2.5
NPV of continuing value	20	Risk premium	6.5
<b>Value of operation</b>	<b>39</b>	<b>Cost of equity</b>	<b>9.0</b>
Net debt	(4)	<b>After tax cost of debt</b>	<b>2.0</b>
Share issue/buy-back in forecast period	-		
Value of associated companies	-	<b>WACC</b>	<b>9.0</b>
Value of minority shareholders' equity	-		
Value of marketable assets	-	<b>Assumptions</b>	
<b>DCF value of equity</b>	<b>43</b>	Number of forecast years	10
<b>DCF value per share (EUR)</b>	<b>26</b>	EBIT margin - steady state (%)	16.6
Current share price (EUR)	24.35	EBIT multiple - steady state (x)	10.8
DCF performance potential (%)	8	Continuing value (% of NPV)	51.3

Source: SEB

## DCF assumption details

(EURm)	2022E	2023E	2024E	2025E	2026E	Average year 6	Average year 7-8	Average year 9-10
Sales growth (%)	12.2	11.6	12.9	8.0	7.0	6.0	3.8	3.0
EBITDA margin (%)	11.1	14.5	19.8	20.8	21.8	22.3	22.5	20.2
EBIT margin (%)	7.4	11.0	16.3	17.0	18.1	18.7	19.0	16.9
Gross capital expenditures as % of sales	19.6	2.4	2.1	2.1	2.1	2.1	2.1	2.1
Working capital as % of sales	(12.3)	(10.8)	(9.2)	(8.2)	(8.2)	(8.2)	(8.2)	(8.2)
Lease repayments as % of sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sales	13	15	17	18	19	20	22	23
Depreciation	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Intangibles amortisation	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
EBIT	1	2	3	3	3	4	4	4
Taxes on EBIT	(0)	(0)	(1)	(1)	(1)	(1)	(1)	(1)
Increase in deferred taxes	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0
<b>NOPLAT</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>4</b>
Gross capital expenditure	(3)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Increase in working capital	0	(0)	(0)	(0)	0	0	0	0
Lease repayments	0	0	0	0	0	0	0	0
<b>Free cash flow (incl. lease repayments)</b>	<b>(1)</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>4</b>
ROIC (%)	17.2	25.3	35.9	41.8	50.3	58.1	68.4	75.2
ROIC-WACC (%)	8.2	16.3	26.9	32.8	41.3	49.1	59.4	66.2
Share of total net present value (%)	0.0	3.5	5.5	5.8	6.3	6.3	11.8	9.5

