VERVE

18.08.2025 08.10 CEST

Christoffer Jennel
46731589555
christoffer.jennel@inderes.com

INDERES CORPORATE CUSTOMER

COMPANY REPORT

Short-term pain, long-term gain

We have lowered our estimates in response to the SSP platform migration issues and increasing FX headwinds, which prompted Verve to cut its FY25 guidance. Management expects the technical issues to be temporary, with most being resolved by the end of Q2. So far, the customer impact has been limited, as reflected in a high Q2 retention rate of 98%. However, we believe the platform outage and the stock price reaction to the guidance cut highlight the increased short-term uncertainty but also signal growing concerns among the investor base. Even so, following our estimate revisions, we continue to see a very attractive return potential in the next 12 months and reiterate our Buy recommendation, while lowering our target price to SEK 32 (was SEK 45).

Severe technical issues and FX headwinds led to FY25 guidance cut

In the previous quarterly report, Verve disclosed that early Q2 revenue was negatively affected by technical issues related to the unification of its SSP platforms. These issues escalated further, leading to severe disruptions that negatively impacted customer onboarding as well as the ability to scale new and existing customers. While the unification of all In-app SSP's (~85% of the company's SSP revenue) was completed in July, the recovery in onboarding and scaling has been slower than what the company anticipated. These factors, coupled with additional FX headwinds, resulted in Verve cutting its FY25 revenue guidance by 9% and adjusted EBITDA by 20%, at the midpoint. In close connection with the guidance revision, Verve released its Q2 figures, which fell short of our estimates across the board.

Q2 interpretation blurred by outage, we cut our estimates despite resilient retention

Due to the negative revenue effects following the platform outage, interpreting the Q2 report is somewhat more difficult, especially in distinguishing the negative revenue impact from the SSP platform outage versus broader market softness. While ad spending appears to have stabilized since late Q2 and into Q3, as also noted by the company, we still see the outlook as uncertain. On a positive note, it appears that Verve has not, at this point, lost any customer as a direct effect of the outage, with the retention rate being high at 98% in Q2 (2Y avg. 96%). However, the SSP platform outage, while now largely resolved as of July, adds additional uncertainty into the mix regarding risks of future setbacks, the pace of recovery, and potential impacts on customer relationships and trust going forward. Following the profit warning and Q2 results, we have cut our FY25 revenue and adj. EBIT estimates by 7% and 18%, respectively, with a follow-through effect on the rest of the forecast period.

Valuation remains compelling despite near-term uncertainty

Considering the company's already low absolute valuation multiples heading into the FY25 guidance revision, we believe the stock price reaction (-24%) highlights growing concerns among investors. In our view, the timing of the profit warning (against the backdrop of recent share price weakness) and the company's track-record of underpromising and overdelivering are contributing factors to this, which could drive heightened short-term volatility in the share price. As such, we believe the coming couple of quarters will be crucial for management to restore credibility and investor trust. Based on our updated estimates, Verve trades at an adjusted EV/EBIT of 6x-5x and an EV/FCFF (excl. earn-outs) of 9x-7x for 2025-2026e, which are very low multiples in absolute numbers, in relation to peers, and relative to our acceptable valuation range. As such, we see upside potential in the valuation multiples, and our DCF model, which captures Verve's long-term value creation, points to a potential upside with a fair value estimate of SEK 41 per share (was SEK 49.6). However, due to increased short-term risks, as discussed above, we set the target price below our fair value. Should management succeed in restoring investor confidence and some of the near-term uncertainties ease, we see further upside towards our estimated fair value range.

Recommendation
Buy
(prev. Buy)

Target price:
SEK 32.00
(prev. SEK 45)

Share price:
SEK 20.20

Business risk
●●●○○

Valuation risk
●●●○○

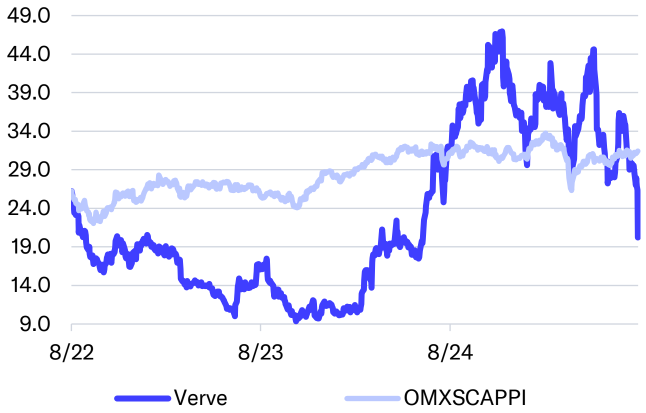
	2024	2025e	2026e	2027e
Revenue	437.0	489.2	535.6	583.9
growth-%	36%	12%	9%	9%
EBIT adj.	107.1	105.2	129.3	145.5
EBIT-% adj.	24.5 %	21.5 %	24.1 %	24.9 %
Net Income	28.8	23.5	55.9	69.1
EPS (adj.)	0.24	0.22	0.37	0.44
P/E (adj.)	12.8	8.2	4.9	4.1
P/B	1.3	0.7	0.6	0.6
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	8.7	6.4	4.9	3.9
EV/EBITDA	7.0	5.4	4.1	3.2
EV/S	2.1	1.4	1.2	1.0

Source: Inderes

Guidance (New guidance)

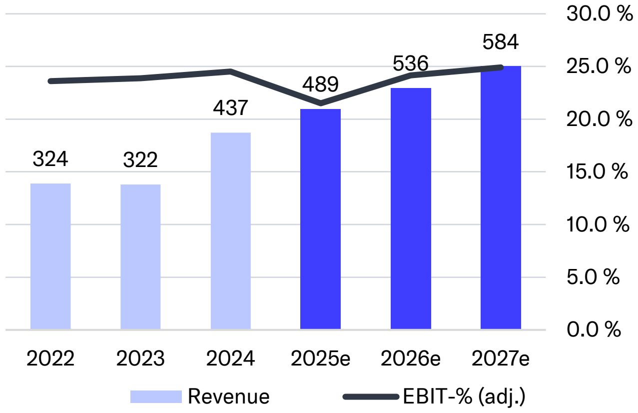
For FY25 Verve expects:
Revenue between 485-515 MEUR (was 530-565 MEUR)
Adjusted EBITDA between 125-140 MEUR (was 155-174 MEUR)
(Adjusted EBITDA-% of 26.5% at the midpoint, was 30%)

Share price



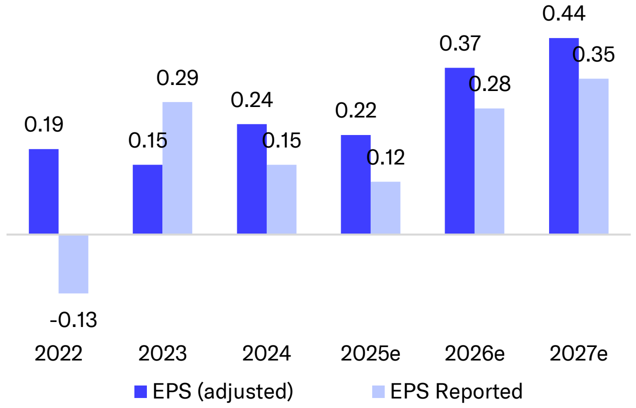
Lähde: Millistream Market Data AB

Revenues and operating profit-%



Source: Inderes

Earnings per share



Source: Inderes

Value drivers

- High single-digit growth in the programmatic ad market over the medium to long term, with In-app and CTV markets growing even faster
- Market-leading mobile In-App SSP
- Several proprietary targeting solutions for a post-identifier and cookie-less world
- Strong and increasing industry recognition could boost revenue growth
- A trusted end-to-end omnichannel platform
- Own first-party content that provides data to the ad platform
- Improved quality of earnings and increased potential for synergies in coming years following the acquisition of Jun Group

