Corporate Research
Leaddesk

ESG

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Company Update	IT/Technology	Finland	06 September 2021

Leading the way to cloud

We initiate coverage of Leaddesk, a SaaS solution provider for high-volume customer contacting. Leaddesk aims to lead European contact centre cloud adoption by delivering hefty organic growth and being active on the M&A front. Driven by the market cloud adoption trend, we expect an organic sales CAGR of 19% (2021-2023E) that follows the delivered organic CAGR of 22% since 2018. We set our fair value range for Leaddesk at EUR 39-43.

Market for cloud-based solutions set to grow rapidly

We expect the CCaaS market to follow the general SaaS trend of cloud-based solutions taking over the legacy on-premise software. In contact centre software, cloud adoption is still relatively low at approximately 20% in the European market. Since 2010 the cloud-based solutions CAGR has been some 23% and should continue to grow robustly, suggesting the market for cloud-native providers like Leaddesk is supportive.

Leaddesk is on an advanced journey in its international expansion

Leaddesk's international growth is well underway, with 69% of revenue coming from outside home markets. The company's product is said to be globally competitive while it follows a strategy to be local. In addition to geographical expansion, we believe the company has plenty of room to increase its market share in areas where it holds a leading position. The growth should come especially from the enterprise customer segment, which is relatively slowly moving to the cloud era.

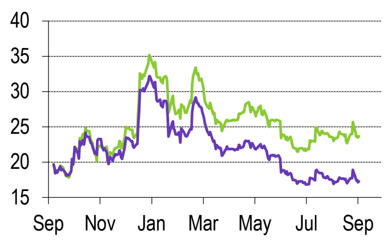
ARR at 20% CAGR could earn higher multiples, fair value range EUR 39-43

Being a SaaS company in a growth phase we value Leaddesk by benchmarking its EV/sales to growth in the peer group context. Despite the similar growth profile Leaddesk's EV/sales of 5x implies a significant discount to peers. It has a relatively high share of recurring revenue, hence the discount pricing looks unjustified. Our DCF valuation using an 8.5% WACC implies hefty upside also.

Key Data (2021E)

Price (EUR)	23.70
Reuters	LEADD.HE
Bloomberg	LEADD FH
Market cap (EURm)	126
Market cap (USDm)	150
Net debt (EURm)	0
Net gearing	1%
Net debt/EBITDA (x)	0.1
Shares fully dil. (m)	5.3
Avg daily turnover (m)	0.3
Free float	71%

Share Price (12M)



Absolute (green) / Relative to Finland (purple).

Marketing communication commissioned by: Leaddesk

Financials (EUR)

Year end: Dec	2019	2020	2021E	2022E	2023E
Revenues (m)	12	14	26	31	37
Adj. EBIT	2	0	1	3	5
Pre-tax profit (m)	1	0	0	3	5
EPS	0.17	0.04	0.04	0.39	0.73
Adj. EPS	0.17	0.04	0.41	0.75	1.09
DPS	0.00	0.00	0.00	0.00	0.00
Revenue growth (%)	12.0	11.7	85.6	22.5	18.0
Adj. EBIT growth (%)	184.9	(86.4)	112.0	332.0	79.5
Adj. EPS growth (%)	(94.2)	(74.6)	831.7	86.1	44.3
Adj. EBIT margin (%)	17.9	2.2	2.5	8.8	13.3
ROE (%)	18.3	2.4	1.5	9.8	15.9
ROCE (%)	40.2	3.3	3.3	9.7	16.8
PER (x)		n.m.	58.5	31.4	21.8
Free cash flow yield (%)		0.6	1.5	3.7	4.9
Dividend yield (%)		0.0	0.0	0.0	0.0
P/BV (x)		17.92	6.23	5.65	4.81
EV/Sales (x)		11.67	4.95	3.89	3.13
EV/Adj. EBITDA (x)	0.0	95.5	30.7	19.2	13.7
EV/Adj. EBIT (x)	0.0	536.8	199.1	44.4	23.5
Operating cash flow/EV (%)		1.5	3.0	5.4	7.1
Net debt/EBITDA (x)	(1.65)	(3.03)	0.06	(0.69)	(1.25)

Source for all data on this page: Leaddesk, SEB (estimates) and Millistream/Thomson Reuters (prices)

Contents

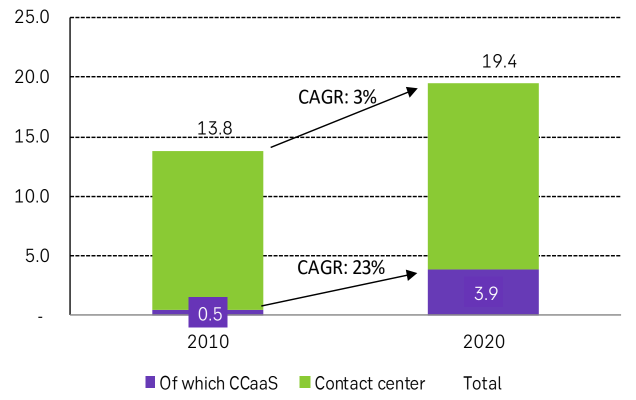
Investment case summary

Well positioned to enjoy cloud-transition of contact centre software
Being a cloud-native software provider, Leaddesk's investment case relies heavily on the cloud-transformation of the contact centre software market. We understand that cloud adoption in the European contact centre software market is still low compared with other software markets' move to the cloud. This applies especially to the middle European countries like Germany, where Leaddesk has a relatively low, but increasing, foothold. Also, cloud adoption is lower within the enterprise customer segment, where we expect Leaddesk to take more market share in the future.

Compared to on-premise legacy systems, the cloud-based solutions allow easier deployment and more flexible usage and pricing with lower capex. The cloud-based solutions can also be linked more conveniently to the customers' other systems. Furthermore, the increasing digitalisation and remote working drive the demand towards cloud-solutions.

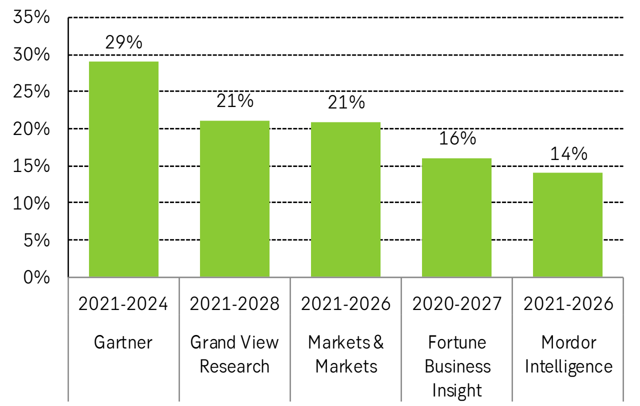
We understand the current European market cloud adoption in the Contact Centre as a Service (CCaaS) market is some 20% and could rise to as high as 60% by 2023, according to Kempen research presented at the Leaddesk Capital Markets Day (CMD). This would imply a CAGR of 44% assuming a flat overall market. While this sounds relatively optimistic, we note that various third-party industry research houses estimate the CCaaS market will grow at a CAGR of 15-29% towards the middle of the decade.

Global number of contact centre agent seats, million



Source: SEB, DMG Consulting

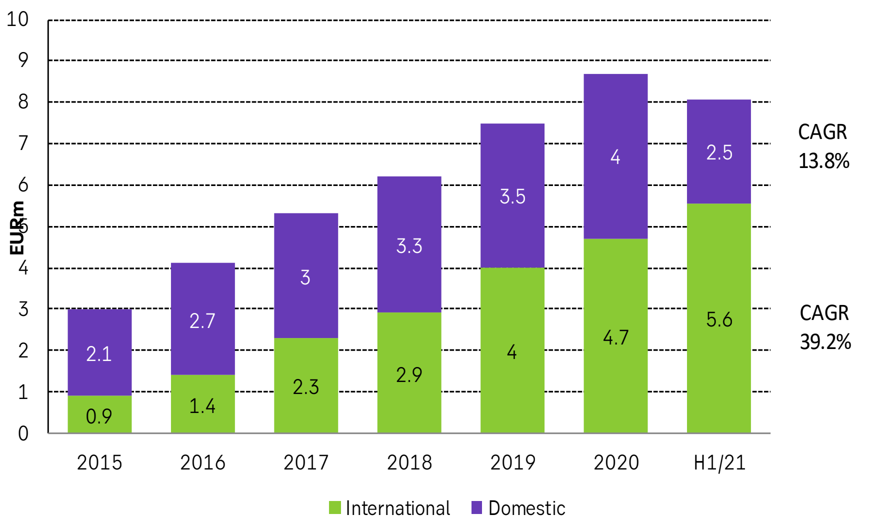
Third-party estimates for global CCaaS market growth



Source: SEB, Gartner, Grand View Research, Markets&Markets, Fortune Business Insight, Mordor Intelligence

Room to expand organically
Leaddesk positions itself as a mid-sized player with a globally competitive product and a local service level. The advanced product can be considered as a competitive edge against small local rivals and its local service level for even smaller clients can be seen as something that the large rivals do not offer. We believe international expansion will be the key driver for Leaddesk, which has already achieved a leading position (No 1 in small and medium-sized enterprises [SME]) in its home market and is on a well-advanced journey in selected European countries. However, the pan-European markets are many times larger than Leaddesk's home market, meaning there is still considerable growth potential for the product that has proven its competitiveness in the Nordic market.

Licence revenue (EURm) - International expansion driving the growth



Source: SEB

In addition to geographical growth potential, Leaddesk has room to expand towards the enterprise-size customer segment in all markets, including the home markets. The company's recent acquisitions complement the product offering, making the solution more competitive also for the large customers.

All in all, we estimate that Leaddesk is currently being used by 15-17,000 contact centre agents while there are globally over 19m contact centre workers (per DMG Consulting) and we estimate that the European number could be 4-5m agents. Consequently, the market size will not limit the growth for Leaddesk.

Growth and value creation via consolidating the European market

The European CCaaS market remains fragmented with many small players in local markets. However, like the US market and Software as a Service (SaaS) markets generally, we expect the European CCaaS to consolidate and be dominated by a few leading names. Since its IPO in February 2019 Leaddesk has been active on the M&A side and the company openly states that it aims to be active in the European industry consolidation. We believe that Leaddesk will continue to buy new companies with multiples below its own. Leaddesk trades at an EV/sales of 5x, and it has executed the recent transactions with at multiples of 0.6-2.7x. In addition to multiple arbitrage, investors should enjoy the synergies coming from the acquired companies. Yet, the risks related to acquisitions must be acknowledged when considering investing in Leaddesk, we remind.

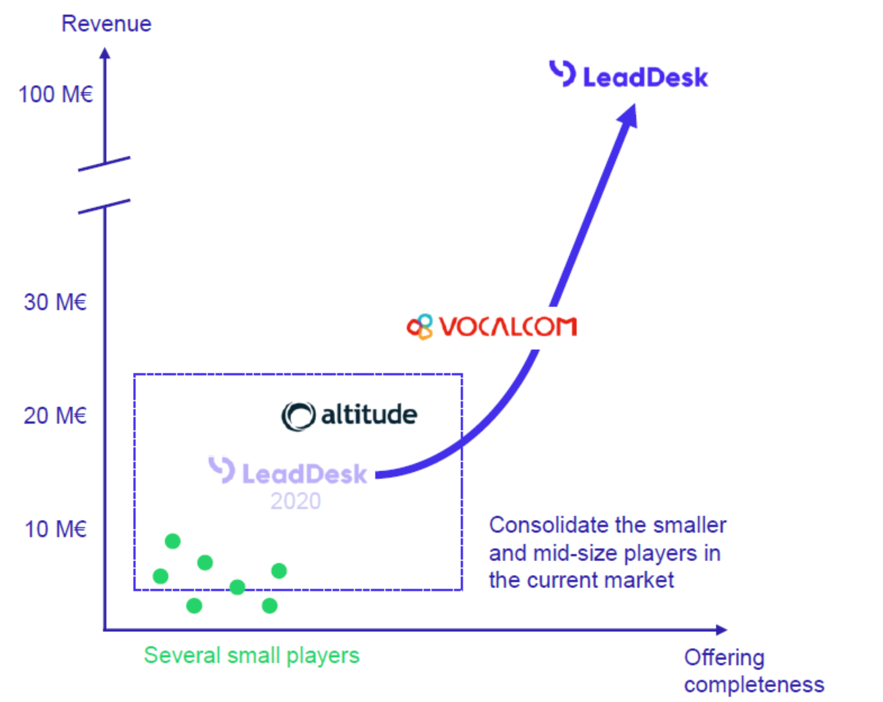
Summary of Leaddesk latest acquisitions

	Purchase price	Net debt	EV	Sales*	EBITDA*	EV/Sales	EV/EBITDA	Completion of acquisition
Nordcom	0.5	0.0	0.5	0.9	0.0	0.6	22.7	07/2020
Capricode	2.4	0.0	2.4	1.3	0.1	1.8	32.9	10/2020
Loxysoft**	13.6	0.0	13.6	7.1	1.1	1.9	12.4	1/2021
GetJenny	2.1	1.7	3.8	1.4	0.3	2.7	13.8	8/2021

**FY year prior to the acquisition closing*
*** Sales and EBITDA SEB est.*

Source: SEB

Leaddesk's growth target and strategy

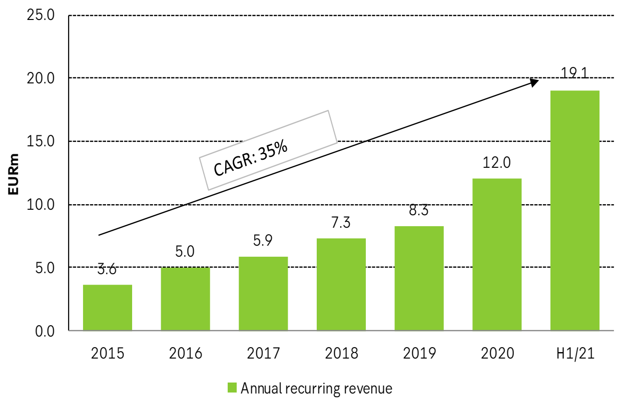


Source: Leaddesk

Towards EUR 100m sales, we forecast 19% CAGR over 2021-2023E
Leaddesk aims to lead the European cloud-adoption of the CCaaS market and has ambitions to reach EUR 100m in revenue. We estimate that with organic growth of 20%, the milestone could be reached by 2028-2029. However, should the company continue making successful acquisitions, the EUR 100m target could be much closer.

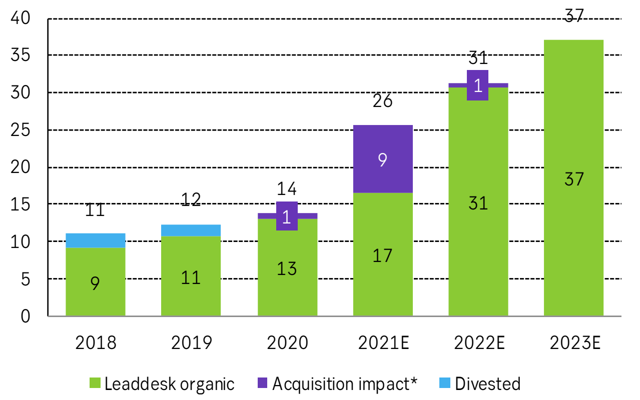
While the current year reported sales growth (SEB est. 86%) has been boosted by the recent acquisitions, we note that Leaddesk has delivered a 18% organic CAGR since 2017. We expect growth to remain close to that level over 2021-2023E (SEB est. CAGR of 19%). The company's annual recurring revenue (ARR) is EUR 19.1m (H1/21) and should grow broadly in line with the topline. In terms of profitability we expect EBITDA margin to gradually improve towards 2023 (23%), but to remain well below the long-term potential. We see no reason why the company should not reach the typical SaaS profitability of 30-40% when it reaches a more steady state. We base this assumption on a relatively high share of revenue being recurring in nature.

ARR growth, EURm



Source: Company data, SEB

Sales growth on organic growth, acquisitions, EURm



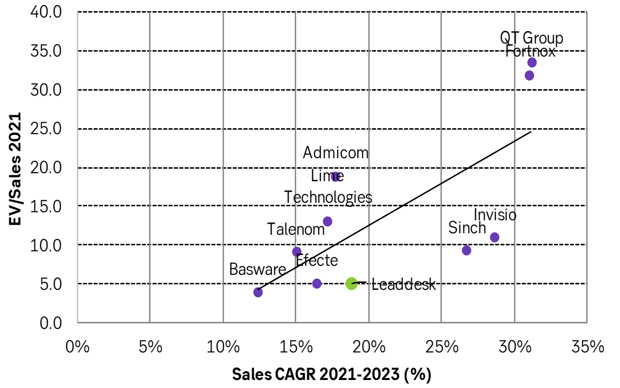
Source: Company data, SEB - *Acquisition impact SEB estimate

Growth overlooked in the current valuation – SEB fair value range EUR 39-43 per share

We assess Leaddesk's valuation using a DCF and peer benchmarking where we justify an EV/Sales multiple of 9x based on the expected growth over 2021-2023E. Leaddesk trades at an EV/sales of 5x, which is well below the Nordic growth companies' median multiple of 11x and our global peer group median multiple of 18x. As our DCF valuation mid-point lands at EUR 38x, we set our fair value range for Leaddesk at EUR 39-43.

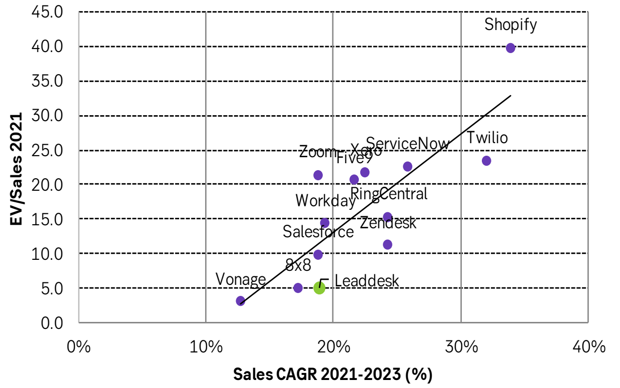
Furthermore, we note that in our blue-sky scenario where we input 10pp higher organic growth and further potential acquisitions for 2022 and 2023, we derive a potential valuation of EUR 75 per share. However, we provide the blue-sky scenario only for illustrative purposes and do not base our fair value range on that.

EV/sales (x) vs. expected growth, Nordic peers



Source: SEB, Bloomberg

EV/sales (x) vs. expected growth, global peers



Source: SEB, Bloomberg

Company description

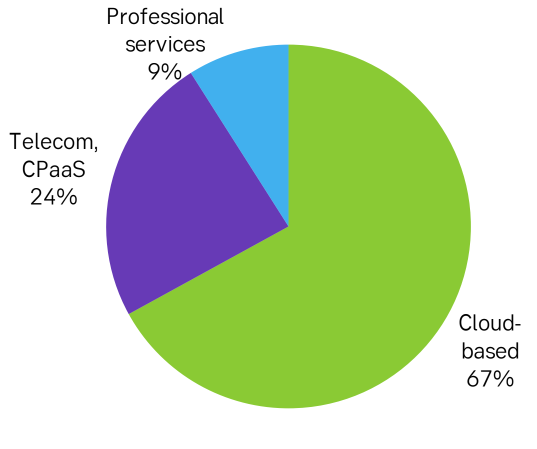
Overview

Leaddesk is a software company that provides a cloud-based contact centre and sales support software for its clients. Leaddesk's product is used for high-volume outbound and inbound sales contacting as well as customer service. With its cloud-based software, Leaddesk's clients serve and reach their customers efficiently via multiple channels without the inflexibility inherent with legacy on-premise software. The Leaddesk software is purchased as a monthly subscription, making Leaddesk a SaaS provider. Specifically, Leaddesk is often referred to as a CCaaS company.

Founded in 2009, Leaddesk currently has around 170 employees following its acquisition of Loxysoft in early 2021. Leaddesk has offices in seven European countries with its headquarters in Finland. The company is advanced in its internationalisation as close to 70% of its revenue comes from international customers mainly in Sweden, Norway, Denmark, the Netherlands, Spain and Germany. Most of Leaddesk's customers are classified as SMEs, but the company is increasing its efforts to gain a stronger position in the enterprise segment.

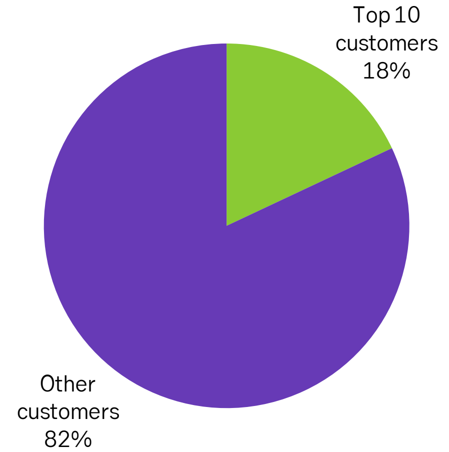
The majority of Leaddesk's revenue comes in the form of SaaS subscriptions. Its revenue in 2020 reached EUR 13.8m, but following the acquisition of Loxysoft in early 2021 the run-rate has clearly moved to a higher level (SEB 2021E sales EUR 26m). ARR was EUR 19.1m in H1/2021 and it has grown at a CAGR of 35% since end-2015. We estimate the ARR increased 22% annually in organic terms during 2018-H1/21. SaaS subscriptions account for 67% of the company's revenue (H1/21) while virtual operator services and professional services account for 24% and 9%, respectively.

