

Results due: 24 April

## Passing the low point

We maintain our estimates and fair value range ahead of Siili's Q1 report. We think Q1 will mark the low point in terms of organic growth, which we see picking up towards year-end. Looking beyond 2024, we see healthier growth driven by AI-based demand. The key short-term risk still relates to over-capacity in the market and thus price competition. Siili's current EV/EBITDA of 5x is low given its capital-light business in a structurally growing market.

### Key Data (2024E)

Price (EUR)	9.30
Reuters	SIILI.HE
Bloomberg	SIILI FH
Market cap (EURm)	76
Market cap (USDm)	81
Net debt (EURm)	(4)
Net gearing	(9%)
Net debt/EBITDA (x)	(0.3)
Shares fully dil. (m)	8.1
Avg daily turnover (m)	0.1
Free float	52%

### Q1 expectations: looking for further signs of a turnaround

In our estimates, Q1 will mark the weakest organic growth in the current cycle. While we find the momentum should have remained at the Q4 level, the timing of Easter and a strong comparison period result in organic growth of -8.8%. However, the temporary lay-offs and reduced use of outsourcing should keep the EBITA margin at a decent 7.4%. For the full year, we have pencilled in 3.2% organic growth, meaning accelerating growth towards year-end. To retain confidence in the H2 story we are looking for signs of continued pick-up in leading indicators, such as tender activity and recruitment. Also, narrowing the relatively wide guidance range by raising the lower end should be a clear positive sign.

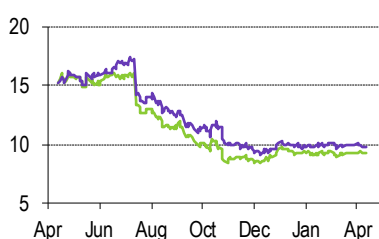
### AI and continuing internationalisation likely driving the next growth leg

Siili typically has relatively sticky customer relationships and a large share of the annual revenue comes from existing clients, hence, existing customers' confidence on the outlook is the key demand driver. We remain confident that driven by AI-based solutions the customers will at some point accelerate their next-gen digital investments, resulting in stronger demand growth for Siili. Internationalisation is also key to growth for Siili and we think the company could gradually build on the synergies stemming from the Supercharge acquisition and expand internationally with certain domains. We forecast 2025E growth of 10%.

### Estimate Revisions (%)

	2024E	2025E	2026E
Revenues	0	0	0
Adj. EBIT	0	0	0
Adj. EPS	0	0	0

### Share Price (12M)



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

### Marketing communication

commissioned by:  
**Siili Solutions**

### Multiples remain at attractive level, we repeat fair value range of EUR 15-17

Valued at 2024E EV/EBITDA of 5x we believe Siili is well below its fair value.

### Financials (EUR)

Year end: Dec	2022	2023	2024E	2025E	2026E
Revenues (m)	118	123	127	139	150
Adj. EBIT	10	7	8	11	12
Pre-tax profit (m)	5	6	6	10	12
EPS	0.50	0.61	0.61	0.95	1.13
Adj. EPS	0.69	0.80	0.77	1.11	1.28
DPS	0.20	0.26	0.35	0.50	0.60
Revenue growth (%)	19.2	3.7	3.2	9.8	8.0
Adj. EBIT growth (%)	34.2	(28.7)	11.9	33.1	14.7
Adj. EPS growth (%)	(29.3)	15.2	(3.6)	n.m.	n.m.
Adj. EBIT margin (%)	8.6	5.9	6.4	7.8	8.2
ROE (%)	11.5	12.1	11.4	16.3	17.5
ROCE (%)	15.5	11.1	11.4	16.0	18.3
PER (x)	23.3	11.7	12.1	8.4	7.2
Free cash flow yield (%)	10.4	(9.8)	12.8	13.2	15.1
Dividend yield (%)	1.2	2.8	3.8	5.4	6.5
P/BV (x)	3.25	1.80	1.68	1.52	1.38
EV/Sales (x)	1.12	0.65	0.57	0.46	0.38
EV/Adj. EBITDA (x)	8.9	6.4	5.4	4.1	3.3
EV/Adj. EBIT (x)	13.1	11.0	8.8	6.0	4.6
Operating cash flow/EV (%)	10.9	(2.5)	17.7	20.0	25.1
Net debt/EBITDA (x)	0.12	0.30	(0.30)	(0.70)	(1.05)