Risk factors

- Failing to maintain/increase market share in programmatic advertising
- Market disruption due to technological or regulatory reasons
- Despite a partial recovery in ad spending, persistent low CPMs and evolving privacy regulations pose ongoing risks
- Rapid slowdown in first-party games revenue
- Macroeconomic challenges could constrain marketing budgets and decelerate growth

Valuation	2025e	2026e	2027e
Share price (EUR)	1.81	1.81	1.81
Number of shares, millions	200.1	200.1	200.1
Market cap (MEUR)	361	361	361
EV (MEUR)	678	637	561
P/E (adj.)	8.2	4.9	4.1
P/E	15.4	6.5	5.2
P/B	0.7	0.6	0.6
P/S	0.7	0.7	0.6
EV/Sales	1.4	1.2	1.0
EV/EBITDA	5.4	4.1	3.2
EV/EBIT (adj.)	6.4	4.9	3.9
EV/FCFF (adj.)*	8.6	6.8	5.5
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Verve lowers FY25 guidance due to platform migration problems and FX

Severe technical issues and FX headwinds led to FY25 guidance cut

On August 14, Verve announced that it is lowering its full-year 2025 outlook, now projecting revenue of 485-515 MEUR (was 530–565 MEUR) and adjusted EBITDA of 125–140 MEUR (was 155–175 MEUR). This downgrade stems from two main factors:

- Platform migration problems
- Currency headwinds

While merging its in-app SSP marketplaces into a single platform, Verve experienced severe technical issues, including server load constraints, bidding interruptions, and AI synchronization problems. This slowed customer onboarding and meant lost or delayed revenue. Although the unification of all In-app SSP's was completed in July, the recovery in onboarding and scaling has been slower than what the company had anticipated, and management sees a low probability of recouping the lost volumes this year. As a result, Verve estimates a ~34 MEUR hit to revenue, a ~19 MEUR hit to adjusted EBITDA, and 4 MEUR in extra one-off costs related to the unification process. In addition, the weaker USD vs. EUR is estimated by the company to have a negative translation effect of an additional ~9 MEUR to adjusted EBITDA.

Technical issues largely resolved, but recovery pace and customer impact remain uncertain

Management expects the technical issues to be temporary, with most being resolved by the end of Q2. SSP revenue is reportedly already approaching previous year's Q3 performance, while the unification of other formats, such as CTV, will be completed in the coming quarters and is expected to have only minor impact on group results. The unification of all in-app marketplace activities into one single platform was completed in July, which is important to consider as it accounts for ~85% of Verve's SSP revenue. The unification will also drive enhanced platform performance, cost-efficiencies, and scaling going forward.

However, we see increased near-term uncertainty regarding the pace of recovery, the potential impacts on customer relationships and trust, and the risk of further technical setbacks going forward.

Initial FY25 guidance (May)	Revised FY25 guidance (Aug)	%-change (midpoint)
530-565 MEUR Revenue	485-515 MEUR Revenue	-9%
155-175 MEUR Adj. EBITDA	125-140 MEUR Adj. EBITDA	-20%

Platform outage the primary reason behind Q2 miss

SSP unification issues behind revenue miss...

Verve reported a 10% (y/y) growth in Q2'25 (14% FX-neutral, -4% organic), reaching 106 MEUR, following the technical setbacks experienced during the quarter coupled with a negative FX effect (weaker USD to EUR). This was 14% below our estimate. We estimate that Jun Group contributed ~13 MEUR to revenue, below our estimated 16 MEUR.

In addition to company-specific issues, the market as a whole was marked by softer demand amid elevated geopolitical and macroeconomic uncertainty, resulting in more volatile advertising spend. However, Verve reported that the market landscape has stabilized since mid-June, and has stabilized further into Q3, reaffirming reports from other open internet peers.

Verve served 259 billion ad impressions in Q2, representing an increase of 16% (y/y) and a 4% increase (q/q), suggesting softer CPMs during the quarter. Net dollar retention declined to 92% (Q1'25: 100% / Q2'24: 109%), reflecting the technical outage, which affected Verve's ability to scale new and existing customers and, what we believe, a more cautious customer spending behavior overall.

While Verve managed to increase its total user base during Q2, large software clients ("LSCs"*) dropped by ~200 quarter-on-quarter to 954, mainly due to a number of these clients falling below the USD 100K threshold, rather than actual churn. This is evidenced by the a very high 98% customer retention rate (Q2'24: 98%, Q1'25: 94%, 2Y avg. 96%), suggesting no clear signs of lost trust, confidence or satisfaction from clients at this point.

...with a follow-through effect to earnings

Adjusted EBIT came in at 23 MEUR (Q2'24: 23 MEUR), translating to a 21% margin (24%), below our 28 MEUR estimate (22% margin). The deviation was primarily due to the platform outage, resulting in decreased customer spending, combined with Verve's simultaneous scaling of the sales organization, particularly on the brand and agency side, to support future growth.

Leverage remains stable despite weak cash flow

Operating cash flows (OCF) amounted to 5.3 MEUR (Q2'24: 18 MEUR), where changes in working capital (-10 MEUR) had a negative impact on OCF due to seasonality. The y/y decrease in OCF was mainly driven by higher non-cash expenses effects in connection with deferred tax income recognition, as well as the early redemption of existing bonds and the issuance of a new bond. After accounting for CAPEX of 9 MEUR, free cash flow stood at -4 MEUR, which was below our estimates (~12 MEUR). Net debt decreased by around 8 MEUR quarter-on-quarter, which was anticipated due to the capital raise during the quarter. Net debt/adj. EBITDA remained stable at 2.7x (Q1'25: 2.7x) and on a pro forma basis, the ratio was 2.5x (Q1'25: 2.5x). With Jun Group's full integration and the recent bond refinancing, Verve is well-positioned for debt amortization over the coming years, and we expect the leverage ratio to decline as a result of earnings growth.

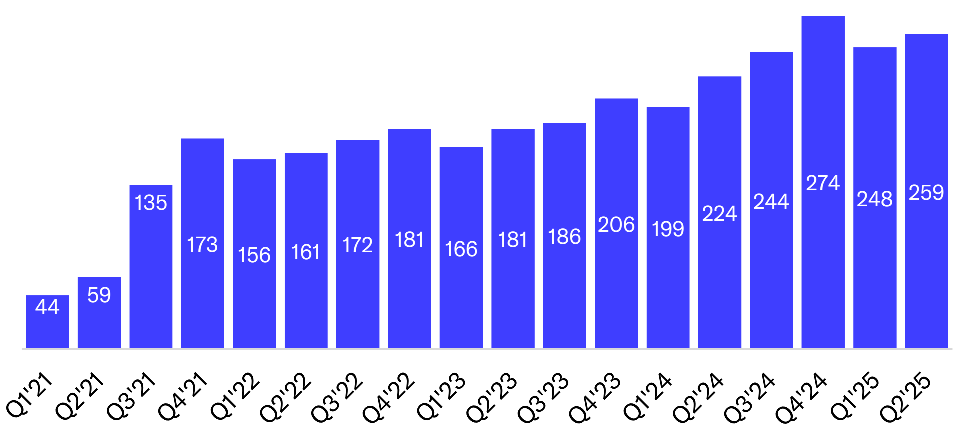
Estimates	Q2'24	Q2'25	Q2'25e	Q2'25e	Consensus			Difference (%)	2025e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low		High	Act. vs. inderes	Inderes
Revenue	96.6	106	123	124	115	-	130	-14%	489
EBITDA (adj.)	29.1	29.5	34.2	36.0	30.9	-	40.5	-14%	157
EBIT (adj.)	23.2	22.8	27.7	28.7	23.9	-	32.7	-18%	105
EBIT	19.6	16.6	23.7	23.3	19.9	-	27.3	-30%	84.5
PTP	6.7	-4.2	13.2	11.1	8.4	-	15.2	-132%	29.4
EPS (adj.)	0.05	0.02	0.07	0.06	0.05	-	0.07	-70%	0.22
EPS (reported)	0.04	0.00	0.05	0.04	0.03	-	0.06	-100%	0.12
Revenue growth-%	26.8 %	9.9 %	27.8 %	28.1 %	18.7 %	-	34.4 %	-17.9 pp	11.9 %
EBIT-% (adj.)	24.0 %	21.5 %	22.4 %	23.2 %	20.9 %	-	25.2 %	-0.9 pp	21.5 %