Revenue split H1/21 by source



Source: Leaddesk

Revenue split H1/21 by customer segment



Source: Leaddesk

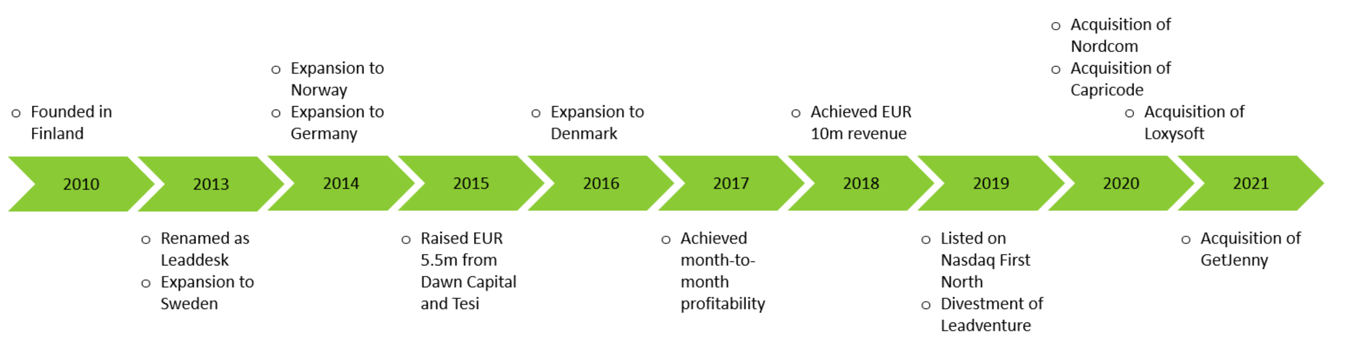
As a SaaS company, Leaddesk's gross margin is naturally high. Historically, gross margin has been around 77%, and we note that virtual operator services have a lower gross margin (vs. cloud-based revenue), meaning the SaaS sales margin cost is limited. The most significant operating expenses for Leaddesk are personnel expenses, representing nearly 50% of the total operating costs. The company is still in an early phase of its growth story and hence the operating margin is relatively low (2.2% in 2020). However, given its scalable SaaS-model, the company should enjoy significant earnings leverage going forward.

Brief history and current ownership

First years – Organic growth on venture capital

The company was founded in 2009 under the name ComDashboard and started its operations in 2010. In 2013, the company changed its name to Leaddesk, and the current CEO Olli Nokso-Koivisto joined the company. Leaddesk also began its international growth that year by expanding to Sweden. It continued this expansion in 2014 by opening two new offices in Norway and Germany. In 2015, the company secured EUR 5.5m in new capital from Finnish Industry Investments (Tesi) and Dawn Capital LLP to accelerate its international growth. It also opened a new office in the Netherlands in 2015. In 2016, Leaddesk continued its expansion by opening an office in Denmark.

Leaddesk's timeline



Source: SEB, Leaddesk

Active in M&A after 2019 IPO

Leaddesk was listed on the Nasdaq First North Growth Market in February 2019. The company's primary issue offering raised approximately EUR 6m and it planned to use the proceeds for acquisitions. In 2019, Leaddesk also divested its subsidiary Leadventure, a business focused on targeted contacts for direct marketing. Leaddesk retained 15% ownership in Leadventure.

Leaddesk announced the acquisition of three new companies during 2020. The first was the Finnish company Nordcom, which Leaddesk expects to improve its offerings especially on the enterprise side of the business. The price of the acquisition was EUR 0.5m. The second acquisition was the Finnish company Capricode Systems, which management believes should also support Leaddesk's enterprise offerings. The price paid for Capricode Systems was EUR 2.4m. The third, and largest, acquisition was of direct competitor Loxysoft, which offered a SaaS-based customer service application in the Nordics. The purchase price for Loxysoft was around EUR 13.6m (the transaction closed in January 2021). Leaddesk's most recent acquisition was Finnish AI chatbot company GetJenny in July 2021. This last acquisition aligns well with Leaddesk's strategic targets. The debt-free purchase price was EUR 3.8m.

Founders still main owners; institutional and foreign owners increasing

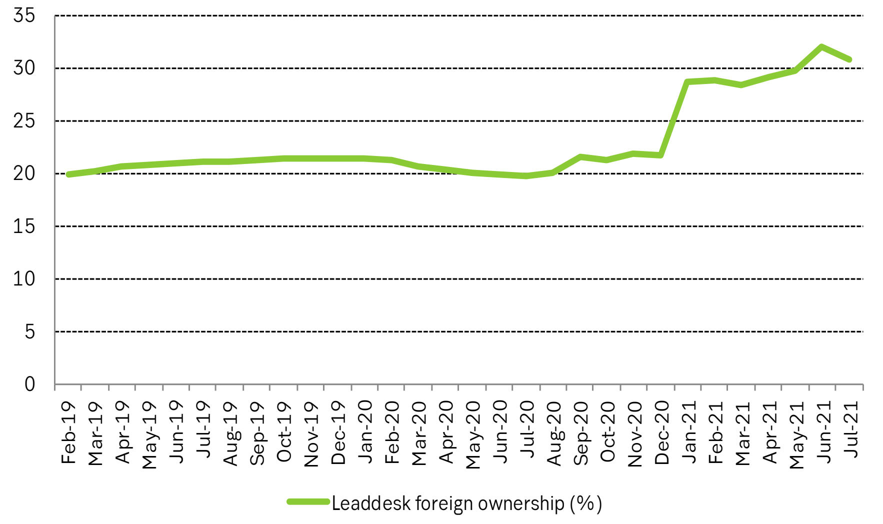
Leaddesk's largest individual owners are the two founders, Lauri Pulkkinen and Olli Sirkiä, with a combined holding of 28.8%. The third largest owner is the company's current CEO Olli Nokso-Koivisto, who holds a 5.2% stake. Leaddesk's foreign ownership has increased from about 20% after the IPO, to over 30% in July 2021.

Leaddesk's largest shareholders (ex-nominee registered) 31/7/2021

Shareholder	Shares held	% of total shares
Pukkinen Lauri Juhani	993,923	18.8
Sirkiä Olli Heikki	531,430	10.0
O Nokso-Koivisto Oy	274,840	5.2
Op Finland Micro cap fund	216,000	4.1
Varma Pension fund	170,000	3.2
Op Finland Small cap fund	162,723	3.1
Elo Pension fund	160,000	3.0
Aktia Nordic Micro Cap fund	147,617	2.8
Veritas Pension fund	129,000	2.4
Säästöpankki Small cap fund	76,879	1.5

Source: Company data, SEB

Leaddesk's foreign ownership, %



Source: SEB, Euroclear

Product: SaaS for high volume customer contacting

Cloud-based contact centre software

Leaddesk's core product is its cloud-based call/contact centre software solution. It is used for both inbound and outbound sales and customer service needs. Leaddesk's software serves best the needs of companies with high frequency sales contacting (like outsourced or in-house call centres) or organisations with large customer volumes and standardised service processes.

Cloud-native applications improve the customer experience over typical on-premise systems in many ways. The cloud-based application is cheaper and easier to deploy because it does not require any on-premise equipment. This lowers the initial investment considerably. Product flexibility is also enhanced with the cloud-based application as customers can easily adjust their sales capacity without acquiring new equipment. Another benefit of the cloud is that customers can add new features to the platform easily. Adding features is often more complex with legacy systems. Leaddesk calls these features LeadApps and makes them available for separate purchase. Also, cloud-based software can be easily linked with customers' other cloud-based systems. For example, Leaddesk's product is fully compatible with most CRM (Customer Relationship Management) systems.

Leaddesk's software is natively omnichannel, meaning it supports various contact channels such as voice, SMS, email and web-chat. This allows sales agents to switch among these channels on the fly, increasing their productivity. All conversations with customers are stored in one place. According to Leaddesk, about 66% of call centre clients use at least three different channels. In our view, one of Leaddesk's key competitive edges is that it is 'self-provisioning', meaning that it trusts its own cloud and the deployment can be done without the support of external consultants. The software also provides integrated reporting capabilities, which are beneficial for contact centre managers as it gives them the means to easily monitor the workflow and performance of their agents.

To provide a deeper understanding of Leaddesk's cloud-based software product, we list some of its key features below.

- **Rich dialling capabilities:** Manual and automatic dialling, automatic call back, outbound caller ID masking, call summary notes, click-to-call from various databases, inbound call blending
- **Intelligent distribution** – Advanced IVR (Intelligent Voice Response), multichannel routing, call queues, skill-based routing
- **Call forwarding –** No answer call forwarding, ring groups, forwarding to mobile
- **Quality management –** API for speech-to-text solutions, call recording, call monitoring
- **Effective contact management –** Customisable call-ending reasons, automatic black lists, custom tags, easy addition of new contacts
- **Reporting –** Customised reports, fast access to saved reports, live dashboard
- **Security –** SSL encryption, adherence to local compliance requirements, reliable hosting, local regulatory compliant data storage

Leaddesk's product overview

Source: Leaddesk

Customer benefits come with EUR 89 per month

The company markets its product as being easy to use and set up. All customers need is an internet connection and laptop. This is a key selling point especially when compared with legacy on-premise systems. Leaddesk's product supplies a seamless and efficient user experience for closing more deals. The automation and dialler features allow agents to handle three times more calls per day (per Leaddesk). With the monitoring, reporting and analysis provided by the software, the customer's agents can attain peak performance even when outside of the contact centre unit.

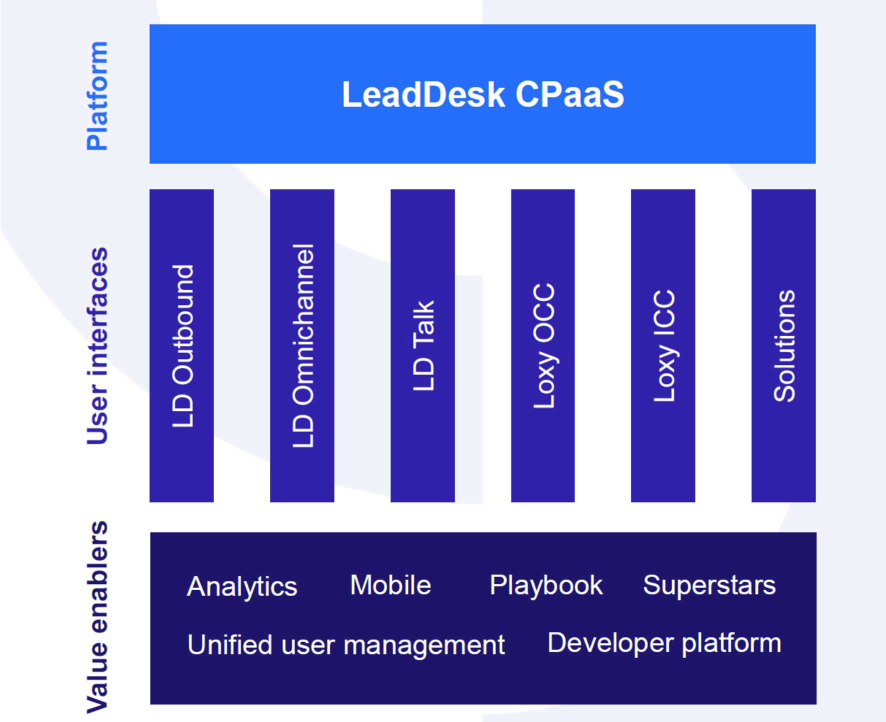
The cost for a subscription to Leaddesk's product starts at EUR 89 per user per month. This price covers 2-5 users and the basic Leaddesk software functionality. The most expensive subscription costs EUR 129 per user per month. Additional LeadApp features range from EUR 5 per month to EUR 210 per month. Leaddesk has more than 1,000 customers and the average contract value for licence revenue is close to EUR 15,000 per year, we estimate. Furthermore, we estimate the average number of agents using the solutions per customer at 20-25.

VoIP and set-up services complement main product

As a part of its service, Leaddesk offers virtual operator services to enable VoIP (Voice over Internet Protocol), meaning that it does not rely on external CPaaS providers. The company uses its own server network located in several European countries to host these calls. In 2020, these services accounted for 31% of the company's total revenue. Charges for virtual operator services are based on their use; there is no monthly subscription like for the main Leaddesk platform. However, the subscription amount drives the operator revenue.

Leaddesk's professional services offerings also contribute to its revenue mix. These services are mainly used for new client set-up. They accounted for approximately 3% of total revenue in 2020.

Leaddesk builds its solution on own CPaaS platform



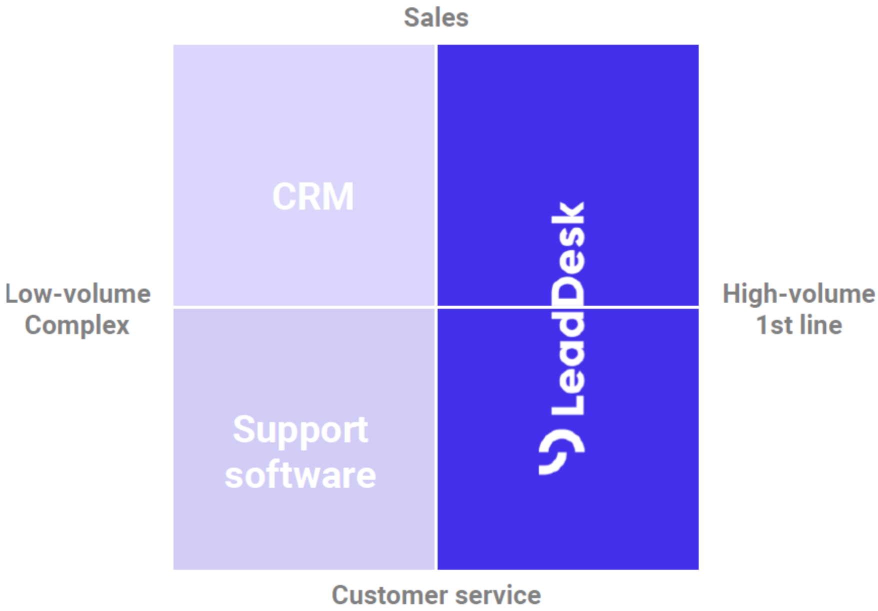
Source: SEB, Leaddesk

Contact centre software is complementary to CRM technology
CCaaS should not be confused with CRM, although they both are used to manage customer data. Contact centre software provides a communication channel between a company and its clients, making it possible for a contact centre to handle interactions with customers via telephone, email, online chat, and social media. CRM software, on the other hand, helps companies track and manage customer information. At its core, CRM is a database of customer information that attempts to provide a holistic view of each customer in real time.

Contact centre software and CRM technology complement one another and hence it is important that there be functioning links between these two tools. CRM manages customer accounts and sales prospects. In turn, contact centre software provides the communications infrastructure needed to actively engage with customers.

Basically, as customer volume rises, the importance of the contact centre software tool rises. In contrast, when the number of customers is low and thus most likely average deal values are relatively high the importance of the CRM tool rises. We understand that Leaddesk's software can be used as a CRM tool for some purposes. The exhibit below illustrates how the company positions itself.

Leaddesk's product is meant for high-volume sales and customer service



Source: SEB, Leaddesk

Fairly limited R&D costs show the product has reached a mature phase
Leaddesk's R&D efforts are distributed among three different categories. The most significant portion of R&D expenses is directed towards strategic R&D, which is responsible for the long-term direction of the product and company. The other two categories are for addressing short-term client needs and for maintaining and scaling the product. Historically, the company's R&D expenses have totalled EUR 1m per year (approximately 10-15% of revenue). In absolute terms, we expect the R&D costs to grow slightly but less so than sales, meaning the R&D cost ratio should decline.

Typically, software development is an ongoing process as companies look to defend and improve their market positions; however, we find that Leaddesk's core product is in a fairly mature phase and hence the company should enjoy earnings leverage on its R&D costs. However, the company is likely to consider acquisitions going forward that could bring in certain technological features and know-how, such as the recent acquisition of GetJenny which specialised in AI-driven chat-bots. Previous acquisitions have also brought technological competence to the company, such as the 2019 acquisition of Nordcom which provided Leaddesk with a superior mobile application for its core product.

Financial performance

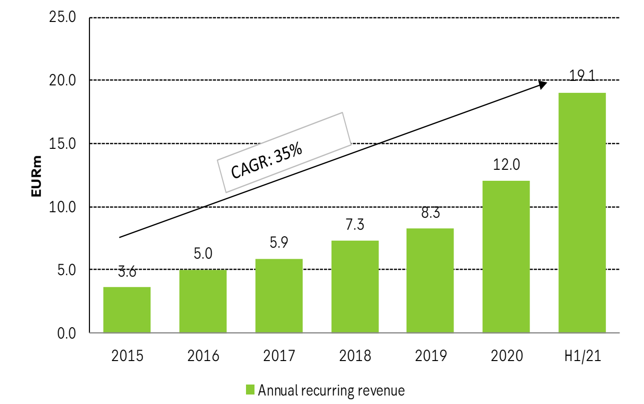
We note that Leaddesk is listed on Nasdaq First North exchange and the company still reports under Finnish Accounting Standard (FAS). However, the company has hinted that it may change to IFRS-reporting at some stage.

Impressive sales and ARR growth

Leaddesk has delivered strong sales growth in the past, with a CAGR for revenue of 19.2% during 2014-2020. This is including the divestment of Leadventure, which accounted for EUR 1.7m of net sales in 2019. In organic terms (excluding the effect of Leadventure and acquisitions), the company achieved sales CAGR of 22% in 2018-H1/21, we estimate. The sales growth has mainly come from Leaddesk's international sales, which reached 52% of its total licensing revenue in 2020 and further increased after the acquisition of Loxysoft. This shows that Leaddesk's international expansion is well under way and provides confidence in its continued growth throughout Europe.

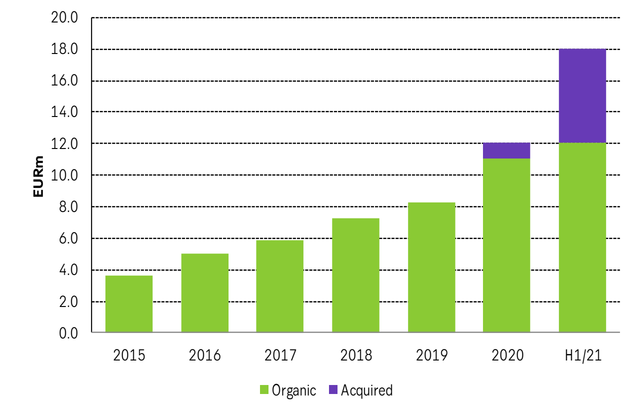
ARR refers to the annual value of Leaddesk's outstanding subscription base. Leaddesk achieved a CAGR of 34% between 2015 and H1/21. The 2018 and 2019 ARR figures have been adjusted to exclude Leadventure's effect on ARR, but 2020 and H1/21 figures include the company's completed acquisitions. Should we assume that the 2019 acquisitions added EUR 1m to the ARR base and Loxysoft added EUR 6m, then the organic growth for ARR since 2018 has been 22%, well in line with the overall sales growth.

Sales growth



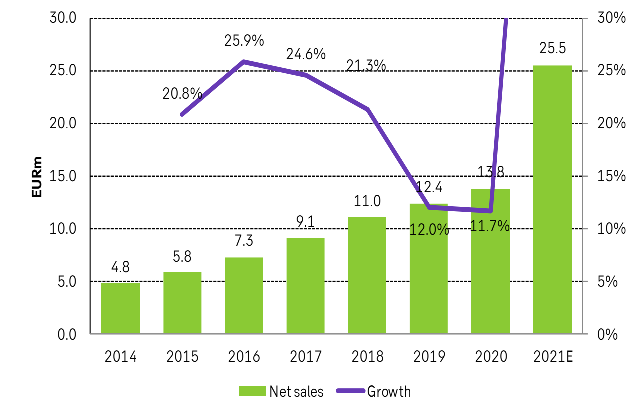
Source: SEB, Leaddesk

ARR growth split to organic and acquired, SEB est.