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

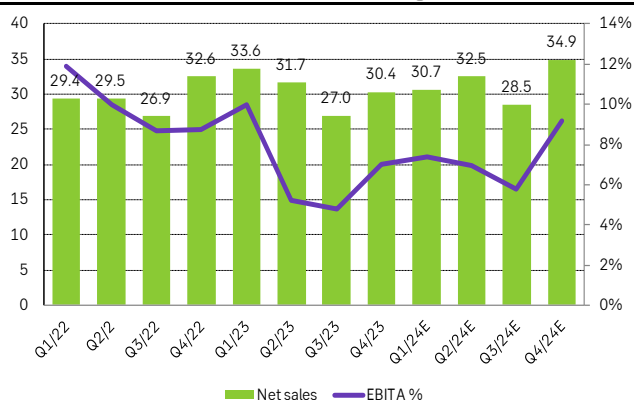
# SEB estimates ahead of Q1

## Quarterly estimates

(EURm)	Q1/22	Q2/22	Q3/22	Q4/22	Q1/23	Q2/23	Q3/23	Q4/23	Q1/24E	Q2/24E	Q3/24E	Q4/24E
<b>Net sales</b>	29.4	29.5	26.9	32.6	33.6	31.7	27.0	30.4	30.7	32.5	29.2	34.3
Sales growth	24.6%	17.3%	20.1%	15.7%	14.4%	7.4%	0.4%	-6.7%	-8.8%	2.8%	8.1%	12.8%
<b>EBITA</b>	3.5	2.9	2.3	2.9	3.3	1.7	1.3	2.1	2.3	2.3	1.7	3.2
EBITA margin	11.9%	10.0%	8.7%	8.8%	10.0%	5.2%	4.8%	7.0%	7.4%	6.9%	5.7%	9.4%
No. of employees vs., previous year	921	942	994	1045	1054	1061	1053	1007	1019	1050	1069	1088
Annualised sales / avg. no. of employees ('000)	130	127	111	128	128	120	102	118	121	126	110	127
Change, y/y	2.7%	3.2%	4.8%	-0.9%	-1.6%	-5.4%	-8.1%	-7.7%	-5.5%	5.1%	7.8%	7.8%

