

No surprises due to preliminary figures

Netum had provided preliminary figures before the H1 results and the earnings report held no surprises. Revenue grew 47.8% y/y (22.6% organic) while the comp. EBITA-margin fell by 4.0%p y/y to 11.4%. The number of employees grew 53.8% y/y.

- Netum's net sales in H1 amounted to EUR 15.4m (EUR 10.4m in H1/21), with preliminary figures provided pre-H1. Net sales grew 47.8% y/y, of which 22.6% was organic growth. Organic growth was attributable to increased workloads under long framework agreements and to the continued high level of demand.
- EBITA in H1 was EUR 1.7m (EUR 1.8m in H1/21) and comparable EBITA EUR 1.8m (EUR 1.6m in H1/21). Comp. EBITA increased by 14.0% y/y, but the comp. EBITA-margin declined by 4.0%p. Profitability was affected by growth investments and increased subcontracting as well as sick leaves caused by the pandemic.
- Operating profit in H1 amounted to EUR 0.9m (EUR 1.3m in H1/21), in line with our estimates (Evli EUR 0.9m), at a margin of 5.6%.
- Earnings per share was EUR 0.04 (H1/21: 0.01) vs. our estimate of EUR 0.05.
- Personnel at the end of the period amounted to 263 (171).
- **Guidance for 2022 (updated 8.8.2022):** Netum expects its revenue to grow by at least 30% and the EBITA-margin to be 12-14%.

Rating 🟡 HOLD

H1/22*	Actual	Evli	H1/21
Revenue	15.4	15.4	10.4
EBITA	1.7	1.7	1.8
EPS	0.04	0.05	0.01
Deviation	Actual	Evli	H1/21
Revenue		0 %	48 %
EBITA		0 %	-6 %
EPS		-14 %	300 %

*Preliminary revenue and EBITA figures provided Pre-H1

Share price, EUR (Last trading day's closing price)	4.01
Target price, EUR	4.3
Latest change in recommendation	07-Jun-21
Latest report on company	09-Aug-22
Research paid by issuer:	YES
No. of shares outstanding, '000's	11,535
No. of shares fully diluted, '000's	11,535
Market cap, EURm	46
Free float, %	-
Exchange rate	0.000
Reuters code	NETUM.HE
Bloomberg code	NETUM FH
Average daily volume, EURm	0.0
Next interim report	16-Aug-22
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+ BUY + HOLD - SELL

PRE-REPORT KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2020	17.5	2.0	11.5%	1.8	0.15	0.0	0.2	1.4	0.0	0.08
2021	22.4	1.9	8.5%	-6.2	0.05	93.1	2.3	27.0	-12.5	0.11
2022E	31.9	2.3	7.4%	2.8	0.13	31.3	1.5	20.0	6.0	0.14
2023E	37.3	3.7	9.9%	4.0	0.22	18.1	1.2	12.1	8.6	0.18
2024E	42.9	4.7	10.9%	4.8	0.29	13.7	1.0	9.0	10.4	0.22
Market cap, EURm	46		BV per share 2022E, EUR		5.9		CAGR EPS 2021-24, %		85.6	
Net debt 2022E, EURm	1		Price/book 2022E		3.7		CAGR sales 2021-24, %		24.2	
Enterprise value, EURm	47		Dividend yield 2022E, %		3.4		ROE 2022E, %		11.9	
Total assets 2022E, EURm	22		Tax rate 2022E, %		20.0		ROCE 2022E, %		15.4	
Goodwill 2022E, EURm	11		Equity ratio 2022E, %		57.2		PEG, P/E 22/CAGR		0.7	

All the important disclosures can be found on the last pages of this report.

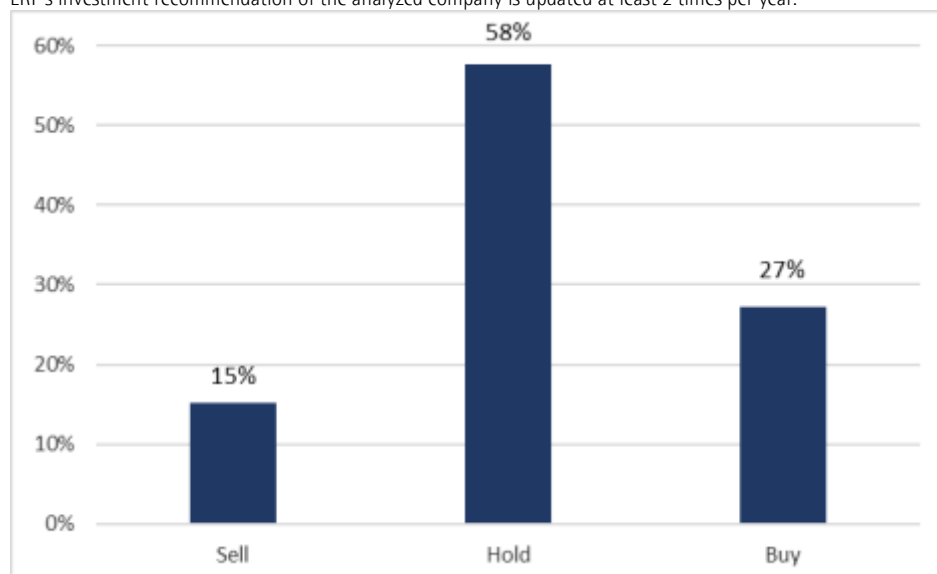
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Investment recommendations are defined as follows:

Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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Name(s) of the analyst(s): Salokivi

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August 16, 2022

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