



## COVID-19 impact visible only in Auto

**Siili reported strong Q2 headline results even though the Auto business was impacted by the seized-up customer industry. Our view is that the underlying demand for digitalised IT services remains strong, regardless of the current uncertain conditions, and the risks in terms of future growth have reduced. Following our estimate hikes our indicative fair value range is revised up to EUR 13-15.**

Key Data (2020E)	
Price (EUR)	10.60
Reuters	SIILI.HE
Bloomberg	SIILI FH
Market cap (EURm)	74
Market cap (USDm)	87
Market cap (EURm)	74
Net debt (EURm)	(3)
Net gearing	(13%)
Net debt/EBITDA (x)	(0.4)
Shares fully dil. (m)	7.0
Avg daily turnover (m)	0.0
Free float	52%

### A solid Q2 shows that the underlying demand is strong

We calculate that excluding the Auto business, Siili's organic growth in H1 was 16%. Consequently, the performance of Siili Core and VALA Group have been very resilient to the COVID-19 effects, showing that the demand for digitalised IT Services is strong. Furthermore, our view is that Siili is delivering its promises of turning the Core business around after the weak 2018. Although the potential second wave of COVID-19 keeps uncertainty elevated, we find that the short-term risks are reduced and the confidence in the company's medium-term targeted growth of 10% has increased.

### Demand in Auto should recover as car sales normalise

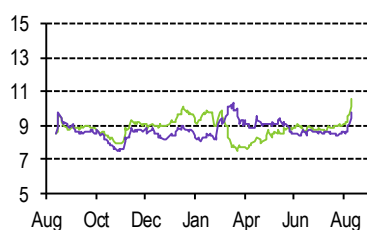
Siili's H1 sales in its international operations, i.e. mainly Siili Auto, declined 34% as the Auto sector customers safeguarded their cash flow in the COVID-19 initial shock. However, the long-term drivers for Siili Auto remains strong as the digital user experience plays an increasingly important role in cars. We also note that the new car sales statistics have started to improve, and the postponed digitalisation projects should revive again going towards the end of 2020 and 2021.

Estimate Revisions (%)			
	2020E	2021E	2022E
Revenues	3	4	4
Adj. EBIT	19	5	10
Adj. EPS	36	1	7

### Fair value range lifted following higher estimates

Our 2020, 2021, and 2022 EBIT estimates are up by 14%, 4%, 8%, respectively and we have increased our fair value range for Siili's shares to EUR 13- 15 (from EUR 11-13).

### Share Price (12M)



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

**Marketing communication commissioned by:**  
**Siili Solutions**

### Financials (EUR)

Year end: Dec	2018	2019	2020E	2021E	2022E
Revenues (m)	70	81	87	96	105
Adj. EBIT	2	4	5	7	9
Pre-tax profit (m)	2	3	8	7	9
EPS	0.23	0.36	0.94	0.79	1.01
Adj. EPS	0.35	0.57	0.74	0.99	1.21
DPS	0.23	0.36	0.35	0.45	0.50
Revenue growth (%)	21.7	14.4	7.4	10.8	9.2
Adj. EBIT growth (%)	(50.8)	51.3	42.0	38.9	25.5
Adj. EPS growth (%)	(43.4)	62.3	29.8	33.5	22.4
Adj. EBIT margin (%)	3.5	4.6	6.1	7.7	8.8
ROE (%)	7.8	12.7	29.0	21.1	23.8
ROCE (%)	9.0	10.4	13.6	18.5	23.2
PER (x)	23.0	16.0	14.3	10.7	8.8
Free cash flow yield (%)	2.2	10.1	10.6	10.2	12.3
Dividend yield (%)	2.8	3.9	3.3	4.2	4.7
P/BV (x)	2.89	3.10	3.02	2.68	2.35
EV/Sales (x)	0.86	0.86	0.82	0.69	0.57
EV/Adj. EBITDA (x)	14.6	9.8	7.8	5.9	4.6
EV/Adj. EBIT (x)	24.4	18.7	13.4	8.9	6.5
Operating cash flow/EV (%)	3.5	10.0	12.5	14.6	18.6
Net debt/EBITDA (x)	0.86	0.82	(0.35)	(0.75)	(1.10)

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

## Estimate changes

The drop in H1 Auto sector demand was broadly in line with our expectations but Siili Core and VALA Group showed better than expected organic growth. Management was also fairly optimistic in terms of new customer acquisitions in the future. We have increased our 2020-22 sales estimates by 3-4% and believe the company could reach above 10% organic sales growth in 2021 as the demand in the automotive customer segment revives. Our 2020 EBITA estimate is up by 14% and for 2021 and 2022 our EBITA expectations are up by 4% and 8%, respectively. The reported EPS estimate is slightly down as the company had to increase the contingent liability related to the VALA Group acquisition price after the solid performance of the 2018 acquired portfolio company.

### Estimate changes

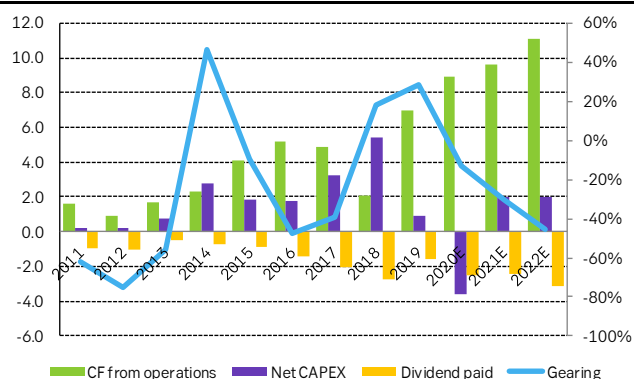
(EURm)	New estimates			2020E	Old estimates		2020E	Difference (%)	
	2020E	2021E	2022E		2021E	2022E		2021E	2022E
Sales	86.5	95.8	104.6	84.0	92.5	100.3	3.0	3.6	4.4
EBITDA	9.1	11.2	13.1	7.9	10.4	11.8	16.2	7.5	10.6
EBITA	6.7	8.8	10.7	5.9	8.4	9.8	14.4	4.1	8.4
EBITA margin (%)	7.8	9.2	10.2	7.0	9.1	9.8	0.8pp	0.1pp	0.4pp
EBIT	5.3	7.4	9.2	4.5	7.0	8.4	19.0	5.0	9.8
EPS	0.94	0.79	1.01	1.00	0.78	0.94	-6.4	2.2	7.5

Source: SEB

## Strong balance sheet, CF to allow M&A

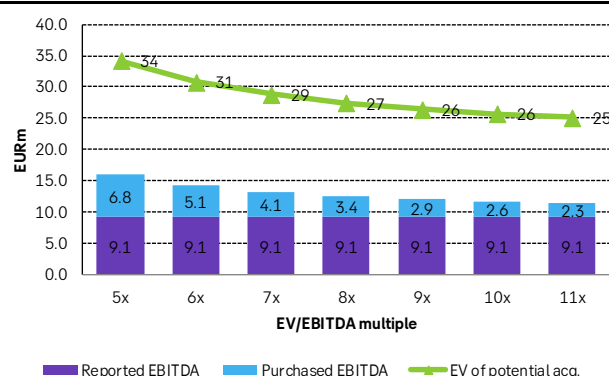
Following the divestment of Robocorp shares and the solid H1 cash flow from operations of EUR 4.5m, Siili has a strong cash position of EUR 19m. However, due to the postponed AGM the dividend will be paid during the second half of the year. Nevertheless, we estimate that the company's net debt should be around zero by year-end. Hence, we conclude that the company has good financial flexibility to exploit the opportunities on the M&A side. We calculate that Siili has acquisition power of EUR 25-35m, depending on the multiple of the target company. Siili's latest acquisition VALA Group has performed strongly as part of Siili group and we would welcome further activity on the M&A side.

### Strong cash flow, limited capex, negative gearing



Source: SEB

### Acquisition potential sensitivity to acq. target multiple



# Valuation

In addition to medium-term estimate hikes we have increased our long-term profitability estimates. On average we forecast 2021-2028 FCF of EUR 10m, compared with H1/20 operating cash flow of EUR 4.4m and very limited maintenance capex (2017-2019 average of EUR 1m). We also stress that we use relatively high WACC of 9.5%. Our new DCF valuation is EUR 15 (previously EUR 14) and in our valuation we use a range of EUR 14-16.

