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# Business Review

January-September 2022



# July-September in Brief

- Strong growth in recurring revenue continued
- Project revenue remains sticky for virtual transactions
- Profitability at a good level
- Outlook for the 2022 fiscal year was updated on September 26
- Focus on ensuring healthy business and growth also in a challenging market
- Efforts to internationalize the company continue
- inderes.dk service launched in Denmark



**Revenue growth 18%**  
**(41%)**

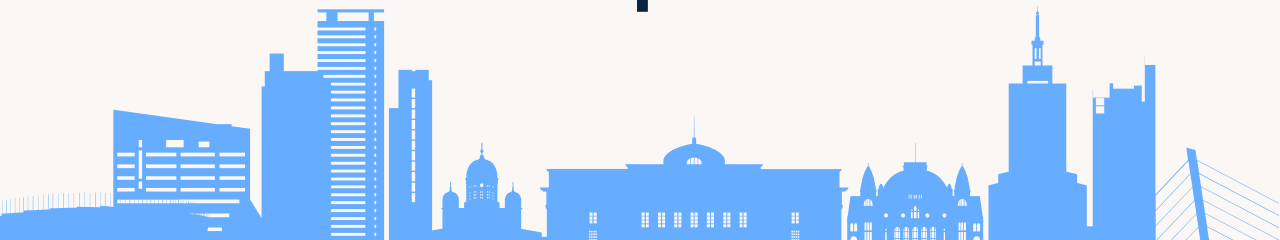


**EBITA% 21% (21%)**



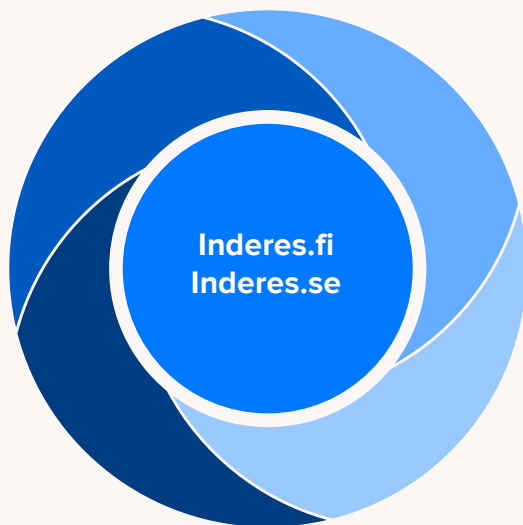
**Share of recurring  
revenue 64.5% (58.6%)**

# Inderes platform



## All listed companies

Better service for listed companies



More listed companies

More investors

Better content for investors

## Inderes Community



# January-September 2022

**190**  
(+12%)

**Number of listed company customers**

**95**  
(+22%)

**Personnel at end of the period**

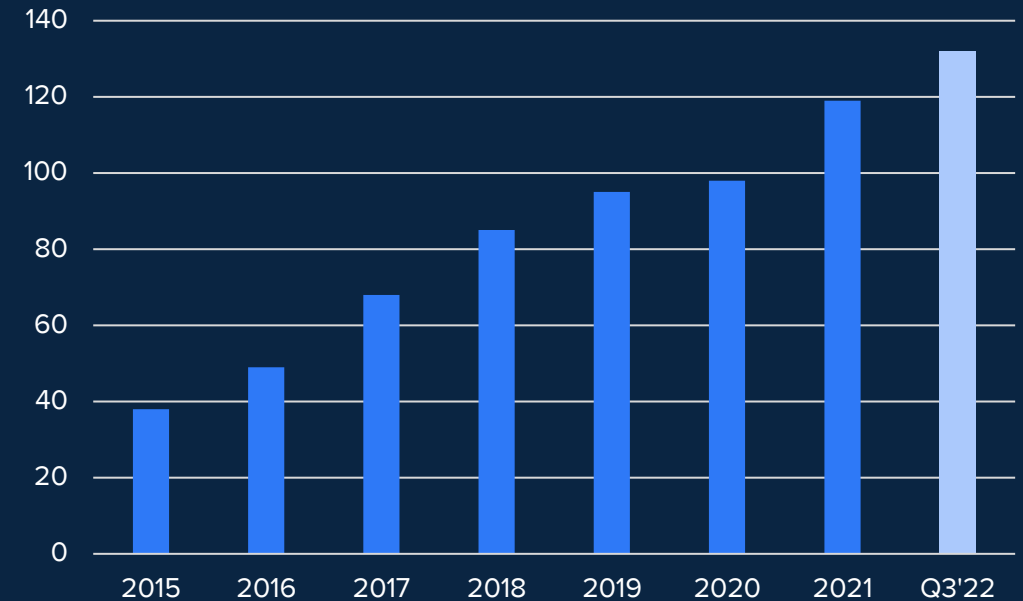
**75,000**  
(+7%)

