

Half-year report

January-June 2023



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January-June 2023

Half-year report briefing on **inderesTV**

August 15 at 9:30 EEST

Highlights of January-June

- Growth continued, profitability improved, and cash flow was strong
- Business in Sweden developed according to plan after acquisitions
- Success of the AGM product supported growth
- Investors demand transparency from listed companies more and more, and many large listed companies are becoming more active in serving private investors
- Challenging macroeconomic situation was reflected in project sales



Revenue growth 40.4%
(13.4%)



EBITA% 9.7% (6.7%)



**Share of recurring
revenue 56.6% (53.1%)**

January-June 2023

403
(+111%)

Number of listed
company customers

117
(+19%)

Personnel at end of
the period

69,000
(-10%)

Number of active
Community members



LISTED COMPANIES

BETTER SERVICE FOR
LISTED COMPANIES

MORE LISTED
COMPANIES

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MORE INVESTORS

BETTER CONTENT FOR
INVESTORS



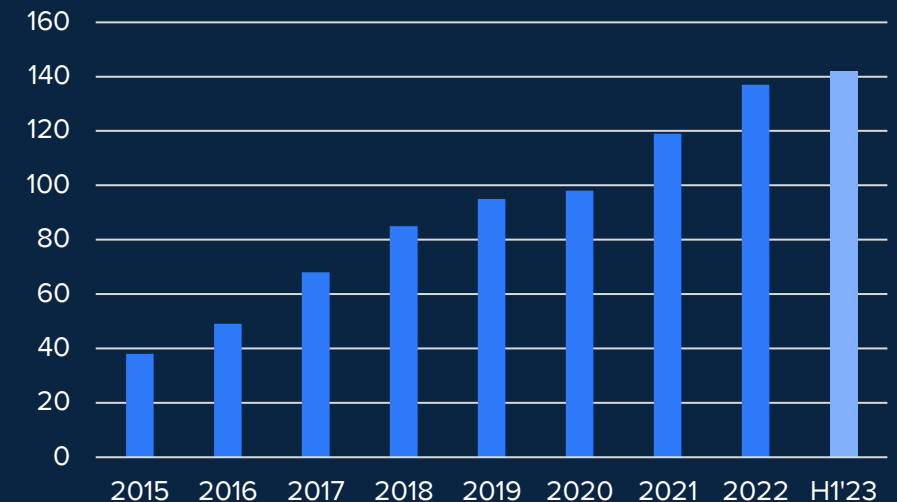
INDERES COMMUNITY

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Equity Research

- Contract portfolio for commissioned research grew by 11%
- Revenue increased and profitability was at a good level
- Investments in Sweden and weak project sales weighed on profitability
- First contracts in Sweden, contracts won in Finland from existing listed companies
- Extensive research report commissioned by Sampo demonstrates the benefits of the Inderes model also for large companies
- Churn has remained low, takeover bids for client companies weaken growth outlook
- The membership of the Inderes Community was stable at Q2

Contract portfolio for commissioned research



Events

- Very strong growth in revenue and good profitability
- Financial Hearings and Streamfabriken acquisitions supported growth
- Strong growth in AGM productions, expansion into total responsibility for productions yields results
- Event productions for interim reports increased
- Some customers have returned to physical events altogether, which has had a negative impact on demand outside IR events
- Macroeconomic weakness has led some customers to switch to cheaper production options

Valmet Capital Markets Day 2023



IR Software

- Revenue grew strongly and profitability was negative
- The business unit's transition from the product development phase to commercialization continues: all key parts of the product portfolio are now built, and all products are generating revenue
- Product offering now covers the most essential software and supporting services needed for IR, solutions bring cost-efficiency and simplicity
- AGM product has been a success and welcomed by customers as a modern alternative



Puolivuosikatsaus 30.6.2023

Julkaisimme tammi-kesäkuun puolivuosisikatsauksen 2023

Raportti

Eitysmateriaali

Web

Key figures and outlook

Income statement January–June 2023

- Revenue grew by 40% (13%) – growth excluding acquisitions about 14%
 - Sweden represented 20.3% (4.1%) of revenue
 - Share of recurring revenue was 57% (53%)
 - Growth in recurring revenue accelerated to 50% (24%)
 - Project revenue grew by 30% (3%)
- Acquisitions, growth in business in Sweden and the use of external services for AGM services increased the cost structure
 - Materials and services costs increased by 85% with the acquisitions and AGM productions
 - The average number of personnel grew by 26% and personnel costs increased by 25%
 - Other operating expenses increased by 32% due to acquisitions and expansion in Sweden
- EBITA totaled EUR 0.9 million (0.4) and accounted for 9.7% (6.7%) of revenue
- FAS goodwill amortization due to acquisitions and associate write-offs to financial expenses increased expenses by EUR 0.5 million year-on-year
- The Group's profit was EUR -0.1 million (0.2)