Source: SEB

## Peer valuation tables

	Ccy	Price (local)	Mkt Cap (EURm)	PER (x)			EV/Sales			Exp. Sales Growth			
				2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E	
ENENTO GROUP OYJ	EUR	20.8	498.7	18.5	16.3	13.8	3.8	3.5	3.3	3%	4%	5%	
ALMA MEDIA CORP	EUR	7.8	645.9	11.5	12.2	11.6	2.6	2.5	2.3	11%	-1%	4%	
SANOMA OYJ	EUR	12.1	1979.1	16.9	14.9	13.9	2.1	1.9	1.8	5%	10%	2%	
GOFOR OYJ	EUR	19.3	296.6	19.1	17.1	15.1	1.9	1.6	1.3	36%	11%	10%	
TALENOM OYJ	EUR	8.7	388.5	29.4	24.7	19.0	4.1	3.4	2.9	27%	18%	16%	
EQS GROUP AG	EUR	22.9	194.0	nm	39.7	16.4	3.3	2.4	1.7	33%	31%	25%	
BROADRIDGE FINANCIAL	USD	144.3	22716.6	20.5	18.8	17.2	4.1	3.9	3.6	7%	5%	5%	
<b>Average</b>				<b>19.3</b>	<b>20.5</b>	<b>15.3</b>	<b>3.1</b>	<b>2.7</b>	<b>2.4</b>	<b>17%</b>	<b>11%</b>	<b>10%</b>	
<b>Median</b>				<b>18.8</b>	<b>17.1</b>	<b>15.1</b>	<b>3.3</b>	<b>2.5</b>	<b>2.3</b>	<b>11%</b>	<b>10%</b>	<b>5%</b>	
<b>INDERES - SEB est.</b>	<b>EUR</b>	<b>24</b>	<b>39.2</b>	<b>48.2</b>	<b>28.2</b>	<b>16.8</b>	<b>2.6</b>	<b>2.3</b>	<b>2.0</b>	<b>12.2%</b>	<b>11.6%</b>	<b>12.9%</b>	
		EV/EBITDA			EV/EBIT			EBIT margin (%)			Sales gr (%) + EBIT mgn (%)		
		2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
ENENTO GROUP OYJ		10.5	9.7	8.5	17.6	15.3	12.5	21%	23%	26%	25%	28%	32%
ALMA MEDIA CORP		8.1	9.0	8.2	10.0	11.3	10.1	26%	22%	23%	37%	22%	27%
SANOMA OYJ		8.1	6.9	6.5	19.9	14.9	13.6	11%	13%	13%	16%	22%	15%
GOFOR OYJ		12.0	9.7	8.0	16.1	12.6	10.2	12%	13%	13%	47%	24%	23%
TALENOM OYJ		12.6	10.8	9.0	24.3	18.8	15.3	17%	18%	19%	44%	36%	34%
EQS GROUP AG		33.6	12.0	6.6	nm	23.0	9.6	-2%	10%	18%	31%	42%	43%
BROADRIDGE FINANCIAL		18.7	17.1	16.3	21.6	19.9	17.7	19%	19%	20%	26%	24%	25%
<b>Average</b>		<b>14.8</b>	<b>10.7</b>	<b>9.0</b>	<b>18.3</b>	<b>16.5</b>	<b>12.7</b>	<b>15%</b>	<b>17%</b>	<b>19%</b>	<b>32%</b>	<b>28%</b>	<b>28%</b>
<b>Median</b>		<b>12.0</b>	<b>9.7</b>	<b>8.2</b>	<b>18.7</b>	<b>15.3</b>	<b>12.5</b>	<b>17%</b>	<b>18%</b>	<b>19%</b>	<b>31%</b>	<b>24%</b>	<b>27%</b>
<b>INDERES - SEB est.</b>		<b>23.7</b>	<b>16.1</b>	<b>10.2</b>	<b>35.6</b>	<b>21.3</b>	<b>12.5</b>	<b>9.9%</b>	<b>13.3%</b>	<b>18.3%</b>	<b>22%</b>	<b>25%</b>	<b>31%</b>

Source: SEB, Bloomberg

# Overview

## Investment consideration

Inderes has a very strong position in the Finnish commissioned research market due to its active investor community and over 120 commissioned research clients. Inderes' commissioned research provides up to 30% EBITDA margin, meaning high recurring cash flows. Inderes has expanded to virtual events and IR solutions with a strong track in cross-selling. The key long-term growth will drive Nordic expansion. We calculate that the Nordic market potential is roughly 7x the Finnish market.

## Company profile

Inderes provides IR services connecting stock-listed companies and investors. Inderes has over 190 Finnish stock-listed companies as its customers. Inderes has three main business areas: commissioned equity research, virtual events through its subsidiary Flik and IR solutions. In addition, Inderes operates an investment platform for its over 75,000 active users.

## Valuation approach

We base our fair value range on DCF valuation and peer group valuation. In DCF, we assume a relatively low WACC for mature and defensive Finnish commissioned research while the Nordic growth estimates contain high uncertainty and thus require high capital cost. We give a lower weight for the peer group valuation due to the lack of direct peers.

## Investment risks

The company is expanding geographically and failure in expansion would mean notably lower growth estimates; however, we believe that success in expansion creates upside risk to our fair valuation. Another significant risk relates to an economic downturn, which could result in a slowing IPO market and trend where companies start to reduce IR functions. This could slow market growth. We also flag other risks, e.g. related to key personnel and new competitors.

