

Talenom Plc Business Review Q1 2022

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TALENOM
yrittämisen iloa



PRESENTATION CONTENT

- HIGHLIGHTS FROM THE REVIEW PERIOD
- STRATEGY PROGRESS DURING THE REVIEW PERIOD
- GROUP FINANCIAL DEVELOPMENT
- COUNTRY-SPECIFIC FINANCIAL DEVELOPMENT
- OUTLOOK



FIRST QUARTER OF 2022

STRONG GROWTH IN NET SALES

+24%
(+17%)

EBIT MARGIN WAS EXCELLENT

19%
(22%)

GUIDANCE FOR 2022 UNCHANGED

NET SALES EUR 100-110 MILLION
OPERATING PROFIT EUR 15-18 MILLION

STRATEGY PROGRESS Q1/2022

1 GROWTH

- 1/3 of growth organic, 2/3 from acquisitions
- Organic growth is driven by increased customer volumes and growth in sales of value-added services in Finland
- New customer acquisition has worked well in Sweden
- Five acquisitions in Finland and Sweden

2 FURTHER DEVELOPMENT OF SERVICES IN FINLAND

- New service packages are an important part of the transition in which our business shifts toward a more consulting direction as routine tasks are automated

3 EXPLORING NEW MARKET AREAS

- Examination of new accounting service markets continued as planned
- The digital transition is expected in Europe in the coming years
- Utilise the position reached in Finland as a pioneer in the expansion

4 SCALING THE SMALL CUSTOMER CONCEPT

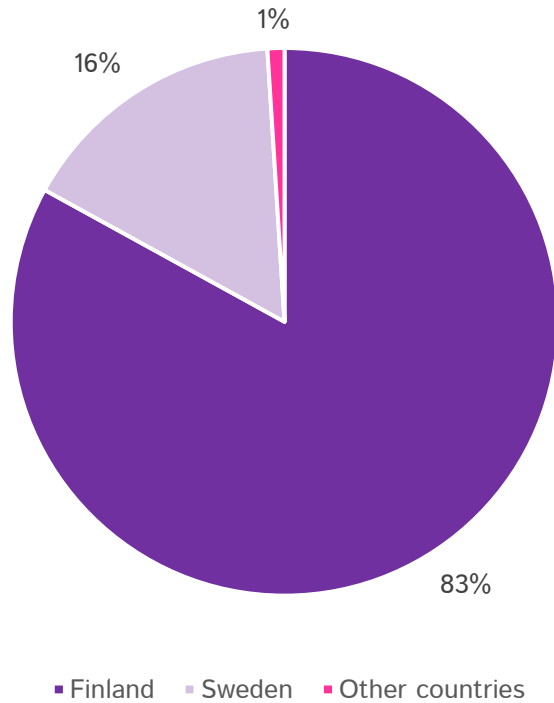
- We have improved digital sales in the small customer segment in Finland
- Marketing of the service will start during the second quarter
- Preparation for implementing the small customer concept in Spain continued

5 SOFTWARE IMPLEMENTATION IN SWEDEN

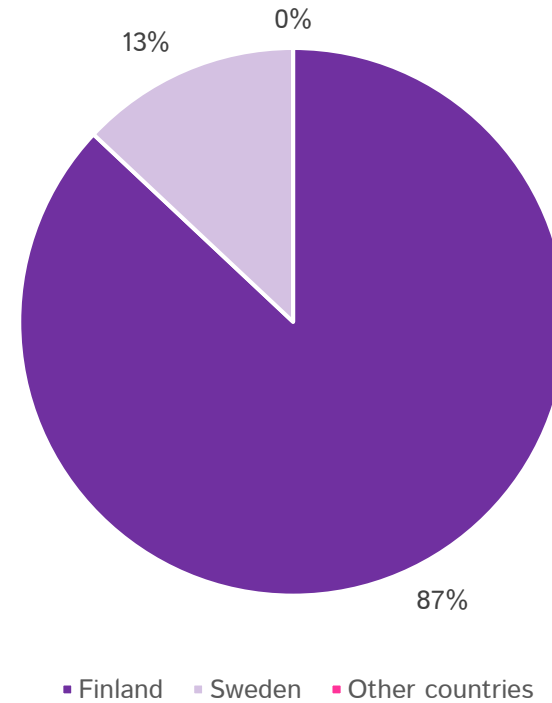
- Investments in introducing own software in Sweden continued
- We managed to increase the number of pilot customers
- The project has progressed according to plan, extensive software implementation is aimed for in the autumn of 2022

