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Corporate Research

Inderes

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Nordic growth story boosted

Inderes boosts the Nordic growth story by announcing today acquisitions of Swedish virtual event producers Financial Hearings and Streamfabriken. Financial Hearings is market leader in listed company quarterly events in Sweden. We believe that the acquisition significantly strengthens Inderes' position in Sweden and gives foundation for further growth. The valuation was also affordable in our view, with combined 2022E EV/EBIT of 8.1x.

Nordic growth story boosted

Inderes announced today acquisitions of Swedish Financial Hearings and its production company Streamfabriken. Financial Hearings is market leader in Sweden within listed company quarterly and annual events. Streamfabriken also offers virtual events for other clients in Sweden, Finland and Norway. We believe that the acquisition notably strengthens Inderes' position in Sweden and builds foundation for further growth, not only in virtual events but also in other businesses. The acquisition gives Inderes' access to new customers, and enables offering more value-adding services. The acquired companies had already been using Inderes' Videosync platform in their events before the acquisition and further cooperation can streamline costs. We believe that access to Nordic customers is important for the Nordic growth story in all segments. The acquired companies are profitable with expected combined EBIT margin of 21.5% in 2022.

Valuation seems reasonable

Inderes pays EUR 8.2m for the acquisition with EV EUR 7.3m. Inderes acquired the companies at about 8.1x 2022E EV/EBIT. The acquisition is notably below Inderes' own valuation of 31x 2022. 19% of the acquisition was paid with Inderes's shares valued at 31.92 per share, which is notably above the current share price. Thus, the acquisition price seems favourable for Inderes. Rest of the deal will be paid in two parts. Inderes' had net cash of about EUR 4m at the end of H1, and the balance sheet is in good shape for the acquisition.

Valuation:

Key figures

(EURm)	2021	2022E	2023E	2024E
Revenues (m)	12	13	15	17
Adj. EBIT	2	1	2	3
PTP (m)	2	1	2	3
EPS	0.79	0.54	0.91	1.51
EPS (adjusted)	0.79	0.54	0.91	1.51
DPS	0.80	0.70	1.00	1.50
Revenue growth (%)	35.7	11.7	12.2	12.2
EPS growth (%)	n.a.	(31.7)	67.8	66.4
Operating margin (%)	16.6	8.1	11.8	17.4
ROCE (%)	43.8	16.8	28.3	43.2
Net Debt/EBITDA (x)	(2.9)	(2.7)	(2.0)	(1.6)
PER (adjusted)	47.3	43.3	25.8	15.5
Dividend yield (%)	2.1	3.0	4.3	6.4
Free Cash Flow Yield (%)	4.8	1.8	4.1	6.4
P/BV (x)	9.2	6.1	5.8	5.2
EV/EBIT (x)	27.6	30.5	18.0	10.5
EV/Sales (x)	4.59	2.56	2.25	1.96

Source: SEB

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