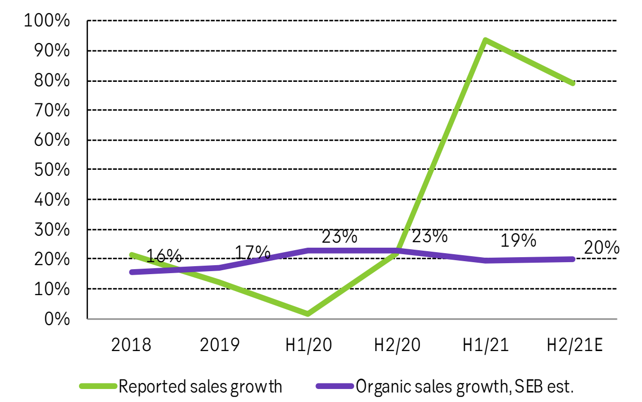
Source: SEB, Leaddesk

Sales growth



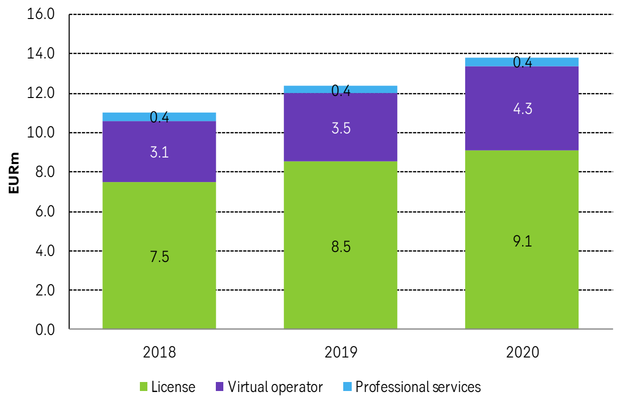
Source: SEB, Leaddesk

Sales growth, organic and reported, SEB est.



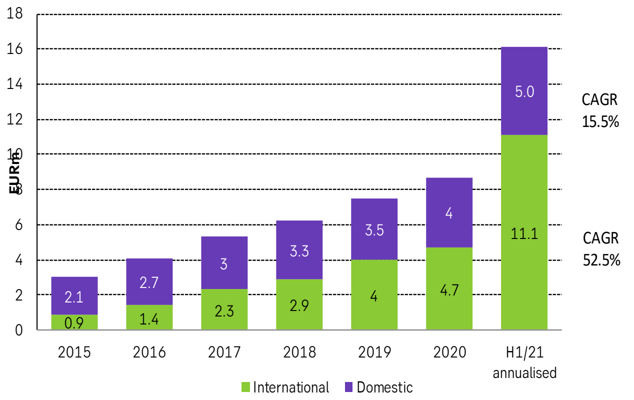
Source: SEB, Leaddesk

Revenue split by type



Source: Leaddesk, SEB

License revenue split



Source: Leaddesk, SEB

Looking at Leaddesk's sales splits by revenue type, we can see that License sales were the largest contributor to total sales. License sales refer to the monthly charged subscription fees for the main Leaddesk platform. The fee is charged per user of the software. The Virtual operator revenues come from Leaddesk's VoIP services which are not included in the main Leaddesk package, but are charged separately according to use. Of course, the Virtual operator revenues are mainly driven by License sales (the more users the software has, the greater the need for VoIP services). Professional services revenue has remained relatively flat between 2018 and 2020, and has only made a small contribution to total revenue. However, the share of services revenue increased to 9% in H1/21, likely due to the Loxysoft integration. Professional services are consulting services offered by Leaddesk that are occasionally in the set-up or the integration of Leaddesk's software.

Splitting the licence revenue by geography shows that since 2016 the growth has been dominantly driven by international expansion, at a CAGR for international revenue of 52.5% since 2015, although growth in Finland has remained strong as well. International growth has been thanks to the company's organic expansion in the Nordics, Germany, the Netherlands, and Spain as well as the recent acquisition of Loxysoft. We believe that the international market continues to be the key growth enabler for Leaddesk going forward.

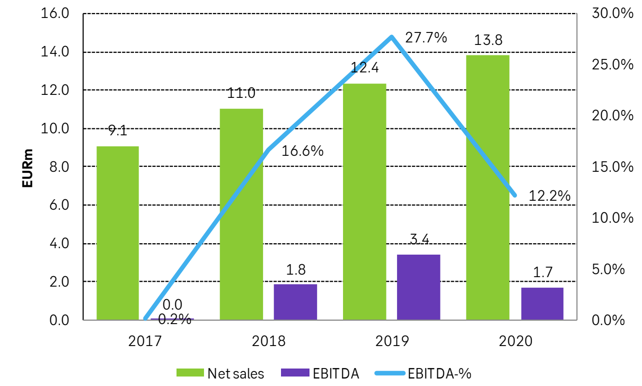
Profitability and cost breakdown

Leaddesk has already achieved profitability on the EBITDA level (see chart below). Its EBITDA for 2020 was EUR 1.7m, which equates to an EBITDA margin of 12.2%. As is typical for SaaS companies like Leaddesk, we expect strong operating leverage going forward supported by the stable gross margin development over the past few years. The company's profit margin after materials and services has varied between 76% and 79% over 2017-2020. We understand that materials and services costs consist mainly of virtual operator-related costs, and we believe SaaS revenue generates a high gross margin.

Leaddesk splits its costs into cost types, not according to activities. Hence estimating the R&D and sales and marketing costs is not straight forward.

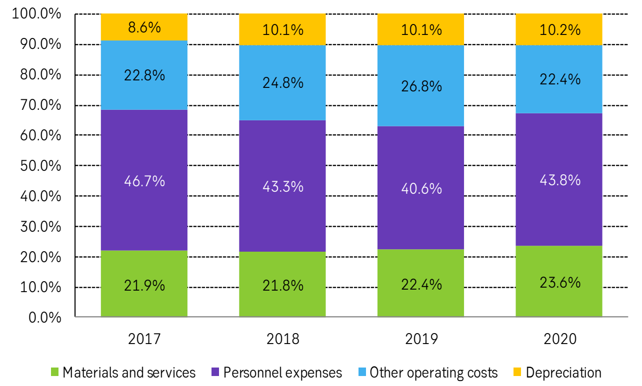
Looking at the company's cost breakdown, we can see that personnel expenses account for the bulk of total expenses (43.8% in 2020). Other operating expenses accounted 22.4% of total costs in 2020, with depreciation accounting for 10.2%. Depreciation charges include the depreciation related to capitalised R&D costs on the balance sheet. We understand that in the past R&D activations have been approximately EUR 1m per year and they have been depreciated over a five-year period.

EBITDA development



Source: Leaddesk

Cost structure, % of total costs

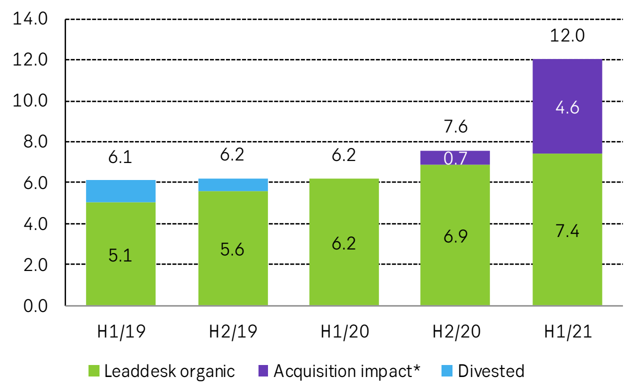


Source: Leaddesk

H1/21 earnings recap

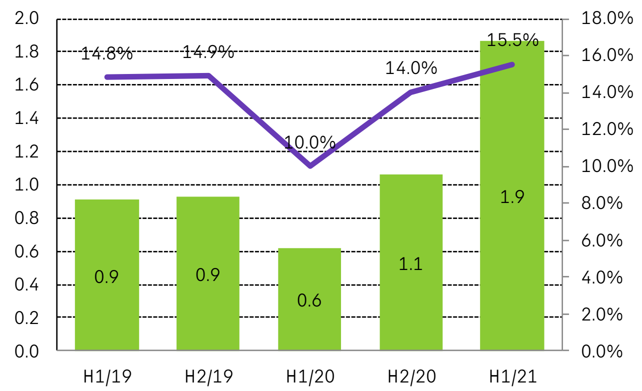
Leaddesk continued its solid growth in H1/2021, which marked the first reported period with Loxysoft included in the numbers. Supported by the acquired companies, its ARR increased by 96% y/y and 58% from end-2020 to EUR 19.1m. Reported net sales grew by 94% to EUR 12.0m. Leaddesk changed its accounting practice in terms of service number business, which had a negative EUR 0.5m impact on sales (no impact at the EBITDA level). With this adjustment and by showing the acquired companies' proforma figures for H1/20, Leaddesk reported comparable sales growth of 15%.

H1/21 sales up on Loxysoft acquisition, EURm



Source: Leaddesk, SEB

EBITDA margin also improving, EURm



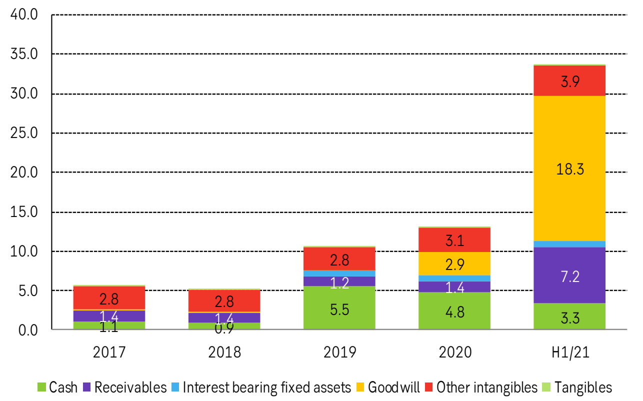
Source: Leaddesk, SEB

Our read is that growth in Loxysoft remained muted, which is understandable given the integration process. This, however, implies that Leaddesk posted organic growth similar to the previous year, i.e. broadly 20%. We note that it will take time before the Loxysoft transaction starts to materialise in synergistic growth, but according to the company the integration is proceeding as planned. Another key takeaway from the H1 report is that it helped prove the scalable business model. Despite the company incurring extra costs related to the Loxysoft acquisition and integration, EBITDA margin jumped from 10.0% a year ago to 15.5%.

Balance sheet: From asset-light model to goodwill dominated asset base
Excluding the impact of acquisitions, Leaddesk has an asset-light business model, with some R&D costs capitalised on the balance sheet. At end-2019, the company's assets were mainly in the form of cash. However, the recent acquisitions have resulted in a significantly larger balance sheet and goodwill, which stood at EUR 18.3m in H1/2021. We note that GetJenny was not included in the end-H1 numbers and it will further add goodwill. As long as Leaddesk still reports according to Finnish accounting standards (FAS), goodwill will be amortised. Other intangible assets currently amount to EUR 3.8m, consisting mainly of the capitalised R&D costs. Otherwise the non-current assets have no major accounts.

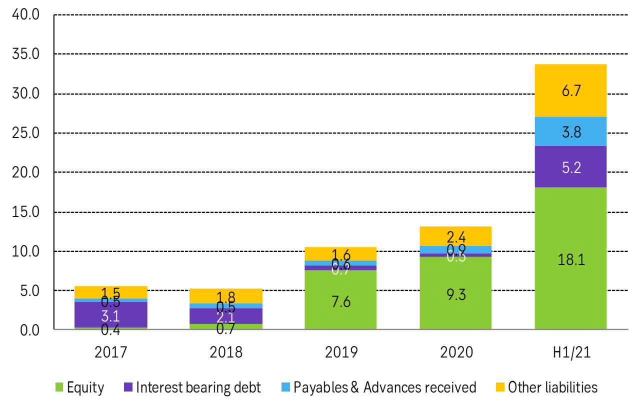
Leaddesk's operations are mostly funded by equity, which has increased considerably due to issued shares in the IPO and acquisitions. The company also raised some debt to partially fund the Loxysoft acquisition and H1/2021 gross debt stands at EUR 5m. However, its net debt position is manageable with current net debt being just EUR 2m.

Assets: Goodwill jumped on acquisitions, EURm



Source: Leaddesk

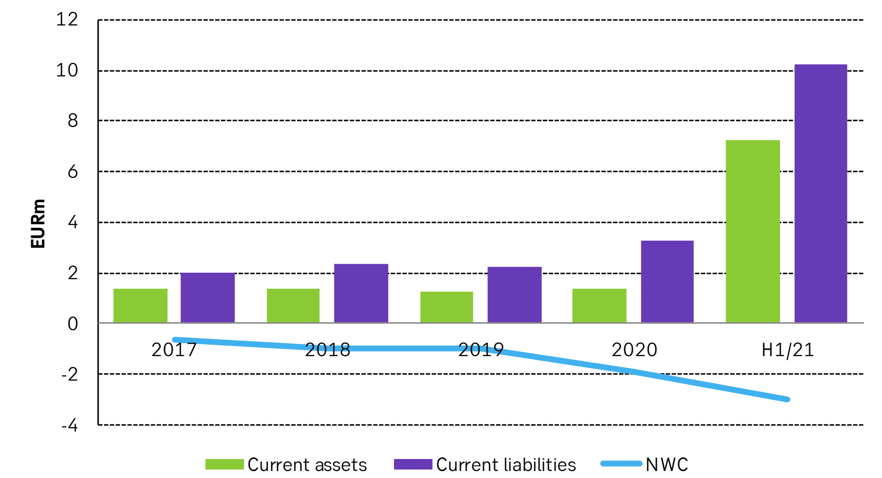
Equity-driven funding, EURm



Source: Leaddesk

Leaddesk has historically relied on marginal working capital funding with NWC being in the range of EUR 1-2m in 2017-2020 (7-14% of sales). Following the integration of Loxysoft, all working capital items have increased notably, but NWC remains negative at EUR 3m.

Net working capital slightly negative

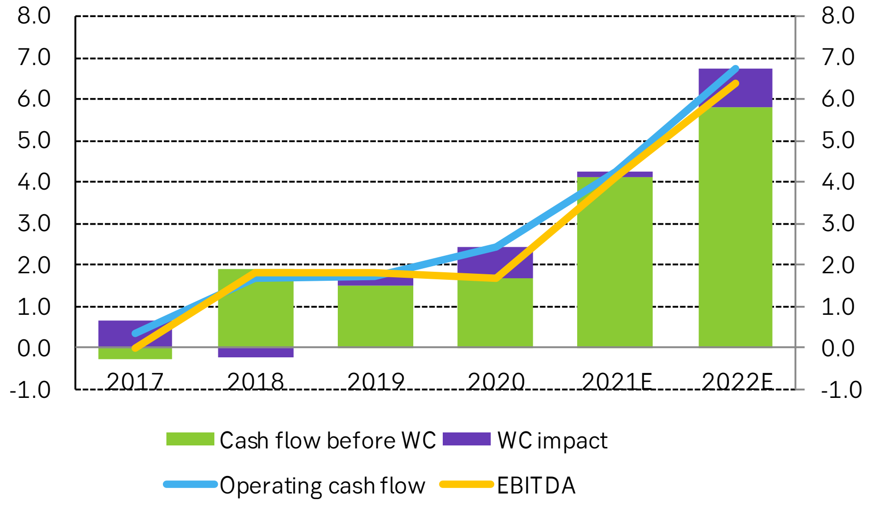


Source: Leaddesk

Strong cash flow conversion historically

Thanks to the slightly negative working capital impact, the company's cash flow conversion has been relatively high. This should allow strong organic cash flow as profitability improves on operational leverage of the SaaS business model going forward.

Operating cash flow and EBITDA (adj), EURm



Source: Leaddesk, SEB

Market description

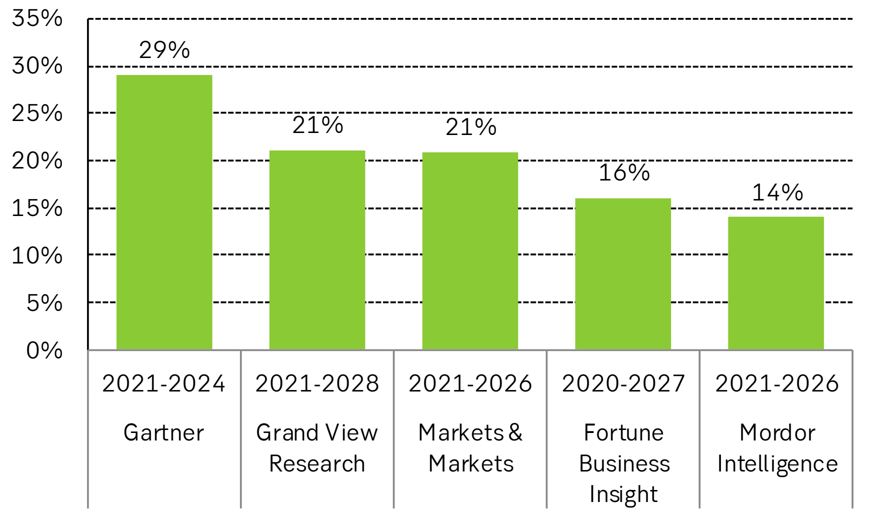
Contact centre software market

Market definition, size, and growth

Leaddesk operates in the call centre software market. This market can be divided into two segments: on-premises call centre software and cloud-based call centre software, with Leaddesk operating purely in the latter. According to Gartner, contact centre as a service (CCaaS) is a SaaS-based application that enables customer service organizations to manage multichannel customer interactions holistically from both a customer experience and employee experience perspective. CCaaS solutions offer similar functional capabilities to those of on-premises contact centre infrastructure, but there are key differences. With CCaaS, connectivity to other cloud-based applications may be easier, consumption is paid for via monthly subscription, and there is a stronger focus on service capabilities.

The combined global market size of on-premise and cloud-based solutions is estimated by MarketsandMarkets to be around USD 26bn, which expects it to grow to USD 75.5bn by 2026. This implies a CAGR of approximately 20.9% for 2021-2026. We note that the market size estimates vary among third-party evaluators, with Gartner for example estimating a CCaaS market size of USD 17.9bn by 2024. However, given Leaddesk's size, we can conclude that the market size will not set limits for the company. For Leaddesk, we believe that the market growth rate and trends are more important. Virtually all third-party market research houses forecast hefty double-digit percentage market growth rates from 2021 towards the middle of the decade. For example, Gartner projects a CAGR for the CCaaS market of 29% for 2021-2024.

CCaaS market growth estimates



Source: Gartner, Grand View Research, Markets & Markets, Mordor Intelligence

The contact centre market does not consist only of the typical outsourced call centres. Almost every decent-sized company with large customer volumes has its own contact centre and we understand that a significant portion of Leaddesk's revenue comes from these internal contact centres. In the past, these contact centres were operated using on-premises servers and equipment. Today, the market is shifting towards the cloud, which enables the faster introduction of cloud-based products and greater flexibility in its use. Currently, the cloud penetration of the contact centre software market remains fairly low at around 20%. This suggests substantial upside potential for Leaddesk, as penetration is expected to grow rapidly, according to several third-party market providers.

Market trends and drivers

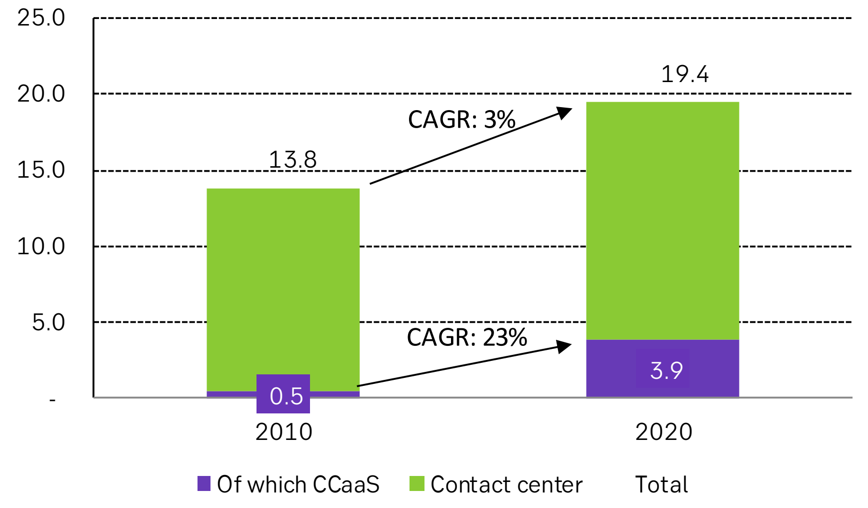
Cloud transition boosting market growth for CCaaS players

A key trend supporting Leaddesk's addressable markets' growth is the general trend of cloudification. Cloudification is usually defined as moving from the typical software run on-premise to cloud-based systems. This brings many benefits to the end users, most notably the lower initial costs and the increased flexibility. Cloud-based solutions also allow more fluent interaction between the customers' other software universe, such as CRM.

Cloudification is taking place on almost all digital sectors, not just call centre software. In fact, the cloud penetration of call centre software is relatively low compared to other industries. This provides the CCaaS industry with ample growth opportunities. According to Statista, around 50% of all corporate data was stored in the cloud in 2020. Also, according to Flexera, over 90% of organizations today use cloud-services to some extent.

Currently, the cloud penetration of the contract centre software market remains fairly low with roughly 20% of global contact centre agents using cloud-based CCaaS solutions, according to DMG Consulting. However, the move to the cloud has gone up from a rate of just 3.5% in 2010, implying a 23% CAGR over the past decade. The penetration is expected to rise notably over the next years, and according to Kempen research analysis presented at the Leaddesk CMD, the European CCaaS cloud penetration could be as high as 60% in 2023.