EUR million	H1/2023	H1/2022	Change
Revenue	9.244	6.584	40%
Other operating income	0.001	0.001	11%
Materials and services	-1.677	-0.905	85%
Personnel costs	-5.107	-4.075	25%
Other operating expenses	-1.434	-1.083	32%
EBITDA	1.026	0.522	97%
Depreciation according to plan	-0.132	-0.084	57%
EBITA	0.894	0.438	104%
Depreciation of consolidated goodwill	-0.520	-0.170	205%
EBIT	0.374	0.268	40%
Financial income and expenses	-0.173	0.017	-1089%
Profit before taxes	0.201	0.286	-29%
Income taxes	-0.219	-0.102	114%
Profit for the period	-0.017	0.183	-109%
Minority interests	-0.043	-0.021	103%
Group profit	-0.060	0.162	-137%

Income Statement April-June 2023

- Revenue grew by 28% (23%) – growth excluding acquisitions about 6%
- Sweden represented 22% (5%) of revenue
- Share of recurring revenue was 60% (53%)
 - Growth in recurring revenue accelerated to 45% (22%)
 - Project revenue grew by 8% (25%)
- Acquisitions and growth in the Swedish business increased the cost structure
 - Materials and services costs increased by 23%
 - The average number of personnel grew by 22% and personnel costs increased by 22%
 - Other operating expenses increased by 33%
- EBITA totaled EUR 0.3 million (0.1) and accounted for 5.9% (3.3%) of revenue
- Goodwill amortization under FAS accounting increased by EUR 0.2 million due to acquisitions

EUR million	Q2/2023	Q2/2022	Change
Revenue	4.286	3.360	28%
Other operating income	0.000	0.000	-100%
Materials and services	-0.660	-0.536	23%
Personnel costs	-2.555	-2.096	22%
Other operating expenses	-0.754	-0.569	33%
EBITDA	0.317	0.160	98%
Depreciation according to plan	-0.066	-0.050	31%
EBITA	0.252	0.110	129%
Depreciation of consolidated goodwill	-0.260	-0.085	205%
EBIT	-0.008	0.025	-133%

Balance sheet June 30, 2023

- Consolidated balance sheet **assets** – most significant items

- Goodwill EUR 7.0 million (0.8)
- Cash in hand and in banks EUR 4.2 million (4.5)
- Investments EUR 2.6 million (2.8)
- Accounts receivable EUR 2.3 million (1.7)
- Other items total EUR 1.5 million (1.4)

- Consolidated balance sheet **liabilities** – most significant items

- Equity EUR 6.9 million (6.3)
- Other non-current liabilities EUR 2.9 million (0.0)
- Loans from financial institutions EUR 2.0 million (0.1)
- Current non-interest-bearing liabilities EUR 4.9 million (4.2)
- Other items EUR 0.9 million (0.6)

**EUR 17.6
million**

Balance sheet total

45%

Equity ratio

-31%

Net gearing

Cash flow January-June 2023

- Operating cash flow was EUR 1.8 million (1.1). The development was affected by
 - Profitability EUR 1.0 (0.5) million
 - Working capital development EUR 0.9 million (1.0)
 - Periodicity of tax payments in the period EUR -0.2 million (-0.4)
- Operating cash flow after investments was EUR 1.6 million (0.1). The development was affected by
 - Operating cash flow EUR 1.8 million (1.1)
 - Business investments EUR -0.1 million (-1.0)
- The company's cash assets during the review period increased by EUR 0.5 million. The development was affected by
 - Operating cash flow after investments EUR 1.6 million (0.1)
 - Share savings scheme issue EUR 0.5 million
 - Dividends paid on the 2022 fiscal period EUR -1.4 million (-1.3)