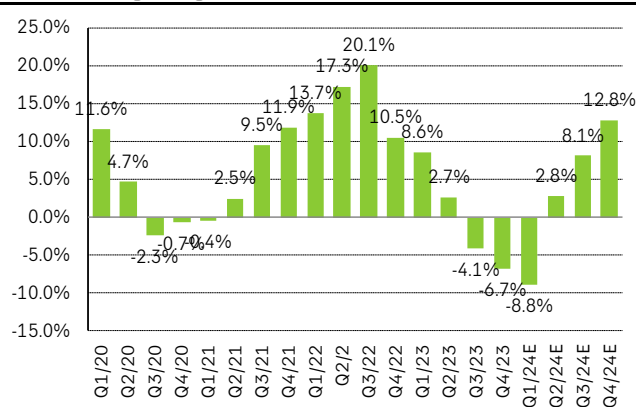
Source: SEB

## Quarterly sales (EURm) and EBITA margin



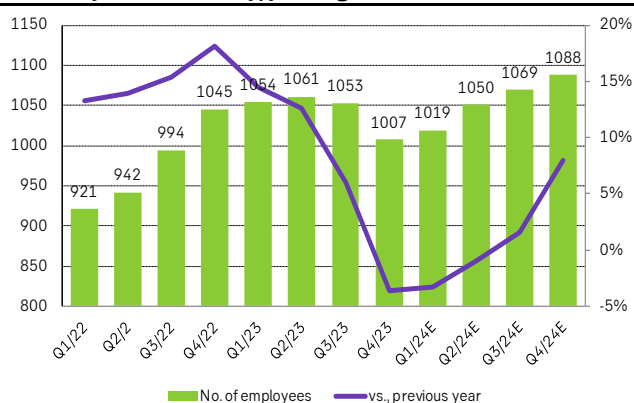
Source: SEB

## Quarterly organic growth



Source: SEB

## Quarterly headcount & y/y change



Source: SEB

## Annualised sales / employee (EUR '000)



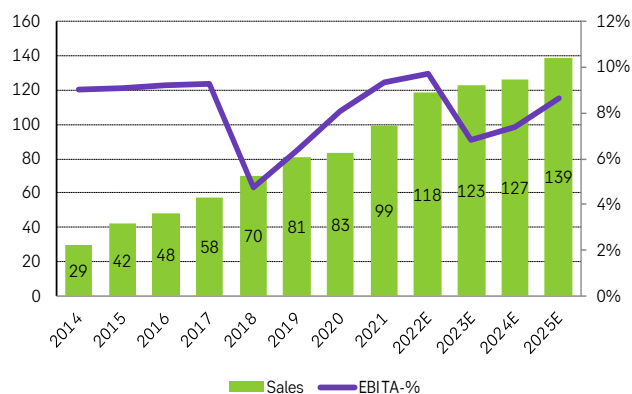
Source: SEB

## Annual estimates

(EURm)	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
<b>Net sales</b>	<b>48.4</b>	<b>57.8</b>	<b>70.4</b>	<b>80.5</b>	<b>83.3</b>	<b>99.3</b>	<b>118.3</b>	<b>122.7</b>	<b>126.6</b>	<b>139.1</b>	<b>150.2</b>
Sales growth	15.6%	19.4%	21.7%	14.4%	3.4%	19.2%	19.2%	3.7%	3.2%	9.8%	8.0%
External Services	-7.8	-10.1	-12.9	-14.8	-16.1	-21.7	-26.4	-26.2	-27.0	-29.9	-32.3
<i>Of sales</i>	<i>-16.2%</i>	<i>-17.5%</i>	<i>-18.3%</i>	<i>-18.4%</i>	<i>-19.3%</i>	<i>-21.9%</i>	<i>-22.3%</i>	<i>-21.4%</i>	<i>-21.4%</i>	<i>-21.5%</i>	<i>-21.5%</i>
Personnel costs	-30.4	-35.1	-43.6	-49.9	-51.0	-57.1	-66.2	-72.2	-74.3	-80.5	-86.9
<i>Of sales</i>	<i>-62.8%</i>	<i>-60.8%</i>	<i>-61.9%</i>	<i>-62.0%</i>	<i>-61.3%</i>	<i>-57.5%</i>	<i>-56.0%</i>	<i>-58.8%</i>	<i>-58.6%</i>	<i>-57.9%</i>	<i>-57.8%</i>
Other costs	-5.5	-7.0	-10.1	-9.2	-7.5	-8.7	-11.2	-12.6	-12.6	-13.3	-14.0
<i>Of sales</i>	<i>-11.3%</i>	<i>-12.0%</i>	<i>-14.3%</i>	<i>-11.4%</i>	<i>-9.0%</i>	<i>-8.8%</i>	<i>-9.4%</i>	<i>-10.3%</i>	<i>-10.0%</i>	<i>-9.5%</i>	<i>-9.4%</i>
<b>EBITDA</b>	<b>4.8</b>	<b>5.8</b>	<b>4.1</b>	<b>7.1</b>	<b>9.1</b>	<b>12.0</b>	<b>14.8</b>	<b>12.1</b>	<b>13.2</b>	<b>15.8</b>	<b>17.4</b>
EBITDA margin	9.9%	10.0%	5.8%	8.8%	11.0%	12.1%	12.5%	9.9%	10.4%	11.4%	11.6%
Depreciation	-0.3	-0.4	-0.8	-1.9	-2.4	-2.7	-3.3	-3.7	-3.8	-3.8	-3.8
<b>EBITA</b>	<b>4.5</b>	<b>5.4</b>	<b>3.3</b>	<b>5.1</b>	<b>6.7</b>	<b>9.3</b>	<b>11.5</b>	<b>8.4</b>	<b>9.4</b>	<b>12.1</b>	<b>13.6</b>
EBITA margin	9.2%	9.3%	4.8%	6.4%	8.1%	9.3%	9.7%	6.9%	7.4%	8.7%	9.1%
Amortisation	-0.3	-0.4	-0.9	-1.5	-1.4	-1.7	-1.5	-1.5	-1.3	-1.3	-1.3
<b>EBIT</b>	<b>4.1</b>	<b>5.0</b>	<b>2.5</b>	<b>3.7</b>	<b>5.3</b>	<b>7.6</b>	<b>10.0</b>	<b>6.9</b>	<b>8.1</b>	<b>10.8</b>	<b>12.4</b>
EBIT margin	8.6%	8.7%	3.5%	4.6%	6.4%	7.6%	8.5%	6.7%	7.3%	9.3%	0.0%
<b>Pre-tax profit</b>	<b>4.0</b>	<b>5.0</b>	<b>2.3</b>	<b>3.2</b>	<b>6.3</b>	<b>6.4</b>	<b>5.3</b>	<b>5.5</b>	<b>6.3</b>	<b>9.8</b>	<b>11.7</b>
<b>Net profit</b>	<b>3.2</b>	<b>4.0</b>	<b>1.6</b>	<b>2.5</b>	<b>4.4</b>	<b>5.1</b>	<b>3.6</b>	<b>5.0</b>	<b>5.0</b>	<b>7.7</b>	<b>9.2</b>
<b>EPS (EUR)</b>	<b>0.48</b>	<b>0.57</b>	<b>0.23</b>	<b>0.35</b>	<b>0.63</b>	<b>0.73</b>	<b>0.47</b>	<b>0.61</b>	<b>0.61</b>	<b>0.95</b>	<b>1.13</b>
<b>Other data</b>											
No. of employees vs., previous year		593	697	737	676	885	1045	1007	1088	1137	1216
			18%	6%	-8%	31%	18%	-4%	8%	5%	7%
Annualised sales / avg. no. of employees ('000)		110	110	112	117	121	124	117	121	125	128
Change, y/y			-0.1%	2.2%	4.4%	3.2%	2.4%	-5.5%	3.4%	3.3%	2.1%