Global number of contact centre agent seats



Source: DMG Consulting

Technological development resulting in increasing features
There are certain key features that a CCaaS platform needs to fulfil in order to be competitive. Traditionally, the contact centres have supported voice as the only form of communication. Today, the omnichannel approach offered by the CCaaS platforms is becoming the new normal and is a must-have for modern CCaaS platforms. This means that a platform allows for communication with customers using a wide range of different channels such as voice, SMS, e-mail and WhatsApp. These all need to be synced so that the channel can be switched while in progress with all customer conversations recorded in the same location.

The new features of CCaaS platforms aim to increase the efficiency of agents and to allow a better understanding of the end-customer's needs. Thus, contact centre customers (i.e. the manager running the centre) find the inclusion of workforce optimisation (WFO) capabilities valuable. One example of this is gamification of the call centre agent's work in order to increase agent performance and satisfaction. Another example is integrated reporting tools for monitoring the agents' performance. These capabilities are designed to improve the agents' workflow and aid the management of the call centre.

One set of features emerging are those based on machine learning and artificial intelligence (AI). Examples of these include chatbots that can independently perform some of the agents' duties. Another example is AI virtual assistants, which are able to guide the agent. Many companies in the CCaaS space are investing in AI capabilities, as is Leaddesk with the recently acquired GetJenny, a company focused on AI chatbot solutions. AI is also used for other applications in CCaaS software, such as gamification of the agents' experience and automating routine tasks. The gamification aims to keep the agents motivated in order to provide better results. The influence of AI will only increase, and the companies which are invested in it should benefit.

Digitalisation creating new market opportunities outside traditional call centres
Another notable trend is digitalisation. Digitalisation was accelerated heavily by the Covid-19 pandemic, as people were forced to adapt to a more digital and remote way of communicating. Many customer service professions, such as initial medical consultations, were partly or fully shifted online. Leaddesk's platform is also very suitable for these kinds of applications, which were handled face-to-face in the past. We believe that the online demand for these types of customer service applications will grow in the future, which should benefit Leaddesk.

Increased remote work fuelled by the pandemic
The increase in remote work is also tied to the trend of digitalisation, also accelerated by the pandemic. While the remote working levels that were seen during the pandemic are unlikely to fully continue, remote work is likely to increase from pre-pandemic levels. According to a McKinsey study, after the pandemic, 52% of employees would prefer a flexible hybrid working model, as opposed to 30% pre-pandemic. Leaddesk's software is well suited to support remote call centre activities. The cloud nature of the application allows for easier capacity adjustments, even remotely.

The Covid-19 pandemic has fuelled CCaaS growth as the contact centres have had to adopt to a work-from-home setup where the cloud-based solutions have a clear edge versus the legacy on-premise software. According to DMG Consulting, prior to the pandemic, many companies that were planning to transition to a CCaaS solution from their on-premise infrastructure, have accelerated their move to the cloud by anywhere from 2 – 6 years.

Digitalisation also shaping customer expectations
We find that the end-customer expectations are increasing when it comes to customer service. This is due to the increased connectivity and smart devices which allow convenient contact compared to pre-smartphone. The increasing connectivity will only increase the customer contact opportunities, for example, consumers may make contact with the product manufacturer or seller from the device itself. We believe this will imply that the companies must put more effort into their customer service platform. In the age of connectivity, this will mean smart, automated ways of communicating, something which also requires efficient tools.

More fragmented European markets following the trends in the US
The European CCaaS market is fragmented with numerous players in the EUR 1-10m revenue bracket, and only a few larger players. Part of Leaddesk's strategy is to consolidate this market in order to reach its EUR 100m revenue target. The cloud penetration in Europe is generally low but varies by region. The Nordic countries have a cloud penetration of over 25%, while the Central European countries have a penetration of below 10%, according to Kempen research house assessment presented at the Leaddesk CMD.

The US market is much more consolidated compared to the European market. The market consists of four large CCaaS providers, namely Five9, RingCentral, Nice and 8x8. The US market is also much more mature than the European one, with cloud penetration of over 25%.

The low cloud penetration combined with the fragmented competition makes the European market very attractive for Leaddesk. One of the key reasons for the fragmentation comes from the local regulation in each European country. Each country has its own laws concerning call centre operations, which increases the difficulty of entering new countries. Additionally, the local telecom operators may lobby against easing the regulations, as that could potentially harm their own business. Also, customers typically require the call centre software to be available in their local language, thus increasing the market

Market evolving via consolidation & M&A

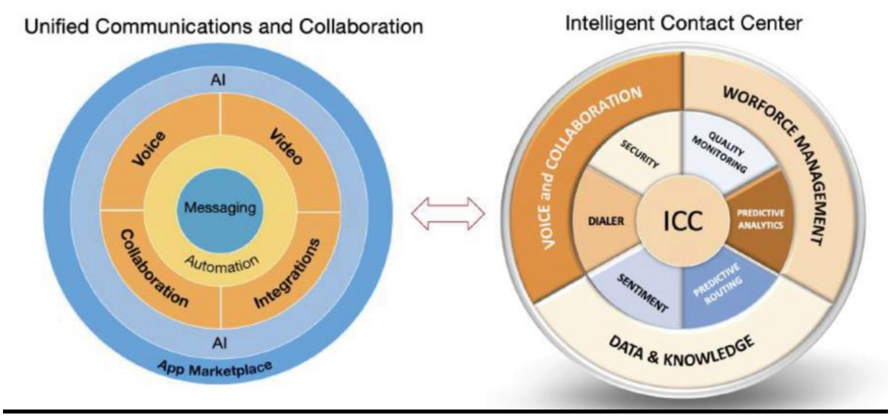
We find that the M&A activity in the CCaaS market will be two-dimensional. First, the smaller players will be overtaken by larger and more successful solution providers. Second, the cloudification of different communication platforms drives consolidation as platform providers see the benefits of scale from taking new applications on their platform.

The most successful applications are likely to take a dominant position
As the cloud contact centre market matures, organisations are starting to consolidate to a single CCaaS provider for operations in multiple regions. The leading application providers will be able to expand their geographic footprint rapidly by acquiring a peer company and its customer base. One key driver for the consolidation is the scalable nature of SaaS business, meaning that the strongest players should enjoy the highest earnings leverage, allowing them to develop the product further and be more active on the M&A side. We believe that the European market will consolidate and be dominated by three to five larger names, like the US market.

Cloudification communication platforms driving horizontal consolidation

The whole cloud communications industry is consolidating as companies seek to deliver a single cloud solution for all company communications. Other communications applications are also moving to the cloud from the traditional on-premise solutions. These include Communications Platforms as a Service (CPaaS) and Unified Communications as a Service (UCaaS). Examples of CPaaS platforms include Sinch, which allows omnichannel notifications and verifications to be sent. UCaaS platforms allow for enterprise communications using various channels such as video conferencing and collaboration tools. These cloud communication solutions are converging towards consolidated offerings, as cloud companies seek to deliver a single platform for all cloud communication needs. This is visible in the numerous acquisitions in the industry; most recently, Zoom acquired the CCaaS company Five9. In Europe UCaaS company Enreach acquired smaller CCaaS company Herobase at end 2020.

Synergies between UCaaS and CCaaS driving consolidation



Source: SEB, Aragon Research

Recent transactions in the CCaaS industry

Buyer	Target	Buyer type	Target type	Date
zoom	Five9	UCaaS	CCaaS	Jul-2021
Gamma	mission labs	UCaaS	CCaaS	Mar-2021
Enghouse Networks	altitude	Software Holding	CCaaS	Dec-2020
Apax Partners	odigo	Private Equity	CCaaS	Sep-2020
enreach	Hero	UCaaS	CCaaS	Sep-2020
lifesize	Serenova	UCaaS	CCaaS	Mar-2020
RingCentral	dimelo	UCaaS	CCaaS	Oct-2018

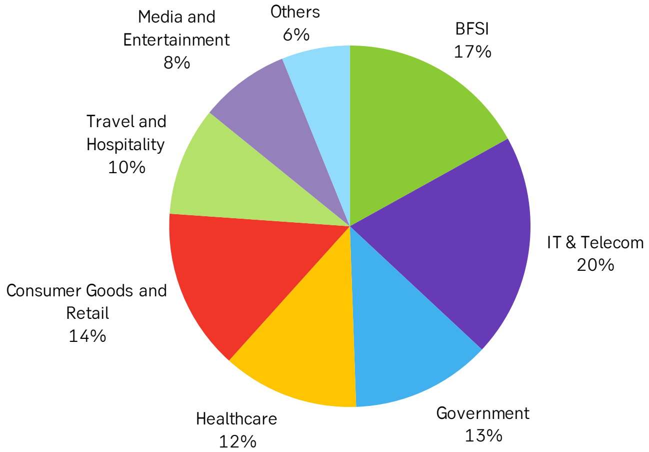
Source: SEB, Company websites

Typical customers for CCaaS

Customers using CCaaS solutions can be segmented based on company size or by industry. However, typical customers for CCaaS solutions are customer service and telemarketing centres, employee service and support centres, help desk service centres, and other types of structured communications operations. The cloud-based solutions were initially developed for small and mid-sized companies (SMEs). The low fixed costs and increased flexibility offered by cloud-based software benefit smaller companies the most. Large enterprises can tolerate the high fixed costs of on-premises solutions but may switch to a cloud-based system if it offers better performance.

It should be noted that most of the demand in this industry comes from a company's internal communications requirement, rather than outsourced call centres, as almost all companies serving customers need some kind of contact centre functionality. Important customer segments thus include industries, where frequent and high-volume communication with customers is required. These industries include, for example, banks and other financial institutions, telecom providers, and healthcare providers.

Europe CCaaS customer segments by end-use



Source: SEB, Grand View Research

Competition and peers

Leaddesk divides its competitors into two segments: global cloud and local niche. The global cloud segment consists of global players such as Five9, 8x8, and Genesys Purecloud. We understand that the main global rival in Leaddesk's operating countries is Genesys Purecloud, while the other global players operate in different geographical locations. According to Five9's Q1 2021, report it has increased its EMEA bookings by 3x year over year. Five9's European operations are currently mostly in the UK, where Leaddesk is not present. Also, Five9 focuses more on the enterprise segment, whereas Leaddesk's clients are mostly SMEs. Five9 also reported growth in other European countries, mainly Western Europe. As well as the companies mentioned above, there are other global players that are not actively in the European market but still largely rely on their legacy on-premise product.

The local niche segment consists of small regional players, typically operating in a single country. The revenues of these companies are typically below EUR 10m per year. This makes the European CCaaS market highly fragmented, providing large consolidation potential. Some of the smaller names are Danish Dixa, Norwegian Nextcom, Dutch ContactCentreLive and German 4Com. Of these, we think that Dixa could pose the biggest threat to Leaddesk. It has just secured USD 105m C-round funding and is obviously making a concerted effort to break through. It currently has 197 employees, according to LinkedIn, and has around 50 positions to fill on its website. This can be compared to Leaddesk's current available positions of 11.

Leaddesk's main large & medium sized competitors & peers

Company	Main market	Positioning in Europe	Listed / Private	Revenue*	Cloud / on-premise	No. of employees LinkedIn	No. of offices worldwide and in Europe
GENESYS	US	Strong presence	Private	USD 1.4bn in 2018	Hybrid	6757	60 worldwide o/w 24 in Europe
NICE	US	11% of revenues in EMEA	Listed	USD 1.7bn in 2020	Hybrid	5690	42 worldwide o/w 10 in Europe
RingCentral	US	Limited, 8% of revenues outside US	Listed	USD 1.2bn in 2020	Cloud	5201	13 worldwide o/w 2 in Europe
8x8	US	27% of revenues outside US	Listed	USD 532m in FY2021	Cloud	2150	13 worldwide o/w 3 in Europe
talkdesk	US	n.a.	Private	n.a.	Cloud	1789	7 worldwide o/w 4 in Europe
Five9	US	Mainly in UK	Listed	USD 435m in 2020,	Cloud	1639	13 worldwide o/w 6 in Europe
VOCALCOM	n.a.	n.a.	Private	n.a.	Hybrid	226	14 worldwide o/w 5 in Europe
altitude	Portugal and Latin America	Portugal	Private	USD 30m	Hybrid	216	11 worldwide o/w 4 in Europe
dixa	Europe	HQ in Denmark	Private	USD 16m	Cloud	188	5 worldwide o/w 4 in Europe

Source: SEB - *Revenue based on public information or SEB estimates

SME customers in sweet spot for Leaddesk

Leaddesk is positioned between these two segments, i.e. global cloud and local niche – according to Leaddesk, this approach is global and hyper local. The global part refers to Leaddesk's ability to compete against global CCaaS providers, namely Genesys, in its current market. Leaddesk's product is well established and can be self-provisioned, meaning it is easy for new users to set-up.

The hyper local part of Leaddesk's positioning refers to its software being offered using the local language and complying with local regulations. Here, Leaddesk can match the local niche providers, but offers higher quality and more advanced solution compared to smaller players. Management also deems Leaddesk's product to be more secure and reliable than smaller players' software. As Leaddesk was founded purely in the cloud era, it isn't held back by legacy software offerings, as is the case for many of its competitors, for example Cisco and Genesys.

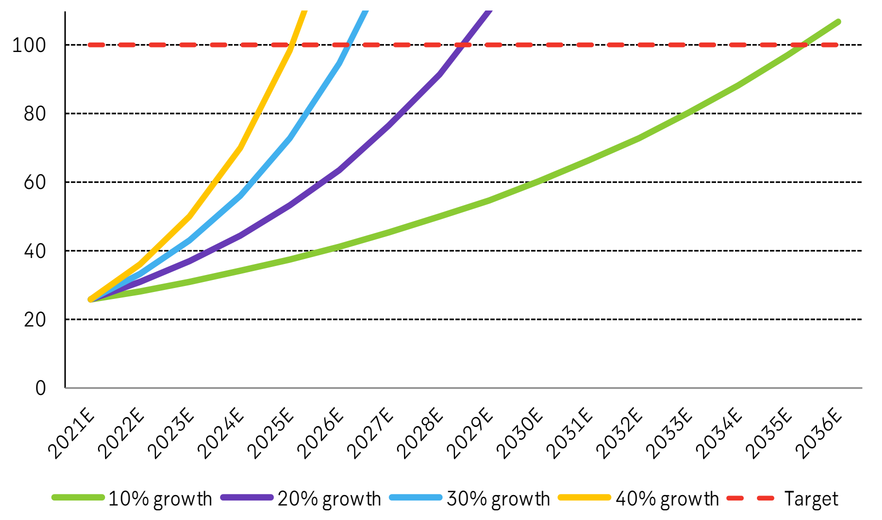
Leaddesk is still positioned as an SME tool with the aim to increase its share among the enterprise segment customers. We understand that the global rivals are mainly targeting enterprise segment customers, allowing Leaddesk, among other mid-sized names, to expand within the SME segment. Yet, we note that Leaddesk also aims to gradually expand towards the enterprise customer segment where it will face tougher competition from larger peers.

Investment case

Growth ambition and strategy, in brief

Aiming to be at the top of its league
Leaddesk's aim is to grow profitably through organic and inorganic expansion. While Leaddesk doesn't have official financial targets or numeric guidance, its goal is to be at the top of the European CCaaS market with EUR 100m revenue. However, Leaddesk does not specify when it aims to achieve this revenue target. Below, we have illustrated how long it would take to reach this target given different growth rates. According to our calculations, the EUR 100m target could be reached within 6-8 years, assuming a 20-30% growth rate. We expect the company to post a 14% organic CAGR towards 2030 (see long-term estimates in section SEB Estimates, page 38). However, with a couple of medium-sized acquisitions, we estimate the EUR 100m could be much closer (see optimistic scenario in Valuation section, page 41).

Leaddesk's revenue target with different growth rates

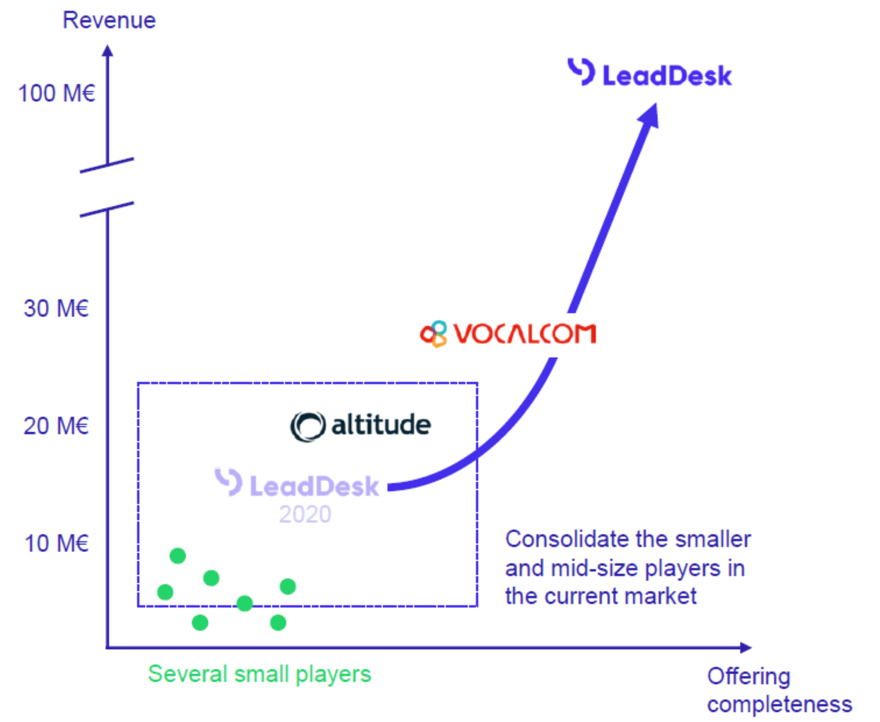


Source: SEB

Organic growth boosted by active role in the industry consolidation
Leaddesk sees organic growth opportunities in both its current markets and, more importantly, new countries in Europe. Leaddesk already has a solid market position in the Nordics but there is room to increase its market share, especially in the enterprise segment. However, expansion in the pan-European market, where the cloud penetration remains low, should drive the growth. The company plans to penetrate the new geographical areas gradually by winning the trust of SME clients. With the anchor clients onboard, the company could consider launching local offices and seek growth also from the enterprise sector. After testing and learning the new market, the company may start to consider acquisitions locally.

Leaddesk has also communicated its M&A strategy and has said it expects to continue acquisitions. The company states that it is evaluating all options in its domestic market, which we read that the company is ready to acquire new technological features in addition to strategic rival or partnership acquisitions. In growth markets, the company is after strategic fits, meaning it would take more market share by acquiring a peer company. Leaddesk is determined to be part of the European market consolidation.

Leaddesk's growth target and strategy



Source: Leaddesk

Global scale product with local approach

Leaddesk trusts in its globally competitive product but local approach, meaning that the company sees its product as being competitive in the context of global competition, but it differentiates from the large names by offering a local service level. Furthermore, the large global names do not have the commitment to local support services and are likely to be less interested in the SME clients. For example, Leaddesk offers customer support with local language. We understand that the company's product has a technological competitive edge versus the smaller local players. For example, management sees the security level and reliability as being stronger in Leaddesk's product. Also the local names typically lack scale and do not have the resources to invest in a self-provisioning platform.

Greater trust via its own sales team, no integrators needed

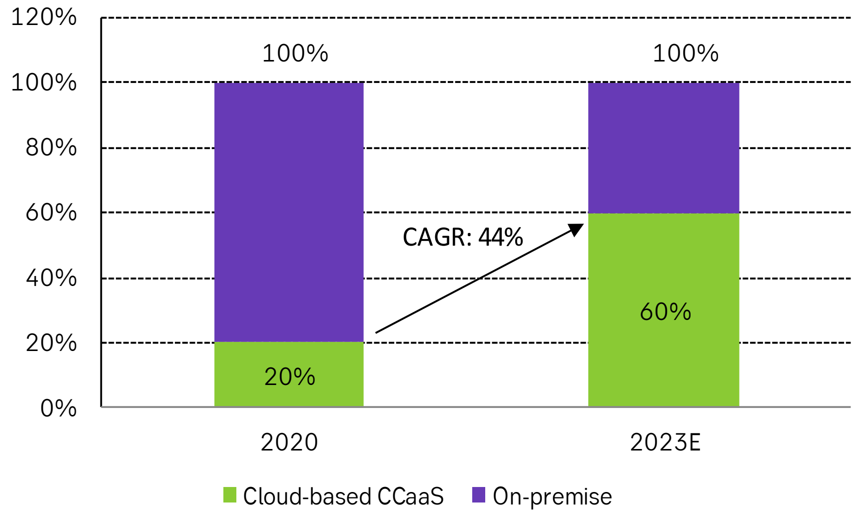
Leaddesk mainly sell its product through its own sales team, which we understand is roughly 60-70 employees. Unlike some larger rivals' products Leaddesk's self-provisioning software is easy to use and no integrators are needed. Thus, the company does not have to rely on partners, which helps enhance margins. Another positive thing is its own sales team has closer direct contact with the customers. On a negative note, its own sales team does not offer as large scale as a wide partner network would.