In our peer group comparison, Siili continues to trade at a discount compared with the Nordic small IT service sector median, despite the recent share price gains. Siili's discount in EV/EBITDA multiples is 20-40% for 2020-2022. Hence, in a peer group comparison we justify a fair value range of EUR 12-14. With 50/50 weightings to our DCF valuation and peer valuation, we set our indicative fair value range for Siili's shares at EUR 13-15 (previously EUR 11-13).

## DCF summary

DCF valuation (EURm)		Weighted average cost of capital (%)	
NPV of FCF in explicit forecast period	55	Risk free interest rate	2.5
NPV of continuing value	50	Risk premium	7.0
<b>Value of operation</b>	<b>105</b>	<b>Cost of equity</b>	<b>9.5</b>
Net debt	(3)	<b>After tax cost of debt</b>	<b>1.8</b>
Share issue/buy-back in forecast period	-	<b>WACC</b>	<b>9.5</b>
Value of associated companies	-	<b>Assumptions</b>	
Value of minority shareholders' equity	-	Number of forecast years	10
Value of marketable assets	-	EBIT margin - steady state (%)	8.3
<b>DCF value of equity</b>	<b>108</b>	EBIT multiple - steady state (x)	8.3
<b>DCF value per share (EUR)</b>	<b>15</b>	Continuing value (% of NPV)	47.3
Current share price (EUR)	10.60		
DCF performance potential (%)	46		

Source: SEB

## DCF assumption details

(EURm)	2020E	2021E	2022E	2023E	2024E	Average year 6	Average year 7-8	Average year 9-10
Sales growth (%)	7.4	10.8	9.2	7.9	7.4	6.9	6.1	5.1
EBITDA margin (%)	10.6	11.7	12.5	12.5	12.5	12.5	12.5	12.0
EBIT margin (%)	6.1	7.7	8.8	8.9	9.0	9.1	9.2	8.8
Gross capital expenditures as % of sales	(4.2)	2.1	1.9	2.0	2.0	2.0	2.0	2.0
Working capital as % of sales	(3.0)	(3.0)	(3.0)	(3.0)	(3.0)	(3.0)	(3.0)	(3.0)
Sales	87	96	105	113	121	129	142	157
Depreciation	(2)	(2)	(2)	(3)	(3)	(3)	(3)	(4)
Intangibles amortisation	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
EBIT	5	7	9	10	11	12	13	14
Taxes on EBIT	(2)	(3)	(3)	(3)	(4)	(4)	(4)	(5)
Increase in deferred taxes	0	0	0	0	0	0	0	0
<b>NOPLAT</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>9</b>	<b>10</b>	<b>11</b>
Gross capital expenditure	4	(2)	(2)	(2)	(2)	(3)	(3)	(3)
Increase in working capital	0	0	0	0	0	0	0	0
<b>Free cash flow</b>	<b>11</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>11</b>
ROIC (%)	11.8	15.5	18.5	21.0	23.8	27.0	32.5	39.6
ROIC-WACC (%)	2.3	6.0	9.0	11.5	14.3	17.5	23.0	30.1
Share of total net present value (%)	0.0	6.0	6.5	6.3	6.2	6.0	11.5	10.1

Source: SEB

**Siili peer group valuation I**

	Ccy	Price (lcl ccy)	Mkt Cap (EURm)	PER(x)			EV/Sales			Exp. Sales Growth		
				2020E	2021E	2022E	2020E	2021E	2022E	2020E	2021E	2022E
<b>Global / Regional large IT Service companies</b>												
TATA CONSULTANCY SVCS LTD	INR	2257.4	96258.9	27.3	24.0	21.9	5.2	4.7	4.3	0.4%	9.5%	9.0%
INFOSYS LTD	INR	955.0	46222.5	23.3	20.7	18.6	3.9	3.5	3.1	6.3%	10.5%	10.2%
HCL TECHNOLOGIES LTD	INR	717.1	22114.2	17.0	15.4	13.8	2.5	2.2	1.9	7311.8%	8.9%	9.3%
ACCENTURE PLC-CL A	USD	228.6	123723.4	29.9	28.1	25.5	3.1	3.0	2.8	2.7%	4.6%	7.1%
COGNIZANT TECH SOLUTIONS-A	USD	66.5	30647.6	18.9	16.8	15.1	2.0	1.9	1.8	-1.5%	4.5%	4.9%
CAPGEMINI SE	EUR	112.9	19122.4	17.6	14.9	13.1	1.5	1.3	1.2	13.2%	6.7%	4.8%
ATOS SE	EUR	74.3	8170.3	10.5	9.7	9.0	0.7	0.7	0.6	-2.5%	1.0%	2.4%
TIETOEVR Y OYJ	EUR	25.6	3036.4	14.7	11.8	11.0	1.4	1.4	1.3	62.8%	3.0%	2.5%
ATEA ASA	NOK	106.0	1105.8	20.9	16.4	13.8	0.3	0.3	0.3	6.1%	5.7%	4.5%
NETCOMPANY GROUP AS	DKK	457.6	3072.2	41.9	33.3	27.5	8.1	6.7	5.6	16.7%	19.4%	17.9%
<b>Average</b>				<b>22.2</b>	<b>19.1</b>	<b>16.9</b>	<b>2.9</b>	<b>2.6</b>	<b>2.3</b>	<b>741.6%</b>	<b>7.4%</b>	<b>7.3%</b>
<b>Median</b>				<b>19.9</b>	<b>16.6</b>	<b>14.5</b>	<b>2.2</b>	<b>2.0</b>	<b>1.9</b>	<b>6.2%</b>	<b>6.2%</b>	<b>6.0%</b>
<b>Nordic small IT Service companies</b>												
NNIT A/S	DKK	131.4	441.1	22.9	18.9	17.5	1.3	1.2	1.1	-7.0%	2.2%	4.0%
WEBSTEP ASA	NOK	20.0	51.2	16.7	13.3	na	0.8	0.8	na	1.6%	4.5%	na
BOUVET ASA	NOK	526.0	511.4	28.7	23.2	21.2	2.2	2.0	1.8	9.2%	9.3%	7.7%
KNOW IT AB	SEK	180.0	338.0	16.0	14.1	12.7	1.0	0.9	0.8	-0.9%	6.2%	5.2%
HIQ INTERNATIONAL AB	SEK	52.7	287.0	20.1	17.7	16.2	1.5	1.4	1.3	-3.8%	4.9%	5.0%
ADDNODE GROUP AB	SEK	194.2	633.1	29.2	22.2	20.2	1.7	1.6	1.5	14.7%	6.9%	3.2%
B3 CONSULTING GROUP AB	SEK	42.5	34.0	14.2	11.1	9.5	0.6	0.5	0.4	4.8%	5.1%	5.4%
VINCIT OYJ	EUR	4.6	56.2	16.5	12.8	11.3	na	na	na	0.1	7.5%	0.1
DIGIA OYJ	EUR	5.9	159.3	16.8	16.6	14.7	1.2	1.1	1.0	7.5%	5.3%	5.4%
GOFORE OYJ	EUR	8.4	117.4	18.2	15.0	13.0	1.4	1.2	1.1	14.4%	12.3%	7.3%
<b>Average</b>				<b>19.9</b>	<b>16.5</b>	<b>15.1</b>	<b>1.3</b>	<b>1.2</b>	<b>1.1</b>	<b>4.8%</b>	<b>6.4%</b>	<b>5.6%</b>
<b>Median</b>				<b>17.5</b>	<b>15.8</b>	<b>14.7</b>	<b>1.3</b>	<b>1.2</b>	<b>1.1</b>	<b>6.2%</b>	<b>5.7%</b>	<b>5.4%</b>
<b>SIILI SOLUTIONS - SEB est.</b>	<b>EUR</b>	<b>10.3</b>	<b>71.8</b>	<b>10.9</b>	<b>12.9</b>	<b>10.1</b>	<b>0.8</b>	<b>0.7</b>	<b>0.5</b>	<b>14.4%</b>	<b>7.4%</b>	<b>10.8%</b>