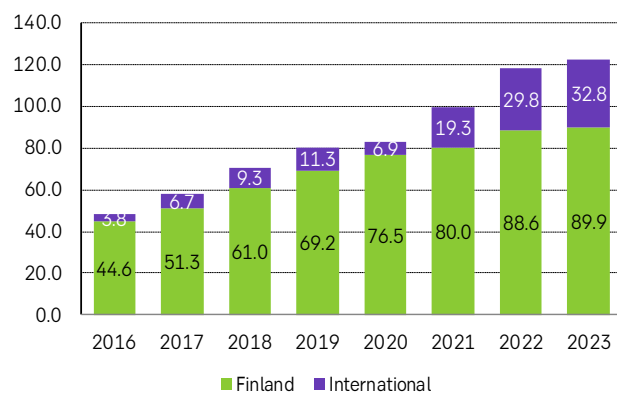
Source: SEB

## Annual sales (EURm) and EBITA margin



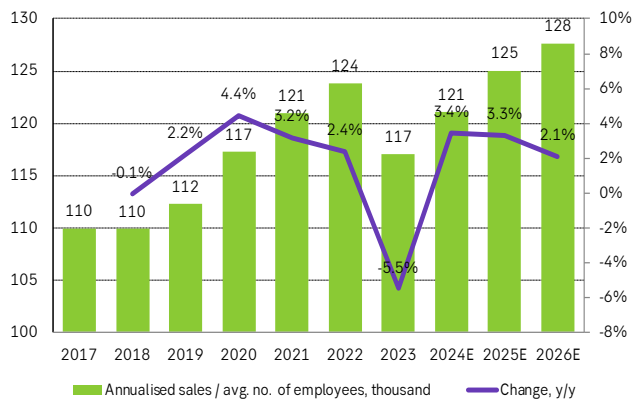
Source: SEB

## Sales split by geography (EURm)



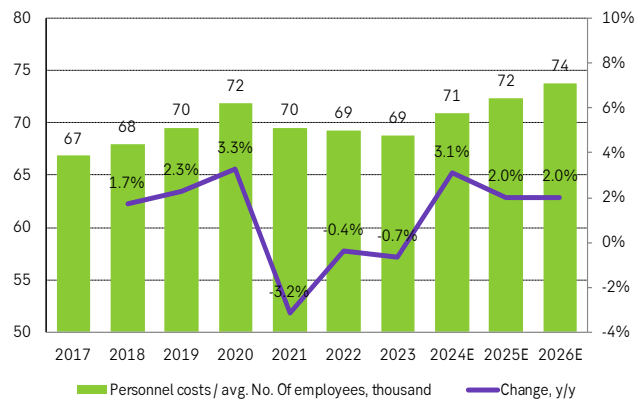
Source: SEB

**Sales per employee (EUR '000)**



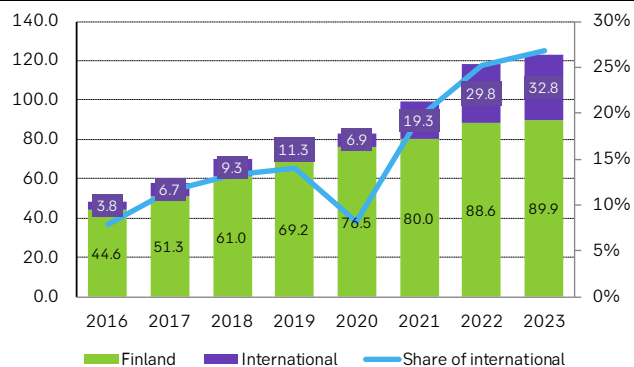
Source: SEB

**Personnel costs per employee (EUR '000)**



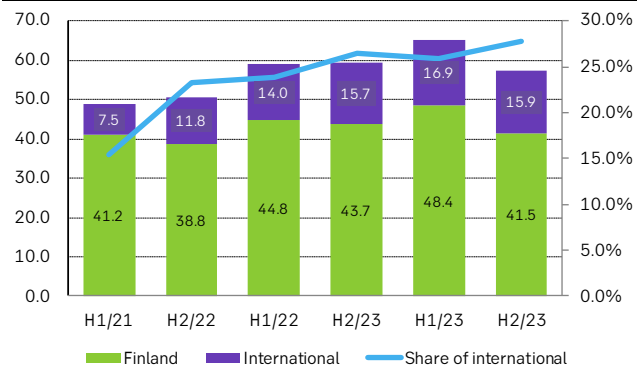
Source: SEB

**Annual sales by geography, EURm**



Source: SEB

**Semi-annual sales by geography, EURm**



Source: SEB

## Valuation

Our DCF valuation for Siili remains at EUR 17. Siili trades at a 2024E EV/EBITDA of 5x while our Nordic peer group median is above 10x. We reiterate our fair value range of EUR 15-17. The lower end of the range represents a 2024E EV/EBITDA of 10x, in line with the peer median, while the upper end of the range represents our DCF valuation.

**DCF summary table**

DCF valuation (EURm)		Weighted average cost of capital (%)	
NPV of FCF in explicit forecast period	76	Risk free interest rate	3.3
NPV of continuing value	62	Risk premium	6.5
<b>Value of operation</b>	<b>138</b>	<b>Cost of equity</b>	<b>9.8</b>
Net debt	(1)	<b>After tax cost of debt</b>	<b>2.6</b>
Share issue/buy-back in forecast period	-	<b>WACC</b>	<b>9.8</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 (%)	7.6
<b>DCF value of equity</b>	<b>139</b>	EBIT multiple - steady state (x)	9.1
<b>DCF value per share (EUR)</b>	<b>17</b>	Continuing value (% of NPV)	44.9
Current share price (EUR)	9.30		
DCF performance potential (%)	84		

Source: SEB

**DCF assumption details**

(EURm)	2023E	2024E	2025E	2026E	2027E	Average year 6	Average year 7-8	Average year 9-10
Sales growth (%)	5.3	3.3	9.3	6.5	6.0	5.5	4.8	3.0
EBITDA margin (%)	9.6	10.7	11.8	12.3	12.3	12.3	12.3	11.7
EBIT margin (%)	5.3	6.6	8.0	8.6	8.7	8.7	8.8	8.2
Gross capital expenditures as % of sales	4.3	2.3	1.3	2.5	2.5	2.5	2.5	2.5
Working capital as % of sales	(4.0)	(4.0)	(4.0)	(3.0)	(3.0)	(3.0)	(3.0)	(3.0)
Lease repayments as % of sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sales	125	129	141	150	159	168	180	193
Depreciation	(4)	(4)	(4)	(4)	(4)	(4)	(5)	(5)
Intangibles amortisation	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
EBIT	7	8	11	13	14	15	16	16
Taxes on EBIT	(2)	(2)	(3)	(3)	(3)	(4)	(4)	(4)
Increase in deferred taxes	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0
<b>NOPLAT</b>	<b>7</b>	<b>8</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>14</b>
Gross capital expenditure	(5)	(3)	(2)	(4)	(4)	(4)	(4)	(5)
Increase in working capital	1	0	0	(1)	0	0	0	0
Lease repayments	0	0	0	0	0	0	0	0
<b>Free cash flow (incl. lease repayments)</b>	<b>6</b>	<b>9</b>	<b>12</b>	<b>10</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>14</b>
ROIC (%)	8.1	9.5	11.4	12.9	14.0	15.2	16.9	17.9
ROIC-WACC (%)	(1.7)	(0.3)	1.6	3.1	4.2	5.4	7.1	8.1
Share of total net present value (%)	0.0	6.2	8.0	6.1	6.7	6.4	11.9	9.9