Cloud transition to back robust market-driven growth

Cloud native with no legacy overhangs – riding on the penetration wave
Leaddesk is a pure-play CCaaS provider with no legacy overhang. This puts Leaddesk in a good position in the contact centre software industry that is swiftly moving towards the cloud. The penetration potential is especially strong in the European contact centre software market, which is currently very underpenetrated in terms of the cloud. This means the CCaaS market in Europe has ample growth potential in the near future.

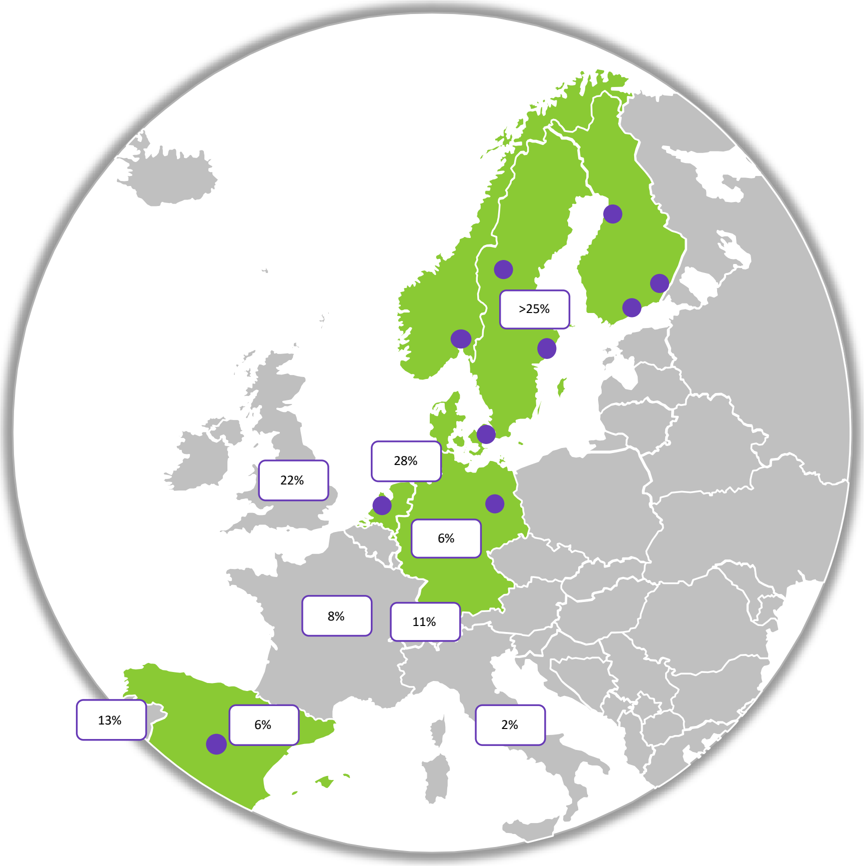
As shown below the European CCaaS penetration is estimated to roughly 20%, but it is estimated to grow rapidly (SEB estimate based on Leaddesk CMD presentations). The market is least penetrated in Central and Southern Europe while in the Nordics the penetration is higher. Leaddesk has gained the market leading position in the Nordics, proving the competitiveness of the product. In addition, Leaddesk has shown that it can enter new European countries and accelerate growth. Hence, we find the company is well positioned to continue the journey. Markets like Germany and Spain are much larger than the Nordics, indicating that the company is in an early phase of capturing the potential of cloud transition of the contact centre software market. Furthermore, Leaddesk is present in only seven countries and we see the potential in countries like France and Italy as virtually untapped.

European cloud-based CCaaS CAGR assuming 60% cloud penetration by 2023E



Source: SEB, Kempen presentation at Leaddesk CMD

Leaddesk's office locations and share of VoIP users from total users



Source: SEB, Kempen research presented at Leaddesk CMD

According to Kempen research presented at the Leaddesk CMD, the European market cloud penetration should reach 60% as soon as 2023. Assuming that the current cloud penetration is just 20% in the European market, the 60% penetration by 2023 would imply 44% CAGR for cloud-based CCaaS solutions (total market remaining unchanged). However, we do not believe that Leaddesk can reach such organic growth. We note that the legacy names with hybrid solutions in place are likely to retain some of their customers, denting the initial market potential from cloud-native players. However, customers tend to look at new options when considering the change from old systems to a new cloud version and so Leaddesk is likely to be considered as a relevant option. The threshold in terms of cost and deployment among other factors to using Leaddesk is low, making it also easy to pilot the product within organisations.

More user cases developing on convenience of CCaaS

In addition to customers that have been using contact centre software in the past and are now moving to cloud, we believe the market for CCaaS solutions will grow as new clients find the customer service software useful for digitalising their customer service. For example, the healthcare industry could exploit CCaaS for other routines than just booking appointments. We understand that there are plenty of opportunities in routine-like customer or stakeholder contact that can be done more conveniently with a CCaaS platform. To respond to the demand, Leaddesk's product may need to be adapted, but the platform and basic functions already exist. We still think that cloudification will be the main growth driver in the medium term. However, the bottom line is that we see further market growth drivers also for the time when the cloudification trend starts to saturate.

Expansion to new markets and within the existing markets

International growth via organic and non-organic expansion

In addition to the low cloud penetration, the European contact centre software market is highly fragmented. A key part of Leaddesk's strategy is to expand into new European countries, both organically and inorganically. Leaddesk is already well on its way with the international expansion, being present in seven European countries. Leaddesk's preferred method of entering a new country is in three phases. First the company studies the market dynamics and initiate sales in small scale. After this the company probably launches 1-5 employee office and accelerates local sales. Finally, the company may consider acquiring an existing player from that market to speed up growth. This obviously reduces the risks of entering a new market, but it also slows down the international expansion considerably.

In our view, Leaddesk's organic expansion strategy to new areas looks relatively conservative, but the gradual approach is less risky than a more aggressive one and allows cash flow generation. However, the negative side of this strategy is that it may be too slow, especially if the cloud transformation is rapid and rivals with a more aggressive approach pole their position first. From this point of view, we would welcome a more aggressive strategy, despite this may require strengthening the funding base. Nevertheless, we see the international expansion potential being the main driver for organic growth over the next decade.

Expansion potential in enterprise segment + upsell

In addition to the geographical expansion, we find that Leaddesk has room to gain market share in the existing markets by winning larger customers. Leaddesk has mainly targeted small- and medium-sized companies. However, recently, Leaddesk has been expanding its customer base to also include enterprises. This has been highlighted through its recent acquisitions of Nordcom and Capricode, which management states help improve the product offering for the enterprise segment. We believe that near term, the company will continue to penetrate the enterprise segment, especially in the countries where it already holds a market position. We note that Leaddesk's globally competitive product can be offered with lower total cost compared to the large rivals. This is thanks to pricing the product in the middle of the range and very limited costs of deployment as external consultants are not needed. The challenge in the enterprise segment expansion is that the large companies have typically invested heavily in legacy systems and hence have been relatively reluctant to shift to new systems so far.

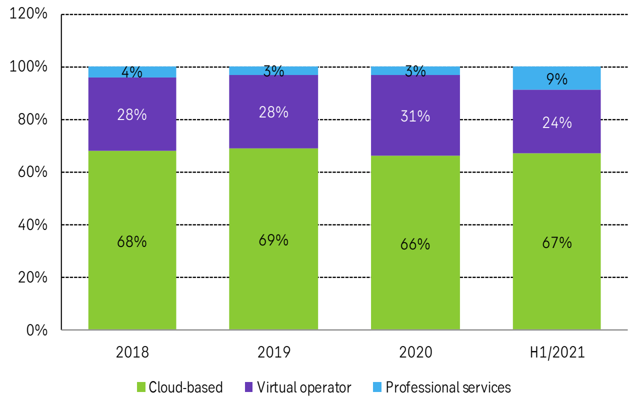
We find that Leaddesk has also room to increase its market share in the sweet spot, i.e. SME sized companies. Although the big US names are possibly increasing efforts in Europe, the larger rivals will likely focus on the enterprise segment customers, leaving the field of SME sector for the smaller names like Leaddesk. We understand that Leaddesk's tool is technologically on a world-class level, not priced at premium class and the company's service level for SMEs is higher. We conclude that the market size will not limit growth for Leaddesk. According to DMG Consulting, the global number of contact centre workers is about 19m, thus we assume the European market is about 4m seats versus Leaddesk's current number of subscribers of 15-17,000 (SEB estimates).

Furthermore, we believe Leaddesk could go deeper into the existing customers' pockets. Typically, new customers pilot the product with relatively limited features, but over time tend to increase features and applications associated with it. Leaddesk has not yet provided net retention rates, but we believe net retention could be close to 100% (see chart on next page). The company should also be able to cross-sell GetJenny to the existing customer base.

Recurring SaaS revenue with high earnings leverage earns high multiples

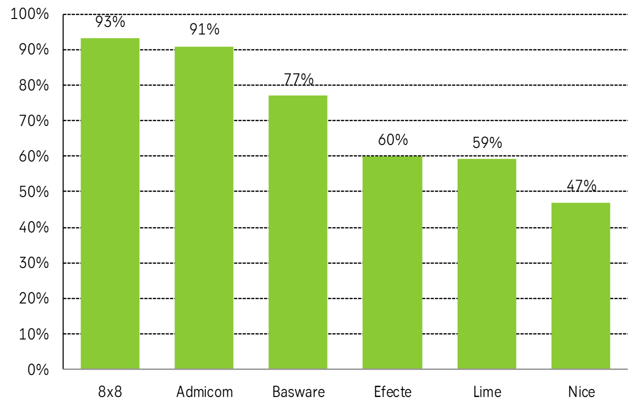
The majority of Leaddesk's revenue is recurring and comes with a very high gross margin. Hence the revenue on each newly won customer will drop through the profit line. As in any SaaS business, Leaddesk's recurring revenue is predictable and hence creates stable future earnings. We find that after accelerated growth, Leaddesk should enjoy significant earnings leverage on other operating costs and personnel costs (see long-term estimates on page 39). Consequently, relatively high short-term multiples can be applied when valuing the stock (see valuation section, page 41). We argue that Leaddesk has a relatively high share of revenue in recurring form. The cloud-based revenue is some 67% of sales. On top of this, the company has VoIP revenue, which is based on the usage but is very close to recurring in nature. These revenue lines represent more than 90% of the company's sales, something that bears comparison against any SaaS name and that should be reflected in the valuation multiples.

Leaddesk revenue by type, %



Source: SEB

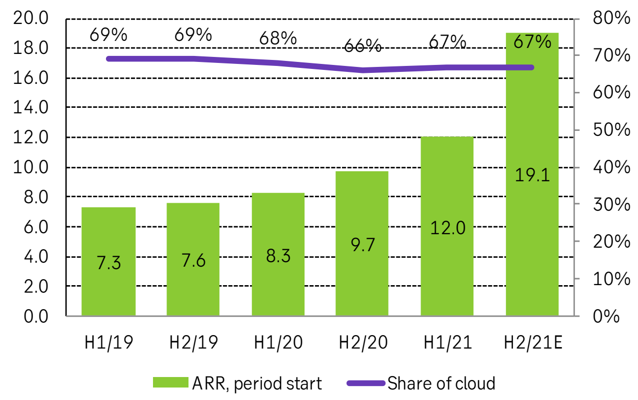
Recurring revenue of selected peers, % of revenue



Source: SEB

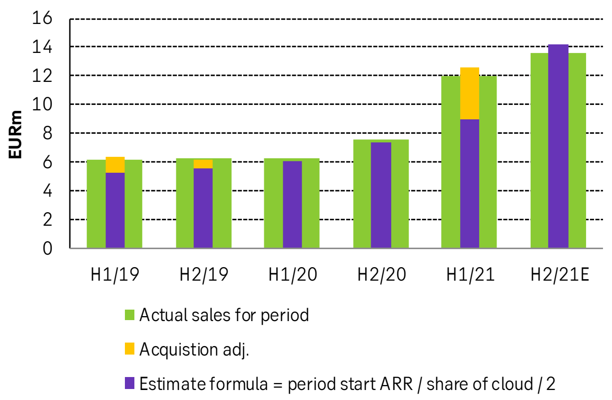
We argue that the high multiples are justified should the company be able to keep its existing customers. However, Leaddesk does not provide detailed retention rates, but based on healthy historical growth, we believe that the retention rates must have been at a decent level. We base this assumption on our tracking of historical sales with a formula that is calculated based on the ARR base in the beginning of each period and share of cloud-based revenue. The charts below show that the tracking error is relatively minor, which implies that the share of leaving customers should be small.

ARR in period start (EURm) and share of cloud revenue



Source: SEB estimates

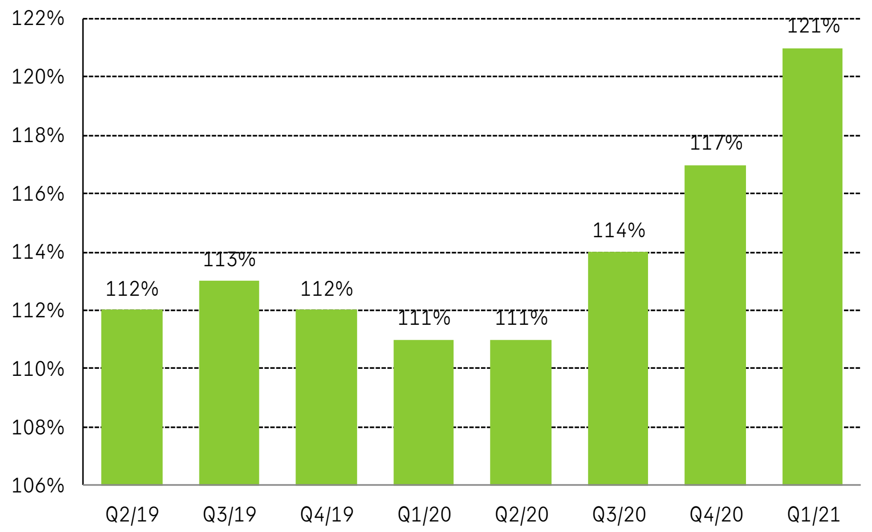
Period actual sales close to estimated formula result



Source: SEB estimates

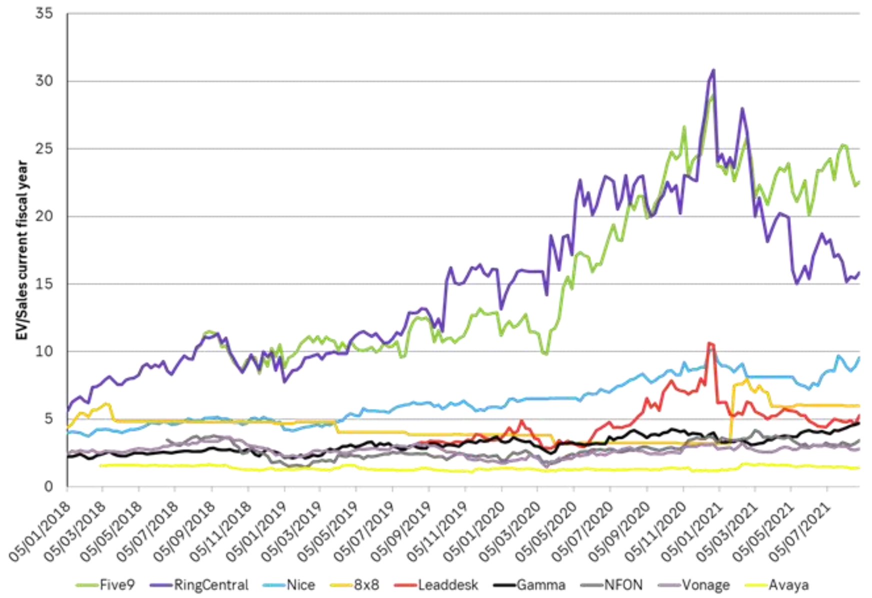
To showcase the retention rates in CcaaS, we note that US peer Five9 quoted an annual USD-based net retention rate of 121% in its Q1/21 report. The successful peer's net retention has been over 100% for many quarters in a row, confirming the strong demand towards cloud-based contact centre software.

Five9's annual dollar-based net retention rate



Source: SEB, Five9

EV/Sales of key peers over time (x)



Source: SEB, Bloomberg

M&A to create value

Exploiting multiple arbitrage when acquiring non-listed assets

Leaddesk has been able to execute its acquisitions at relatively attractive multiples. The EV/sales for Loxysoft, Capricode, Nordcom and GetJenny has been 1.9x, 1.8x, 0.6x and 2.7x, respectively, while the company currently trades at EV/sales of 5x. Assuming that the acquisitions will not erode the company's growth pace, the shareholders should enjoy the value creation of the multiple arbitrage in transactions. In the following table we have assessed the theoretical value creation to Leaddesk shareholders. The approach theoretically assumes that the acquired company should deliver the same growth rate as Leaddesk and hence would earn the same multiple. Although there are risks that the acquired company dilutes growth, we note that the rationale behind the acquisitions is to further fuel growth.

Illustrative theoretical multiple arbitrage, shareholder value

Deal EV/Sales multiple	Deal EV, EURm 5	10	15	20	25	30	35	40
2.0x	6%	12%	18%	24%	30%	36%	42%	48%
2.5x	4%	8%	12%	16%	20%	24%	28%	32%
3.0x	3%	5%	8%	11%	13%	16%	19%	21%
3.5x	2%	3%	5%	7%	9%	10%	12%	14%
4.0x	1%	2%	3%	4%	5%	6%	7%	8%
4.5x	0%	1%	1%	2%	2%	3%	3%	4%
5.0x	0%	0%	0%	0%	0%	0%	0%	0%
5.5x	0%	-1%	-1%	-1%	-2%	-2%	-2%	-3%
6.0x	-1%	-1%	-2%	-3%	-3%	-4%	-4%	-5%
6.5x	-1%	-2%	-3%	-4%	-4%	-5%	-6%	-7%
7.0x	-1%	-2%	-3%	-4%	-6%	-7%	-8%	-9%

Assumes Leaddesk:

Share price of	24.0
SEB est. EV/sales	5.0x

Source: SEB

Leaddesk acquisitions since IPO

	Purchase price	Net debt	EV	Sales*	EBITDA*	EV/Sales	EV/EBITDA	Completion of acquisition
Nordcom	0.5	0.0	0.5	0.9	0.0	0.6	22.7	07/2020
Capricode	2.4	0.0	2.4	1.3	0.1	1.8	32.9	10/2020
Loxysoft**	13.6	0.0	13.6	7.1	1.1	1.9	12.4	1/2021
GetJenny	2.1	1.7	3.8	1.4	0.3	2.7	13.8	8/2021

**FY year prior to the acquisition closing*
*** Sales and EBITDA SEB est.*

Source: SEB

So far Leaddesk's acquisitions have meant geographical expansion and stronger technological capabilities, allowing penetration to new client verticals. The acquisition of Loxysoft was to mainly take a stronger foothold in the Nordic market. The Capricode systems acquisition strengthened the company's position in the Finnish enterprise segment, especially in the healthcare, energy, and transportation sectors. With the acquisition of Nordcom, Leaddesk improved its products' mobile application capabilities. The most recent acquisition of GetJenny brings an interactive chatbot platform to the offering and increases the company's AI competence.

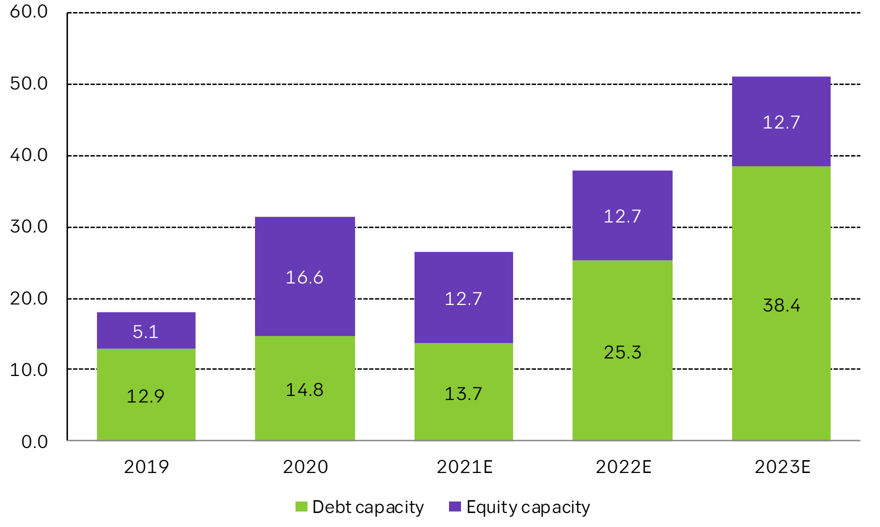
We note that acquiring a rival does not necessarily create value. Unless Leaddesk gains technological assets by acquiring a rival, it would basically mean acquiring customers or a new geographical position. There is always the risk that the acquired customers may look at new alternatives when the vendor changes.