<b>Profit &amp; loss statement - Inderes</b>							
<b>(EURm)</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>
Net Sales	3	5	9	12	13	15	17
Other revenues	0	0	0	0	0	0	0
<b>Total revenues</b>	<b>3</b>	<b>5</b>	<b>9</b>	<b>12</b>	<b>13</b>	<b>15</b>	<b>17</b>
Total expenses	(3)	(4)	(7)	(9)	(12)	(13)	(13)
<b>Profit before depreciation</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>3</b>
Depreciation - Fixed assets	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Depreciation - Other assets	0	0	0	0	0	0	0
Depreciation of right-of-use assets	0	0	0	0	0	0	0
Amortisation - Goodwill	0	(0)	(0)	(0)	(0)	(0)	(0)
Amortisation - Other intangibles	0	0	0	0	0	0	0
<b>Operating profit</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>3</b>
Associated companies	0	0	0	0	0	0	0
Net interest expenses	0	0	0	(0)	0	0	0
Foreign exchange items	0	0	0	0	0	0	0
Other financial items	0	0	0	0	0	0	0
Value changes - Fixed assets	0	0	0	0	0	0	0
Value changes - Financial assets	0	0	0	0	0	0	0
Value changes - Other assets	0	0	0	0	0	0	0
<b>Reported pre-tax profit</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>3</b>
Minority interests	0	(0)	(0)	(0)	0	0	0
Total taxes	(0)	(0)	(0)	(0)	(0)	(0)	(1)
<b>Reported profit after tax</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>
Discontinued operations	0	0	0	0	0	0	0
Extraordinary items	0	0	0	0	0	0	0
<b>Net Profit</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>
<b>Adjustments:</b>							
Discontinued operations	0	0	0	0	0	0	0
Interest on convertible debt	0	0	0	0	0	0	0
Minority interests (IFRS)	0	0	0	0	0	0	0
Value changes	0	0	0	0	0	0	0
Goodwill/intangibles amortisations	0	0	0	0	0	0	0
Restructuring charges	0	0	0	0	0	0	0
Other adjustments	0	(0)	(0)	(0)	(0)	(0)	(0)
Tax effect of adjustments	0	0	0	0	0	0	0
<b>Adjusted profit after tax</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>
<b>Margins, tax &amp; returns</b>							
Operating margin	19.4	16.0	15.9	16.6	7.4	11.0	16.3
Pre-tax margin	19.5	16.2	18.3	14.7	7.7	11.7	17.4
Tax rate	20.1	19.7	27.2	22.8	20.0	20.0	20.0
ROE	88.8	61.6	67.4	29.8	12.7	22.0	34.4
ROCE	111.2	64.8	75.5	43.8	15.5	26.9	42.2
<b>Growth rates y-o-y (%)</b>							
Total revenues	n.a.	55.7	76.3	35.4	12.1	11.6	12.9
Operating profit	29.9	28.7	74.8	41.7	(50.3)	66.2	67.0
Pre-tax profit	24.9	28.9	98.4	9.0	(41.3)	70.5	68.0
EPS (adjusted)	0.0	0.0	0.0	0.0	(37.2)	70.5	68.0
<b>Cash flow</b>							
<b>(EURm)</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>
Net profit	0	1	1	1	1	1	2
Non-cash adjustments	0	0	1	1	0	0	0
<b>Cash flow before work cap</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>3</b>
Ch. in working capital / Other	(0)	1	(1)	1	0	(0)	(0)
<b>Operating cash flow</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>1</b>	<b>2</b>	<b>3</b>
Capital expenditures	0	0	(0)	(0)	(1)	(0)	(0)
Asset disposals	0	0	0	0	0	0	0
L/T financial investments	0	0	(0)	(0)	(2)	0	0
Acquisitions / adjustments	0	0	0	0	0	0	0
<b>Free cash flow</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>(1)</b>	<b>1</b>	<b>2</b>
Net loan proceeds	0	0	(0)	(0)	0	0	0
Dividend paid	0	0	(1)	(1)	(1)	(1)	(2)
Share issue	0	0	0	5	0	0	0
Other	0	0	(0)	(1)	0	0	0
<b>Net change in cash</b>	<b>0</b>	<b>2</b>	<b>(0)</b>	<b>6</b>	<b>(3)</b>	<b>0</b>	<b>1</b>
<b>Adjustments</b>							
C/flow bef chng in work cap	1	1	2	2	1	2	3
Adjustments	0	0	0	0	0	0	0
Int on convy debt net of tax	0	0	0	0	0	0	0
Cash earnings	1	1	2	2	1	2	3
<b>Per share information</b>							
Cash earnings	0.0	0.0	0.0	1.3	0.78	1.1	1.67
Operating cash flow	0.0	0.0	0.0	1.9	0.78	1.07	1.63
Free cash flow	0.0	0.0	0.0	1.78	(0.81)	0.86	1.42
<b>Investment cover</b>							
Capex/sales (%)	0.0	0.0	2.6	1.7	5.3	2.4	2.1
Capex/depreciation (%)	0	0	222	163	461	194	140