Source: SEB

**Small Nordic IT service peer group valuation**

	EV/EBITDA			EV/EBIT		
	2024E	2025E	2026E	2024E	2025E	2026E
<b>Nordic small IT Service companies</b>						
EXSITEC HOLDING AB	14.9	12.2	10.0	20.6	15.9	12.7
WEBSTEP ASA	6.8	5.3	5.4	9.3	6.8	6.8
BOUVET ASA	11.4	10.1	9.7	14.4	12.6	11.3
KNOW IT AB	7.0	5.9	5.1	14.4	10.1	8.6
ADDNODE GROUP AB	18.1	15.7	14.4	31.1	25.6	23.2
TRIFORK HOLDING AG	10.5	8.8	7.3	17.2	13.5	10.7
DIGIA OYJ	7.0	6.1	5.6	10.6	8.9	7.8
GOFOR OYJ	10.1	8.3	6.6	13.4	10.4	8.2
<b>Average</b>	<b>10.7</b>	<b>9.1</b>	<b>8.0</b>	<b>16.4</b>	<b>13.0</b>	<b>11.2</b>
<b>Median</b>	<b>10.3</b>	<b>8.6</b>	<b>6.9</b>	<b>14.4</b>	<b>11.5</b>	<b>9.6</b>
<b>SIILI SOLUTIONS - SEB est.</b>	<b>5.4</b>	<b>4.1</b>	<b>3.3</b>	<b>8.8</b>	<b>6.0</b>	<b>4.6</b>

Source: SEB, Bloomberg

# SEAM (SEB's ESG Assessment Methodology)

## Siili Solutions

Country: Finland Sector: IT/Technology Overall impact of ESG factors on valuation: **Positive** Fully discounted in mid-point DCF value: **Yes**

In our view, ESG factors do or will have an overall positive impact on the share's valuation. The most material impact is Digitalisation being essential enabler of green transformation as most projects are digi-born. Also, most digitalisation projects as such reduce the use of resources. Most of the impact is yet to be discounted in our mid-point equity valuation. We believe that most of the ESG factors facing the company could be manageable by the company, and that the company's management of these issues is optimal.

Our analysis suggests an overall positive ESG impact on valuation, which is more positive relative to Sustainalytics' "medium" qualitative ESG score. This suggests that ESG value impacts are more positive for the share than ESG reputational impacts.

With regard to the EU taxonomy, we expect to see the company report an insignificant current revenue alignment with relevant taxonomy screening criteria. In the longer term, we also expect alignment to be insignificant.

### ESG impact on NPV (as % of equity valuation)

Total impact over time	<b>4</b>
of which:	
- impact reflected in mid-point equity valuation	<b>4</b>
- impact yet-to-be reflected in mid-point equity valuation	<b>0</b>

### ESG impact on NPV (as % of enterprise valuation)

Total impact over time	<b>8</b>
of which:	
- impact reflected in mid-point enterprise valuation	<b>8</b>
- impact yet-to-be reflected in mid-point enterprise valuation	<b>0</b>

## SEB ESG Financial Assessment

### Long term impact of ESG issue on valuation

	As % of equity valuation	As % of enterprise valuation
of which:	<b>4</b>	<b>8</b>
Impact already reflected in our 6-12 month mid-point	<b>4</b>	<b>8</b>
Impact yet-to-be reflected in mid-point price	<b>0</b>	<b>0</b>

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

#### Climate related impact - products/services

	Impact on Sales CAGR (%pa)		NPV/EV (%)
	0-3 yrs	4-10+ yrs	
We estimate 10% of turnover relates to ESG driven projects, which are set to grow at least 10%	1	2	8

### Long term impact of ESG issue on valuation (% NPV/EV)

**8**

## Siili Solutions (cont.)

### Sustainalytics Assessment (note: lower number means less risk)

Overall risk	Medium	The Sustainalytics ESG rating is an assessment of how well a company is managing its material ESG risks, while SEB's SEFA is a bottom up evaluation of the impact of most material ESG factors on the company's financial performance.
Percentile vs. companies in all industries	38	
Percentile vs. others in industry	52	



### EU Taxonomy Eligibility/Alignment (based on mandatory EU disclosures)

Eligible revenues (inc. aligned revs.)	NA (current group revenues)
Aligned revenues	NA (current group revenues)
SEB forecast, aligned revenues (in 5 years' time)	NA (est. future group revenues)

### Sustainability related commitments and targets

Does the company have a science based target?	No
Is the CEO's remuneration linked to achievement of sustainability goals?	No
What are the company's most material sustainability goals?	In addition to ensuring the wellbeing of our employees, Siili aims to improve wellbeing in society on a broader scope through our customer projects by enforcing impactful ethical business relationships. Protecting the integrity of personal data, whether concerning someone independently or in relation to a company, services or products. Plant 43 trees per employee every year to cover their individual carbon footprints. Summer programme to give children an opportunity to learn about working life
Who has ultimate responsibility for sustainability management?	Tomi Pienimäki, CEO

# Overview

## Investment considerations

We believe Siili can expand its core business at a steady rate close to or slightly outpacing the market. Key growth drivers will be Portfolio units, Siili Auto and Vala Group and international core unit Supercharge. We are confident in Siili's ability to create a new know-how nucleus in Core and foster this gradually in its independent Portfolio units. We model increasing profitability driven by a higher utilisation rate, particularly in Siili Auto and Core, and more rapidly growing Portfolio units.

## Company profile

Siili is a small-cap Finnish IT Services company. The 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 specialised services. Siili's largest client verticals are the public sector and finance sector in Finland. The company serves international clients mainly through Siili Auto and recently acquired Supercharge.

## Valuation approach

We derive our fair value range via a DCF and peer multiples analysis. Our DCF valuation assumes a WACC of 9.8%, a declining sales growth profile and an improving EBITDA margin profile.