**Number of active Community members**

# Research services

- Contract portfolio for commissioned research grew by 17%
- The business is on a solid footing thanks to the growth in the contract portfolio
- The Equity investor's week event was successfully carried out for the second time together with Alma Talent
- First joint Nordic events with HC Andersen Capital
- The core of the Inderes Community remained viable despite the market situation but the number of active users decreased during the quarter

Contract portfolio of commissioned research, contracts



# Virtual Events (Flik)

- Fierce growth being digested this year
- Revenue grew slightly in the third quarter
- Growth in the listed company segment continues, revenue decline in other customers is stabilizing
  - The share of unlisted customers in Inderes' total revenue is estimated to fall below 5% in 2022 (2021: over 10%)
- Due to the market uncertainty some IPO and CMD events have moved to next year



# IR Solutions

- Investments in software development and commercialization of new solutions continue
  - Listed companies: IR site solutions, AGM solutions, release distribution system (new) and webcast software
  - Investors Inderes Investor Service (beta.inderes.fi) is updated to a completely new platform (inderes.dk and inderes.se are already operating on the new platform)
- The first hybrid meeting solution was successfully delivered in Finland
- Strong interest in hybrid meetings for next spring's AGM season
- The webcast platform was complemented with a teleconference solution, a market opportunity is opening as certain teleconference providers are driving down their services based on outdated technology

# REGISTER TODAY!

**THE AUDIOCAST WILL BEGIN  
JULY 15TH 2022 AT 10:00 AM CEST**

Please fill your info here

Name  \*

Email  \*

Company  \*

**REGISTER»**

\* Required fields

**Figures and**

**outlook**

# Income Statement July–September 2022

- Revenue grew by 18% (41%)
- Share of recurring revenue was 64% (59%)
  - Growth in recurring revenue was 30% (27%)
  - Project revenue grew by 1% (65%)
- Growth investments were visible as increased costs
  - Materials and services costs contracted by 3% as the use of external services decreased in virtual event productions
  - The average number of personnel grew by 31% and personnel costs increased by 26%
  - The largest expense items in other operating expenses were related to operating expenses and other expenses generated through business growth
- EBITA totaled EUR 0.6 million (0.5) and accounted for 20.6% (20.6%) of revenue

MEUR	Q3/2022	Q3/2021	Change
<b>Revenue</b>	<b>3.039</b>	<b>2.580</b>	<b>18%</b>
Other operating income	0.000	0.012	-100%
Materials and services	-0.432	-0.446	-3%
Personnel costs	-1.436	-1.140	26%
Other operating expenses	-0.488	-0.448	9%
<b>EBITDA</b>	<b>0.683</b>	<b>0.558</b>	<b>22%</b>
Depreciation according to plan	-0.058	-0.027	112%
<b>EBITA</b>	<b>0.625</b>	<b>0.530</b>	<b>18%</b>
Depreciation of consolidated goodwill	-0.085	-0.085	0%
<b>EBIT</b>	<b>0.540</b>	<b>0.445</b>	<b>21%</b>



# Income Statement January–September 2022

- Revenue grew by 15% (46%)
- Share of recurring revenue was 57% (52%)
  - Growth in recurring revenue accelerated to 26% (21%)
  - Project revenue grew by 3% (86%)
- Growth investments were visible as increased costs
  - Materials and services costs increased by 8% with virtual event and AGM productions
  - The average number of personnel grew by 36% and personnel costs increased by 37%
  - The largest expense items in other operating expenses were related to operating expenses and other expenses generated through business growth
- EBITA was EUR 1.1 million (1.6) and accounted for 11.1% (19.4%) of revenue

MEUR	1-9/2022	1-9/2021	Change
<b>Revenue</b>	<b>9.622</b>	<b>8.386</b>	<b>15%</b>
Other operating income	0.001	0.013	-95%
Materials and services	-1.336	-1.239	8%
Personnel costs	-5.510	-4.029	37%
Other operating expenses	-1.570	-1.408	12%
<b>EBITDA</b>	<b>1.205</b>	<b>1.722</b>	<b>-30%</b>
Depreciation according to plan	-0.142	-0.096	49%
<b>EBITA</b>	<b>1.063</b>	<b>1.627</b>	<b>-35%</b>
Depreciation of consolidated goodwill	-0.255	-0.255	0%
<b>EBIT</b>	<b>0.808</b>	<b>1.372</b>	<b>-41%</b>