Acquisitions may require further funding

Although Leaddesk's financial position is not distressed, we note that acquisitions valued above EUR 15m would likely require equity funding, or at least the use of shares in exchange for the acquired company. However, we think that the potential equity rounds would support the investment case, especially if the acquired company fits the company's strategy. Under risks we note that other players could exploit the opportunities in the consolidating market before Leaddesk (see Risks section, page 34).

Assuming NIBD/EBITDA of 2.0x and 10% new shares (the typical authorisation for the board of directors in Finland), we calculate Leaddesk has the capacity to acquire a company or companies with a valuation up to EUR 38m during 2021-2022 (assuming transaction EV/EBITDA of 10.0x).

Leaddesk's theoretical acquisition capacity, SEB est.



Source: SEB, Leaddesk

Potential takeover candidate?

In addition to the structural growth case, there is always the possibility that Leaddesk may be a potential takeover candidate. A possible acquirer could be a large US name that wants to take a more aggressive approach in the European market. We note that when buying a SaaS rival, the acquirer may get a significant recurring revenue base and may optimise the cost base rather freely, allowing for a valuation premium in many cases. Also, global acquirer companies who trade at relatively high multiples may see the multiple arbitrage potential in Leaddesk.

As described in the Market description section (page 21) the industry looks to be consolidating as UCaaS and CPaaS companies are joining forces with CCaaS companies. The most recent evidence is Zoom's bid for Five9 in July 2021 (anticipated to close in H1 2022). Although the bid implied a small premium to the Five9 share price, the EV/sales valuation multiple was as high as 26x for 2021E. We note that the deal closing is not certain yet.

Also, software specialised holding companies and private equity and software focused holding-like companies have shown interest in the sector. For example, Enghouse, a multi-software house, acquired Altitude late last year. Odigo was acquired by APAX a year ago. We believe private equity investors may realise the potential in building software solutions on UCaaS platforms.

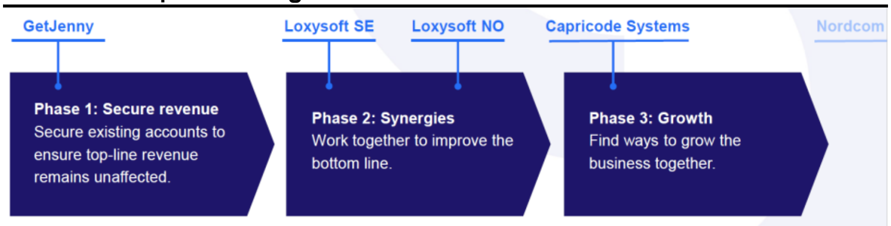
Key risks to the case

Acquisitions and failed integrations

As Leaddesk's strategy relies on acquisitions, one central risk is the failure of executing these transactions. The integration phase after the acquisition may often prove difficult. We find that securing revenue from the existing customers is the main risk when acquiring a close peer. Introducing a new platform to the acquired company's customers may prompt the customers to consider other options as well. In addition, integrating the acquired technologies to the main Leaddesk platform cloud prove difficult. Lastly, we list the personnel and company culture-related risks that are relevant in any business where the personnel costs account for most of the cost structure.

So far Leaddesk has stated that the integration of its acquisitions have progressed as planned and first synergies have already materialised. The company is already in the mutual growth phase with Nordcom while with Capricode and Loxysoft Norway, it seeks bottom line synergies. The integration with Loxysoft's Sweden's operations has turned out to be a bit slower and the company's priority is to secure the revenue from existing clients.

Leaddesk's acquisition integration



Source: Leaddesk

Competitive landscape changes in Europe

The fragmented European CCaaS market with relatively low cloud-penetration might also attract the larger US players. They could see the opportunity in the market and enter with larger resources and the ability to bear negative cash flow. This would obviously be harmful for Leaddesk, especially in its attempt to gain market share in the enterprise customer segment. There is also the possibility that a European small- or mid-size company may execute a similar strategy as Leaddesk. For example, Danish Dixa has just raised USD 105m funding and is likely to take a more aggressive role in the market. We note that currently Dixa has around 50 available personnel positions. The company may also be interested in the same acquisition targets as Leaddesk.

Possible security breaches

Security breaches are also a possibility when it comes to IT products. Handling sensitive data, in this case customer data, must be done with care and proper security measures. A potential security breach would probably negatively affect Leaddesk's reputation with its customers in addition to the potential legal ramifications.

Organisational challenges

Organisational challenges are often also present in a company that is seeking strong growth. Given that Leaddesk is currently more than double the size it was in 2019-2020, the company may experience organisational challenges. The employees may find their changing role uncomfortable when new companies are integrated, causing a high staff turnover and inefficiency. On the positive side, the strongly growing company may motivate the employees to work harder. One of the key organisational challenges is obtaining and retaining top talent. This is especially relevant when hiring new salespeople, as Leaddesk's rapid growth requires large additions to its salesforce. Inability to hire qualified salespeople and manage the growing sales team unsuccessfully would hinder Leaddesk's chances of growth. Leaddesk also needs to retain its key technological experts in order to continue the successful development of its product.

Increasing customer churn and customer stickiness with legacy software

Leaddesk's growth may slow down should customer churn increase, owing to new competing products or possible technological issues on Leaddesk's end. In new sales one of the key challenges, especially in the enterprise segment, is that customers stick with their legacy systems longer than expected. The investment in the on-premise legacy systems may have been large and not fully depreciated, causing hesitancy to leave the system.

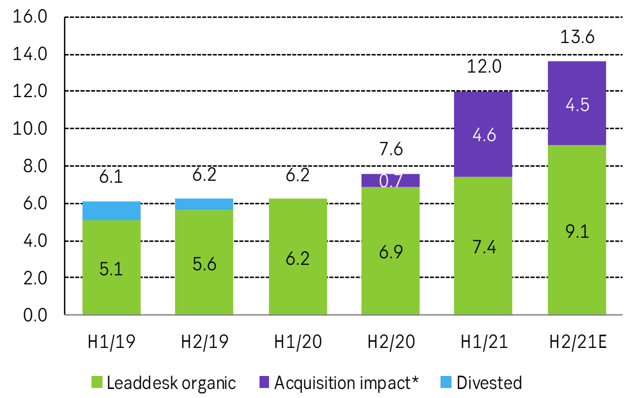
SEB estimates

H2/21 estimates

Sales growth

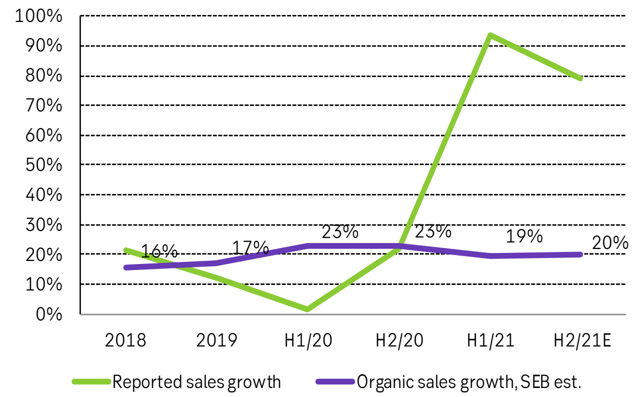
We expect Leaddesk to maintain solid sales growth for H2/21. We estimate an organic growth rate of 20% y-o-y for H2/21 and a total sales growth of 79%, translating into a sales estimate of EUR 13.6m. The total sales growth is heavily elevated by Leaddesk's acquisition of Loxysoft, which was included in the numbers in January 2021. Also GetJenny should add some EUR 0.6m to the growth and we expect Nordcom to have a minor impact as well. The organic growth is mainly coming from international operations, we believe.

Semi-annual sales, EURm



Source: SEB - *SEB est.

Sales growth, reported & organic

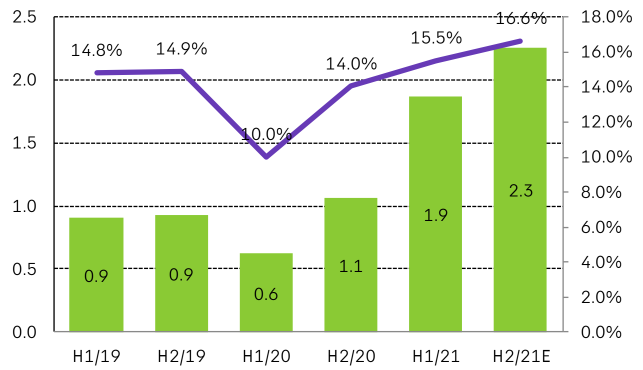


Source: SEB

Profitability

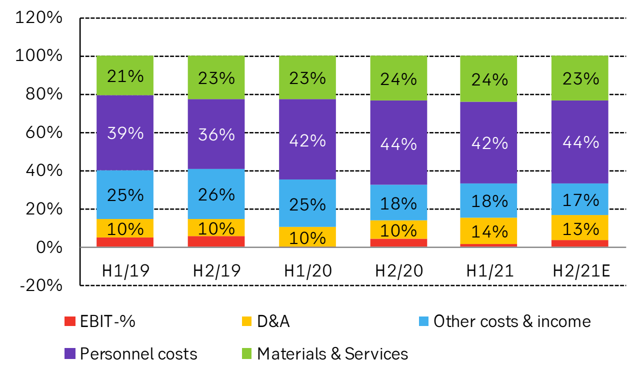
We expect Leaddesk to continue to post gradually improving profitability in H2/21. We expect gross margin to stay at a similar level as H2/20 at 77.0% (76.4%). EBITDA margin should rise close to 17% thanks to operational leverage, mainly on other operating costs. We expect H2/21 EBITDA of EUR 2.2m, up from EUR 1.1m a year ago and EUR 1.9m in H1/21. The EBIT margin remains at a low level due to increased amortisations on goodwill.

EBITDA (EURm) and EBITDA margin



Source: Leaddesk, SEB

Cost, % of sales and EBIT margin



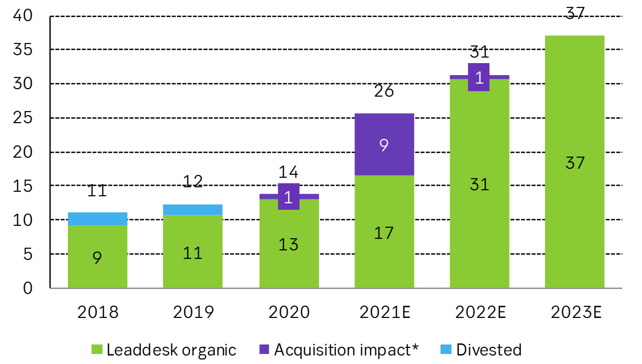
Source: Leaddesk, SEB

2022-2023 estimates

Sales growth

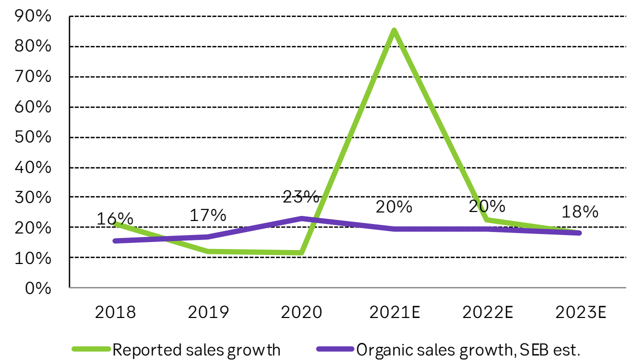
In 2022 we expect only minor non-organic growth, which owes to GetJenny's first seven months; hence, the year should be dominantly driven by organic growth. In 2022 we expect the growth pace to remain at the same level seen in 2021, i.e. 20%, and to decelerate to 18% in 2023. To keep such a growth rate we assume the company successfully penetrates the enterprise client vertical and new European markets like Italy and France. Also, turning Loxysoft back to growth mode will be essential in order to deliver annual growth of EUR >5m. We expect ARR to reach EUR 21.2m by end-2021 and to increase broadly in line with the sales growth towards 2022-2023.

Annual sales, EURm, SEB est.



Source: Leaddesk, SEB - *SEB estimates

Sales growth, reported & organic

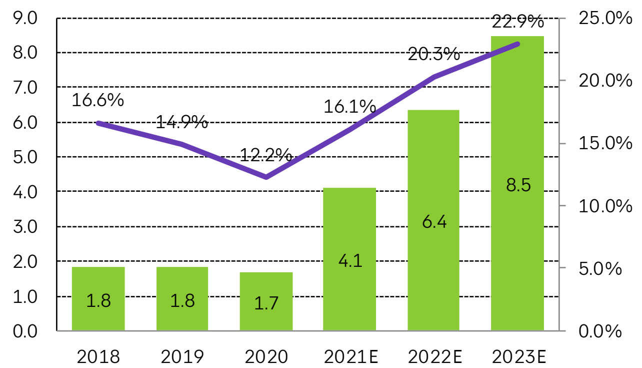


Source: Leaddesk, SEB

Profitability

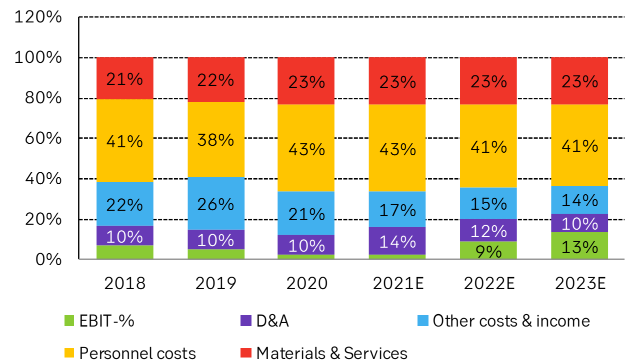
We expect the company's EBITDA margin to improve gradually towards 2023. However, as we believe its focus is tilted towards growth, the sales and marketing-related expenses may not provide the scale yet and the improving profitability comes from scaling admin (other operating) costs and R&D costs (partially personnel costs).

EBITDA (EURm) and EBITDA margin



Source: Leaddesk, SEB

Costs of sales and EBIT-%



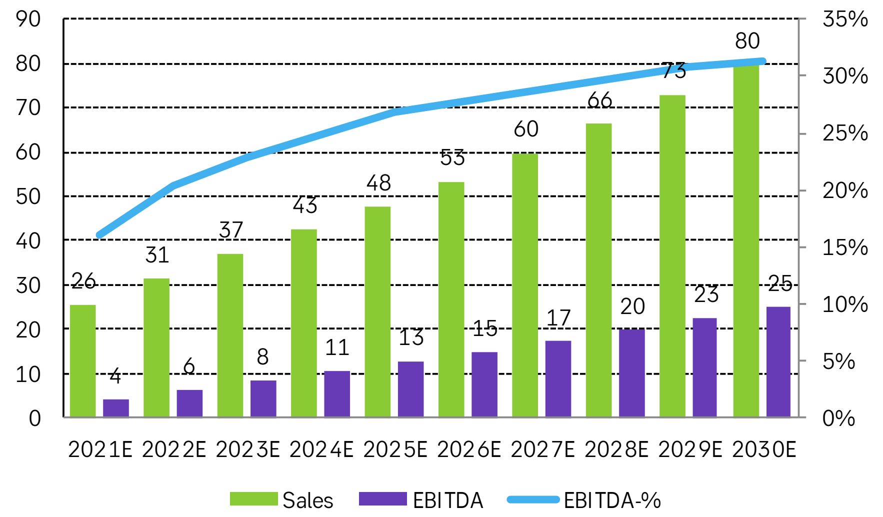
Source: Leaddesk, SEB

Long-term estimates

Sales growth

In our DCF we assume a 12% CAGR for 2024-2030E (see Valuation section on page 41) and hence expect the company to reach EUR 80m sales in 2030. The main driver for the long-term growth is the cloudification of the contact centre software market, especially in the pan-European market. However, our estimates do not include any acquisitions and as the company states it will stay active on the M&A side, the EUR 100m target in sales could be reached before the end of the decade.

SEB DCF estimates 2021-2030E



Source: SEB

Profitability

We forecast EBITDA margin rising to 30.5% by 2030 on operational leverage. We note that the Nordic SaaS peers like Lime Technologies and Admicom are currently reporting EBITDA margins of >30%. When looking to global peers, the current average EBITDA margin is 19%, but more mature pure SaaS names like Salesforce and ServiceNow have EBITDA margins of 30%.

Valuation

Fair value range of EUR 39-43

We look at Leaddesk's valuation using several methods: 1) DCF valuation, 2) peer group multiple benchmarking and 3) scenario-based valuation. However, we set our fair valuation range using DCF and comparison to the Nordic peers. We note that valuation in the global peer group context looks extremely attractive, but given the relatively small size of the company, we cannot justify benchmarking at this point.

With equal weight for each approach we derive a wide valuation range of EUR 36-45 for Leaddesk. We, however, set our fair value range at +/-5% vs. the mid-point and calculate a fair valuation range of EUR 39-43.

SEB valuation summary & implied valuation for 2021E, 2023E, 2025E

Method	Low		High
DCF valuation	31	-	47
Peer group multiple benchmark	42	-	43
Range, 50/50 weightings	36	-	45
Mid-point		**41**	
SEB fair value range, 5% of mid-point	**39**	**-**	**43**

Mid-point implied valuation:		
EV/sales:		
	2021E:	8.5x
	2023E:	5.6x
	2025E:	4.0x
EV/EBITDA:		
	2021E:	52.8x
	2023E:	24.4x
	2025E:	14.7x

Source: SEB

DCF valuation

As discussed above, we model a 13% CAGR until 2030 after which we expect the growth to moderate. In terms of EBITDA margin, we expect Leaddesk to reach typical software profitability of 30-40% as the company matures. We apply a WACC of 8.5% for Leaddesk as we see the company still being in an early phase of the journey and many risks needs to be tackled in order to meet the targeted growth.

Our DCF valuation lands at EUR 38. We, however, use growth sensitives of -2% to +2% for a fair value range of EUR 31-47 for Leaddesk.

DCF summary table

DCF valuation (EURm)		Weighted average cost of capital (%)	
NPV of FCF in explicit forecast period	133	Risk free interest rate	2.5
NPV of continuing value	70	Risk premium	6.0
Value of operation	**203**	**Cost of equity**	**8.5**
Net debt	(0)	**After tax cost of debt**	**2.0**
Share issue/buy-back in forecast period	-		
Value of associated companies	-	**WACC**	**8.5**
Value of minority shareholders' equity	-		
Value of marketable assets	-	**Assumptions**	
DCF value of equity	**203**	Number of forecast years	20
DCF value per share (EUR)	**38**	EBIT margin - steady state (%)	31.1
Current share price (EUR)	23.70	EBIT multiple - steady state (x)	9.8
DCF performance potential (%)	61	Continuing value (% of NPV)	34.3

Source: SEB

DCF assumption details

(EURm)	2021E	2022E	2023E	2024E	2025E	Average year 6-10	Average year 11-15	Average year 16-20
Sales growth (%)	85.6	22.5	18.0	15.0	12.0	10.8	4.2	1.8
EBITDA margin (%)	16.1	20.3	22.9	24.9	26.9	29.8	32.9	35.4
EBIT margin (%)	2.5	8.8	13.3	16.0	18.5	22.5	27.5	30.1
Gross capital expenditures as % of sales	78.1	6.4	5.4	4.9	4.4	4.4	4.4	4.4
Working capital as % of sales	(8.0)	(9.5)	(10.2)	(10.2)	(10.2)	(10.2)	(10.2)	(10.2)
Lease repayments as % of sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sales	26	31	37	43	48	66	92	103
Depreciation	(2)	(2)	(2)	(2)	(2)	(3)	(4)	(4)
Intangibles amortisation	(2)	(2)	(2)	(2)	(2)	(2)	(1)	(1)
EBIT	1	3	5	7	9	15	25	31
Taxes on EBIT	(1)	(1)	(1)	(2)	(2)	(4)	(6)	(7)
Increase in deferred taxes	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0
NOPLAT	**2**	**4**	**5**	**7**	**8**	**13**	**21**	**25**
Gross capital expenditure	(20)	(2)	(2)	(2)	(2)	(3)	(4)	(5)
Increase in working capital	0	1	1	1	1	1	0	0
Lease repayments	0	0	0	0	0	0	0	0
Free cash flow (incl. lease repayments)	**(16)**	**4**	**6**	**7**	**9**	**14**	**21**	**25**
ROIC (%)	7.9	12.9	17.7	24.3	32.7	79.2	240.6	1077.6
ROIC-WACC (%)	(0.6)	4.4	9.2	15.8	24.2	70.7	232.1	1069.1
Share of total net present value (%)	0.0	2.0	2.5	2.8	3.2	19.5	19.8	15.8

Source: SEB

DCF sensitivity

		Cost of equity (%)				
		7.5	8.0	**8.5**	9.0	9.5
Equity capital weight (%)	80	60	55	51	48	44
	90	52	48	44	41	38
	100	45	41	**38**	35	33
	100	45	41	38	35	33
	100	45	41	38	35	33

		Absolute change in EBITDA margin - all years				
		-2%	-1%	**0**	+1%	+2%
Abs. change in sales growth - all years	-2%	29	30	31	32	34
	-1%	32	33	34	36	37
	0	35	37	**38**	40	41
	+1%	39	41	42	44	46
	+2%	44	45	47	49	51

Source: SEB

A clear discount in EV/sales multiple

Our peer approach is two-fold. Firstly, we benchmark Leaddesk to Nordic SaaS and Technology peers. Secondly, we look at the valuation of global contact centre providers and selected SaaS companies with certain similarities to Leaddesk. We mainly compare Leaddesk's EV/sales multiple to the peers and take into account the expected growth for EBITDA margin. This implies that we assess Leaddesk to the peer group using the 'Rule of 40' – a common metric used to measure the performance of SaaS companies. 'Rule of 40' is simply the sum of the growth rate and EBITDA margin Our 'Rule of 40' is forward-looking and we note that we use 2022 and 2023 growth to eliminate the impact of recent acquisitions.