## Investment risks

Currently the digital IT Services market suffers from overcapacity due to weakened demand. Should this continue, the prices may decline putting pressure on Siili's margins. Siili's growth is dependent on its ability to hire more employees and get more sales out of existing ones to ensure a high utilisation rate. Finding talented programmers and developers with specialised skills is challenging and, in our view, will not get any easier. Without new hires, growth would likely stop.



Profit & loss statement - Siili Solutions													
(EURm)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
Net Sales	29	42	48	58	70	81	83	99	118	123	127	139	150
Other revenues	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total revenues</b>	<b>29</b>	<b>42</b>	<b>48</b>	<b>58</b>	<b>70</b>	<b>81</b>	<b>83</b>	<b>99</b>	<b>118</b>	<b>123</b>	<b>127</b>	<b>139</b>	<b>150</b>
Total expenses	(27)	(38)	(44)	(52)	(66)	(73)	(74)	(87)	(103)	(111)	(113)	(123)	(133)
<b>Profit before depreciation</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>4</b>	<b>7</b>	<b>9</b>	<b>12</b>	<b>15</b>	<b>12</b>	<b>13</b>	<b>16</b>	<b>17</b>
Depreciation - Fixed assets	(0)	(0)	(0)	(0)	(1)	(2)	(2)	(3)	(3)	(4)	(4)	(4)	(4)
Depreciation - Other assets	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation of right-of-use assets	0	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	0
Amortisation - Other intangibles	0	(0)	(0)	(0)	(1)	(1)	(1)	(2)	(1)	(1)	(1)	(1)	(1)
<b>Operating profit</b>	<b>2</b>	<b>4</b>	<b>4</b>	<b>5</b>	<b>2</b>	<b>4</b>	<b>5</b>	<b>8</b>	<b>10</b>	<b>7</b>	<b>8</b>	<b>11</b>	<b>12</b>
Associated companies	0	0	0	0	0	0	(0)	0	0	0	0	0	0
Net interest expenses	(0)	(0)	(0)	(0)	(0)	(0)	(4)	(1)	(5)	(1)	(2)	(1)	(1)
Foreign exchange items	0	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	0
Value changes - Fixed assets	0	0	0	0	0	0	5	0	0	0	0	0	0
Value changes - Financial assets	0	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	0
<b>Reported pre-tax profit</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>2</b>	<b>3</b>	<b>6</b>	<b>6</b>	<b>5</b>	<b>6</b>	<b>6</b>	<b>10</b>	<b>12</b>
Minority interests	0	0	0	0	0	0	0	0	0	0	0	0	0
Total taxes	(0)	(1)	(1)	(1)	(1)	(1)	(2)	(1)	(2)	(1)	(1)	(2)	(2)
<b>Reported profit after tax</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>4</b>	<b>5</b>	<b>5</b>	<b>8</b>	<b>9</b>
Discontinued operations	0	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	0
<b>Net Profit</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>4</b>	<b>5</b>	<b>5</b>	<b>8</b>	<b>9</b>
<b>Adjustments:</b>													
Discontinued operations	0	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	0
Minority interests (IFRS)	0	0	0	0	0	0	0	0	0	0	0	0	0
Value changes	0	0	0	0	0	0	(5)	0	0	0	0	0	0
Goodwill/intangibles amortisations	0	0	0	0	1	1	1	2	1	1	1	1	1
Restructuring charges	0	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	0
Tax effect of adjustments	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Adjusted profit after tax</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>2</b>	<b>4</b>	<b>3</b>	<b>7</b>	<b>5</b>	<b>6</b>	<b>6</b>	<b>9</b>	<b>10</b>
<b>Margins, tax &amp; returns</b>													
Operating margin	8.2	8.4	8.6	8.7	3.5	4.6	6.4	7.6	8.6	5.6	6.4	7.8	8.2
Pre-tax margin	7.5	7.5	8.3	8.6	3.3	4.1	7.5	6.4	4.6	4.5	5.0	7.0	7.7
Tax rate	21.0	22.2	20.9	20.5	31.7	23.1	30.0	19.5	31.0	9.9	21.0	21.0	21.0
ROE	28.6	25.8	21.7	20.5	7.8	12.7	20.9	22.1	11.5	12.1	11.4	16.3	17.5
ROCE	25.0	23.3	24.2	24.7	9.0	10.4	14.0	16.0	15.5	11.1	11.4	16.0	18.3
<b>Growth rates y-o-y (%)</b>													
Total revenues	n.a.	42.0	15.6	19.4	21.7	14.4	3.4	19.2	19.2	3.7	3.2	9.8	8.0
Operating profit	76.5	44.4	18.3	20.9	(50.8)	51.3	42.5	42.3	34.2	(31.9)	17.3	33.1	14.7
Pre-tax profit	62.8	41.9	27.2	24.2	(53.7)	43.0	90.1	1.4	(14.9)	2.0	13.8	55.1	18.8
EPS (adjusted)	54.0	44.3	12.4	17.9	(43.4)	62.3	(24.0)	125.4	(29.3)	15.2	(3.6)	0.0	0.0
<b>Cash flow</b>													
(EURm)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
Net profit	2	2	3	4	2	3	4	5	4	5	5	8	9
Non-cash adjustments	0	1	1	1	1	2	4	4	9	5	5	5	5
<b>Cash flow before work cap</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>3</b>	<b>5</b>	<b>8</b>	<b>9</b>	<b>13</b>	<b>10</b>	<b>10</b>	<b>13</b>	<b>14</b>
Ch. in working capital / Other	0	1	1	0	(1)	2	2	(1)	2	(12)	3	0	0
<b>Operating cash flow</b>	<b>2</b>	<b>4</b>	<b>5</b>	<b>5</b>	<b>2</b>	<b>7</b>	<b>10</b>	<b>8</b>	<b>14</b>	<b>(2)</b>	<b>13</b>	<b>13</b>	<b>14</b>
Capital expenditures	(0)	(0)	(1)	(1)	(1)	(0)	(0)	(1)	(2)	(5)	(3)	(3)	(3)
Asset disposals	0	0	0	0	0	0	5	0	0	0	0	0	0
L/T financial investments	0	0	0	0	0	0	0	0	0	0	0	0	0
Acquisitions / adjustments	(2)	(1)	(1)	(2)	(5)	(0)	(0)	(14)	(4)	0	0	0	0
<b>Free cash flow</b>	<b>(0)</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>(3)</b>	<b>6</b>	<b>14</b>	<b>(6)</b>	<b>9</b>	<b>(7)</b>	<b>10</b>	<b>10</b>	<b>11</b>
Net loan proceeds	2	(0)	0	(0)	7	(3)	(3)	7	(5)	(5)	(10)	(5)	(5)
Dividend paid	(1)	(1)	(1)	(2)	(3)	(2)	(2)	(2)	(2)	(3)	(2)	(3)	(4)
Share issue	0	0	4	0	0	0	0	0	14	0	0	0	0
Other	0	0	(1)	0	0	(0)	0	0	0	(1)	(0)	0	0
<b>Net change in cash</b>	<b>1</b>	<b>1</b>	<b>5</b>	<b>(1)</b>	<b>1</b>	<b>2</b>	<b>10</b>	<b>(1)</b>	<b>16</b>	<b>(17)</b>	<b>(2)</b>	<b>2</b>	<b>2</b>
<b>Adjustments</b>													
C/flow bef chng in work cap	2	3	4	5	3	5	8	9	13	10	10	13	14
Adjustments	0	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	0
Cash earnings	2	3	4	5	3	5	8	9	13	10	10	13	14
<b>Per share information</b>													
Cash earnings	0.38	0.59	0.6	0.67	0.38	0.69	1.17	1.3	1.72	1.27	1.23	1.57	1.75
Operating cash flow	0.42	0.69	0.78	0.7	0.3	0.99	1.46	1.2	1.92	(0.25)	1.56	1.59	1.77
Free cash flow	(0.09)	0.38	0.51	0.23	(0.48)	0.87	2.06	(0.89)	1.21	(0.91)	1.19	1.22	1.4
<b>Investment cover</b>													
Capex/sales (%)	1.1	0.8	1.1	2.1	1.2	0.6	0.2	0.8	1.5	4.4	2.4	2.2	2.0
Capex/depreciation (%)	120	179	179	303	112	25	8	30	54	147	79	79	79