Source: Inderes & Modular Finance IR (consensus include 10 estimates)

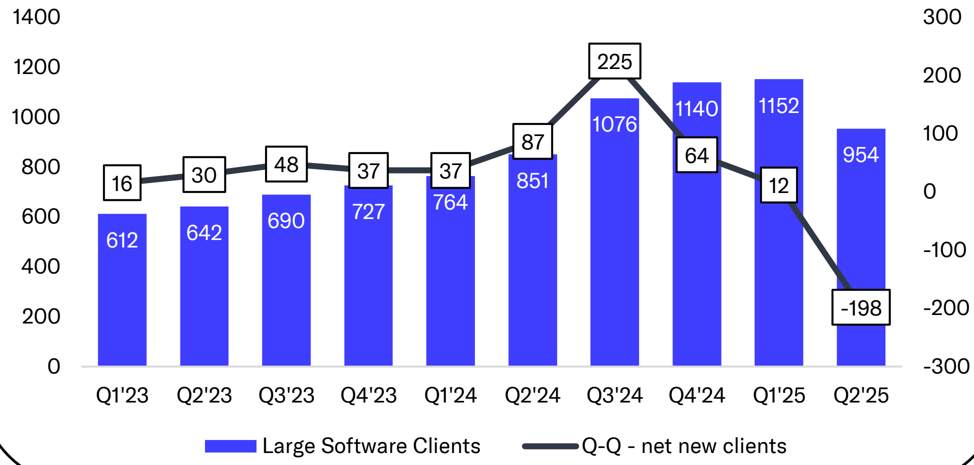
*Software clients from the demand and supply side with annual gross revenues exceeding USD 100k

Company KPI's

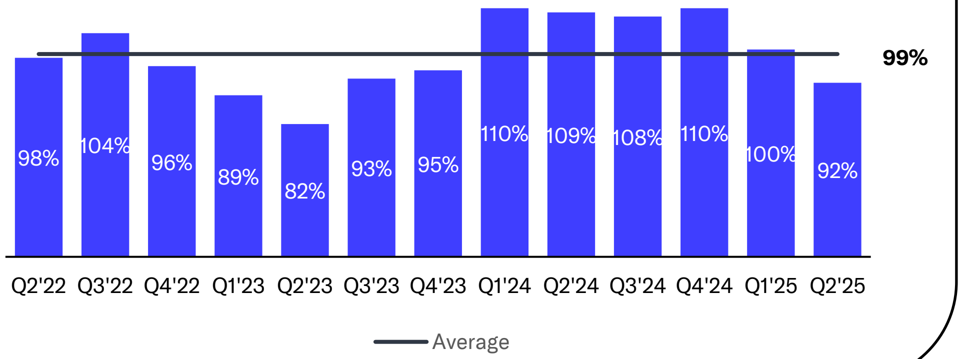
Ad Impressions (in bn)



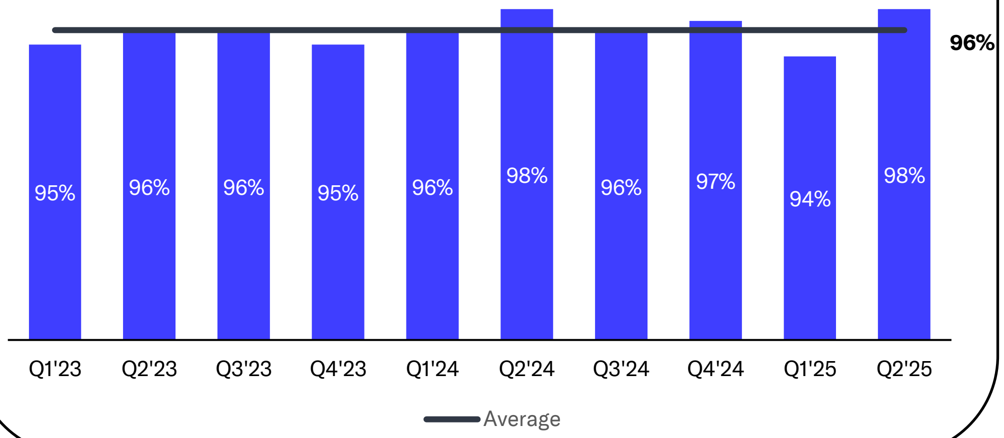
Large Software Clients



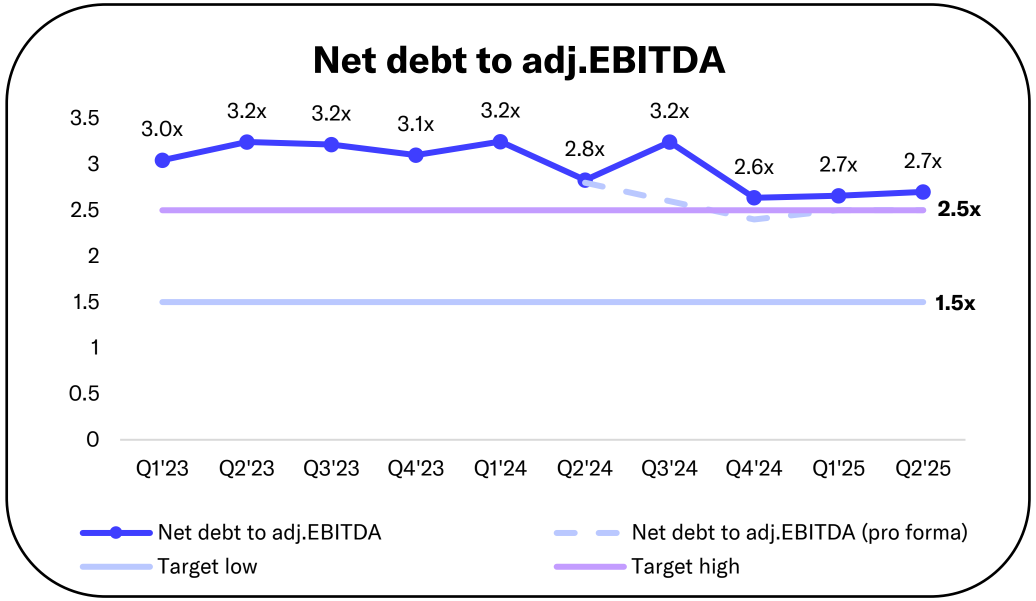
Net Dollar Expansion rate of Software Clients

