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## Corporate Research

# Inderes



### Q3: In line quarter with positive note to recurring revenue

Inderes delivered Q3 headline numbers in line with our estimates with EBITA topping our estimate by EUR 0.15m (thanks to lower net employee recruitment). As expected after the profit warning the recurring revenue was strong with commissioned research agreements topping our estimate while project revenue saw just 1% y/y growth. The revised guidance was repeated and our pre-report FY22 estimates stand at the mid-point.

#### Outcome: Sales in line, EBITA marginally above our estimates

Inderes reported Q3 sales of EUR 3.0m, in line with our estimate of EUR 3.0m. Sales increased y/y by 18%, slightly down from seen in Q2 (23%). Recurring revenue increased some 30% y/y to EUR 2.0m (65% of sales) and came in marginally above our estimate of EUR 1.9m. As already flagged in touch with profit warning project revenue increased only 1% y/y and landed at EUR 1.1m, hitting our forecast of EUR 1.1m. The number of commissioned research agreements grew to 132 from 128 in Q2 and 113 in Q3/21, implying 17% growth y/y. We had anticipated the number of commission research agreements to be 130 at the quarter end. Inderes' adjusted EBITA in Q3 came in at EUR >0.6m, and was slightly above our forecast of EUR 0.5m. The minor positive deviation in EBITA was due to personnel expenses as the net recruitment during the quarter was somewhat less than we had input.

#### Inderes Q3/22 deviation

EURm	Q3/22		Deviation SEB		Q3/21		Q2/22	
	Actual	SEB	Abs	Rel (%)	Actual	y/y	Actual	q/q
Net sales	3.0	3.0	0.1	2.1	2.6	17.8	3.4	-9.6
Materials and services	-0.4	-0.4	0.0	3.3	-0.4	3.1	-0.5	19.4
Gross profit	2.6	2.5	0.1	3.0	2.1	21.5	2.8	-7.7
EBITA	0.6	0.5	0.2	32.1	0.5	17.7	0.1	473.4
<b>EBITA adjusted</b>	<b>0.6</b>	<b>0.5</b>	<b>0.2</b>	<b>32.1</b>	<b>0.5</b>	<b>17.7</b>	<b>0.1</b>	<b>473.4</b>
EBIT reported	0.5	0.4	0.2	39.1	0.4	21.1	0.0	2150.0
<b>Adj. EBITA margin</b>	<b>20.6%</b>	<b>15.9%</b>		<b>4.7pp</b>	<b>20.6%</b>	<b>0.0pp</b>	<b>3.2%</b>	<b>17.3pp</b>
Adj. EBIT margin	16.5%	13.0%		3.4pp	17.3%	-0.8pp	0.7%	15.7pp
No. of Finnish commissioned research companies	132	130	2.0	1.5	113.0	16.8	128.0	3.1

Source: SEB

#### Outlook: Revised guidance repeated

Inderes keeps its revised guidance for 2022 unchanged. The company expects sales in 2022 to be in the range of EUR 12.8-13.5m with adj. EBITA at EUR 1.0-1.6m. Our pre-Q3 FY22 sales estimate stands at EUR 13.3m while we estimate EBITA of EUR 1.3m.

**Impact: No major estimate changes based on the first take**

Given that the headline numbers came in well in line with our estimate, our first take is that the estimate changes are likely to be fairly muted.

**Conference call details: Webcast starts at 9:30**

Inderest hosts a webcast at 9:30 Finnish time and the live stream can be followed at <https://inderes.videosync.fi/q3-2022-results>.

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