Source for all data on this page: SEB

<b>Balance sheet - Inderes</b>							
<b>(EURm)</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>
Cash and liquid assets	1	1	1	7	4	5	5
Debtors	1	1	2	2	2	2	3
Inventories	0	0	0	0	0	0	0
Other	0	0	1	0	0	0	0
<b>Current assets</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>9</b>	<b>7</b>	<b>7</b>	<b>8</b>
Interest bearing fixed assets	0	0	0	0	0	0	0
Other financial assets	0	0	0	0	2	2	2
Capitalized development cost	0	0	0	0	0	0	0
Goodwill	0	2	1	1	1	0	(0)
Other intangibles	0	0	0	0	0	0	0
Right-of-use lease assets	0	0	0	0	0	0	0
Fixed tangible assets	0	0	0	0	1	1	1
Other fixed assets	0	0	0	0	0	0	0
<b>Fixed assets</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>4</b>	<b>4</b>	<b>4</b>
<b>Total assets</b>	<b>2</b>	<b>5</b>	<b>6</b>	<b>11</b>	<b>10</b>	<b>11</b>	<b>12</b>
Creditors	0	0	0	0	1	1	1
Other trade financing	1	1	1	1	1	1	2
S/T lease liabilities	0	0	0	0	0	0	0
S/T interest bearing debt	0	0	0	0	0	0	0
Other	0	2	2	2	2	2	2
<b>Current liabilities</b>	<b>1</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
L/T interest bearing debt	0	0	0	0	0	0	0
L/T lease liabilities	0	0	0	0	0	0	0
Other long-term liabilities	0	0	0	0	0	0	0
Convertible debt	0	0	0	0	0	0	0
Pension provisions	0	0	0	0	0	0	0
Other provisions	0	0	0	(0)	0	0	0
Deferred tax	0	0	0	0	0	0	0
<b>Long term liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Minority interests	0	0	0	0	0	0	0
<b>Shareholders' equity</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>7</b>	<b>6</b>	<b>6</b>	<b>7</b>
<b>Total liabilities and equity</b>	<b>2</b>	<b>5</b>	<b>6</b>	<b>11</b>	<b>10</b>	<b>11</b>	<b>12</b>
Net debt (m)	(1)	(1)	(1)	(7)	(4)	(5)	(5)
Working capital (m)	(0)	(1)	(0)	(2)	(2)	(2)	(2)
Capital employed (m)	1	2	2	7	6	7	7
Net debt/equity (%)	(149)	(68)	(43)	(105)	(71)	(72)	(75)
Net debt/EBITDA (x)	(1.6)	(1.1)	(0.5)	(2.9)	(2.9)	(2.1)	(1.5)
Equity/total assets (%)	35	31	39	64	61	61	62
Interest cover	0.0	0.0	0.0	7.0	0.0	0.0	0.0

<b>Valuation</b>							
<b>(EUR)</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>
No of shares, fully dil. (y/e)	0.0	0.0	0.0	1.6	1.6	1.6	1.6
No of shares, fully dil. avg.	0.0	0.0	0.0	1.6	1.6	1.6	1.6
Share price, y/e				37.5	24.4	24.4	24.4
Share price, high				53.9	47.6		
Share price, low				34.6	23.5		
Share price, avg				40.1	37.0		
EPS (reported)	0.00	0.00	0.00	0.79	0.50	0.85	1.43
EPS (adjusted)	0.00	0.00	0.00	0.79	0.50	0.85	1.43
Cash earnings/share	0.00	0.00	0.00	1.30	0.78	1.10	1.67
Dividend/share	0.00	0.00	0.00	0.80	0.70	1.00	1.50
Enterprise value/share				33	22	21	21
Book value/share	73	135	211	4.1	3.8	3.9	4.4
Adjusted equity/share	73	135	211	4.1	3.8	3.9	4.4
PER (adjusted)				47.3	48.9	28.7	17.1
CEM				28.9	31.4	22.1	14.6
Dividend yield				2.1	2.9	4.1	6.2
EV/EBITDA				22.3	23.4	15.6	9.8
EV/EBITA				23.5	26.0	16.9	10.6
EV/EBIT				27.6	34.8	20.2	11.8
EV/Sales (x)				4.59	2.67	2.37	2.06
Price/Book value				9.18	6.44	6.19	5.59
Price/adjusted equity				9.18	6.44	6.19	5.59
Free cash flow/Market cap (%)				4.8	1.4	3.5	5.8
Operating cash flow/EV (%)				5.7	3.6	5.0	7.8
EV/Capital employed (x)				8.0	5.6	5.3	4.7