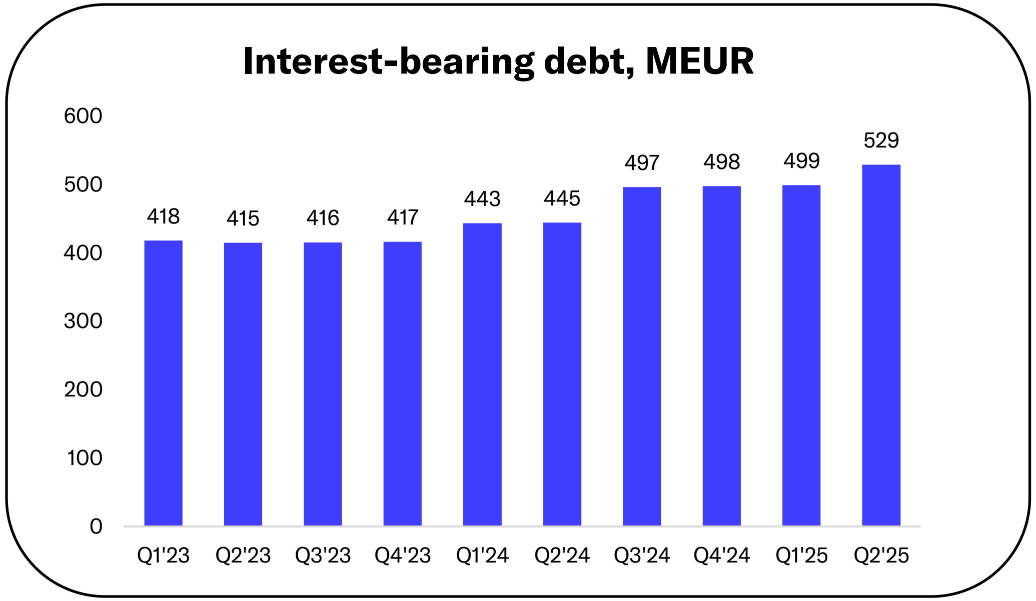


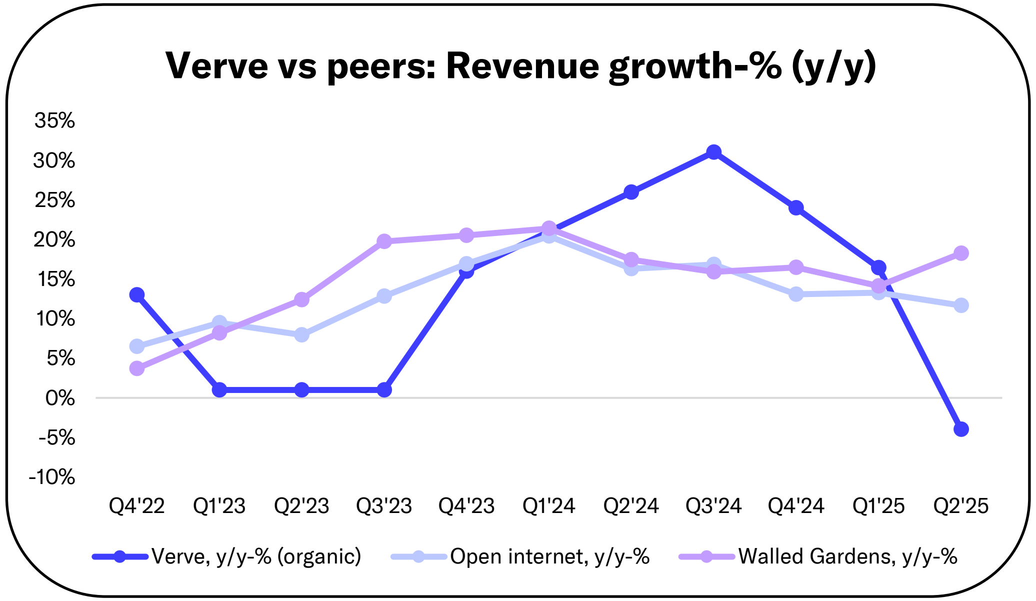
Retention rate of Software Clients

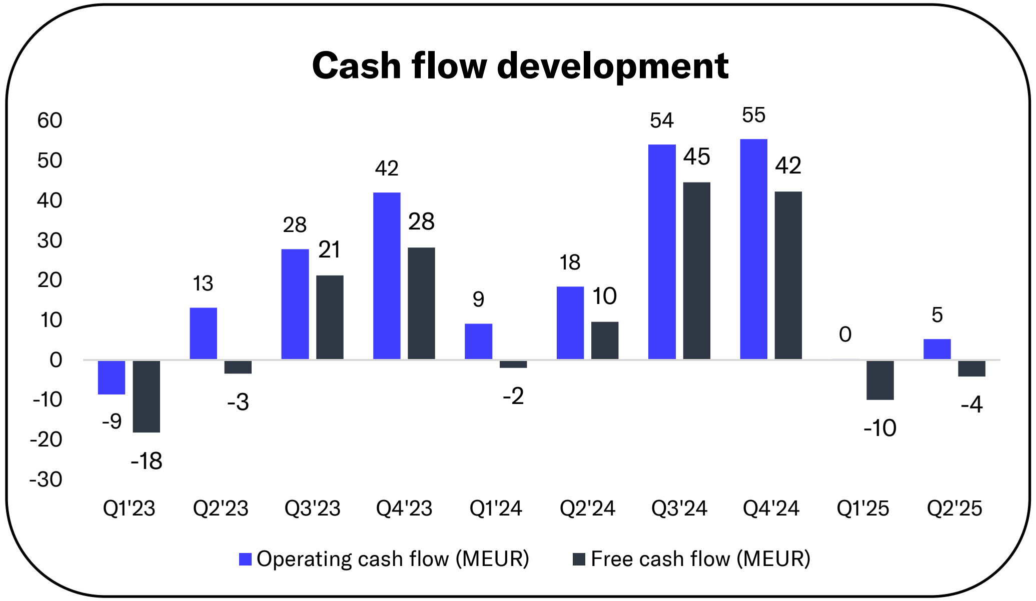


Other metrics

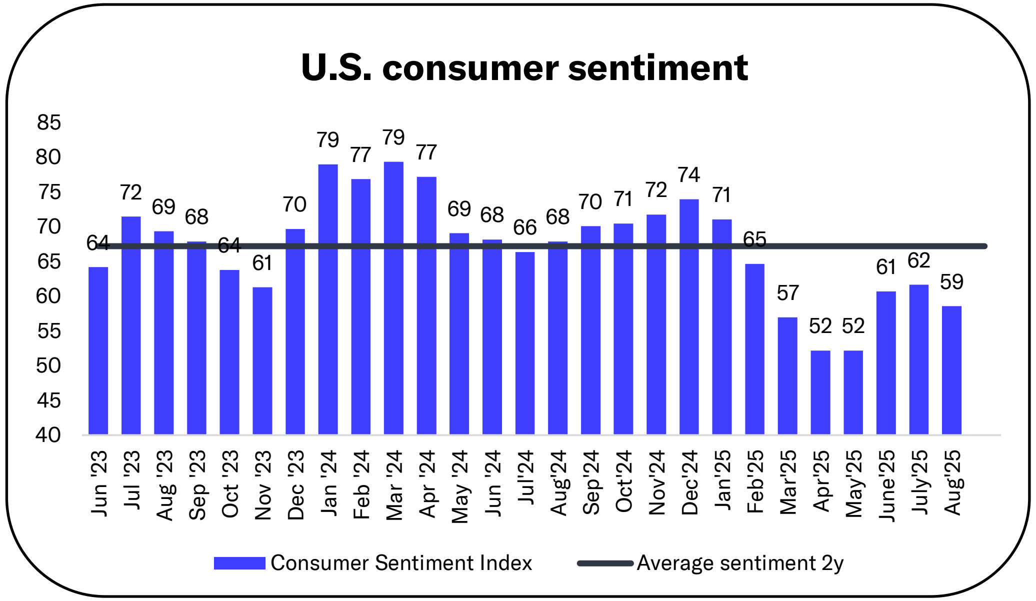


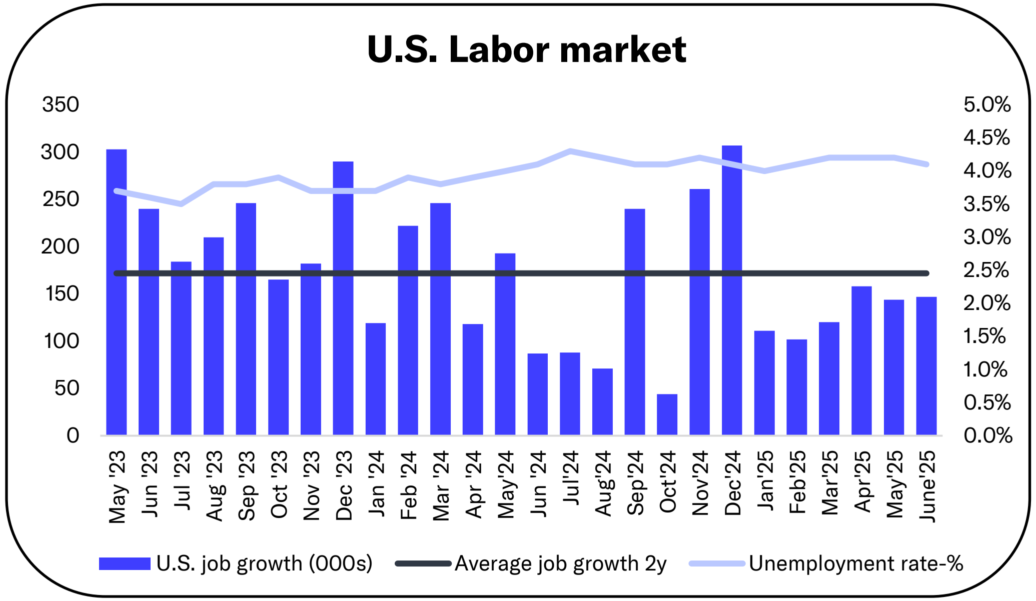


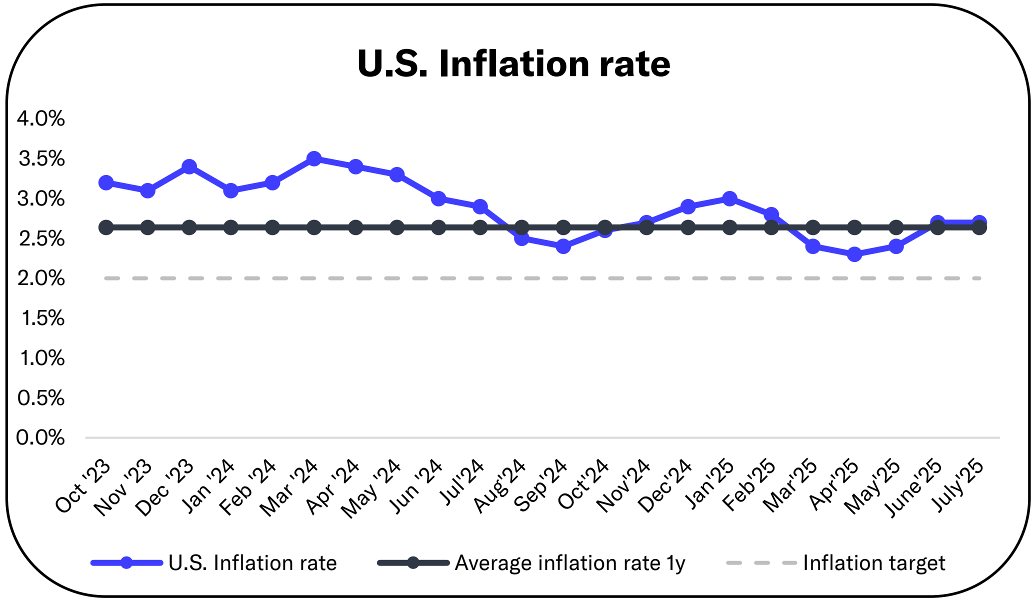


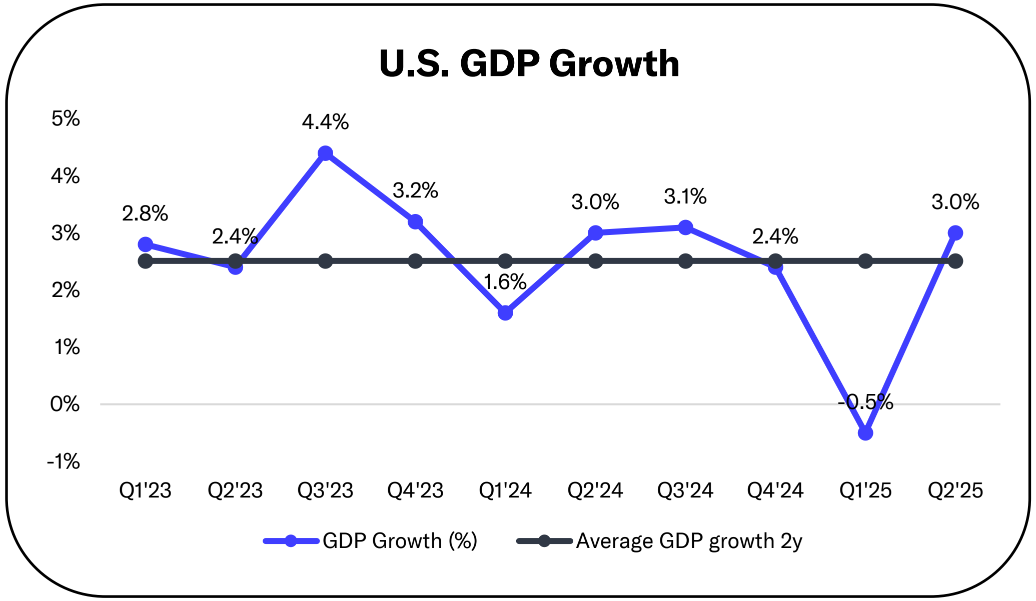


Macro snapshot









Sources: U.S. Bureau of Labor Statistics, University of Michigan

We lower our estimates following the profit warning

Estimates changes

- Following the FY25 guidance revision and Q2 report, we have cut our 2025-2027 revenue estimates by approximately 7%. Before heading into 2025, we held a conservative stance on the 2025 digital advertising market outlook, primarily due to continued elevated macroeconomic and geopolitical uncertainties and weak overall U.S. consumer sentiment. While it appears that ad spending has stabilized somewhat since the end of Q2 and further into Q3, we believe the outlook remains uncertain. In our view, the SSP platform outage, while now largely resolved as of July, adds some additional uncertainty into the mix regarding risks of future setbacks. In addition, the platform unification of other formats, such as the fast-growing CTV channel, remains to be completed in the coming quarters, coupled with unfavorable FX effects, which also contributed to our negative revenue estimate revisions.
- We now forecast FY25 revenue of 489 MEUR, implying total growth of 12% (5% organic). This lands closer to the lower end of the company's updated guidance range (485-515 MEUR).