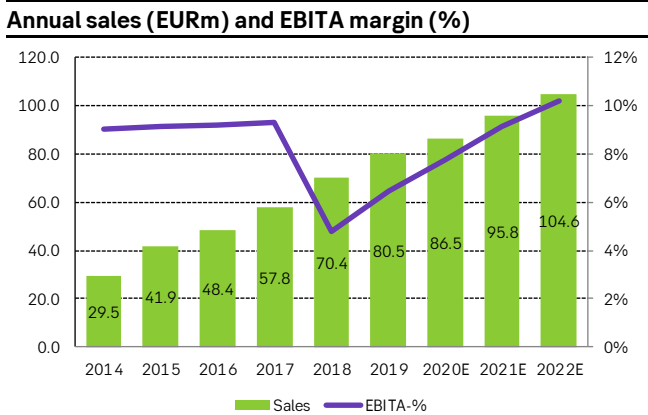
Source: SEB, Bloomberg

**Siili peer group valuation II**

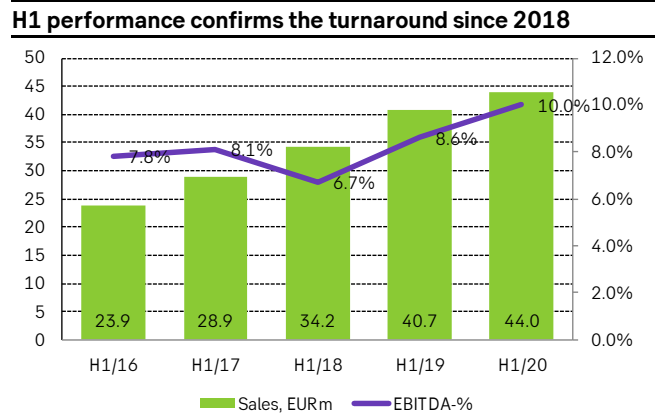
	EV/EBITDA			EV/EBIT			EBIT margin (%)			Share price performance (%)		
	2020E	2021E	2022E	2020E	2021E	2022E	2020E	2021E	2022E	-1M	-3M	-12M
<b>Global / Regional large IT Service companies</b>												
TATA CONSULTANCY SVCS LTD	19.4	17.3	15.6	21.5	18.8	17.0	24.1%	24.9%	25.0%	1.9	16.4	4.2
INFOSYS LTD	15.4	13.6	12.1	17.8	15.7	13.8	22.0%	22.1%	22.4%	19.8	40.8	24.1
HCL TECHNOLOGIES LTD	10.0	8.9	8.0	12.5	11.0	9.7	19.7%	20.0%	20.0%	19.4	36.4	33.3
ACCENTURE PLC-CL A	17.4	16.9	15.6	21.3	20.1	18.4	14.7%	14.8%	15.0%	6.3	23.5	22.3
COGNIZANT TECH SOLUTIONS-A	11.3	10.2	9.3	14.3	12.6	11.5	14.2%	15.1%	15.5%	17.8	25.6	10.3
CAPGEMINI SE	10.4	9.1	8.2	14.5	12.4	10.7	10.3%	10.9%	11.6%	5.6	29.4	4.8
ATOS SE	5.4	4.8	4.0	9.9	8.3	6.7	7.5%	8.2%	9.0%	-4.0	15.2	9.0
TIETOEVR Y OYJ	10.8	8.2	7.4	18.9	12.2	11.2	7.5%	11.1%	11.5%	4.5	16.0	17.2
ATEA ASA	8.2	7.0	6.3	15.2	11.6	12.1	2.0%	2.4%	2.2%	1.3	17.8	-2.2
NETCOMPANY GROUP AS	28.7	23.1	19.1	35.4	26.9	21.7	23.0%	24.8%	25.6%	-2.4	20.9	83.0
<b>Average</b>	<b>13.7</b>	<b>11.9</b>	<b>10.6</b>	<b>18.1</b>	<b>15.0</b>	<b>13.3</b>	<b>14.5%</b>	<b>15.4%</b>	<b>15.8%</b>	<b>7.0</b>	<b>24.2</b>	<b>20.6</b>
<b>Median</b>	<b>11.0</b>	<b>9.6</b>	<b>8.8</b>	<b>16.5</b>	<b>12.5</b>	<b>11.8</b>	<b>14.5%</b>	<b>15.0%</b>	<b>15.2%</b>	<b>5.0</b>	<b>22.2</b>	<b>13.7</b>
<b>Nordic small IT Service companies</b>												
NNIT A/S	8.2	7.4	7.0	20.0	15.4	14.1	6.3%	7.8%	8.0%	11.7	16.5	37.4
WEBSTEP ASA	9.5	7.9	n.a.	12.8	10.2	n.a.	6.3%	7.4%	n.a.	7.5	14.3	-23.1
BOUVET ASA	16.4	13.5	11.9	21.9	17.1	15.0	10.2%	11.8%	12.2%	-2.6	15.9	83.7
KNOW IT AB	9.1	7.6	6.7	11.8	9.7	8.3	8.5%	9.3%	9.8%	9.1	34.3	-1.4
HIQ INTERNATIONAL AB	11.2	9.9	9.1	13.9	12.1	10.9	10.7%	11.6%	12.0%	14.4	33.4	8.7
ADDNODE GROUP AB	17.5	13.3	11.9	37.9	22.5	19.7	4.6%	7.0%	7.6%	-0.8	23.7	28.6
B3 CONSULTING GROUP AB	7.2	5.6	4.9	11.5	8.5	7.0	5.1%	5.7%	6.5%	6.3	32.4	-32.1
VINCIT OYJ	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	8.9%	10.2%	11.0%	6.0	8.7	7.2
DIGIA OYJ	9.8	8.9	8.0	15.1	13.1	11.2	8.0%	8.4%	9.0%	16.9	16.5	68.9
GOFORE OYJ	11.6	8.8	7.4	12.8	9.9	8.5	11.0%	12.1%	12.5%	3.5	9.4	6.3
<b>Average</b>	<b>11.2</b>	<b>9.2</b>	<b>8.4</b>	<b>17.5</b>	<b>13.2</b>	<b>11.8</b>	<b>8.0%</b>	<b>9.1%</b>	<b>9.8%</b>	<b>7.2</b>	<b>20.5</b>	<b>18.4</b>
<b>Median</b>	<b>9.8</b>	<b>8.8</b>	<b>7.7</b>	<b>13.9</b>	<b>12.1</b>	<b>11.1</b>	<b>8.3%</b>	<b>8.9%</b>	<b>9.8%</b>	<b>6.9</b>	<b>16.5</b>	<b>7.9</b>
<b>SIILI SOLUTIONS - SEB est.</b>	<b>7.5</b>	<b>5.6</b>	<b>4.4</b>	<b>12.9</b>	<b>8.6</b>	<b>6.2</b>	<b>6.1%</b>	<b>7.7%</b>	<b>8.9%</b>	<b>17.8</b>	<b>21.6</b>	<b>23.1</b>