INTERNATIONALISATION PROGRESSING AS PLANNED

Net sales distribution Q1/2022

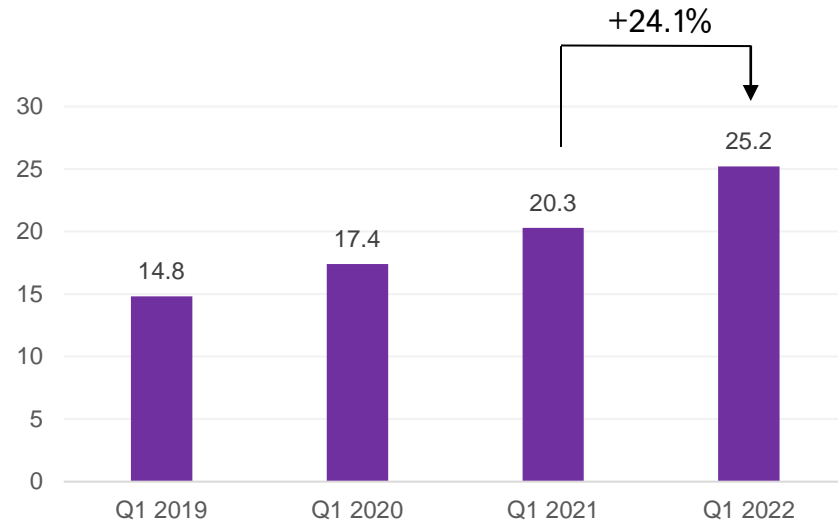


Net sales distribution Q1/2021

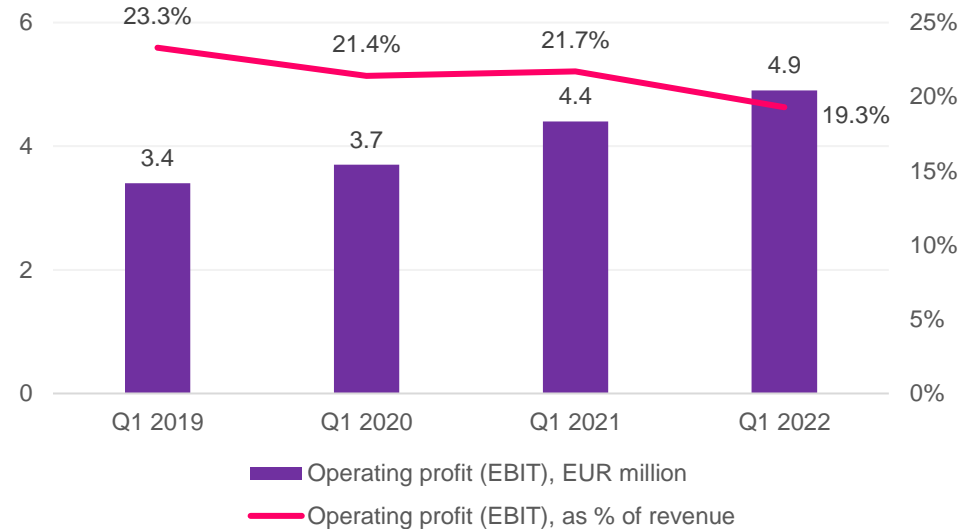


STRONG GROWTH WITH EXCELLENT PROFITABILITY

Net sales in January-March (EUR million)



Operating profit in January-March



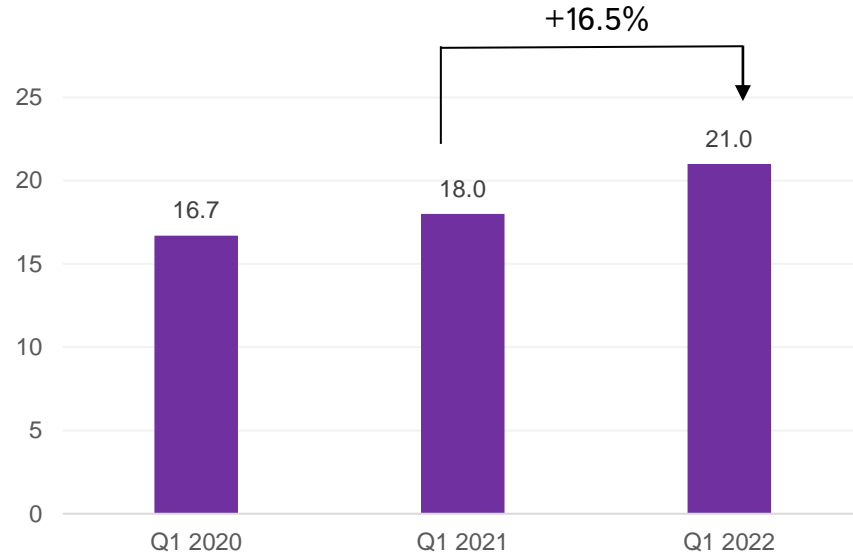
- 1/3 of growth organic, 2/3 from acquisitions
- Five acquisitions in Sweden and Finland
- Organic growth driven by good development in customer volumes and sales of value-added services
- COVID pandemic or the war in Ukraine had no significant impact