- The midpoint of the revised FY25 guidance implies a 350-bps decline in adj. EBITDA margin versus the previous midpoint. This reflects the negative revenue impact from the SSP platform outage and FX headwinds, combined with ongoing investments in expanding the DSP sales force and onboarding AI talent. Based on our updated revenue assumptions, we have also trimmed our short- and mid-term adj. EBIT margin estimates due to fewer scaling effects. As a result, our adjusted EBIT forecasts for 2025-2027 are reduced by 13-18%, while our long-term outlook remains unchanged. We now forecast adj. EBIT margins of 21.5% in 2025, 24.1% in 2026, and 24.9% in 2027 (was 24.4%, 26.3%, and 26.7%).
- Net financials in Q2 came in above our estimates, primarily due to 9 MEUR of unamortized transaction costs linked to the bond redemption, which weighed on financial expenses. Even excluding this non-recurring item, financial expenses were still elevated at ~13-14 MEUR, compared with our 10.5 MEUR estimate. Consequently, we have modestly raised our net financial expense assumptions for the current year.
- Following these revisions, combined with lower cash generation in Q2, we have lowered our FY25-27 FCFF estimates by 15-20%.
- The directed share issue of 33 MEUR in June, completed during Q2, resulted in a 6.9% dilution of outstanding shares.
- The downward revision to our short- and mid-term revenue estimates also had a negative carryover effect on our longer-term projections. With long-term margin assumptions broadly unchanged, these estimate adjustments led to a lower fair value estimate in our DCF model. A stronger SEK versus EUR provided a modest mitigating effect on the fair value.