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<b>Balance sheet - Siili Solutions</b>													
<b>(EURm)</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
Cash and liquid assets	4	5	10	9	10	12	22	20	36	29	27	29	31
Debtors	6	6	9	9	13	14	13	20	22	24	24	27	29
Inventories	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	1	2	0	0	0	0	0	0	0	1	0	0	0
<b>Current assets</b>	<b>11</b>	<b>13</b>	<b>19</b>	<b>18</b>	<b>23</b>	<b>26</b>	<b>35</b>	<b>40</b>	<b>59</b>	<b>54</b>	<b>51</b>	<b>55</b>	<b>60</b>
Interest bearing fixed assets	0	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	0
Capitalized development cost	0	0	0	0	0	0	0	0	0	0	0	0	0
Goodwill	9	9	9	12	19	19	19	28	32	32	32	32	32
Other intangibles	2	2	3	3	6	4	3	7	9	8	7	6	5
Right-of-use lease assets	0	0	0	0	0	0	0	0	0	0	0	0	0
Fixed tangible assets	1	1	1	1	1	6	5	6	5	5	5	4	3
Other fixed assets	0	0	0	0	0	0	0	1	0	0	0	0	0
<b>Fixed assets</b>	<b>12</b>	<b>11</b>	<b>12</b>	<b>15</b>	<b>26</b>	<b>30</b>	<b>27</b>	<b>41</b>	<b>47</b>	<b>47</b>	<b>44</b>	<b>42</b>	<b>40</b>
<b>Total assets</b>	<b>23</b>	<b>24</b>	<b>31</b>	<b>34</b>	<b>49</b>	<b>56</b>	<b>61</b>	<b>81</b>	<b>106</b>	<b>100</b>	<b>95</b>	<b>98</b>	<b>100</b>
Creditors	7	8	11	12	14	17	22	22	26	24	26	29	31
Other trade financing	0	0	0	0	0	0	0	0	0	0	0	0	0
S/T lease liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0
S/T interest bearing debt	4	3	0	0	1	3	3	5	9	14	5	5	5
Other	0	0	0	0	0	0	2	1	1	0	1	1	1
<b>Current liabilities</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>12</b>	<b>16</b>	<b>20</b>	<b>27</b>	<b>28</b>	<b>35</b>	<b>39</b>	<b>32</b>	<b>34</b>	<b>36</b>
L/T interest bearing debt	4	1	1	0	12	15	13	28	30	18	18	13	8
L/T lease liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0
Other long-term liabilities	0	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	0
Pension provisions	0	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	0
Deferred tax	0	0	0	0	1	1	1	1	1	1	1	1	1
<b>Long term liabilities</b>	<b>4</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>13</b>	<b>16</b>	<b>13</b>	<b>29</b>	<b>31</b>	<b>19</b>	<b>19</b>	<b>14</b>	<b>9</b>
Minority interests	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Shareholders' equity</b>	<b>8</b>	<b>11</b>	<b>18</b>	<b>21</b>	<b>20</b>	<b>21</b>	<b>22</b>	<b>25</b>	<b>40</b>	<b>42</b>	<b>45</b>	<b>50</b>	<b>55</b>
<b>Total liabilities and equity</b>	<b>23</b>	<b>24</b>	<b>31</b>	<b>34</b>	<b>49</b>	<b>56</b>	<b>61</b>	<b>81</b>	<b>106</b>	<b>100</b>	<b>95</b>	<b>98</b>	<b>100</b>
Net debt (m)	4	(1)	(9)	(8)	4	6	(6)	12	2	4	(4)	(11)	(18)
Working capital (m)	(0)	(0)	(2)	(2)	(2)	(2)	(11)	(3)	(4)	0	(2)	(3)	(3)
Capital employed (m)	15	15	19	22	33	38	37	58	78	75	68	68	68
Net debt/equity (%)	46	(9)	(47)	(39)	18	28	(29)	50	4	9	(9)	(22)	(33)
Net debt/EBITDA (x)	1.3	(0.3)	(1.8)	(1.4)	0.9	0.8	(0.7)	1.0	0.1	0.3	(0.3)	(0.7)	(1.1)
Equity/total assets (%)	34	48	59	61	40	37	35	31	38	42	47	51	55
Interest cover	10.5	9.4	29.5	98.9	16.1	8.8	1.5	6.4	2.1	3.1	4.5	10.7	16.3