<b>Main shareholders</b>			<b>Management</b>		<b>Company information</b>	
<b>Name</b>	<b>(%) Votes</b>	<b>Capital</b>	<b>Title</b>	<b>Name</b>	<b>Contact</b>	
Mikael Rautanen	13.9	13.9	COB	Kaj Hagros	Internet	group.inderes.fi
Juha Kinnunen	12.0	12.0	CEO	Mikael Rautanen	Phone number	+358 10 219 4690
Sauli Vilén	9.0	9.0	CFO	Mikko Wartiovaara		
Foreign owners (total)	0.4	0.4	IK			

Source for all data on this page: SEB

**About this publication**

This report is a marketing communication commissioned by Inderes and prepared by Skandinaviska Enskilda Banken AB (publ). It does not constitute investment research; as such, it has not been prepared in accordance with the legal requirements to promote the independence of investment research, nor is it subject to any prohibition on dealing ahead of the dissemination of investment research.

**This statement affects your rights**

This report is confidential and may not be reproduced, redistributed or republished by any recipient for any purpose or to any person. Redistributing this report to third parties may invoke legal requirements on the person engaging in such activities.

**Producers and Recipients**

SEB Research is approved and issued by Skandinaviska Enskilda Banken AB (publ) ("SEB"), a bank organized under the laws of the Kingdom of Sweden, on behalf of itself and its affiliates for institutional investors. When SEB Research is issued by an SEB subsidiary, the subsidiary itself is subject to this disclaimer.

**Use**

This material has been prepared by SEB for information purposes only. It does not constitute investment advice and is being provided to you without regard to your investment objectives or circumstances. The document does not constitute an invitation or solicitation of an offer to subscribe for or purchase any securities and neither this document nor anything contained herein shall form the basis for any contract or commitment whatsoever. Opinions contained in the report represent the authors' present opinion only and may be subject to change. In the event that the authors' opinion should change, we shall endeavour (but do not undertake) to disseminate any such change, within the constraints of any regulations, applicable laws, internal procedures within SEB, or other circumstances.

**Good faith and limitations**

All information, including statements of fact, contained in this research report have been obtained and compiled in good faith from sources believed to be reliable. However, no representation or warranty, express or implied, is made by SEB with respect to the completeness or accuracy of its contents, and it is not to be relied upon as authoritative and should not be taken in substitution for the exercise of reasoned, independent judgement by you. Recipients are urged to base their investment decisions upon such investigations as they deem necessary. To the extent permitted by applicable law, no liability whatsoever is accepted by SEB for any direct or consequential loss arising from the use of this document or its contents.

**Distribution**

This research report has been prepared by SEB or its affiliates and is being distributed by SEB offices in Stockholm, Copenhagen, Oslo, Helsinki, Frankfurt, London, Tallinn, Vilnius and Riga. Research reports are prepared and distributed in Lithuania by AB SEB bankas and in Estonia by AS SEB Pank in accordance with the requirements of the local laws and Financial Supervision Authority's conduct of business rules. This document may not be distributed in the United States, Canada, Japan or Australia or in any other jurisdiction where to do so would be unlawful. Addresses and Phone numbers for each office can be found at the end of the report.

**The SEB Group: members, memberships and regulators**

SEB is a member of, inter alia, Nasdaq OMX Nordic, Oslo Stock Exchange, the London Stock Exchange, NYSE Euronext, SIX Swiss Exchange, Frankfurt Stock Exchange, Tallinn Stock Exchange as well as certain European MTF's such as BATS-Chi-X, Turquoise and Burgundy. SEB is regulated by Finansinspektionen in Sweden and, for the conduct of investment services business, in (i) Denmark by Finanstilsynet, (ii) Norway by Finanstilsynet, (iii) Finland by Finanssivalvonta, (iv) Germany by Bundesanstalt für Finanzdienstleistungsaufsicht, (v) the UK by the Financial Conduct Authority and Prudential Regulation Authority (details about the extent of our regulation by the Financial Conduct Authority and Prudential Regulation Authority are available from us on request), (vi) Estonia by the Estonian Financial Supervision Authority, (vii) Lithuania by the Bank of Lithuania, (viii) Latvia by the Financial and Capital Markets Commission and Futures Commission.