Estimate revisions MEUR / EUR	2025e Old	2025e New	Change %	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %
Revenue	526	489	-7%	576	536	-7%	628	584	-7%
EBITDA	152	127	-17%	179	156	-12%	200	177	-11%
EBIT (exc. NRIs)	129	105	-18%	152	129	-15%	168	145	-13%
EBIT	110	84.5	-23%	134	111	-17%	150	127	-15%
PTP	67.0	29.4	-56%	96.9	74.6	-23%	120	92.1	-23%
EPS (excl. NRIs)	0.36	0.22	-38%	0.48	0.37	-24%	0.58	0.44	-24%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

Valuation 1/2

The company is in a better position today to deleverage its balance sheet

After several years of strong revenue growth, Verve faced a notable slowdown in 2023, as shrinking advertising budgets in an uncertain macro environment weighed on demand. Combined with the company's high leverage and rising interest rates, this resulted in a sharp contraction in both the stock price and valuation multiples. However, in 2024, Verve returned to strong growth, benefiting from improving market conditions and growing demand for its privacy-centric advertising solutions. Since 2024, management has also taken several steps in improving the high leverage, including: 1) the acquisition of Jun Group in 2024, which enhances the Groups earnings quality, 2) raising in total 810 MSEK in a directed share issues, 3) completed bond refinancing at better terms, which lowers its annual interest expenses going forward. While Verve's net debt remains high, these actions make it more manageable, positioning the company more favorably for deleveraging in the next years. This is particularly relevant for a valuation standpoint, as lower debt levels should support a gradual re-rating of Verve's current multiples.

The earnings and FCFF based multiples are on the low side

Verve's income statement contains several non-cash items and non-recurring costs, so we pay close attention to FCFF-based valuation methods such as DCF. However, we also approach the valuation through absolute valuation multiples and in relation to peers.

Verve's median adjusted* EV/EBITDA and EV/EBIT ratios over the last five years are 7x and 9x, respectively. Furthermore, the three-year median EV/FCFF (excl. earn-outs) stands at 13x.

Based on our updated 2025-2026 estimates, Verve's EV/adj. EBIT multiples for 2025-2026 are 6x and 5x, respectively. At the same time, the corresponding EV/EBITDA multiples are 5x and 4x, while the EV/FCFF multiples (excl. earn-outs) are 9x and 7x. As Verve records a relatively high PPA amortizations (15 MEUR LTM), the adjusted multiples are generally lower than the unadjusted ones. As a result, the unadjusted** EV/EBIT multiples for 2025-2026 are 8x-6x, respectively.

Thus, we believe that the overall earnings-based valuation for the current and next years are on the low side, both in absolute numbers and compared to historical figures.

Trading at a discount to peers, but is justified to some extent

Relative to its peer group, Verve currently trades at a significant discount on earnings-based multiples. The peer group's median EV/EBITDA and EV/EBIT multiples for 2025 and 2026 stand at 13x-10x and 54x-26x, respectively. However, it is important to note that there is considerable variation among peers, which influences the median values. A similar pattern is observed in FCFF-based multiples, where the median stands at 18x-15x for the same period, though the spread in multiples remains high within the peer group. At first glance, Verve's current valuation discount to peers appears excessive given its revenue and earnings growth outlook. However, considering that Verve, relative to the peer group, currently (LTM) has significantly more leverage (despite recent quarters' reduction, primarily through earnings growth) and is expected to have higher leverage going forward (2025-2027e), a larger portion of Verve's earnings and FCFF is allocated to interest expenses, which reduces its ability to return capital to shareholders.

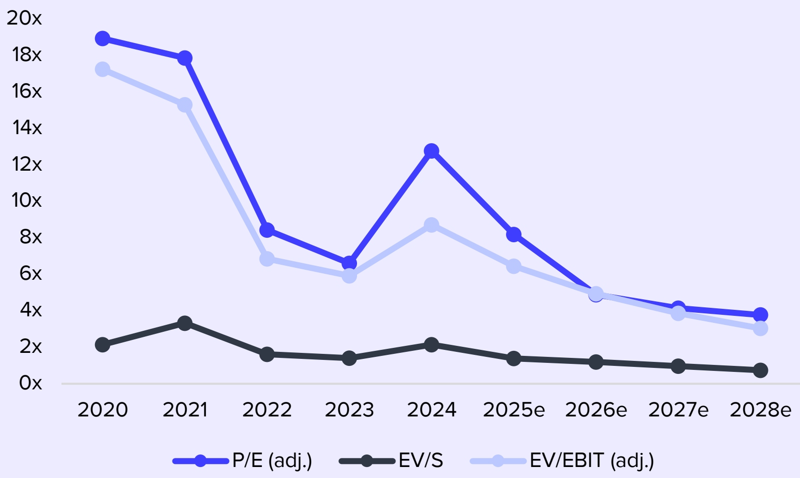
*Adjusted for PPA amortization and non-recurring costs.

** Including PPA amortization and non-recurring costs.

Valuation	2025e	2026e	2027e
Share price (EUR)	1.81	1.81	1.81
Number of shares, millions	200.1	200.1	200.1
Market cap (MEUR)	361	361	361
EV (MEUR)	678	637	561
P/E (adj.)	8.2	4.9	4.1
P/E	15.4	6.5	5.2
P/B	0.7	0.6	0.6
P/S	0.7	0.7	0.6
EV/Sales	1.4	1.2	1.0
EV/EBITDA	5.4	4.1	3.2
EV/EBIT (adj.)	6.4	4.9	3.9
EV/FCFF (adj.)*	8.6	6.8	5.5
Dividend yield-%	0.0 %	0.0 %	0.0 %