- Automation progressing had positive impact
- Growth through acquisitions had a negative impact as a result of the targets' weaker profitability, depreciations and integration costs
- In Finland, it takes about three years to increase the profitability of the acquisition targets to the level of the core business

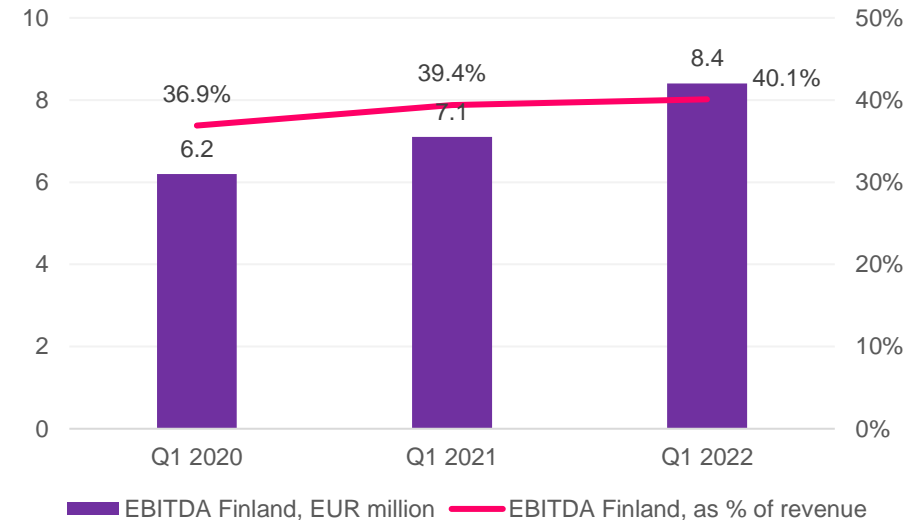
BUSINESS DEVELOPMENT IN FINLAND

Net sales development in January-March

EUR million



EBITDA development in January-March



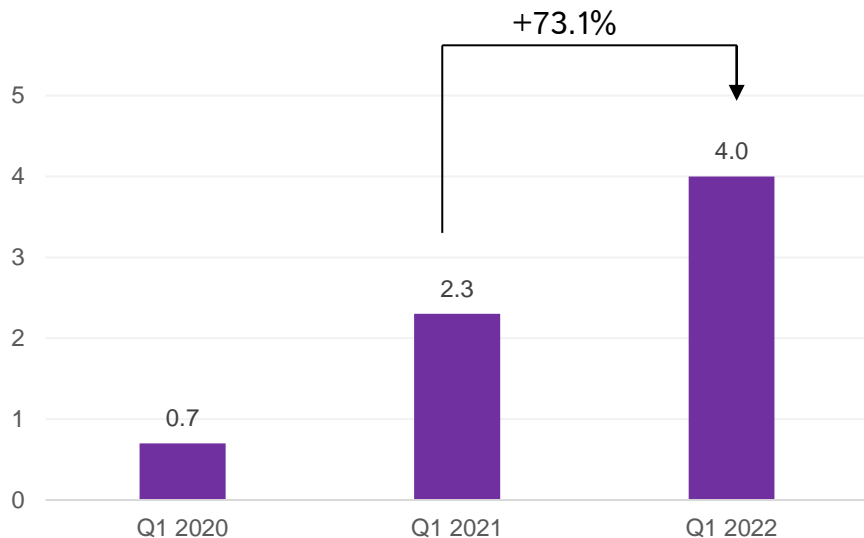
- Growth in net sales 1/2 organic, 1/2 from acquisitions
- Organic growth driven by increased customer volumes and sales of value-added services
- Aim to strengthen organic growth, where the small customer segment and digital distribution are of great importance

- EBITDA was at an excellent level
- The development of automation had a positive and acquisitions a negative impact on relative profitability