SEB's research reports are prepared in accordance with the industry standards and codes of conduct applicable to financial analysts in the countries where they are based. In Denmark, Finland, Norway and Sweden, analysts act in accordance with the rules of ethics of each country's Society of Financial Analysts. Analysts comply with the recommendations and industry standards of the Danish, Norwegian and the Swedish Securities Dealers Associations and with those of the Federation of Finnish Financial Services. Analysts certified by the CFA Institute also comply with the Code of Ethics of the CFA Institute.

**Prevention and avoidance of conflicts of interest**

The remuneration of staff within the Research department is determined exclusively by research management and senior management and may include discretionary awards based on the firm's total earnings, including investment banking and markets (sales and trading businesses) income; however, no such staff receive remuneration based upon specific investment banking or markets transactions. SEB's Compliance department monitors the production of research and the observance of the group's procedures designed to prevent any potential conflicts of interest from affecting the content of research; the latter are described in greater detail in the "Statement of Policies for dealing with potential conflicts of interest surrounding our Research activities" which is available on our SEB Research website.

**Your attention is also drawn to the fact that:**

The current market price of the securities shown in this report is the price prevailing at the close of the business day preceding the date of publication, save where such price was more than 5% different from the price prevailing as at the time of publication, in which case it is the latter.

Unless explicitly stated otherwise in this report, SEB expects (but does not undertake) to issue updates to this report following the publication of new figures or forecasts by the company covered, or upon the occurrence of other events which could potentially have a material effect on it.

The securities discussed in this research report may not be eligible for sale in all countries, and such securities may not be suitable for all types of investors. Offers and sales of securities discussed in this research report, and the distribution of this report, may be made only in countries where such securities are exempt from registration or qualification or have been so registered or qualified for offer and sale, and in accordance with applicable broker-dealer and agent/salesman registration or licensing requirements. A copy of this report, not including the recommendation, has been provided to the issuer prior to its dissemination to check factual statements for accuracy; as a result, some amendments have been made.

A full list of disclosures for other companies mentioned herein (in which SEB has research coverage), can be found on our SEB Research website

**Methodology**

Final consideration as to any valuations, projections and forecasts contained in this report are based on a number of assumptions and estimates and are subject to contingencies and uncertainties, and their inclusion in this report should not be regarded as a representation or warranty by or on behalf of the Group or any person or entity within the Group that they or their underlying assumptions and estimates will be met or realized. Different assumptions could result in materially different results. Past performance is not a reliable indicator of future performance. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related investment mentioned in this report. In addition, investors in securities, such as ADRs, whose values are influenced by the currency of the underlying security, effectively assume currency risk.

**Company specific disclosures and potential conflicts of interest**

A member of, or an entity associated with, SEB or its affiliates, officers, directors, employees or shareholders of such members (a) is not, and has never been, represented on the board of directors or similar supervisory entity of Inderes, (b) has from time to time bought or sold the securities issued by the company or options relating to the company, and (c) SEB does not hold any short / long position exceeding 0.5% of the total issued share capital of Inderes as of 30 Sep 2022.

The analyst(s) responsible for this research report (jointly with their closely related persons) hold(s) 0 shares in Inderes and do(es) not have holdings in other instruments related to the company.

Skandinaviska Enskilda Banken AB (publ). All rights reserved.

---

**Copenhagen**

Bernstorffsgade 50  
P.O. Box 100  
DK-1577 Copenhagen V

Telephone: (45) 3328 2828

**Oslo**

Filipstad Brygge 1,  
P.O. Box 1363 Vikta  
NO-0113 Oslo

Telephone: (47) 2100 8500

**Frankfurt**

Stephanstrasse 14-16  
D-60313 Frankfurt am Main

Telephone: (49) 69 9727 7740

**Stockholm**

Kungsträdgårdsgatan 8  
S-106 40 Stockholm

Telephone: (46) 8 522 29500

**Helsinki**

Eteläesplanadi 18  
P.O. Box 630  
FIN-00101 Helsinki

Telephone: (358) 9 616 28700

**Tallinn**

Tornimäe 2  
EE-Tallinn 15010

Telephone: (372) 665 7762

**London**

One Carter Lane  
London, EC4V 5AN

Telephone: (44) 20 7246 4000