With our trajectory for 2022-2023E organic CAGR of 19%, Leaddesk looks attractively valued versus the peer group EV/sales and growth. Our global peer group has a median 2022-2023E CAGR of 22% and the median EV/sales is 18x. Currently Leaddesk trades at an EV/sales of 5x. Also when comparing to Nordic peers' EV/sales of 11x, Leaddesk trades at a clear discount. We believe the discount is partially justified due to lower EBITDA margin, i.e. taking the 'Rule of 40' into account. However, we do not see any reason why Leaddesk should not reach the typical SaaS profitability of 30-40% EBITDA margin when the company reaches a more steady phase on its journey. We base the assumption on the company's relatively high share of recurring revenue.

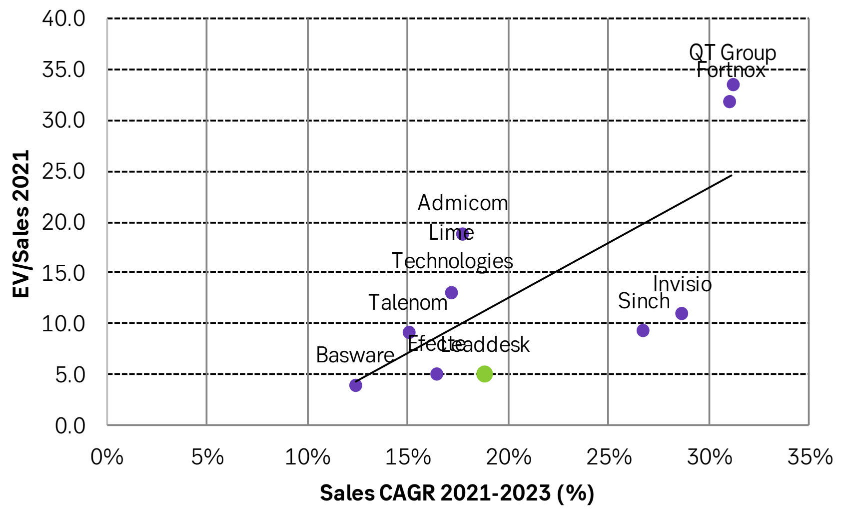
All in all, although Leaddesk's discount may be explained by its smaller size, limited liquidity and risks related to international expansion we argue that a smaller discount is warranted. We justify a 2021E EV/Sales of 9x and a 2023E EV/EBITDA of 25x for Leaddesk, implying a fair value range of EUR 42-43.

Peer valuation benchmarking summary table

	EV/Sales 2021E	EV/Sales 2022E	EV/Sales 2023E	EV/EBITDA 2021E	EV/EBITDA 2022E	EV/EBITDA 2023E	Sales CAGR 2022-23	EBITDA-% 2021-23
Nordic peers								
Nordic peers, median	11.1x	8.2x	8.1x	43.9x	31.7x	26.0x	18%	31%
Leaddesk, SEB est.	5.0x	3.9x	3.2x	31.0x	19.3x	13.8x	19%	20%
Discount / premium	-55%	-52%	-61%	-29%	-39%	-47%		
Justified multiple	9.0x	7.5x	6.5x	54.1x	35.8x	25.0x		
Discount / premium	-19%	-8%	-19%	23%	13%	-4%		
Implied share price	43.2	43.2	43.2	41.8	41.8	41.8		
Global peers								
Global peers, median	17.8x	14.4x	11.6x	106.4x	106.4x	106.4x	22%	17%
Leaddesk, SEB est.	5.0x	3.9x	3.2x	31.0x	19.3x	13.8x	19%	20%
Discount / premium	-72%	-73%	-73%	-71%	-82%	-87%		
Justified multiple	9.0x	7.5x	6.5x	54.1x	35.8x	25.0x		
Discount / premium	-49%	-48%	-44%	-49%	-66%	-76%		
Implied share price	43.2	43.2	43.2	41.8	41.8	41.8		

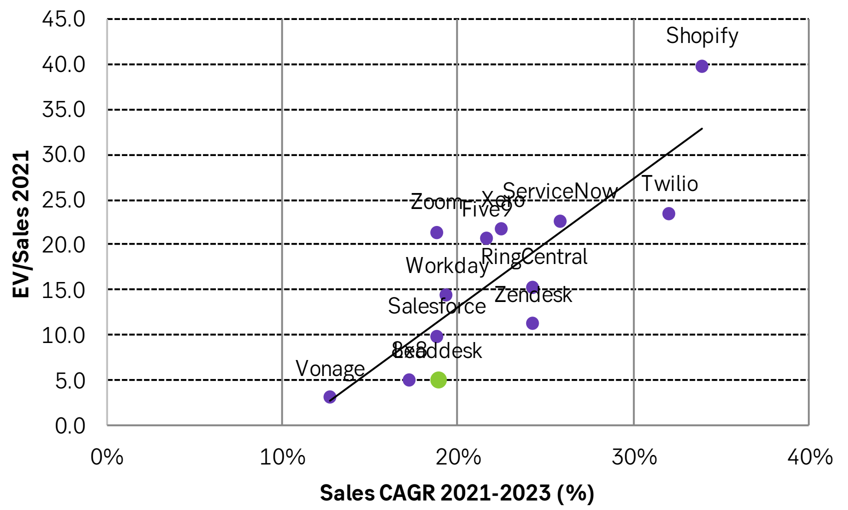
Source: SEB, Bloomberg

Nordic peer group: EV/sales (x) vs. expected growth



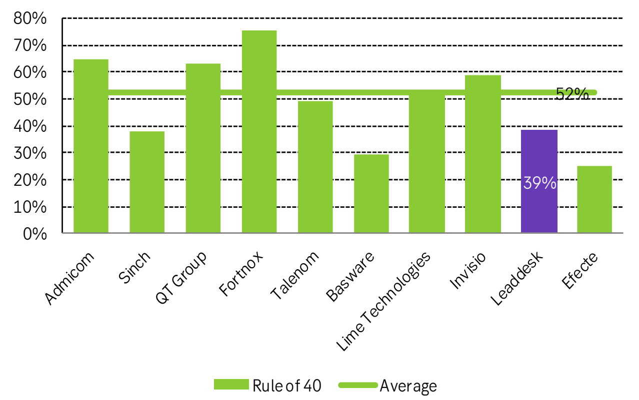
Source: SEB, Bloomberg

Global peer group: EV/sales (x) vs. expected growth



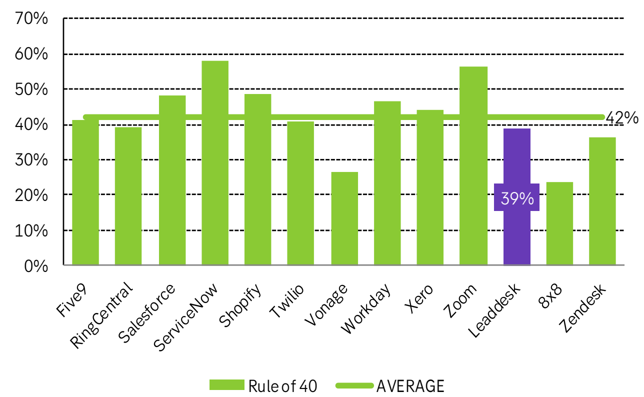
Source: SEB, Bloomberg

Nordic peers: 'Rule of 40'



Source: SEB, Bloomberg

Global peers: 'Rule of 40'



Source: SEB, Bloomberg

Peer group valuation tables

	Price (EUR)	Mkt cao (EURm)	EV/EBITDA (x) 2021E	2022E	2023E	EV/Sales (x) 2021E	2022E	2023E	Sales growth (%) 2021E	2022E	2023E	EBITDA margin (%) 2021E	2022E	2023E
Nordic Growth														
Admicom	93.6	461	37.9	31.7	26.2	17.9	14.9	12.5	13%	18%	17%	47%	47%	48%
Sinch	19.3	13,930	120.8	51.6	41.6	9.1	6.4	5.6	101%	42%	13%	8%	12%	13%
QT Group	156.0	3,912	120.1	75.5	50.9	32.8	24.3	18.7	50%	34%	29%	27%	32%	37%
Fortnox	49.3	3,005	75.7	54.2	38.9	32.1	24.1	18.3	39%	32%	30%	42%	45%	47%
Talenom	16.5	722	27.7	23.1	19.8	9.2	7.9	6.9	26%	16%	14%	33%	34%	35%
Basware	39.4	570	28.1	20.9	15.5	4.0	3.6	3.0	2%	11%	14%	14%	17%	20%
Lime Technologies	38.7	514	38.6	31.0	25.8	13.3	11.0	9.3	18%	19%	15%	34%	35%	36%
Invisio	17.8	791	43.9	27.6	21.2	11.1	8.2	6.7	40%	34%	18%	25%	30%	32%
Efecte	14.4	90	104.7	45.9	n.a.	4.9	4.1	n.a.	16%	16%	17%	5%	9%	12%
Leaddesk, SEB est.	**24.0**	**127**	**31.0**	**19.3**	**13.8**	**5.0**	**3.9**	**3.2**	**20%**	**20%**	**18%**	**16%**	**20%**	**23%**
Median			**43.9**	**31.7**	**26.0**	**11.1**	**8.2**	**8.1**	**26%**	**19%**	**17%**	**27%**	**32%**	**35%**
Average			**66.4**	**40.2**	**30.0**	**14.9**	**11.6**	**10.1**	**34%**	**25%**	**19%**	**26%**	**29%**	**31%**
Global SaaS														
8x8	21.4	2,397	135.3	69.3	39.6	5.1	4.3	3.7	13%	16%	18%	4%	6%	9%
Five9	135.2	9,154	106.1	79.4	62.2	19.6	15.8	13.0	29%	22%	22%	18%	20%	21%
RingCentral	220.4	20,170	106.6	89.5	66.7	16.0	12.9	10.2	26%	24%	25%	15%	14%	15%
Salesforce	226.5	221,750	33.5	28.0	22.3	10.0	8.1	6.6	20%	20%	18%	30%	29%	30%
ServiceNow	549.4	108,841	67.6	53.7	41.0	21.4	16.8	13.2	26%	25%	24%	32%	31%	32%
Shopify	1299.2	162,369	252.9	226.1	139.3	39.6	29.5	21.7	53%	33%	35%	16%	13%	16%
Twilio	303.3	53,733	297.8	212.2	137.1	22.7	17.4	13.4	47%	31%	32%	8%	8%	10%
Vonage	12.1	3,055	21.1	19.4	15.1	2.9	2.6	2.2	8%	10%	15%	14%	14%	15%
Workday	230.8	57,231	51.0	43.5	33.8	14.2	11.4	9.5	14%	19%	20%	28%	26%	28%
Xero	95.3	14,156	115.9	83.1	61.3	21.8	17.6	14.5	32%	23%	22%	19%	21%	24%
Zendesk	104.6	12,553	109.1	76.0	51.5	11.0	8.7	7.2	24%	25%	22%	10%	12%	14%
Zoom	245.5	72,955	53.0	47.8	41.1	20.8	17.2	14.1	47%	18%	19%	39%	36%	34%
Leaddesk, SEB est.	**24.0**	**127**	**31.0**	**19.3**	**13.8**	**5.0**	**3.9**	**3.2**	**20%**	**20%**	**18%**	**16%**	**20%**	**23%**
Median			**106.4**	**72.6**	**46.3**	**17.8**	**14.4**	**11.6**	**26%**	**23%**	**22%**	**17%**	**17%**	**18%**
Average			**112.5**	**85.7**	**59.2**	**17.1**	**13.5**	**10.8**	**28%**	**22%**	**23%**	**19%**	**19%**	**21%**

**all currencies converted to Euros*

Source: SEB, Bloomberg

Scenario-based approach

Our base case is built on our estimates for 2021-2023E; our fair value range mid-point implies a 2021E EV/sales of 8.5x and a 2023E EV/EBITDA of 23x.

In the blue-sky scenario we model 5pp higher annual organic growth rate vs. our current estimates and input acquisition(s) that add EUR 20m to 2023E sales. We assume that the company will be able to execute the acquisition(s) with EV/sales of 2.5x and EV/EBITDA of around 15x, which can be compared to Loxysoft EV/sales of ~2x and EV/EBITDA of ~12x. Given the hypothetical strong performance we assume that the market would justify higher multiples. Hence, we give an EV/sales multiple of 8x for 2023E revenue. We discount the 2023E valuation to 2021E using a DCF WACC of 9% and land at a present share valuation of EUR 75. We stress that such a scenario is provided only for illustrative purposes and has not been included in our fair value assessment.

In the bear-case scenario we input 10pp lower organic growth vs. our current estimates. In terms of EBITDA margin for 2023E we input 2pp lower margin vs. our current estimates. In the case of lower-than-expected growth we believe the market would focus more on profitability and the valuation could be driven by EV/EBITDA multiples. Thus, we use 2023E EV/EBITDA of 20x, slightly below the Nordic peers' current 2023E median multiple. Then we discount the 2023 share price to the present to derive a bear-case scenario valuation of EUR 19 per share.

Illustrative scenario-based approach

	Current estimates			Blue-sky scenario			Negative scenario		
	2021E	**2022E**	**2023E**	**2021E**	**2022E**	**2023E**	**2021E**	**2022E**	**2023E**
Sales	25.6	31.4	37.0	25.9	43.1	63.0	25.3	28.4	30.7
Organic growth%	*19.7%*	*19.7%*	*18.0%*	*22.2%*	*24.7%*	*23.0%*	*17.2%*	*9.7%*	*8.0%*
Acquired revenue impact	**9.1**	**0.7**	**0.0**	**9.1**	**10.7**	**10.0**	**9.1**	**0.7**	**0.0**
% of sales	*36%*	*2%*	*0%*	*35%*	*25%*	*16%*	*36%*	*2%*	*0%*
EBITDA	4.1	6.4	8.5	4.2	9.6	15.7	3.9	5.2	6.4
EBITDA-%	*16.1%*	*20.3%*	*22.9%*	*16.1%*	*22.3%*	*24.9%*	*15.6%*	*18.3%*	*20.9%*
Net debt	-0.2	-4.9	-11.2	-0.2	16.8	28.3	0.0	-3.6	-7.8
EV/Sales	8.5x	6.8x	5.6x	15.4x	10.5x	**8.0x**	4.0x	3.8x	3.7x
EV/EBITDA	52.8x	33.5x	24.4x	95.6x	47.1x	32.1x	25.7x	20.5x	**20.0x**
Implied share price	**40.9**	40.9	40.9	**75.0**	81.8	89.1	**19.0**	20.7	22.6

Assumptions:

Blue-sky acquisitions EV/sales multiple: 2.5%, EBITDA-margin inline with Leaddesk

Blue-sky & Negative scenarios 2023 share price discounted backwards with rate of 9%

Source: SEB

Estimate tables

Semi-annual P&L

P&L	H1/19	H2/19	H1/20	H2/20	H1/21	H2/21E	H1/22E	H2/22E
Net sales	**6.1**	**6.2**	**6.2**	**7.6**	**12.0**	**13.6**	**14.8**	**16.6**
Other operating income	0.0	1.8	0.0	0.1	0.0	0.1	0.0	0.1
Materials and Services	-1.3	-1.4	-1.4	-1.8	-2.9	-3.1	-3.4	-3.8
Personnel expenses	-2.6	-2.3	-2.6	-3.4	-5.1	-5.9	-6.4	-6.6
Other operating costs	-1.6	-1.6	-1.6	-1.5	-2.2	-2.4	-2.4	-2.6
One-offs	0.2	-1.8	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA reported	0.7	2.7	0.6	1.1	1.9	2.3	2.6	3.7
EBITDA adjusted	**0.9**	**0.9**	**0.6**	**1.1**	**1.9**	**2.3**	**2.6**	**3.7**
margin, %	14.8%	14.9%	10.0%	14.0%	15.5%	16.6%	17.9%	22.5%
Depreciation and amort.	-0.6	-0.6	-0.6	-0.8	-1.7	-1.8	-1.8	-1.8
EBIT reported	0.1	2.1	0.0	0.3	0.2	0.4	0.8	1.9
EBIT adjusted	**0.3**	**0.3**	**0.0**	**0.3**	**0.2**	**0.4**	**0.8**	**1.9**
Margin, %	4.8%	5.3%	-0.2%	4.1%	1.6%	3.3%	5.6%	11.6%
Financial items net	-1.2	-0.2	-0.1	0.0	-0.2	-0.1	-0.1	-0.1
PTP	-1.1	1.9	-0.1	0.3	0.0	0.3	0.7	1.8
Net profit	-1.1	1.9	-0.1	0.3	-0.1	0.3	0.6	1.5
EPS	**-0.24**	**0.41**	**-0.02**	**0.06**	**-0.01**	**0.05**	**0.11**	**0.28**
Other data								
No. Of employees	80	82	90	116	173	203	211	219
ARR, EURm	7.6	8.3	9.7	12.0	19.1	21.2	23.1	25.9

Source: SEB

Annual P&L

P&L	2017	2018	2019	2020	2021E	2022E	2023E
Net sales	**9.1**	**11.0**	**12.4**	**13.8**	**25.6**	**31.4**	**37.0**
Other operating income	0.1	0.2	1.8	0.1	0.2	0.1	0.1
Materials and Services	-2.2	-2.3	-2.7	-3.2	-6.0	-7.2	-8.5
Personnel expenses	-4.7	-4.5	-4.9	-6.0	-11.0	-13.0	-15.0
Other operating costs	-2.3	-2.6	-3.2	-3.0	-4.6	-4.9	-5.2
One-offs	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA reported	0.0	1.8	3.4	1.7	4.1	6.4	8.5
EBITDA adjusted	**0.0**	**1.8**	**1.8**	**1.7**	**4.1**	**6.4**	**8.5**
margin, %	0.2%	16.6%	14.9%	12.2%	16.1%	20.3%	22.9%
Depreciation and amort.	-0.9	-1.1	-1.2	-1.4	-3.5	-3.6	-3.5
EBIT reported	-0.8	0.8	2.2	0.3	0.6	2.7	4.9
EBIT adjusted	**-0.8**	**0.8**	**0.6**	**0.3**	**0.6**	**2.7**	**4.9**
Margin, %	-9.2%	7.0%	5.1%	2.2%	2.5%	8.8%	13.3%
Financial items net	-0.3	-0.3	-1.4	-0.1	-0.3	-0.2	-0.1
PTP	-1.1	0.4	0.9	0.3	0.4	2.6	4.8
Net profit	-1.1	0.3	0.8	0.2	0.2	2.1	3.9
EPS	**-9.94**	**2.93**	**0.16**	**0.04**	**0.04**	**0.39**	**0.73**
Other data							
No. Of employees	131	107	81	103	188	215	241
ARR, EURm	5.9	7.3	8.3	12.0	21.2	25.9	30.0

Source: SEB

SEAM (SEB's ESG Assessment Methodology)

Leaddesk

Country: Finland Sector: IT/Technology Enterprise value (yr end): EUR 0.1bn Mid-point Equity Valuation: EUR 0.0bn

ESG impact on NPV (as % of enterprise valuation)		ESG impact on NPV (as % of equity valuation)	
Total impact over time	0	Total impact over time	n.m.
of which		of which	
- impact reflected in mid-point enterprise valuation	0	- impact reflected in mid-point equity valuation	0
- impact yet-to-be reflected in mid-point enterprise valuation	0	- impact yet-to-be reflected in mid-point equity valuation	0

In our view, ESG factors will be overall neutral to the company's financial value over time, with the impact constant during the next 10 years. The most material ESG factors (sub-issues) are energy efficiency of cloud-based solutions compared to solutions that trusts on on-premise servers and the risk related to possible data breach. We believe that most of the key ESG factors could be manageable by the company. For those manageable factors, we believe that the company's current approach is optimal . Our mid-point equity valuation fully reflects the ESG impact. In our view, the company's revenues are not addressed by EU taxonomy technical assessment criteria. From a responsibility perspective, we believe that the company is managing current ESG issues to some extent. At our last update, this company was not rated by Sustainalytics.