BUSINESS DEVELOPMENT IN SWEDEN

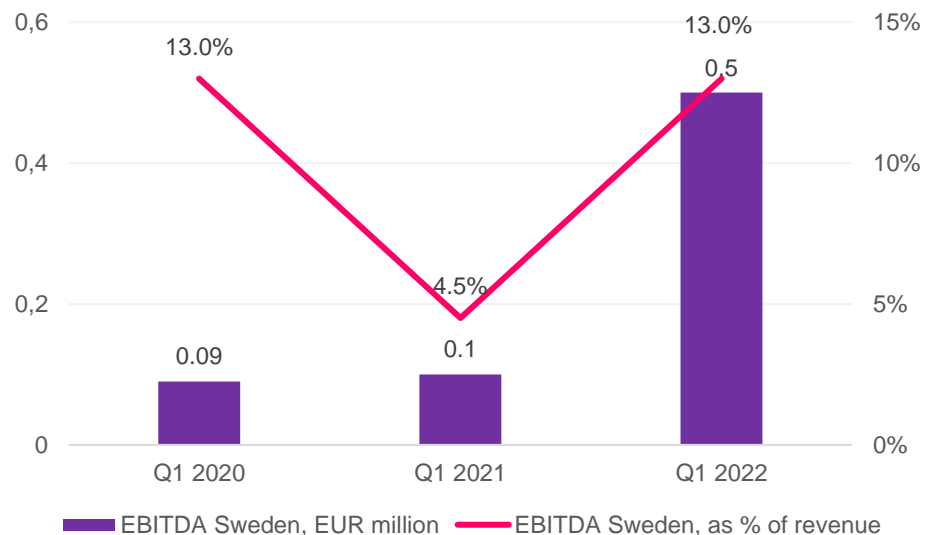
Net sales development in January-March

EUR million



- Net sales growth came mainly from acquisitions
- New customer sales development slightly better than expected, efforts to accelerate it continue

EBITDA development in January-March



- Profitability is developing in the right direction
- The development is expected to continue as customers are transferred to Talenom's platform in autumn 2022

OUTLOOK AND GUIDANCE

OUTLOOK AND GUIDANCE FOR 2022 UNCHANGED (PUBLISHED 16 DECEMBER 2021)

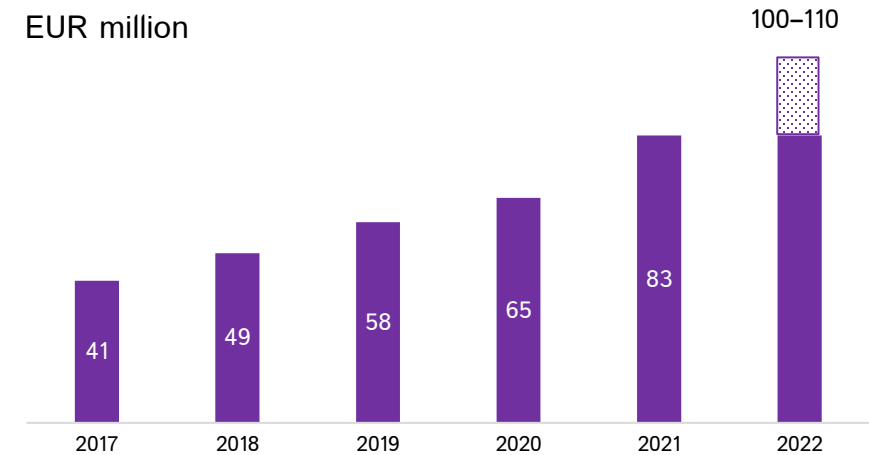
Talenom expects 2022 net sales to be EUR 100-110 million and operating profit (EBIT) to be EUR 15-18 million.

ASSUMPTIONS

- Talenom expects the accounting services market to grow in all of the company's operating countries in 2022 and demand to remain stable
- Majority of the total net sales growth in 2022 is expected to come from acquisitions in Finland and Europe
- The guidance includes the estimates for the Swedish accounting firms that were acquired at the end of November 2021
- The guidance includes an estimation of possible acquisitions during 2022, which are subject to significant uncertainty
- Acquisitions will have a negative impact on relative profitability in the short term
- Talenom's investments in automation, customer-friendly user interfaces and the small customer segment in recent years will increase the depreciation level relative to net sales, but operational profitability measured by EBITDA will improve

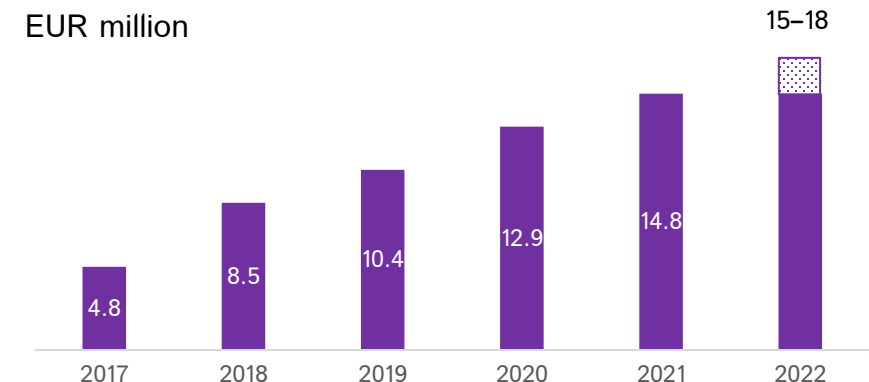
NET SALES

EUR million



OPERATING PROFIT

EUR million



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