# Outlook

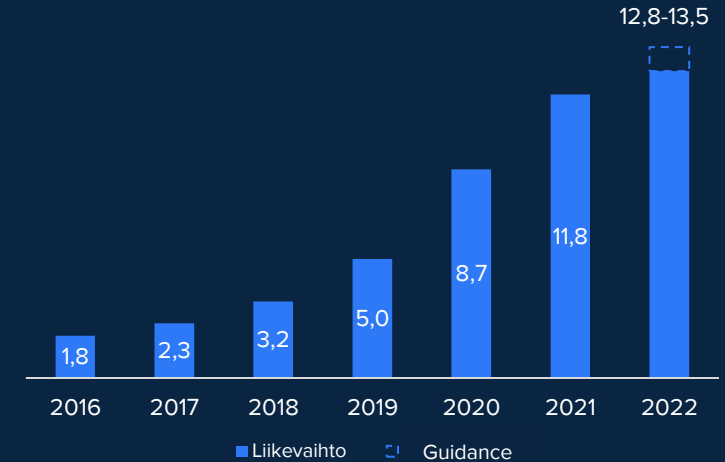
## Guidance for 2022 (revised on September 26, 2022)

- Revenue estimated to be EUR 12.8-13.5 million
- EBITA estimated to be EUR 1.0-1.6 million

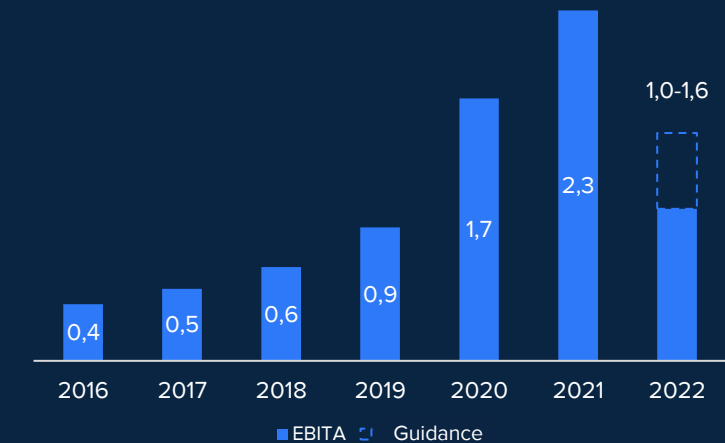
## Background for the outlook (revised on September 26, 2022)

- Project revenue is expected to decline in 2022 due to the decrease in sales of the virtual events business
- Recurring revenue is expected to grow by over 20% in 2022 thanks to growth in research services and IR solutions
- Russia's military aggression against Ukraine and the uncertainty of the capital markets slow down IPO activity and have a negative impact on virtual event demand
- We estimate that investments in Sweden will be over EUR 1 million in 2022, of which less than EUR 0.5 million will be capitalized in the balance sheet

Revenue (EURm) and guidance



EBITA (EURm)



**What next?**

# Earnings drivers 2022 vs 2021

- Positive:
  - Research services
- Negative:
  - Virtual events (digesting after peak year)
  - IR Solutions (product development investments)
  - Sweden (internationalization investments)

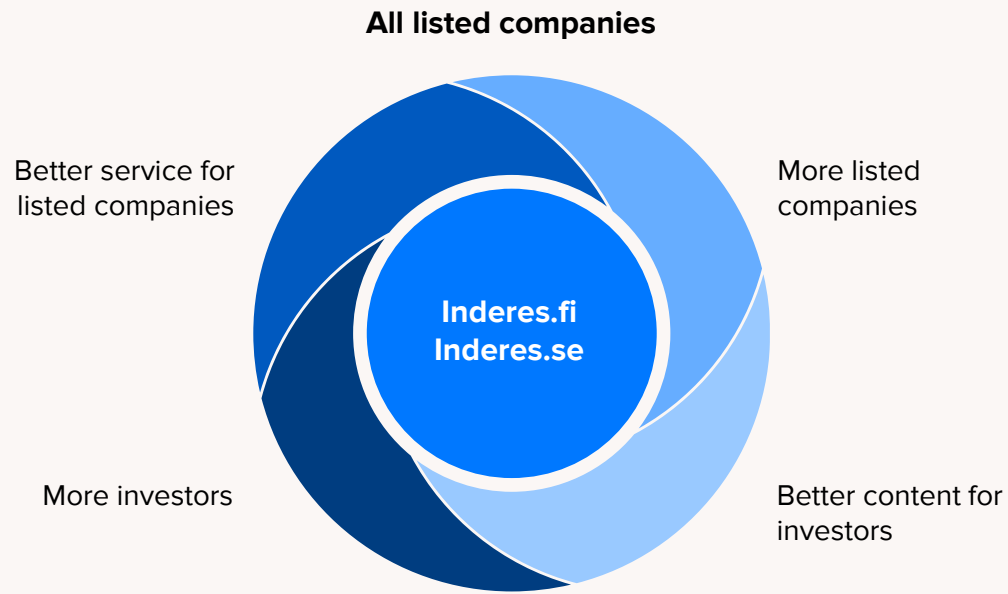


# Market Trends

1. The number of retail investors is increasing and the popularity of direct equity investment is growing
2. IPOs are becoming more common as an alternative for growth entrepreneurs
3. Listed companies want to invest in transparency and investor communications
4. Digital channels enable more effective and efficient investor communications for listed companies