SEB ESG Financial Assessment ("SEFA")

	0-3 yrs	4-10+ yrs
SEFA overall assessment (qualitative):		

Most material issues from a financial performance and value perspective (SEB view)

		0-3 yrs	4-10+ yrs
	Climate related impact - products/services		
A	Cloud-based solutions being more energy-effient compared to on-premise, driving partially demand		
	Cyber Privacy and Security		
B	Risk of loss of data on clients' customers, quantified with small probability for leaving customers		
	Political risk		
C	Political and regulatory risk when expanding to new countries		

Sales (price/volume) exposure to ESG opportunities/threats

		NPV/EV (%)	Impact on Sales CAGR (%pa)	
A	Cloud-based solutions being more energy-effient compared to on-premise, driving partly demand	5	1	1
B	Risk of loss of data on clients' customers	(1)	(0)	(0)
	Sub-total	**4**	**0**	**0**

Cost of capital exposure to ESG opportunities/threats

		NPV/EV (%)	Impact on cost of capital (percent units)	
C	Political and regulatory risk when expanding to new countries	(4.0)	0.2	0.3
	Sub-total	**(4.0)**	**0.2**	**0.3**

Grand total of impacts (% NPV/EV) 0

Leaddesk (cont.)

SEB ESG Responsibility Assessment ("SERA")

	0-3 yrs	4-10+ yrs
SERA overall assessment (qualitative):		

Key concern responsibility issues (SEB view)

Climate related impact - products/services

Leaddesk tool allows remote working and thus reduce the use of resources

Other high profile issues/controversies but assessed to be of intermediate or low concern (SEB view)

Human Capital

Share of women in the board (40%) and management team (37.5%)

ESG Integration in Financial Services

The company has very limited sustainability disclosure - Expected to improve in medium term

Sustainability governance information

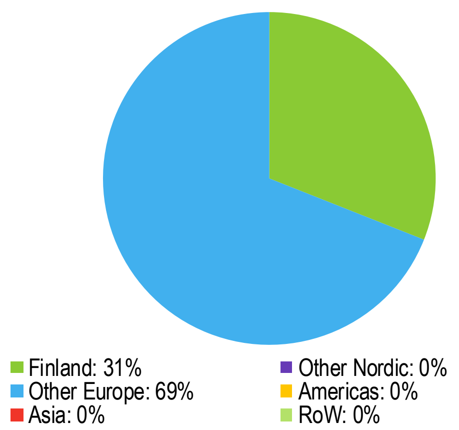
Committment to Paris Accord (e.g. approved science based targets)	No
CEO participation in Sustainability Committee	No
CEO remuneration linked to delivery of sustainability goals and reporting	No
Ultimate Responsible for Sustainability	CEO
Is Ultimate Responsible a member of the company's top management committee?	Yes

Last updated: 2021-09-06

Overview

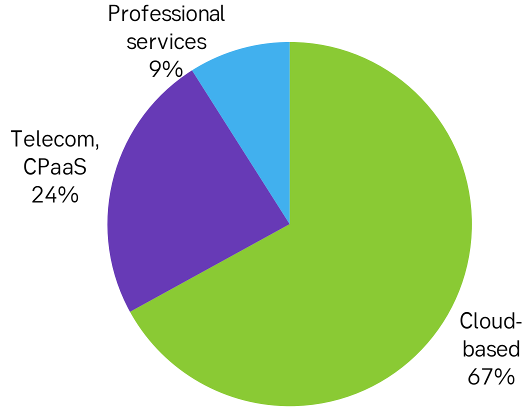
Investment case	Leaddesk's market is growing rapidly due to the transition from on-premise contact centre software to cloud-based software. The current cloud penetration remains fairly low in Europe but it is expected to grow rapidly. Also, the European CCaaS market is fragmented with numerous small regional players. Part of Leaddesk's strategy is to consolidate this growing market.
Company profile	Leaddesk is a software company, specialising in its cloud-based contact centre application. Leaddesk's SaaS product is used for high-volume outbound and inbound customer contacting. Leaddesk has offices in seven European countries and is headquartered in Finland.
Valuation approach	We set our fair valuation range using DCF and a comparison to the Nordic peers. We note that valuation in the global peer group context looks extremely attractive, but given the relatively small size of the company, we cannot justify benchmarking at this point.
Target price risks	As Leaddesk's strategy relies on acquisitions, one central risk is the failure to execute and integrate these acquisitions. Another risk concerns the changes in the European CCaaS market, namely that another player succeeds in the consolidation before Leaddesk. The third broader risk included in almost all IT products is the risk of a possible security breach. A potential security breach would negatively affect Leaddesk's reputation.

Revenues by region



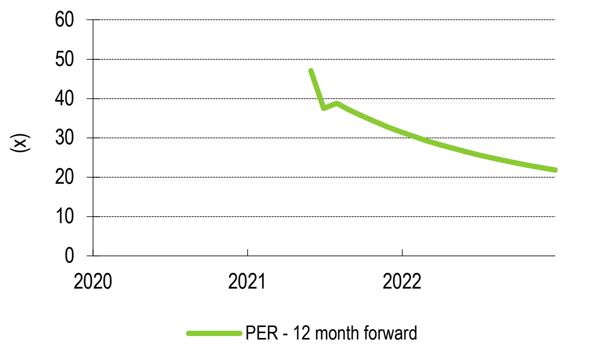
Source: SEB

Revenues by revenue stream



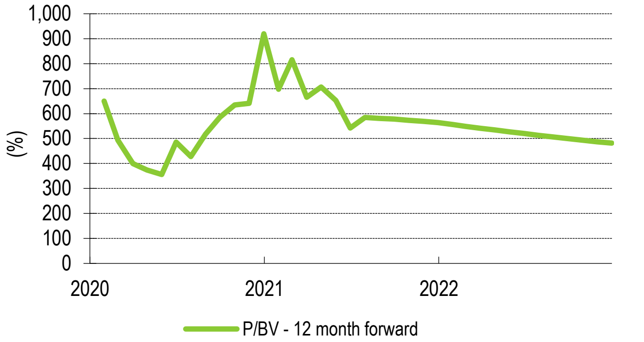
Source: SEB

PER - 12 month forward



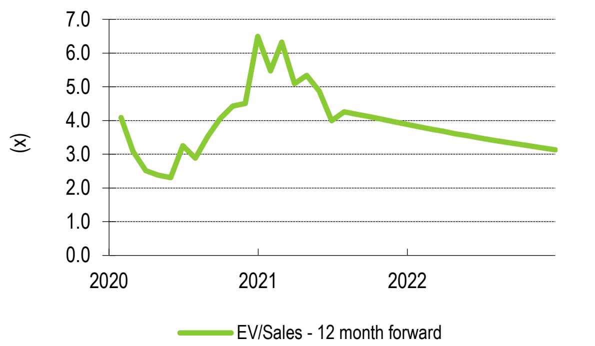
Source: SEB

P/BV - 12 month forward



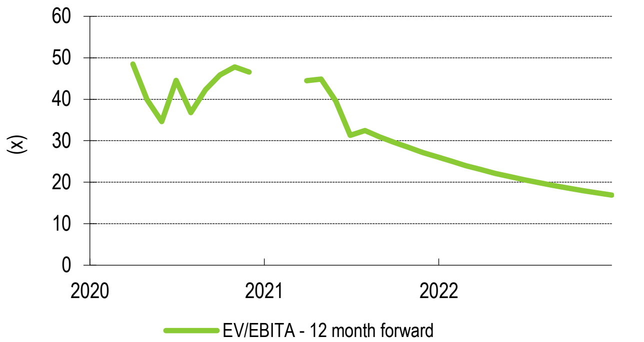
Source: SEB

EV/Sales - 12 month forward



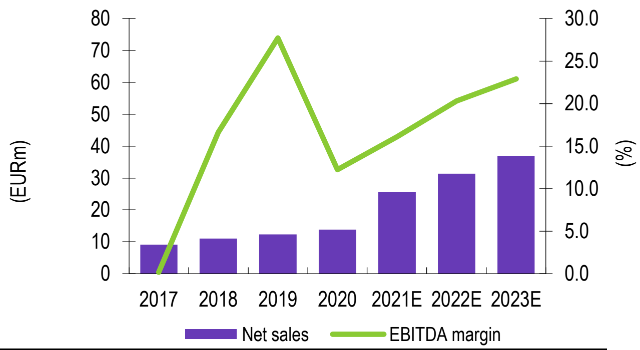
Source: SEB

EV/EBITA - 12 month forward



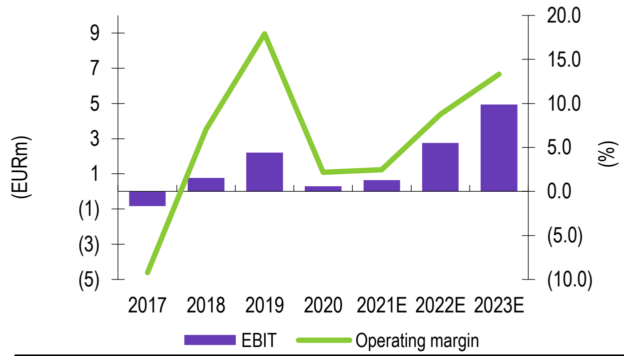
Source: SEB

Net sales & EBITDA margin



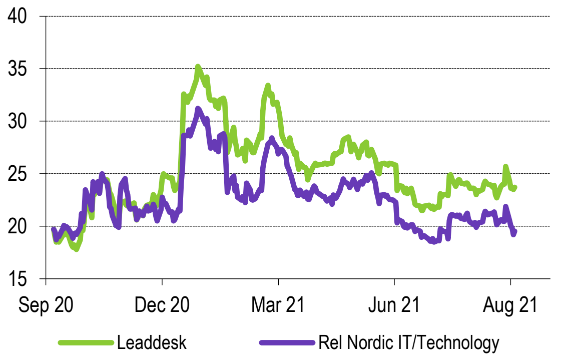
Source: SEB

EBIT & Operating margin



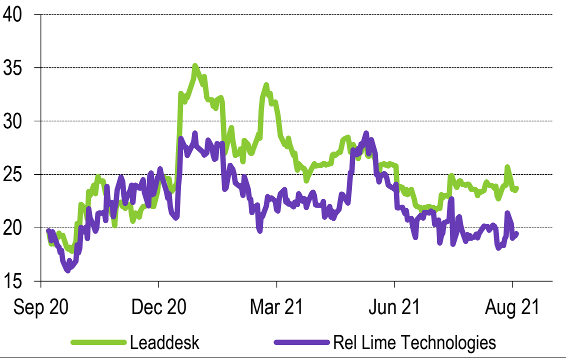
Source: SEB

Comparison with sector index - 1 year



Source: SIX

Comparison with Lime Technologies - 1 year



Source: SIX

Profit & loss statement - Leaddesk

(EURm)	2017	2018	2019	2020	2021E	2022E	2023E
Net Sales	9	11	12	14	26	31	37
Other revenues	0	0	0	0	0	0	0
Total revenues	**9**	**11**	**12**	**14**	**26**	**31**	**37**
Total expenses	(9)	(9)	(9)	(12)	(21)	(25)	(29)
Profit before depreciation	**0**	**2**	**3**	**2**	**4**	**6**	**8**
Depreciation - Fixed assets	(1)	(1)	(1)	(1)	(2)	(2)	(2)
Depreciation - Other assets	0	0	0	0	0	0	0
Depreciation of right-of-use assets	0	0	0	0	0	0	0
Amortisation - Goodwill	0	0	0	0	(2)	(2)	(2)
Amortisation - Other intangibles	0	0	0	0	0	0	0
Operating profit	**(1)**	**1**	**2**	**0**	**1**	**3**	**5**
Net interest expenses	(0)	(0)	(1)	(0)	(0)	(0)	(0)
Foreign exchange items	0	0	0	0	0	0	0
Other financial items	0	0	0	0	0	0	0
Value changes - Fixed assets	0	0	0	0	0	0	0
Value changes - Financial assets	0	0	0	0	0	0	0
Value changes - Other assets	0	0	0	0	0	0	0
Reported pre-tax profit	**(1)**	**0**	**1**	**0**	**0**	**3**	**5**
Minority interests	0	0	0	0	0	0	0
Total taxes	(0)	(0)	(0)	(0)	(0)	(1)	(1)
Reported profit after tax	**(1)**	**0**	**1**	**0**	**0**	**2**	**4**
Discontinued operations	0	0	0	0	0	0	0
Extraordinary items	0	0	0	0	0	0	0
Net Profit	**(1)**	**0**	**1**	**0**	**0**	**2**	**4**
Adjustments:							
Discontinued operations	0	0	0	0	0	0	0
Interest on convertible debt	0	0	0	0	0	0	0
Minority interests (IFRS)	0	0	0	0	0	0	0
Value changes	0	0	0	0	0	0	0
Goodwill/intangibles amortisations	0	0	0	0	2	2	2
Restructuring charges	0	0	0	0	0	0	0
Other adjustments	0	0	0	0	0	0	0
Tax effect of adjustments	0	0	0	0	0	0	0
Adjusted profit after tax	**(1)**	**0**	**1**	**0**	**2**	**4**	**6**
Margins, tax & returns							
Operating margin	(9.2)	7.0	17.9	2.2	2.5	8.8	13.3
Pre-tax margin	(12.3)	4.0	6.9	1.8	1.4	8.3	13.1
Tax rate	(1.5)	23.2	11.0	18.8	37.0	20.0	20.0
ROE	n.m.	60.9	18.3	2.4	1.5	9.8	15.9
ROCE	(47.7)	24.6	40.2	3.3	3.3	9.7	16.8
Growth rates y-o-y (%)							
Total revenues	n.a.	21.3	12.0	11.7	85.6	22.5	18.0
Operating profit	n.m.	n.m.	184.9	(86.4)	112.0	332.0	79.5
Pre-tax profit	n.m.	n.m.	95.4	(70.7)	43.0	629.2	85.5
EPS (adjusted)	0.0	0.0	(94.2)	(74.6)	831.7	86.1	44.3

Cash flow

(EURm)	2017	2018	2019	2020	2021E	2022E	2023E
Net profit	(1)	0	1	0	0	2	4
Non-cash adjustments	1	2	1	1	3	4	4
Cash flow before work cap	**(0)**	**2**	**2**	**2**	**4**	**6**	**7**
Ch. in working capital / Other	1	(0)	0	1	0	1	1
Operating cash flow	**0**	**2**	**2**	**2**	**4**	**7**	**8**
Capital expenditures	0	(1)	(2)	(1)	(2)	(2)	(2)
Asset disposals	0	0	0	0	0	0	0
L/T financial investments	0	0	0	0	0	0	0
Acquisitions / adjustments	0	0	1	(1)	(18)	0	0
Free cash flow	**0**	**1**	**1**	**(0)**	**(16)**	**5**	**6**
Net loan proceeds	0	(1)	(1)	(0)	8	(2)	(2)
Dividend paid	0	0	0	0	0	0	0
Share issue	0	0	6	0	11	0	0
Other	0	(0)	(1)	(0)	(0)	0	0
Net change in cash	**0**	**(0)**	**5**	**(1)**	**2**	**3**	**4**
Adjustments							
C/flow bef chng in work cap	(0)	2	2	2	4	6	7
Adjustments	0	0	0	0	0	0	0
Int on conv debt net of tax	0	0	0	0	0	0	0
Cash earnings	(0)	2	2	2	4	6	7
Per share information							
Cash earnings	(2.47)	16.8	0.34	0.36	0.7	1.07	1.39
Operating cash flow	3.17	14.7	0.39	0.52	0.72	1.24	1.54
Free cash flow	3.17	6.01	0.28	(0.07)	(3.03)	0.87	1.17
Investment cover							
Capex/sales (%)	0.0	9.0	12.2	10.4	7.8	6.4	5.4
Capex/depreciation (%)	0	94	125	103	129	119	125

Source for all data on this page: SEB

Balance sheet - Leaddesk							
(EURm)	**2017**	**2018**	**2019**	**2020**	**2021E**	**2022E**	**2023E**
Cash and liquid assets	1	1	5	5	7	10	14
Debtors	1	1	1	1	4	3	4
Inventories	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Current assets	**3**	**2**	**7**	**6**	**11**	**13**	**17**
Interest bearing fixed assets	0	0	1	1	1	1	1
Other financial assets	0	0	0	0	0	0	0
Capitalized development cost	0	0	0	0	0	0	0
Goodwill	0	0	0	3	17	15	13
Other intangibles	3	3	3	3	5	5	5
Right-of-use lease assets	0	0	0	0	0	0	0
Fixed tangible assets	0	0	0	0	1	1	1
Other fixed assets	0	0	0	0	0	0	0
Fixed assets	**3**	**3**	**4**	**7**	**23**	**22**	**20**
Total assets	**6**	**5**	**10**	**13**	**35**	**34**	**38**
Creditors	0	1	1	1	1	2	2
Other trade financing	0	0	0	0	1	0	0
S/T lease liabilities	0	0	0	0	0	0	0
S/T interest bearing debt	1	1	0	0	2	2	1
Other	1	2	2	2	4	4	5
Current liabilities	**3**	**4**	**3**	**4**	**8**	**8**	**8**
L/T interest bearing debt	2	1	0	0	6	4	3
L/T lease liabilities	0	0	0	0	0	0	0
Other long-term liabilities	0	0	0	0	0	0	0
Convertible debt	0	0	0	0	0	0	0
Pension provisions	0	0	0	0	0	0	0
Other provisions	0	0	0	0	0	0	(0)
Deferred tax	0	0	0	0	0	0	0
Long term liabilities	**2**	**1**	**0**	**0**	**6**	**4**	**3**
Minority interests	0	0	0	0	0	0	0
Shareholders' equity	**0**	**1**	**8**	**9**	**20**	**22**	**26**
Total liabilities and equity	**6**	**5**	**10**	**13**	**35**	**34**	**38**
Net debt (m)	2	1	(6)	(5)	0	(4)	(11)
Working capital (m)	(1)	(1)	(1)	(2)	(2)	(3)	(4)
Capital employed (m)	4	3	8	10	28	28	30
Net debt/equity (%)	529	168	(75)	(55)	1	(20)	(40)
Net debt/EBITDA (x)	115.8	0.7	(1.6)	(3.0)	0.1	(0.7)	(1.3)
Equity/total assets (%)	7	14	72	71	59	65	70
Interest cover	(3.0)	2.3	1.6	6.0	2.3	19.5	51.6

Valuation							
(EUR)	**2017**	**2018**	**2019**	**2020**	**2021E**	**2022E**	**2023E**
No of shares, fully dil. (y/e)	0.1	0.1	4.6	4.7	5.3	5.3	5.3
No of shares, fully dil. avg.	0.1	0.1	4.4	4.7	5.3	5.3	5.3
Share price, y/e				35.0	23.7	23.7	23.7
Share price, high				35.8	34.2		
Share price, low				8.0	21.5		
Share price, avg				15.8	26.2		
EPS (reported)	(9.9)	2.93	0.17	0.04	0.04	0.39	0.73
EPS (adjusted)	(9.9)	2.93	0.17	0.04	0.41	0.75	1.09
Cash earnings/share	(2.47)	16.8	0.34	0.36	0.70	1.07	1.39
Dividend/share	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Enterprise value/share				34	24	23	22
Book value/share	3.3	6.3	1.6	2.0	3.8	4.2	4.9
Adjusted equity/share	3.3	6.3	1.6	2.0	3.8	4.2	4.9
PER (adjusted)				n.m.	58.5	31.4	21.8
CEM				97.8	34.0	22.2	17.1
Dividend yield				0.0	0.0	0.0	0.0
EV/EBITDA				95.5	30.7	19.2	13.7
EV/EBITA				536.8	49.2	26.1	16.9
EV/EBIT				536.8	199.1	44.4	23.5
EV/Sales (x)				11.67	4.95	3.89	3.13
Price/Book value				17.92	6.23	5.65	4.81
Price/adjusted equity				17.92	6.23	5.65	4.81
Free cash flow/Market cap (%)				0.6	1.5	3.7	4.9
Operating cash flow/EV (%)				1.5	3.0	5.4	7.1
EV/Capital employed (x)				16.4	4.5	4.3	3.8

Main shareholders

Name	(%) Votes	Capital
Lauri Pukkinen	18.8	18.8
Olli Sirkiä	10.1	10.1
Osuuspankki	7.2	7.2
Foreign owners (total)	31.0	31.0

Management

Title	Name
COB	Petri Niemi
CEO	Olli Nokso-Koivisto
CFO	Pauliina Leimu
IR	

Company information

Contact	
Internet	www.leaddesk.com
Phone number	0

Source for all data on this page: SEB

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Copenhagen
Bernstorffsgade 50
P.O. Box 100
DK-1577 Copenhagen V

Telephone: (45) 3328 2828

Frankfurt
Stephanstrasse 14-16
D-60313 Frankfurt am Main

Telephone: (49) 69 9727 7740

Helsinki
Eteläesplanadi 18
P.O. Box 630
FIN-00101 Helsinki

Telephone: (358) 9 616 28700

London
One Carter Lane
London, EC4V 5AN

Telephone: (44) 20 7246 4000

Oslo
Filipstad Brygge 1,
P.O. Box 1363 Vika
NO-0113 Oslo

Telephone: (47) 2100 8500

Stockholm
Kungsträdgårdsgatan 8
S-106 40 Stockholm

Telephone: (46) 8 522 29500

Tallinn
Tornimäe 2
EE-Tallinn 15010

Telephone: (372) 665 7762