<b>Valuation</b>													
<b>(EUR)</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
No of shares, fully dil. (y/e)	1.9	2.0	6.9	7.0	7.0	7.0	7.0	7.0	8.1	8.1	8.1	8.1	8.1
No of shares, fully dil. avg.	1.8	2.0	6.6	7.0	7.0	7.0	7.0	7.0	7.6	8.1	8.1	8.1	8.1
Share price, y/e	4.6	8.0	8.3	11.1	8.1	9.1	13.3	14.6	16.1	9.3	9.3	9.3	9.3
Share price, high	4.6	8.0	9.2	13.5	12.9	9.6	13.3	18.4	16.1	17.3	9.8		
Share price, low	3.5	4.5	6.9	7.9	7.5	7.9	7.5	12.7	12.6	8.4	9.0		
Share price, avg	4.2	6.2	7.8	10.8	11.0	8.8	10.0	15.3	14.3	13.2	9.3		
EPS (reported)	0.33	0.42	0.48	0.57	0.23	0.36	0.63	0.73	0.50	0.61	0.61	0.95	1.13
EPS (adjusted)	0.33	0.47	0.53	0.62	0.35	0.57	0.43	0.98	0.69	0.80	0.77	1.11	1.28
Cash earnings/share	0.38	0.59	0.60	0.67	0.38	0.69	1.17	1.30	1.72	1.27	1.23	1.57	1.75
Dividend/share	0.16	0.08	0.30	0.39	0.23	0.26	0.28	0.18	0.20	0.26	0.35	0.50	0.60
Enterprise value/share	5.2	7.8	7.0	9.9	8.6	9.9	12.4	16.4	16.3	9.8	8.8	7.9	7.0
Book value/share	1.4	1.9	2.6	3.0	2.8	2.9	3.1	3.6	5.0	5.2	5.5	6.1	6.8
Adjusted equity/share	1.4	1.9	2.6	3.0	2.8	2.9	3.1	3.6	5.0	5.2	5.5	6.1	6.8
PER (adjusted)	14.0	17.0	15.7	17.8	23.0	16.0	30.5	14.9	23.3	11.7	12.1	8.4	7.2
CEM	12.1	13.6	13.7	16.6	21.3	13.1	11.3	11.2	9.4	7.4	7.5	5.9	5.3
Dividend yield	3.4	1.0	3.6	3.5	2.8	2.9	2.1	1.2	1.2	2.8	3.8	5.4	6.5
EV/EBITDA	10.8	11.8	10.2	12.0	14.6	9.8	9.5	9.5	8.9	6.4	5.4	4.1	3.3
EV/EBITA	12.1	12.4	10.9	12.9	18.0	13.4	12.9	12.4	11.4	9.1	7.6	5.4	4.2
EV/EBIT	12.1	13.5	11.7	13.8	24.4	18.7	16.4	15.2	13.1	11.0	8.8	6.0	4.6
EV/Sales (x)	0.99	1.13	1.00	1.20	0.86	0.86	1.04	1.16	1.12	0.65	0.57	0.46	0.38
Price/Book value	3.35	4.26	3.17	3.73	2.89	3.10	4.30	4.11	3.25	1.80	1.68	1.52	1.38
Price/adjusted equity	3.35	4.26	3.17	3.73	2.89	3.10	4.30	4.11	3.25	1.80	1.68	1.52	1.38
Free cash flow/Market cap (%)	7.9	7.9	8.4	4.7	2.2	10.1	10.8	7.4	10.4	(9.8)	12.8	13.2	15.1
Operating cash flow/EV (%)	7.8	8.6	10.6	7.0	3.5	10.0	11.8	7.3	10.9	(2.5)	17.7	20.0	25.1
EV/Capital employed (x)	1.9	3.1	2.5	3.2	1.8	1.8	2.3	2.0	1.7	1.1	1.1	1.0	0.8

<b>Main shareholders</b>			<b>Management</b>			<b>Company information</b>	
<b>Name</b>	<b>(%)</b>	<b>Votes</b>	<b>Capital</b>	<b>Title</b>	<b>Name</b>	<b>Contact</b>	
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	Tomi Pienimäki	Phone number	0
Lamy Oy		8.8	8.8	CFO	Aleksi Kankainen		
Foreign owners (total)		10.0	10.0	IK	Andreas Strandman		

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