Source: SEB, Bloomberg

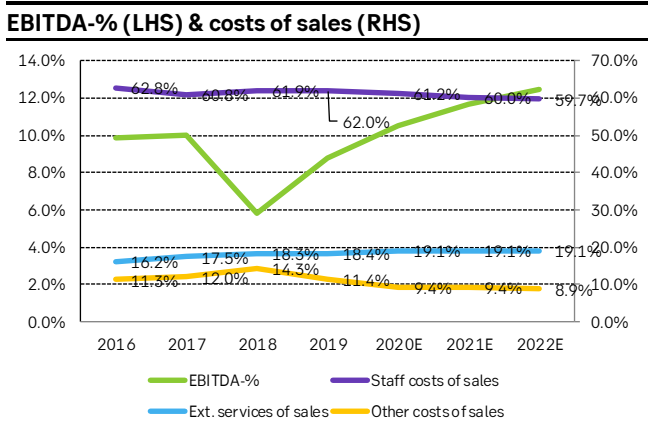
# Key charts



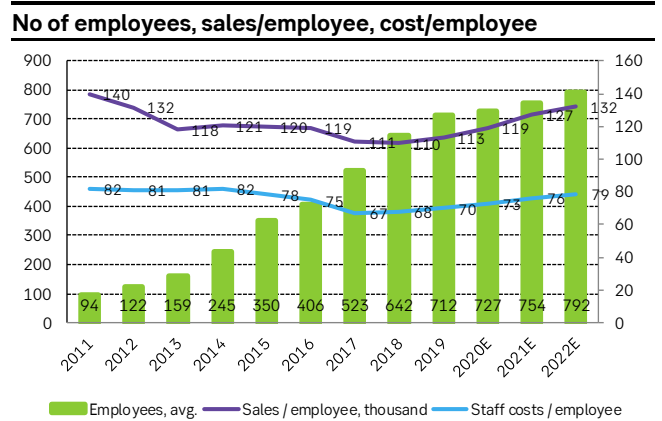
Source: SEB



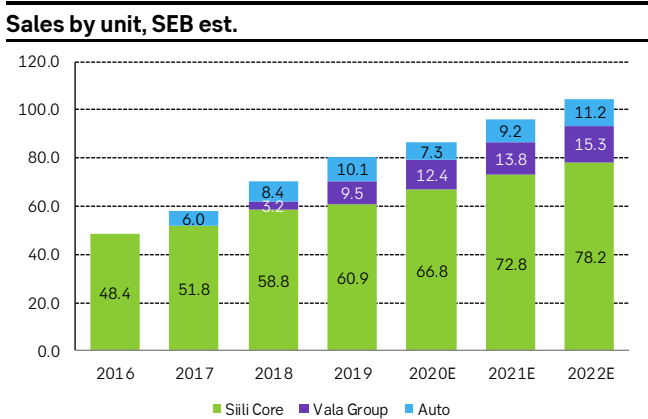
Source: SEB



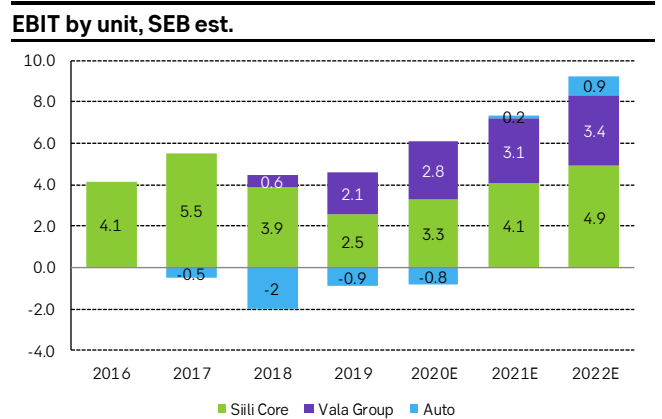
Source: SEB



Source: SEB



Source: SEB



Source: SEB

# Estimates

## Semi-annual and quarterly estimates

(EURm)	Semi-annuals						Quarterly			
	H1/18	H2/18	H1/19	H2/19	H1/20	H2/20E	Q1/20	Q2/20	Q3/20E	Q4/20E
<b>Net sales</b>	<b>34.2</b>	<b>36.2</b>	<b>40.7</b>	<b>39.8</b>	<b>44.0</b>	<b>42.5</b>	<b>22.6</b>	<b>21.4</b>	<b>19.5</b>	<b>22.9</b>
Sales Growth	17.9%	25.6%	19.1%	10.1%	8.2%	6.6%	11.5%	4.7%	na	na
External Services	-6.2	-6.7	-7.1	-7.7	-8.3	-8.2				
<i>Of sales</i>	<i>18.1%</i>	<i>18.6%</i>	<i>17.3%</i>	<i>19.4%</i>	<i>18.9%</i>	<i>19.4%</i>				
Personnel costs	-21.0	-22.5	-25.6	-24.3	-27.6	-25.4				
<i>Of sales</i>	<i>61.6%</i>	<i>62.2%</i>	<i>62.9%</i>	<i>60.9%</i>	<i>62.7%</i>	<i>59.7%</i>				
Other costs	-4.8	-5.2	-4.7	-4.5	-3.9	-4.3				
<i>Of sales</i>	<i>42.6%</i>	<i>46.9%</i>	<i>-2.7%</i>	<i>-13.8%</i>	<i>-18.0%</i>	<i>-5.0%</i>				
<b>Total expenses</b>	<b>-34.5</b>	<b>-37.4</b>	<b>-36.5</b>	<b>-39.8</b>	<b>-37.9</b>	<b>-42.8</b>				
<b>EBITDA</b>	<b>2.3</b>	<b>1.8</b>	<b>3.5</b>	<b>3.6</b>	<b>4.4</b>	<b>4.7</b>				
EBITDA %	6.7%	5.0%	8.7%	8.9%	10.0%	11.0%				
Depreciation	-0.4	-0.4	-0.9	-1.0	-1.2	-1.2				
<b>EBITA</b>	<b>1.9</b>	<b>1.4</b>	<b>2.6</b>	<b>2.6</b>	<b>3.2</b>	<b>3.5</b>	<b>1.6</b>	<b>1.6</b>	<b>1.6</b>	<b>1.9</b>
EBITA %	5.6%	3.9%	6.4%	6.4%	7.3%	8.2%	7.2%	7.5%	7.2%	8.5%
Amortisation	-0.2	-0.7	-0.7	-0.7	-0.7	-0.7				
<b>EBIT</b>	<b>1.7</b>	<b>0.7</b>	<b>1.9</b>	<b>1.9</b>	<b>2.5</b>	<b>2.8</b>				
EBIT%	5.0%	2.1%	4.6%	4.7%	5.7%	6.5%				
<b>Pre-tax profit</b>	<b>1.7</b>	<b>0.6</b>	<b>1.7</b>	<b>1.6</b>	<b>5.1</b>	<b>2.6</b>				
<b>Net profit</b>	<b>1.3</b>	<b>0.2</b>	<b>1.3</b>	<b>1.2</b>	<b>4.5</b>	<b>2.0</b>				
<b>EPS (EUR)</b>	<b>0.19</b>	<b>0.03</b>	<b>0.19</b>	<b>0.17</b>	<b>0.64</b>	<b>0.29</b>				

Source: SEB

## Annual estimates

(EURm)	Annuals						
	2016	2017	2018	2019	2020E	2021E	2022E
<b>Net sales</b>	<b>48.4</b>	<b>57.8</b>	<b>70.4</b>	<b>80.5</b>	<b>86.5</b>	<b>95.8</b>	<b>104.6</b>
Sales Growth	15.6%	19.4%	21.7%	14.4%	7.4%	10.8%	9.2%
External Services	-7.8	-10.1	-12.9	-14.8	-16.5	-18.3	-20.0
<i>Of sales</i>	<i>-16.2%</i>	<i>-17.5%</i>	<i>-18.3%</i>	<i>-18.4%</i>	<i>-19.1%</i>	<i>-19.1%</i>	<i>-19.1%</i>
Personnel costs	-30.4	-35.1	-43.6	-49.9	-53.0	-57.5	-62.4
<i>Of sales</i>	<i>-62.8%</i>	<i>-60.8%</i>	<i>-61.9%</i>	<i>-62.0%</i>	<i>-61.2%</i>	<i>-60.0%</i>	<i>-59.7%</i>
Other costs	-5.5	-7.0	-10.1	-9.2	-8.1	-9.0	-9.3
<i>Of sales</i>	<i>-11.3%</i>	<i>-12.0%</i>	<i>-14.3%</i>	<i>-11.4%</i>	<i>-9.4%</i>	<i>-9.4%</i>	<i>-8.9%</i>
<b>Total expenses</b>	<b>-43.7</b>	<b>-52.2</b>	<b>-66.5</b>	<b>-73.9</b>	<b>-77.6</b>	<b>-84.8</b>	<b>-91.8</b>
<b>EBITDA</b>	<b>4.8</b>	<b>5.8</b>	<b>4.1</b>	<b>7.1</b>	<b>9.1</b>	<b>11.2</b>	<b>13.1</b>
EBITDA %	9.9%	10.0%	5.8%	8.8%	10.6%	11.7%	12.5%
Depreciation	-0.3	-0.4	-0.8	-1.9	-2.4	-2.4	-2.4
<b>EBITA</b>	<b>4.5</b>	<b>5.4</b>	<b>3.3</b>	<b>5.2</b>	<b>6.7</b>	<b>8.8</b>	<b>10.7</b>
EBITA %	9.2%	9.3%	4.8%	6.4%	7.8%	9.2%	10.2%
Amortisation	-0.3	-0.4	-0.9	-1.5	-1.4	-1.4	-1.4
<b>EBIT</b>	<b>4.1</b>	<b>5.0</b>	<b>2.5</b>	<b>3.7</b>	<b>5.3</b>	<b>7.4</b>	<b>9.2</b>
EBIT%	8.6%	8.7%	3.5%	4.6%	6.1%	7.7%	8.9%
<b>Pre-tax profit</b>	<b>4.0</b>	<b>5.0</b>	<b>2.3</b>	<b>3.3</b>	<b>7.7</b>	<b>7.0</b>	<b>8.9</b>
<b>Net profit</b>	<b>3.2</b>	<b>4.0</b>	<b>1.6</b>	<b>2.5</b>	<b>6.6</b>	<b>5.5</b>	<b>7.0</b>
<b>EPS (EUR)</b>	<b>0.48</b>	<b>0.57</b>	<b>0.23</b>	<b>0.36</b>	<b>0.94</b>	<b>0.79</b>	<b>1.01</b>