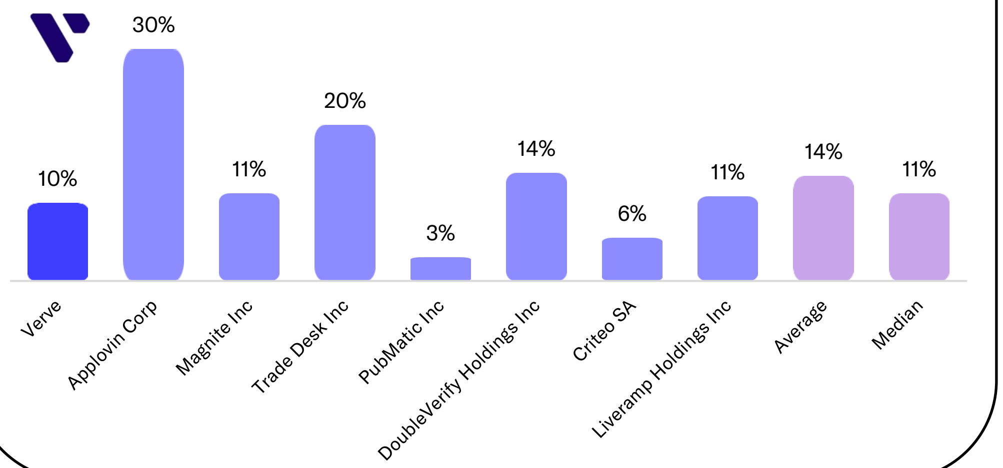
Source: Inderes

Development of valuation multiples

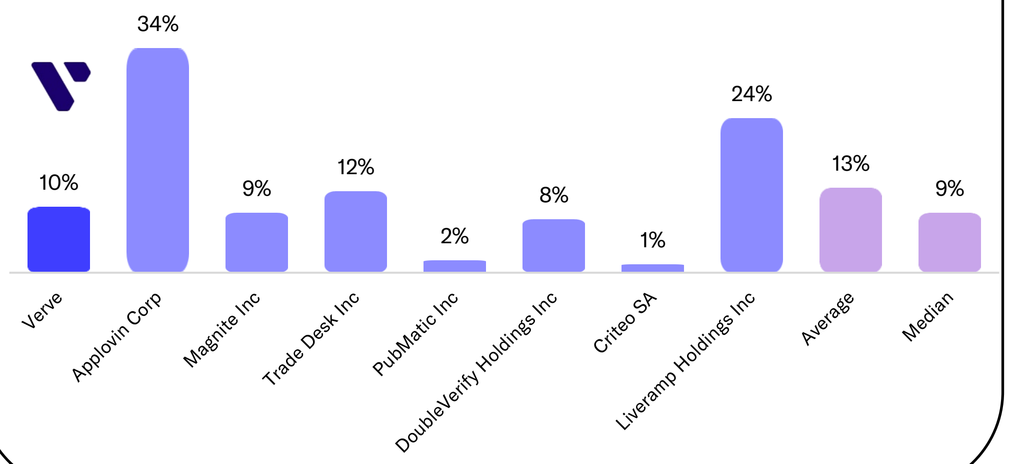


Verve vs Peers: At a glance

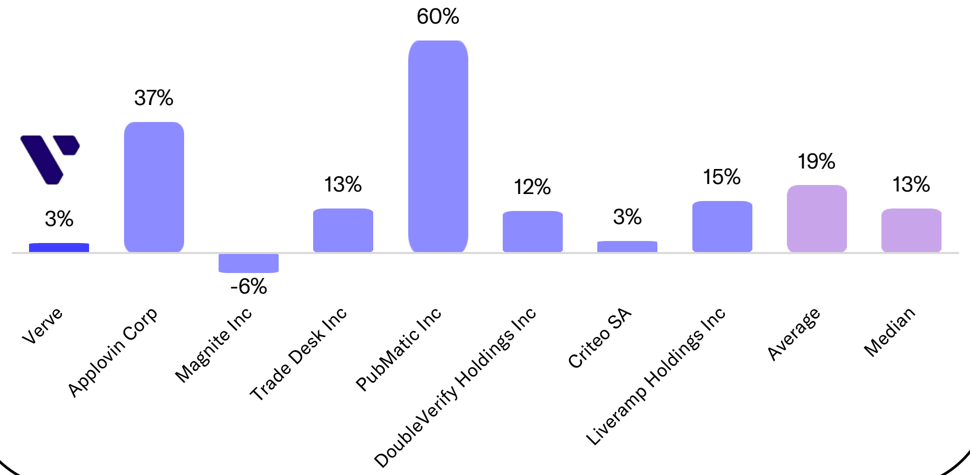
Revenue CAGR 2025-2027e



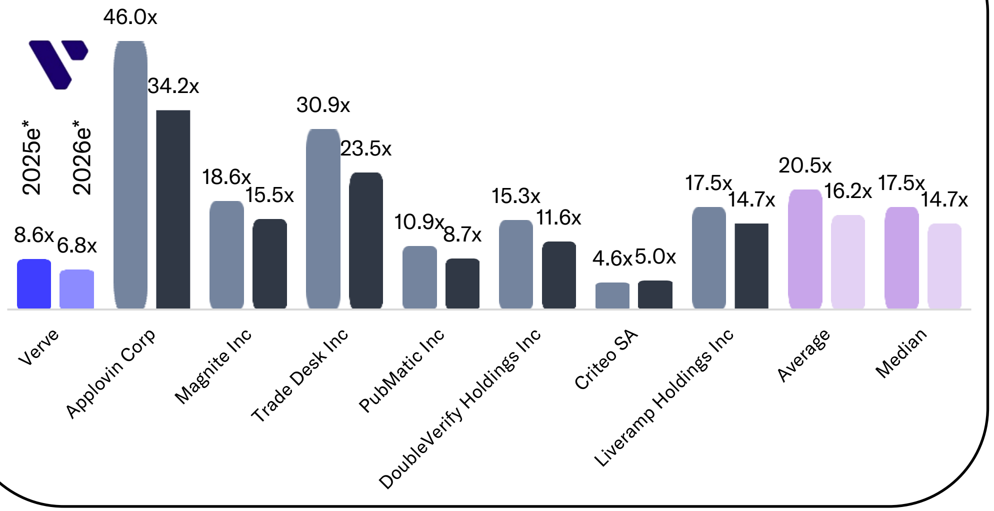
EBITDA CAGR 2025-2027e



FCFF CAGR 2025-2027e



EV/FCFF 2025-2026e



Source: Inderes, Bloomberg

*Adjusted for earn-outs

Valuation 2/2

As a result, we believe that a valuation discount to peers is justified, as Verve's current earnings and FCFF should be valued lower relative to peers, who typically maintain very minimal debt or net cash positions. However, if deleveraging unfolds as we expect, we believe the valuation gap should gradually narrow over the next few years.

Expected return in the coming years and DCF model

We have also looked at an investor's expected return over the next few years by simplifying an acceptable valuation and our 2027 earnings estimates. In our view, Verve could be valued around 6x-10x EV/EBITDA, 8-11x EV/EBIT and 9x-12x EV/FCFF at the end of 2027 based on our current estimates, if the profitability improvement is still intact and there are no major changes in the company's growth outlook.

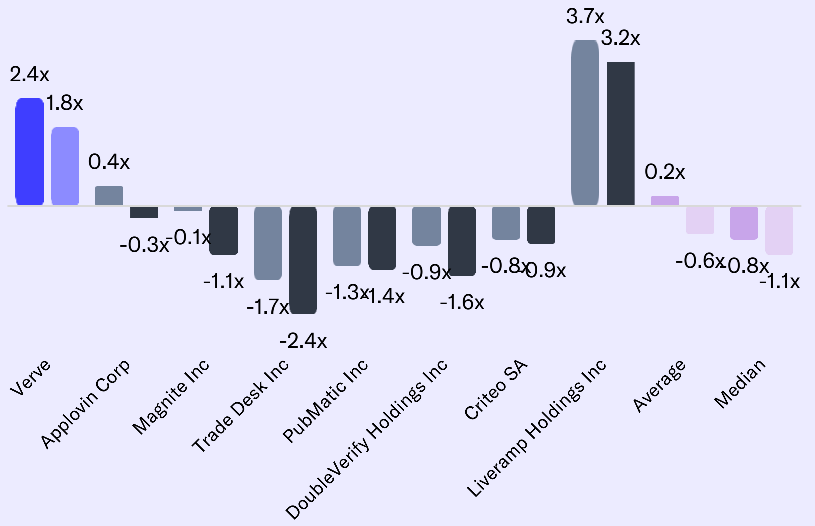
Given this and our current estimates, we believe that Verve could be valued at roughly SEK 50-74 per share at the end of 2027 (at current EUR/SEK exchange rate). Hence, in this scenario, the total annual expected return would, on average, be well above the 12% cost of equity that we use. However, given Verve's high exposure to the digital advertising market, which is inherently volatile, we believe it is premature to place significant reliance on this scenario. Moreover, the elevated uncertainty around the economic outlook in the U.S., which is Verve's largest market, coupled with current geopolitical turmoil, introduces additional risks to this valuation path. The platform outage and profit warning also cast some additional uncertainty about integration risks and technical resilience in operations, which could, in our view, weigh on investor sentiment in the near term. Furthermore, the expected return is somewhat back-loaded and depends on an EV-based valuation, which adds further uncertainty, e.g., regarding the capital structure, which is difficult to forecast over a longer period of time.

We find further support to the valuation in our DCF model, indicating a value of SEK 41 per share, assuming, on average, a 10 % annual growth during 2025-2028, which then gradually tapers toward of 2% terminal growth rate. Our assumptions also imply a gradual margin expansion in the near term, followed by a gradual convergence to our used terminal EBIT margin of 18.5%. In our model, the weight of the terminal period is at a reasonable 41%. We note that the DCF model is quite sensitive to the required rate of return used, as illustrated by the figure to the right.