**EUR -0.1
million (-1.0)**

Cash flow from
investment
activities

**EUR -1.0
million (-2.6)**

Cash flow from
financing activities

**EUR 4.2
million (4.5)**

Cash and cash
equivalents at the
end of the review
period

Outlook

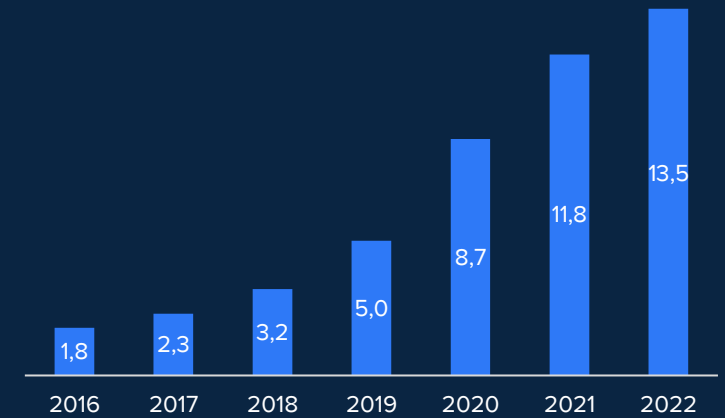
Guidance for 2023 (unchanged)

- Revenue exceeds EUR 17.0 million
- Relative profitability measured by EBITA % improves from the previous year (9.4%)

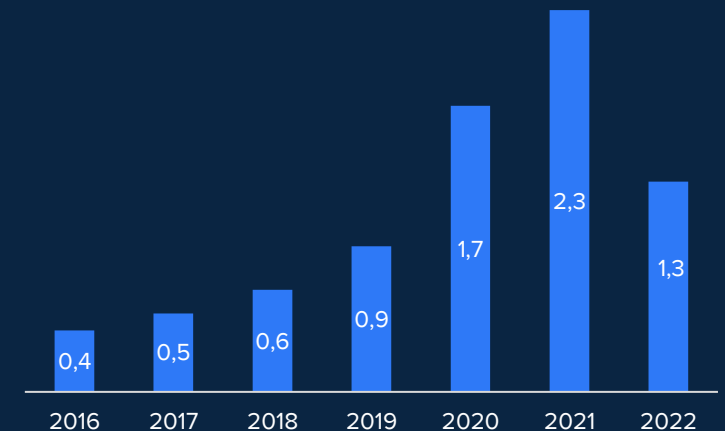
Background for the outlook (updated)

- Target markets in the company's main product areas are not expected to grow in 2023 (*comment updated*)
- IPO activity on stock exchange market will remain low
- International revenue is expected to grow strongly thanks to the Streamfabriken and Financial Hearings acquisitions
- Ramping up international business and investments in product development raise the cost level

Revenue (MEUR)