Source: SEB

# Overview

## Investment considerations

We believe Siili can grow its core business at a steady rate close slightly outpacing the market growth rate. Key growth driver will be Portfolio units, most notably Siili\_auto and Vala Group. Additionally, we believe in Siili's ability to create new knowhow nucleus in Core and foster them gradually into independent Portfolio units. We model in incremental profitability improvement driven by higher utilization rate particularly in Siili\_auto and Core.

## Company profile

Siili is a small cap Finnish IT Services company. Company divides its business into Core and Portfolio. Core consists of modern IT Services focusing on digital solutions. Portfolio is composed of independent units and it offers more specialized services. Siili largest client verticals are Public sector and Finance sector in Finland. The company serves international clients mainly through Siili\_auto.

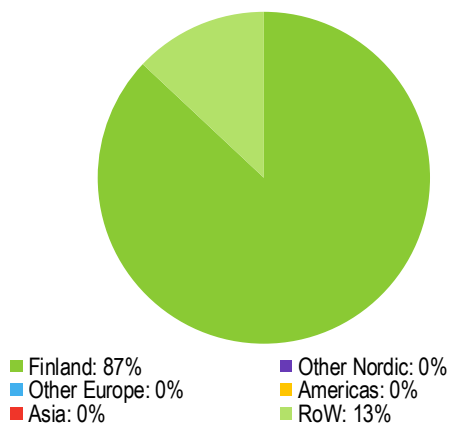
## Valuation approach

Our multiple valuation for Siili Solutions is based on EV/EBITDA. By benchmarking the peer valuation multiples we find stock fair value between EUR 12-14. In DCF using WACC 9.5%, and a declining sales growth profile and improving EBITDA margin profile we get a DCF value per share of EUR 15.

## Risks

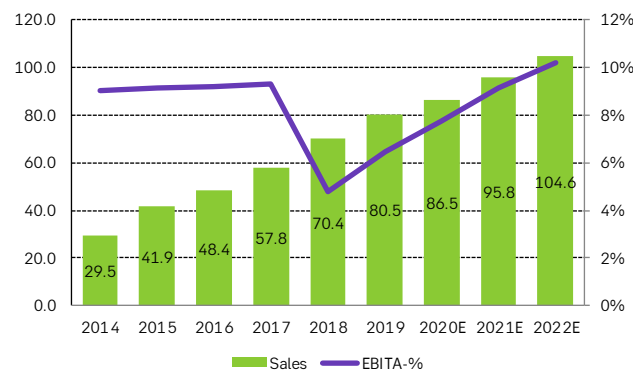
Siili growth is dependent on its ability to hire more employees and get more sales out of existing ones to ensure high utilization rate. Finding talented programmer and developers with specialized skills is already challenging and in our view will not get any easier. Without new hires growth will stop. Prolonged COVID-19 restrictions would mean pause in Siili's growth story and especially Siili Auto sales could tumble on customers' weakened situation.

