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Corporate Research

Inderes

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Q2: In line; July sales show continued momentum in IR software

Inderes reported Q2 broadly in line with our expectations. Also July sales were reported and sales for the month were slightly above our estimate as the IR software business kept performing. Swedish business ticked up from a low base roughly in line with our assumptions. Our first impression is neutral to slightly positive thanks to the continued increase in commission research contracts and the emerging breakthrough of the IR software business.

Outcome: June sales slightly below, EBITA in line SEBe in rounded numbers

Inderes posted Q2 sales of EUR 5.0m, falling slightly short of our estimate (-2.7%) of EUR 5.1m. Apr-May sales data had already been reported, meaning the deviation owes to June sales, which were EUR 0.9m vs. SEBe of EUR 1.1m (see July sales in outlook section). The Q2 sales saw growth of 17% y/y, was positively impacted by the timing of Easter (AGM season tilted towards April). Yet, we understand that the company has managed to

increase its market penetration in AGM as well as IR software services. In addition, the number of commissioned research clients keeps increasing and was up to 147 contracts (up by two new contracts q/q), which we read positively in the current market environment and is likely thanks to expansion in Sweden. In fact, Swedish revenue rose some 15% y/y to EUR 1.1m, broadly in line with our estimate of EUR 1.15m. Splitting sales into recurring and project revenue, we note that the recurring revenue was in line with our estimate and the slight miss in June was from project revenue.

Q2 EBITA landed at EUR 0.6, which in rounded numbers was in line with our assumption (slightly below in relative terms). Looking at costs there were no major surprises vs. our estimates and the number of employees was 118, in line with our estimate. During the past 12 months Inderes delivered services for 432 listed companies, up slightly from the previous quarters (Q1/24: 429 companies; Q4/23: 427 companies). Active members of Inderes's community remained flat q/q at 74,000 (up 7% y/y).

Inderes Q2/24 deviation

EURm	Q2/24		Deviation SEB		Q2/23		Q1/24	
	Actual	SEB	Abs	Rel (%)	Actual	y/y (%)	Actual	q/q (%)
Net sales	5.0	5.1	-0.1	-2.7	4.3	17.2	5.0	0.0
Materials and services	-0.9	-0.9	0.1	6.5	-0.7	-33.2	-0.9	6.6
Gross profit	4.1	4.2	-0.1	-1.9	3.6	14.3	4.1	1.4
Personnel expenses	-2.7	-2.7	0.0	-1.7	-2.6	-6.5	-2.7	-1.6
Other operating costs	-0.8	-0.8	0.1	8.7	-0.8	-3.1	-0.7	-4.0
EBITA	0.6	0.6	-0.1	-8.5	0.2	139.1	0.6	-3.0
EBITA adjusted	0.6	0.6	-0.1	-8.5	0.2	139.1	0.6	-3.0
EBIT reported	0.3	0.3	0.0	-14.6	0.0	1070.0	0.3	-5.2
Adj. EBITA margin	11.0%	11.7%		-0.7pp	5.4%	5.6pp	11.3%	-0.3pp
No. of commissioned research companies	147	146	1.0	0.7	141.0	4.3	145.0	1.4

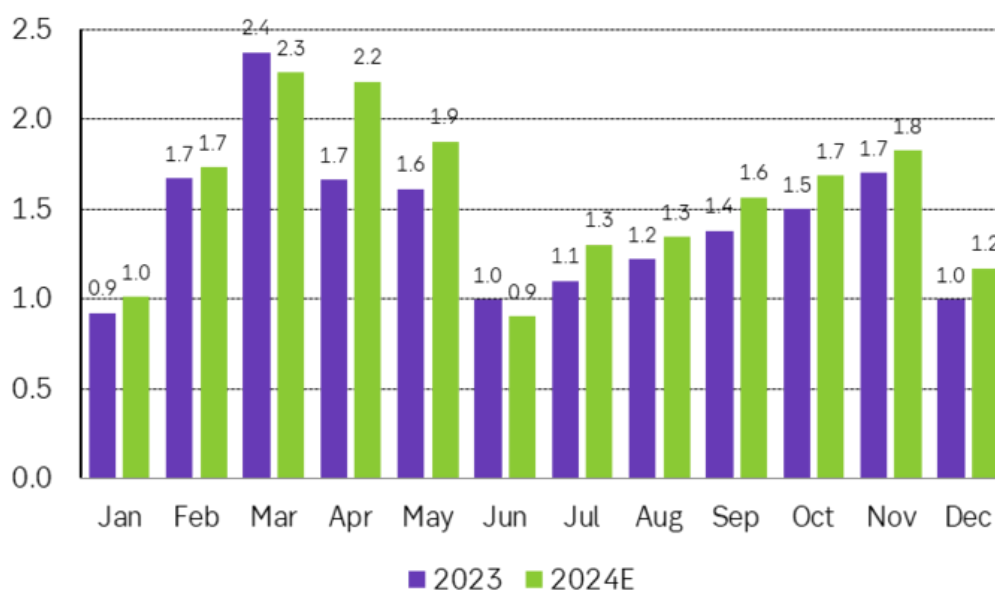
Source: SEB, Inderes

Outlook: Guidance repeated, July sales slightly above

Inderes reiterated its FY guidance and sees sales growing from 2023 (EUR 17.2m) and EBITA margin improving from the 2023 level (10.6%). We expect FY24 sales growth of 10% (sales of EUR 18.9m) and EBITA margin of 13.4%.

Although the company missed our June estimate slightly the reported sales from July came in EUR 1.3m, topping marginally our estimate of EUR 1.2m. The company notes that all businesses saw growth in July and especially IR software enjoyed continued strong momentum.

Inderes monthly sales data (August 2024 onward SEB estimates)



Source: SEB, Inderes

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