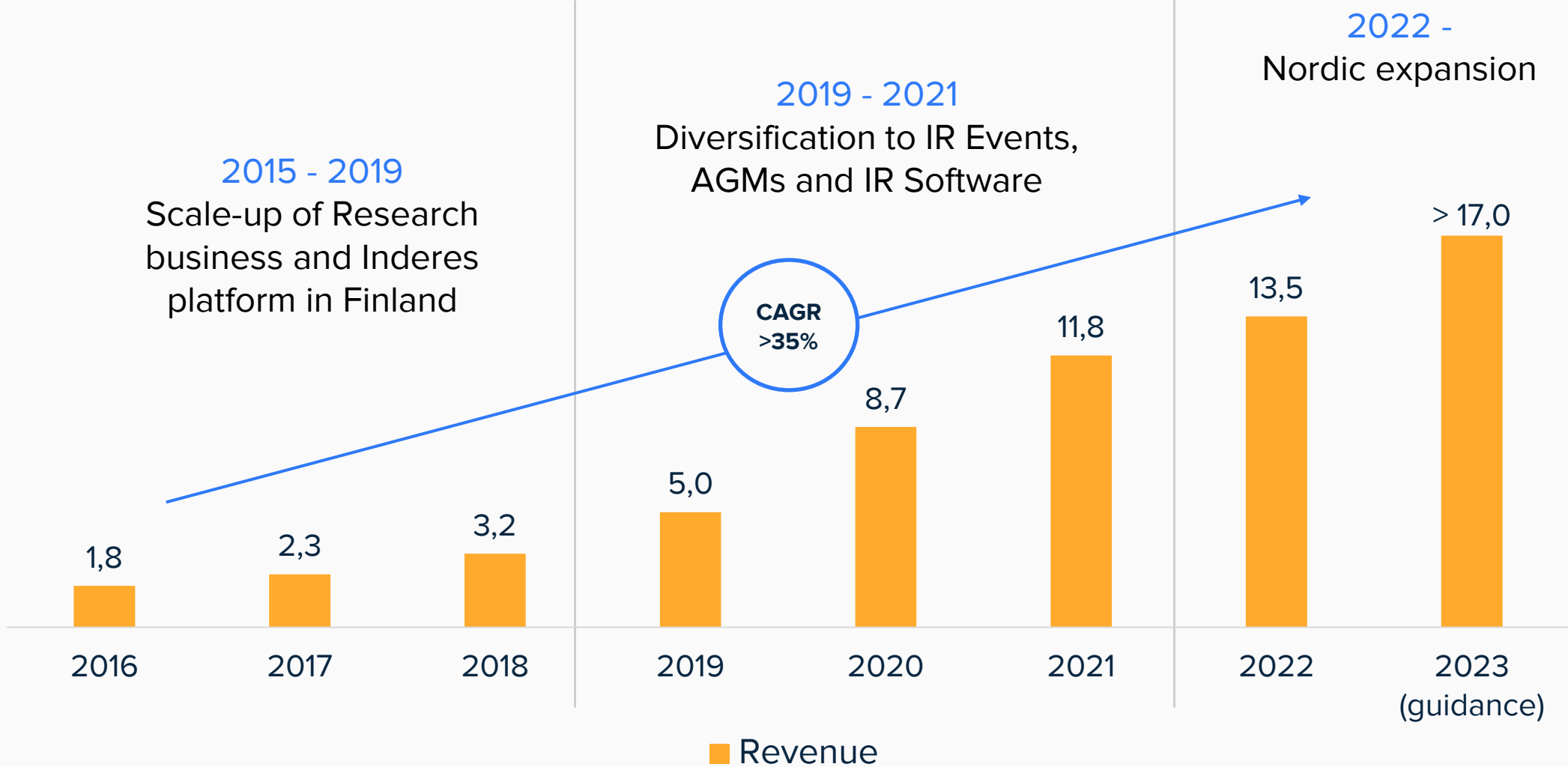


EBITA (MEUR)



New strategy 2023-2027

Successful evolution to new products and markets



Strategic choices: Four main products covering investor relations essentials.



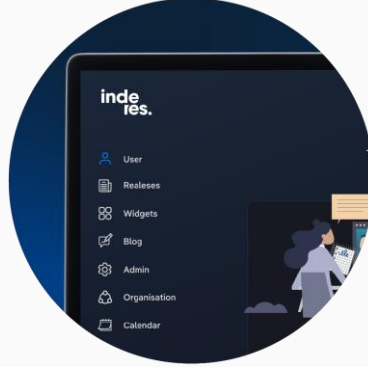
Equity Research
> 140 clients



IR Events
> 300 clients



AGM
> 100 clients



IR Software
> 40 clients

Products combining:

- 1 Passionate professionals
- 2 Own technology platforms
- 3 Investor community

Strategic choices: Three main markets



- Main growth market during strategy period



- Grow in existing client base with wider offering
- Actively develop the IPO ecosystem



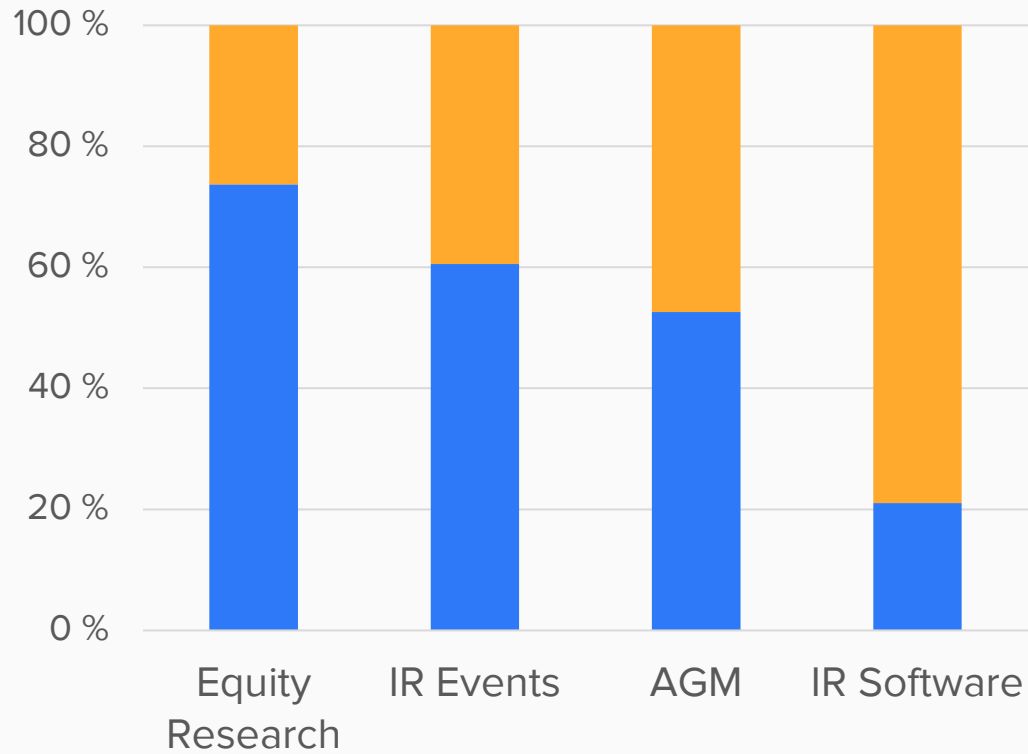
- Operate via strategic partner HC Andersen Capital