## Revenues by region



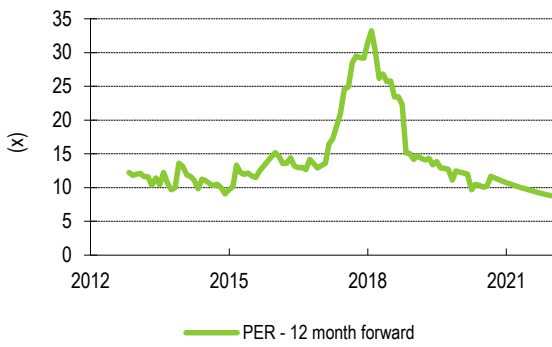
Source: SEB

## Sales and EBITA-%



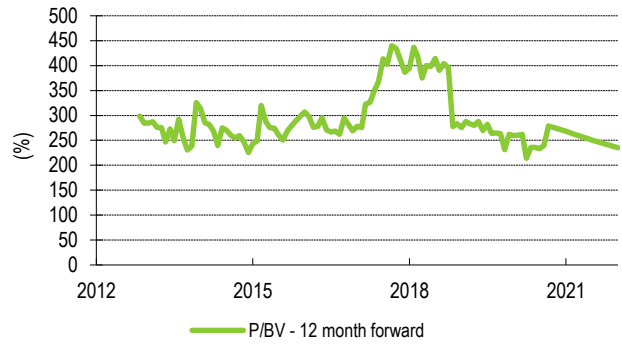
Source: SEB

**PER - 12 month forward**



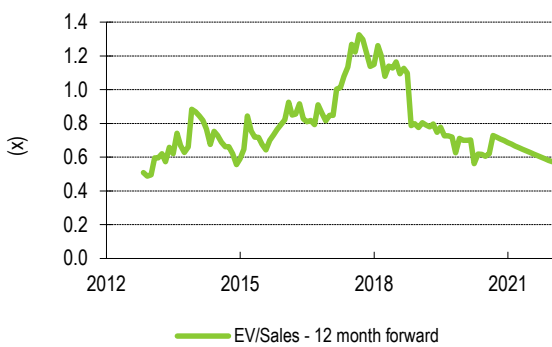
Source: SEB

**P/BV - 12 month forward**



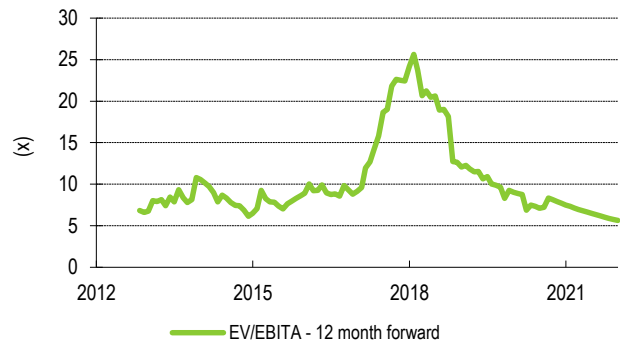
Source: SEB

**EV/Sales - 12 month forward**



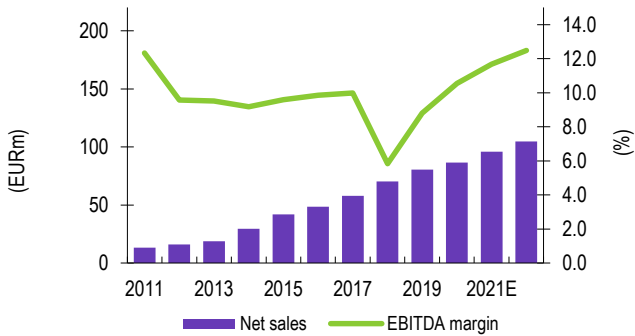
Source: SEB

**EV/EBITA - 12 month forward**



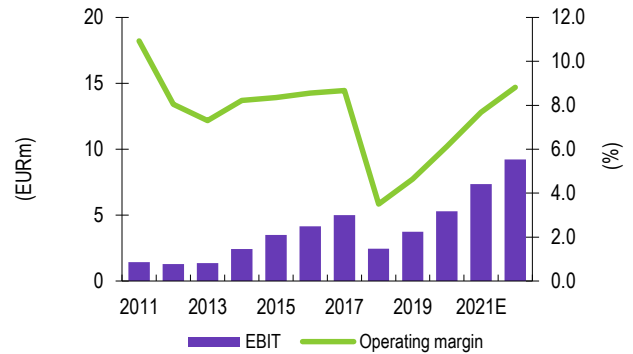
Source: SEB

**Net sales & EBITDA margin**



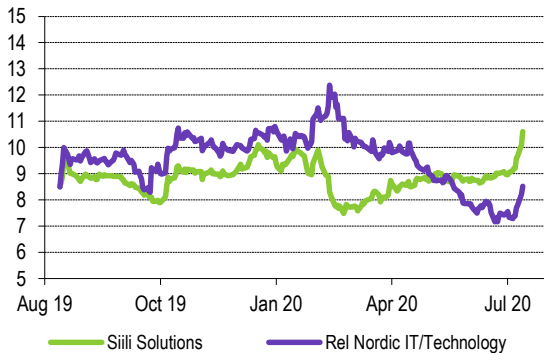
Source: SEB

**EBIT & Operating margin**



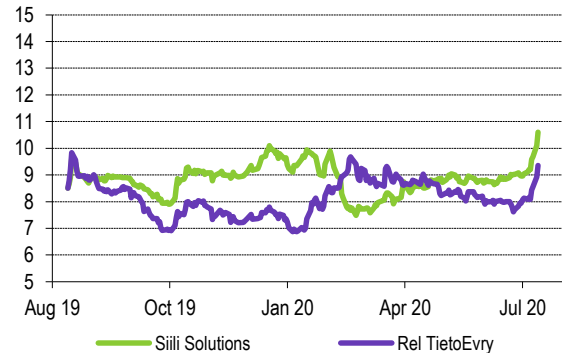
Source: SEB

**Comparison with sector index - 1 year**



Source: SIX

**Comparison with TietoEvy - 1 year**



Source: SIX



<b>Profit &amp; loss statement - Siili Solutions</b>												
<b>(EURm)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>
Net Sales	13	16	19	29	42	48	58	70	81	87	96	105
Other revenues	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total revenues</b>	<b>13</b>	<b>16</b>	<b>19</b>	<b>29</b>	<b>42</b>	<b>48</b>	<b>58</b>	<b>70</b>	<b>81</b>	<b>87</b>	<b>96</b>	<b>105</b>
Total expenses	(12)	(15)	(17)	(27)	(38)	(44)	(52)	(66)	(73)	(77)	(85)	(92)
<b>Profit before depreciation</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>4</b>	<b>7</b>	<b>9</b>	<b>11</b>	<b>13</b>
Depreciation - Fixed assets	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(1)	(2)	(2)	(2)	(2)
Depreciation - Other assets	0	0	0	0	0	0	0	0	0	0	0	0
Amortisation - Goodwill	0	0	0	0	0	0	0	0	0	0	0	0
Amortisation - Other intangibles	0	0	0	0	(0)	(0)	(0)	(1)	(1)	(1)	(1)	(1)
<b>Operating profit</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>4</b>	<b>4</b>	<b>5</b>	<b>2</b>	<b>4</b>	<b>5</b>	<b>7</b>	<b>9</b>
Net interest expenses	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Foreign exchange items	0	0	0	0	0	0	0	0	0	0	0	0
Other financial items	0	0	0	0	0	0	0	0	0	0	0	0
Value changes - Fixed assets	0	0	0	0	0	0	0	0	0	3	0	0
Value changes - Financial assets	0	0	0	0	0	0	0	0	0	0	0	0
Value changes - Other assets	0	0	0	0	0	0	0	0	0	0	0	0
<b>Reported pre-tax profit</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>2</b>	<b>3</b>	<b>8</b>	<b>7</b>	<b>9</b>
Minority interests	0	0	0	0	0	0	0	0	0	0	0	0
Total taxes	(0)	(0)	(0)	(0)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(2)
<b>Reported profit after tax</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>2</b>	<b>3</b>	<b>7</b>	<b>6</b>	<b>7</b>
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0	0
Extraordinary items	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net Profit</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>2</b>	<b>3</b>	<b>7</b>	<b>6</b>	<b>7</b>
<b>Adjustments:</b>												
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0	0
Interest on convertible debt	0	0	0	0	0	0	0	0	0	0	0	0
Minority interests (IFRS)	0	0	0	0	0	0	0	0	0	0	0	0
Value changes	0	0	0	0	0	0	0	0	0	(3)	0	0
Goodwill/intangibles amortisations	0	0	0	0	0	0	0	1	1	1	1	1
Restructuring charges	0	0	0	0	0	0	0	0	0	0	0	0
Other adjustments	0	0	0	0	0	0	0	0	0	0	0	0
Tax effect of adjustments	0	0	0	0	0	0	0	0	0	0	0	0
<b>Adjusted profit after tax</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>2</b>	<b>4</b>	<b>5</b>	<b>7</b>	<b>8</b>
<b>Margins, tax &amp; returns</b>												
Operating margin	10.9	8.0	7.3	8.2	8.4	8.6	8.7	3.5	4.6	6.1	7.7	8.8
Pre-tax margin	10.9	6.6	7.3	7.5	7.5	8.3	8.6	3.3	4.1	8.9	7.3	8.5
Tax rate	29.1	28.5	23.8	21.0	22.2	20.9	20.5	31.7	23.1	14.6	21.0	21.0
ROE	155.4	36.8	28.0	28.6	25.8	21.7	20.5	7.8	12.7	29.0	21.1	23.8
ROCE	169.1	56.9	37.0	25.0	23.3	24.2	24.7	9.0	10.4	13.6	18.5	23.2
<b>Growth rates y-o-y (%)</b>												
Total revenues	n.a.	22.1	17.0	56.9	42.0	15.6	19.4	21.7	14.4	7.4	10.8	9.2
Operating profit	n.m.	(10.2)	6.3	76.5	44.4	18.3	20.9	(50.8)	51.3	42.0	38.9	25.5
Pre-tax profit	n.m.	(25.3)	28.2	62.8	41.9	27.2	24.2	(53.7)	43.0	132.0	(9.2)	28.2
EPS (adjusted)	0.0	(32.9)	17.6	54.0	44.3	12.4	17.9	(43.4)	62.3	29.8	33.5	22.4
<b>Cash flow</b>												
<b>(EURm)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>
Net profit	1	1	1	2	2	3	4	2	3	7	6	7
Non-cash adjustments	0	0	1	0	1	1	1	1	2	2	4	4
<b>Cash flow before work cap</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>3</b>	<b>5</b>	<b>9</b>	<b>9</b>	<b>11</b>
Ch. in working capital / Other	0	(0)	0	0	1	1	0	(1)	2	0	0	0
<b>Operating cash flow</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>4</b>	<b>5</b>	<b>5</b>	<b>2</b>	<b>7</b>	<b>9</b>	<b>10</b>	<b>11</b>
Capital expenditures	(0)	(0)	(0)	(0)	(0)	(1)	(1)	(1)	(0)	(1)	(2)	(2)
Asset disposals	0	0	0	0	0	0	0	0	0	5	0	0
L/T financial investments	0	0	0	0	0	0	0	0	0	0	0	0
Acquisitions / adjustments	(0)	0	(1)	(2)	(1)	(1)	(2)	(5)	(0)	0	0	0
<b>Free cash flow</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>(0)</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>(3)</b>	<b>6</b>	<b>13</b>	<b>8</b>	<b>9</b>
Net loan proceeds	0	(0)	0	2	(0)	0	(0)	7	(3)	(3)	(3)	(3)
Dividend paid	(1)	(1)	(1)	(1)	(1)	(1)	(2)	(3)	(2)	(3)	(2)	(3)
Share issue	0	2	0	0	0	4	0	0	0	0	0	0
Other	0	0	0	0	0	(1)	0	0	(0)	(0)	0	(0)
<b>Net change in cash</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>5</b>	<b>(1)</b>	<b>1</b>	<b>2</b>	<b>7</b>	<b>2</b>	<b>3</b>
<b>Adjustments</b>												
C/flow bef chng in work cap	1	1	2	2	3	4	5	3	5	9	9	11
Adjustments	0	0	0	0	0	0	0	0	0	0	0	0
Int on conv debt net of tax	0	0	0	0	0	0	0	0	0	0	0	0
Cash earnings	1	1	2	2	3	4	5	3	5	9	9	11
<b>Per share information</b>												
Cash earnings	0.4	0.24	0.32	0.38	0.59	0.6	0.67	0.38	0.69	1.23	1.33	1.56
Operating cash flow	0.43	0.22	0.34	0.42	0.69	0.78	0.7	0.3	0.99	1.27	1.37	1.59
Free cash flow	0.37	0.16	0.19	(0.09)	0.38	0.51	0.23	(0.48)	0.87	1.79	1.08	1.3
<b>Investment cover</b>												
Capex/sales (%)	0.7	1.4	0.5	1.1	0.8	1.1	2.1	1.2	0.6	1.2	2.1	1.9
Capex/depreciation (%)	50	94	20	120	179	179	303	112	25	42	83	83