# Cornerstones of the strategy

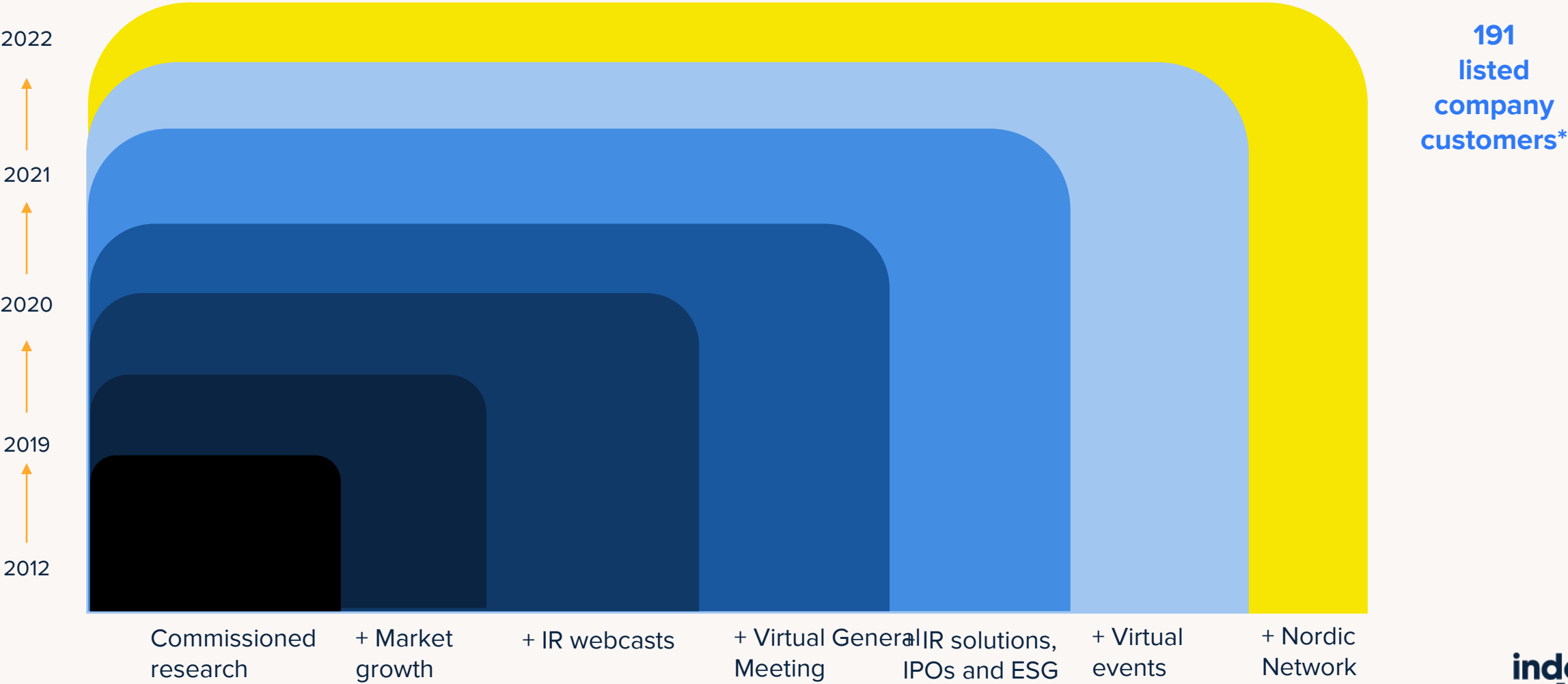


## **Inderes Community**



1. We are growing in the listed company market by enabling efficient and effective investor communication for our customers
2. We will continue disciplined expansion into new market segments where we can be excellent
3. We build the world's most community-based investor service while ensuring quality

# Disciplined expansion to new market segments continues



\*illustrative image of the target market, the size of the boxes should not be interpreted as an estimate of the absolute size of the market

# Objectives

## Long-term financial targets

- The company's aim is to maintain a combined revenue growth rate and profitability (EBITA%) of 30–50%, regardless of the economic cycle

## 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.





# Historical outcome

	2016	2017	2018	2019	2020	2021
Revenue growth %	25 %	29 %	40 %	56 %	76 %	36 %
EBITA %	21 %	21 %	19 %	18 %	20 %	20 %
<b>Total</b>	<b>46 %</b>	<b>50 %</b>	<b>59 %</b>	<b>74 %</b>	<b>96 %</b>	<b>55 %</b>

*Importance of stock*

*picking is emphasized*

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