Addressable markets multiply



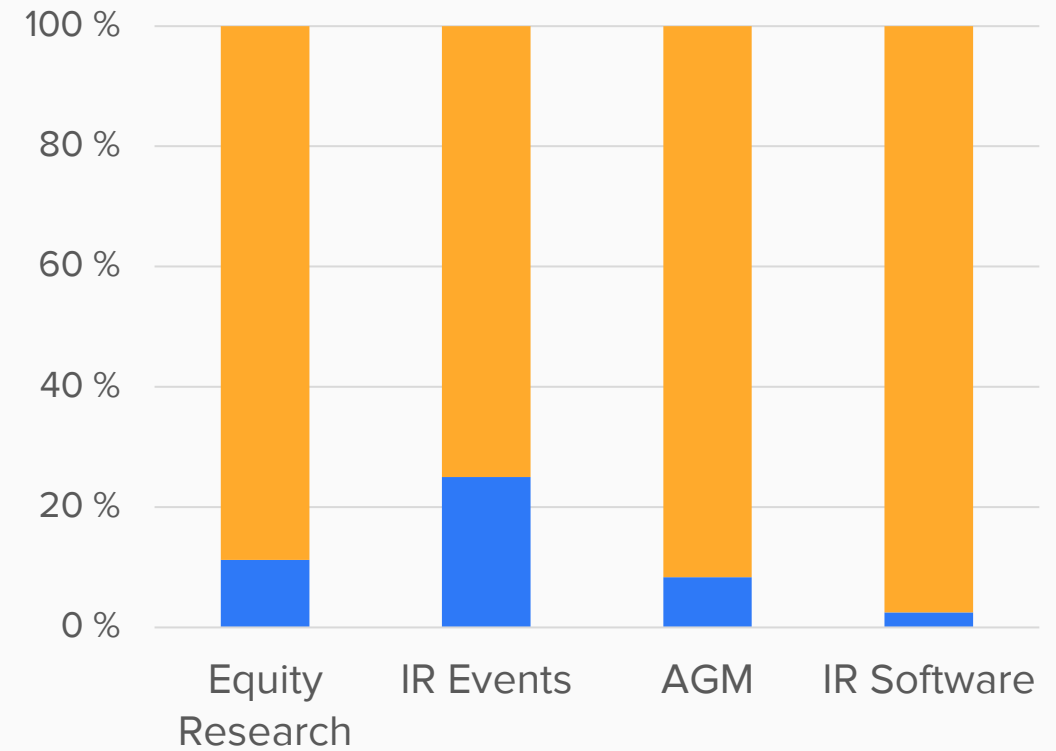
~20 MEUR addressable market



Inderes' market penetration



>120 MEUR addressable market



Inderes' market penetration

Identified obstacles on our way

- Low awareness outside Finland
- Localizing product offering and sales models in Sweden
- Developing international organization culture
- Limited local community outside Finland

Key strategic themes to overcome the obstacles

- 1 Productization and sales
- 2 Sweden
- 3 International Inderes

Themes converted into set of actions by the teams

Financial targets

Long-term financial targets

- The company's aim is to maintain a combined revenue growth rate and profitability (EBITA%) of 30-50%
- Annually growing payout (including dividends and buybacks)

Infinite targets

- Choose to be great instead of big
- Rather lose business than slip from our values
- Help our people to grow as professionals and individuals

	2018	2019	2020	2021	2022	5y Avg.
Revenue growth %	40%	56%	76%	36%	14%	44%
EBITA %	19%	18%	20%	20%	9%	17%
Total	59%	74%	96%	55%	24%	62%

Today is a good day to start investing

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