Source for all data on this page: SEB

Balance sheet - Siili Solutions												
(EURm)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020E	2021E	2022E
Cash and liquid assets	1	2	3	4	5	10	9	10	12	18	20	23
Debtors	3	3	3	6	6	9	9	13	14	15	17	19
Inventories	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	1	2	0	0	0	0	0	0	0
<b>Current assets</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>11</b>	<b>13</b>	<b>19</b>	<b>18</b>	<b>23</b>	<b>26</b>	<b>34</b>	<b>37</b>	<b>41</b>
Interest bearing fixed assets	0	0	0	0	0	0	0	0	0	0	0	0
Other financial assets	0	0	0	0	0	0	0	0	0	0	0	0
Capitalized development cost	0	0	0	0	0	0	0	0	0	0	0	0
Goodwill	1	1	2	9	9	9	12	19	19	19	19	19
Other intangibles	0	0	0	2	2	3	3	6	4	3	1	(0)
Fixed tangible assets	0	0	0	1	1	1	1	1	6	3	3	2
Other fixed assets	0	0	0	0	0	0	0	0	0	0	0	0
<b>Fixed assets</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>12</b>	<b>11</b>	<b>12</b>	<b>15</b>	<b>26</b>	<b>30</b>	<b>25</b>	<b>23</b>	<b>21</b>
<b>Total assets</b>	<b>5</b>	<b>6</b>	<b>9</b>	<b>23</b>	<b>24</b>	<b>31</b>	<b>34</b>	<b>49</b>	<b>56</b>	<b>59</b>	<b>60</b>	<b>63</b>
Creditors	3	3	4	7	8	11	12	14	17	18	20	22
Other trade financing	0	0	0	0	0	0	0	0	0	0	0	0
S/T interest bearing debt	0	0	0	4	3	0	0	1	3	2	2	1
Other	0	0	0	0	0	0	0	0	0	0	0	0
<b>Current liabilities</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>12</b>	<b>16</b>	<b>20</b>	<b>20</b>	<b>22</b>	<b>23</b>
L/T interest bearing debt	0	0	0	4	1	1	0	12	15	13	10	7
Other long-term liabilities	0	0	0	0	0	0	0	0	0	0	0	0
Convertible debt	0	0	0	0	0	0	0	0	0	0	0	0
Pension provisions	0	0	0	0	0	0	0	0	0	0	0	0
Other provisions	0	0	0	0	0	0	0	0	0	0	0	(0)
Deferred tax	0	0	0	0	0	0	0	1	1	1	1	1
<b>Long term liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>13</b>	<b>16</b>	<b>14</b>	<b>11</b>	<b>8</b>
Minority interests	0	0	0	0	0	0	0	0	0	0	0	0
<b>Shareholders' equity</b>	<b>1</b>	<b>3</b>	<b>5</b>	<b>8</b>	<b>11</b>	<b>18</b>	<b>21</b>	<b>20</b>	<b>21</b>	<b>25</b>	<b>28</b>	<b>32</b>
<b>Total liabilities and equity</b>	<b>5</b>	<b>6</b>	<b>9</b>	<b>23</b>	<b>24</b>	<b>31</b>	<b>34</b>	<b>49</b>	<b>56</b>	<b>59</b>	<b>60</b>	<b>63</b>
Net debt (m)	(1)	(2)	(3)	4	(1)	(9)	(8)	4	6	(3)	(8)	(14)
Working capital (m)	(0)	(0)	(0)	(0)	(0)	(2)	(2)	(2)	(2)	(3)	(3)	(3)
Capital employed (m)	2	3	5	15	15	19	22	33	38	40	40	40
Net debt/equity (%)	(62)	(75)	(56)	46	(9)	(47)	(39)	18	28	(13)	(30)	(45)
Net debt/EBITDA (x)	(0.5)	(1.4)	(1.4)	1.3	(0.3)	(1.8)	(1.4)	0.9	0.8	(0.4)	(0.7)	(1.1)
Equity/total assets (%)	26	47	54	34	48	59	61	40	37	42	46	50
Interest cover	120.1	5.7	153.0	10.5	9.4	29.5	98.9	16.1	8.8	12.9	18.7	30.3

Valuation												
(EUR)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020E	2021E	2022E
No of shares, fully dil. (y/e)	1.3	1.6	1.7	1.9	2.0	6.9	7.0	7.0	7.0	7.0	7.0	7.0
No of shares, fully dil. avg.	1.3	1.4	1.6	1.8	2.0	6.6	7.0	7.0	7.0	7.0	7.0	7.0
Share price, y/e		2.5	4.3	4.6	8.0	8.3	11.1	8.1	9.1	10.6	10.6	10.6
Share price, high		2.6	4.8	4.6	8.0	9.2	13.5	12.9	9.6	10.6		
Share price, low		2.4	2.5	3.5	4.5	6.9	7.9	7.5	7.9	7.5		
Share price, avg		2.5	3.1	4.2	6.2	7.8	10.8	11.0	8.8	8.9		
EPS (reported)	0.27	0.18	0.21	0.33	0.42	0.48	0.57	0.23	0.36	0.94	0.79	1.01
EPS (adjusted)	0.27	0.18	0.21	0.33	0.47	0.53	0.62	0.35	0.57	0.74	0.99	1.21
Cash earnings/share	0.40	0.24	0.32	0.38	0.59	0.60	0.67	0.38	0.69	1.23	1.33	1.56
Dividend/share	0.00	0.00	0.14	0.16	0.08	0.30	0.39	0.23	0.36	0.35	0.45	0.50
Enterprise value/share		2.1	3.8	5.2	7.8	7.0	9.9	8.6	9.9	10.1	9.4	8.6
Book value/share	0.3	0.6	0.9	1.4	1.9	2.6	3.0	2.8	2.9	3.5	3.9	4.5
Adjusted equity/share	0.3	0.6	0.9	1.4	1.9	2.6	3.0	2.8	2.9	3.5	3.9	4.5
PER (adjusted)		14.1	20.2	14.0	17.0	15.7	17.8	23.0	16.0	14.3	10.7	8.8
CEM		10.6	13.5	12.1	13.6	13.7	16.6	21.3	13.1	8.6	7.9	6.8
Dividend yield		0.0	3.2	3.4	1.0	3.6	3.5	2.8	3.9	3.3	4.2	4.7
EV/EBITDA		6.3	10.9	10.8	11.8	10.2	12.0	14.6	9.8	7.8	5.9	4.6
EV/EBITA		7.6	14.2	12.1	12.4	10.9	12.9	18.0	13.4	10.6	7.5	5.6
EV/EBIT		7.6	14.2	12.1	13.5	11.7	13.8	24.4	18.7	13.4	8.9	6.5
EV/Sales (x)		0.61	1.04	0.99	1.13	1.00	1.20	0.86	0.86	0.82	0.69	0.57
Price/Book value		4.19	4.80	3.35	4.26	3.17	3.73	2.89	3.10	3.02	2.68	2.35
Price/adjusted equity		4.19	4.80	3.35	4.26	3.17	3.73	2.89	3.10	3.02	2.68	2.35
Free cash flow/Market cap (%)		6.4	7.5	7.9	7.9	8.4	4.7	2.2	10.1	10.6	10.2	12.3
Operating cash flow/EV (%)		9.5	8.6	7.8	8.6	10.6	7.0	3.5	10.0	12.5	14.6	18.6
EV/Capital employed (x)		3.4	4.2	1.9	3.1	2.5	3.2	1.8	1.8	1.8	1.7	1.5

Main shareholders			Management			Company information		
Name	(%)	Votes	Capital	Title	Name	Contact		
Erina Oy	11.7		11.7	COB	Harry Brade	Internet	<a href="https://www.siili.com/">https://www.siili.com/</a>	
Elo Mutual Pension Insurance Company	9.9		9.9	CEO	Marko Somerma	Phone number	0	
Lamy Oy	8.8		8.8	CFO	Aleksi Kankainen			
Foreign owners (total)	10.0		10.0	IR	Hanna Seppänen			

Source for all data on this page: SEB

**About this publication**

This report is a marketing communication commissioned by Siili Solutions and prepared by Skandinaviska Enskilda Banken AB (publ). It does not constitute investment research; as such, it has not been prepared in accordance with the legal requirements to promote the independence of investment research, nor is it subject to any prohibition on dealing ahead of the dissemination of investment research.

**This statement affects your rights**

This report is confidential and may not be reproduced, redistributed or republished by any recipient for any purpose or to any person. Redistributing this report to third parties may invoke legal requirements on the person engaging in such activities.

**Producers and Recipients**

SEB Research is approved and issued by Skandinaviska Enskilda Banken AB (publ) ("SEB"), a bank organized under the laws of the Kingdom of Sweden, on behalf of itself and its affiliates for institutional investors. When SEB Research is issued by an SEB subsidiary, the subsidiary itself is subject to this disclaimer.

**Use**

This material has been prepared by SEB for information purposes only. It does not constitute investment advice and is being provided to you without regard to your investment objectives or circumstances. The document does not constitute an invitation or solicitation of an offer to subscribe for or purchase any securities and neither this document nor anything contained herein shall form the basis for any contract or commitment whatsoever. Opinions contained in the report represent the authors' present opinion only and may be subject to change. In the event that the authors' opinion should change, we shall endeavour (but do not undertake) to disseminate any such change, within the constraints of any regulations, applicable laws, internal procedures within SEB, or other circumstances.

**Good faith and limitations**

All information, including statements of fact, contained in this research report have been obtained and compiled in good faith from sources believed to be reliable. However, no representation or warranty, express or implied, is made by SEB with respect to the completeness or accuracy of its contents, and it is not to be relied upon as authoritative and should not be taken in substitution for the exercise of reasoned, independent judgement by you. Recipients are urged to base their investment decisions upon such investigations as they deem necessary. To the extent permitted by applicable law, no liability whatsoever is accepted by SEB for any direct or consequential loss arising from the use of this document or its contents.

**Distribution**

This research report has been prepared by SEB or its affiliates and is being distributed by SEB offices in Stockholm, Copenhagen, Oslo, Helsinki, Frankfurt, London, Tallinn, Vilnius and Riga. Research reports are prepared and distributed in Lithuania by AB SEB bankas and in Estonia by AS SEB Pank in accordance with the requirements of the local laws and Financial Supervision Authority's conduct of business rules. This document may not be distributed in the United States, Canada, Japan or Australia or in any other jurisdiction where to do so would be unlawful. Addresses and Phone numbers for each office can be found at the end of the report.

**The SEB Group: members, memberships and regulators**

SEB is a member of, inter alia, Nasdaq OMX Nordic, Oslo Stock Exchange, the London Stock Exchange, NYSE Euronext, SIX Swiss Exchange, Frankfurt Stock Exchange, Tallinn Stock Exchange as well as certain European MTF's such as BATS-Chi-X, Turquoise and Burgundy. SEB is regulated by Finansinspektionen in Sweden and, for the conduct of investment services business, in (i) Denmark by Finanstilsynet, (ii) Norway by Finanstilsynet, (iii) Finland by Finanssivalvonta, (iv) Germany by Bundesanstalt für Finanzdienstleistungsaufsicht, (v) the UK by the Financial Conduct Authority and Prudential Regulation Authority (details about the extent of our regulation by the Financial Conduct Authority and Prudential Regulation Authority are available from us on request), (vi) Estonia by the Estonian Financial Supervision Authority, (vii) Lithuania by the Bank of Lithuania, (viii) Latvia by the Financial and Capital Markets Commission and Futures Commission.

SEB's research reports are prepared in accordance with the industry standards and codes of conduct applicable to financial analysts in the countries where they are based. In Denmark, Finland, Norway and Sweden, analysts act in accordance with the rules of ethics of each country's Society of Financial Analysts. Analysts comply with the recommendations and industry standards of the Danish, Norwegian and the Swedish Securities Dealers Associations and with those of the Federation of Finnish Financial Services. Analysts certified by the CFA Institute also comply with the Code of Ethics of the CFA Institute.

**Prevention and avoidance of conflicts of interest**

The remuneration of staff within the Research department is determined exclusively by research management and senior management and may include discretionary awards based on the firm's total earnings, including investment banking and markets (sales and trading businesses) income; however, no such staff receive remuneration based upon specific investment banking or markets transactions. SEB's Compliance department monitors the production of research and the observance of the group's procedures designed to prevent any potential conflicts of interest from affecting the content of research; the latter are described in greater detail in the "Statement of Policies for dealing with potential conflicts of interest surrounding our Research activities" which is available on our SEB Research website.

**Your attention is also drawn to the fact that:**

The current market price of the securities shown in this report is the price prevailing at the close of the business day preceding the date of publication, save where such price was more than 5% different from the price prevailing as at the time of publication, in which case it is the latter.

Unless explicitly stated otherwise in this report, SEB expects (but does not undertake) to issue updates to this report following the publication of new figures or forecasts by the company covered, or upon the occurrence of other events which could potentially have a material effect on it.

The securities discussed in this research report may not be eligible for sale in all countries, and such securities may not be suitable for all types of investors. Offers and sales of securities discussed in this research report, and the distribution of this report, may be made only in countries where such securities are exempt from registration or qualification or have been so registered or qualified for offer and sale, and in accordance with applicable broker-dealer and agent/salesman registration or licensing requirements. A copy of this report, not including the recommendation, has been provided to the issuer prior to its dissemination to check factual statements for accuracy; as a result, some amendments have been made.

A full list of disclosures for other companies mentioned herein (in which SEB has research coverage), can be found on our SEB Research website

**Methodology**

Final consideration as to any valuations, projections and forecasts contained in this report are based on a number of assumptions and estimates and are subject to contingencies and uncertainties, and their inclusion in this report should not be regarded as a representation or warranty by or on behalf of the Group or any person or entity within the Group that they or their underlying assumptions and estimates will be met or realized. Different assumptions could result in materially different results. Past performance is not a reliable indicator of future performance. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related investment mentioned in this report. In addition, investors in securities, such as ADRs, whose values are influenced by the currency of the underlying security, effectively assume currency risk.

**Company specific disclosures and potential conflicts of interest**

A member of, or an entity associated with, SEB or its affiliates, officers, directors, employees or shareholders of such members (a) is not, and has never been, represented on the board of directors or similar supervisory entity of Siili Solutions, (b) has from time to time bought or sold the securities issued by the company or options relating to the company, and (c) SEB does not hold any short / long position exceeding 0.5% of the total issued share capital of Siili Solutions as of 31 Jul 2020.

The analyst(s) responsible for this research report (jointly with their closely related persons) hold(s) 0 shares in Siili Solutions and do(es) not have holdings in other instruments related to the company.

Skandinaviska Enskilda Banken AB (publ). All rights reserved.

---

**Copenhagen**

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

Telephone: (45) 3328 2828

**Oslo**

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

Telephone: (47) 2100 8500

**Frankfurt**

Stephanstrasse 14-16  
D-60313 Frankfurt am Main

Telephone: (49) 69 9727 7740

**Stockholm**

Kungsträdgårdsgatan 8  
S-106 40 Stockholm

Telephone: (46) 8 522 29500

**Helsinki**

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

Telephone: (358) 9 616 28700

**Tallinn**

Tornimäe 2  
EE-Tallinn 15010

Telephone: (372) 665 7762

**London**

One Carter Lane  
London, EC4V 5AN

Telephone: (44) 20 7246 4000