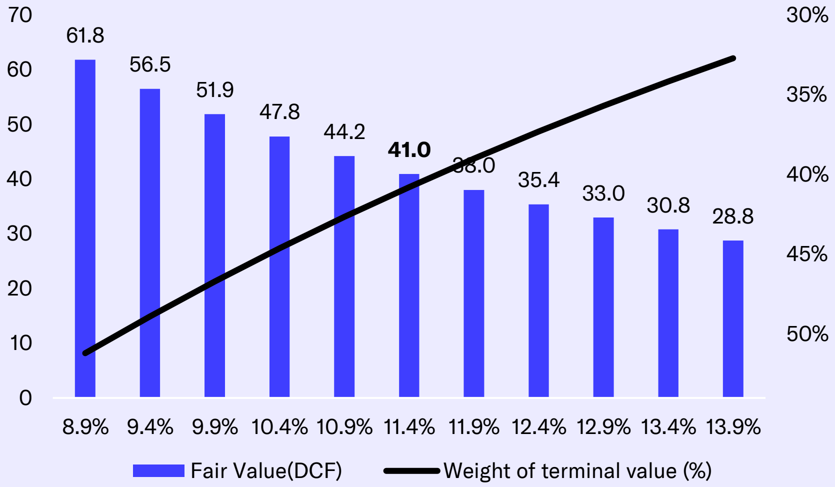
No changes in recommendation but we lower the target price

We reiterate our Buy recommendation but lower our target price to SEK 32. At this target price, the estimated earnings and FCFF multiples are at the low end of our acceptable valuation range. We believe this is justified at this point considering the continued uncertain market environment and the added risks stemming from the platform outage, including, while no immediate impact, potential implications for customer trust and relations, as well as the pace of recovery. We also believe that the stock price reaction to the profit warning and the fact that Verve is already trading at low earnings/FCFF based multiples highlights short-term challenges for management to regain trust and confidence among its investor base, which could create short-term volatility in the share price. However, should management succeed in restoring investor confidence, we see upside towards our estimated fair value range. As of now, though, we believe the DCF provides limited near-term support to the share price due to the aforementioned factors.

Net debt/ EBITDA 2025-2026e



Sensitivity of DCF to changes in the WACC-%

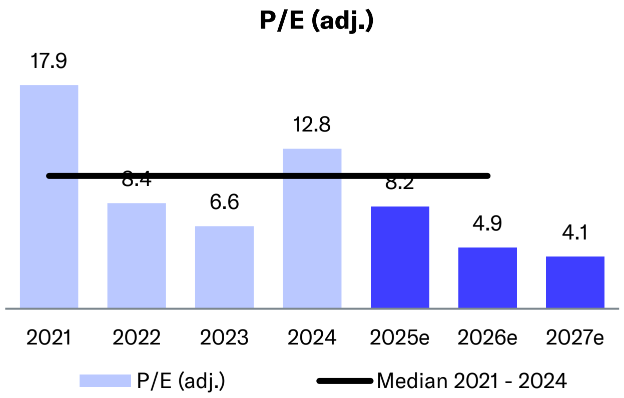


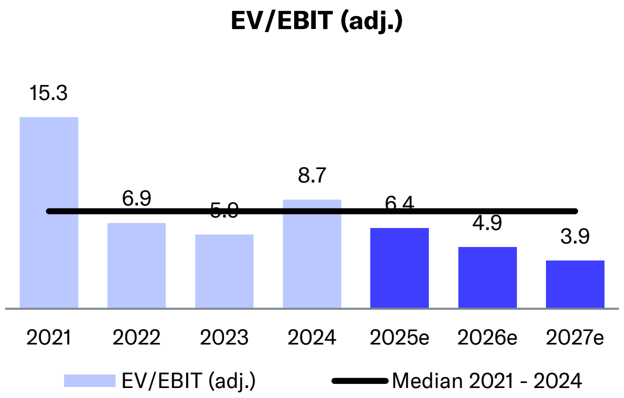
Source: Inderes, Bloomberg

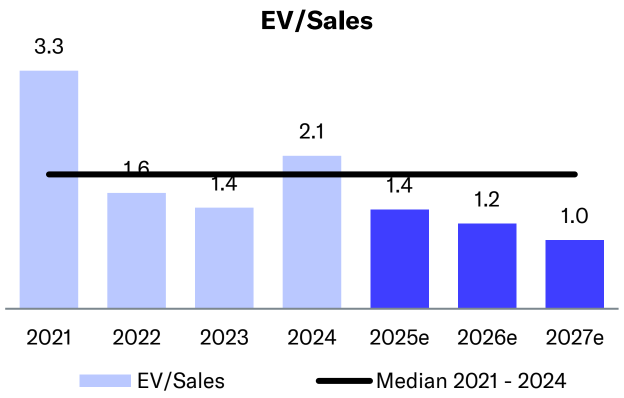
Valuation table

Valuation	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price (EUR)	4.30	1.60	1.02	3.12	**1.81**	**1.81**	**1.81**	**1.81**
Number of shares, millions	141.7	156.2	159.2	186.7	**200.1**	**200.1**	**200.1**	**200.1**
Market cap (MEUR)	644	255	163	583	**361**	**361**	**361**	**361**
EV (MEUR)	840	525	456	934	**678**	**637**	**561**	**473**
P/E (adj.)	17.9	8.4	6.6	12.8	**8.2**	**4.9**	**4.1**	**3.8**
P/E	37.9	neg.	3.5	20.2	**15.4**	**6.5**	**5.2**	**4.6**
P/B	2.1	0.8	0.5	1.3	**0.7**	**0.6**	**0.6**	**0.5**
P/S	2.6	0.8	0.5	1.3	**0.7**	**0.7**	**0.6**	**0.6**
EV/Sales	3.3	1.6	1.4	2.1	**1.4**	**1.2**	**1.0**	**0.7**
EV/EBITDA	11.8	5.6	4.8	7.0	**5.4**	**4.1**	**3.2**	**2.5**
EV/EBIT (adj.)	15.3	6.9	5.9	8.7	**6.4**	**4.9**	**3.9**	**3.0**
EV/FCFF (adj.)*	33.6	12.9	19.9	9.9	**8.6**	**6.8**	**5.5**	**4.2**
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**

Source: Inderes







The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years.

Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		P/B
Company	**MEUR**	**MEUR**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**
Applovin Corp	126,691	128,670	41.0	28.6	35.3	26.0	27.1	21.0	52.0	33.9	70.3
Magnite Inc	2,881	2,993	41.5	31.8	15.5	13.6	5.2	4.6	25.9	21.4	3.9
Trade Desk Inc	21,758	20,381	48.2	35.6	21.1	17.6	8.3	7.1	30.0	25.0	7.9
PubMatic Inc	327	227			5.0	4.3	1.0	0.9			1.2
DoubleVerify Holdings Inc	2,213	2,041	25.7	19.8	9.9	8.7	3.2	2.8	47.3	33.6	2.2
Criteo SA	1,061	912	5.6	5.5	2.7	2.7	0.9	0.9	5.3	5.2	1.1
Liveramp Holdings Inc	1,492	1,175	10.0	8.3	9.7	7.4	1.9	1.7	15.5	12.1	1.8
Verve (Inderes)	**361**	**678**	**6.4**	**4.9**	**5.4**	**4.1**	**1.4**	**1.2**	**8.2**	**4.9**	**0.7**
Average			**28.7**	**21.6**	**14.2**	**11.5**	**6.8**	**5.6**	**29.3**	**21.8**	**12.6**
Median			**33.3**	**24.2**	**9.9**	**8.7**	**3.2**	**2.8**	**27.9**	**23.2**	**2.2**
Diff-% to median			***-81%***	***-80%***	***-46%***	***-53%***	***-56%***	***-58%***	***-71%***	***-79%***	***-68%***

Source: Refinitiv / Inderes

Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue	**322**	**82.5**	**96.6**	**114**	**144**	**437**	**109**	**106**	**122**	**152**	**489**	**536**	**584**	**636**
EBITDA (excl. NRI)	93.2	19.1	21.3	23.1	31.7	133	22.0	29.1	33.6	45.1	132	156	177	193
EBITDA	**128**	**20.2**	**28.1**	**36.2**	**44.1**	**129**	**27.5**	**27.0**	**31.3**	**40.8**	**127**	**156**	**177**	**192.8**
Depreciation	-29.5	-7.9	-8.5	-11.7	-10.1	-38.2	-10.8	-10.4	-10.5	-10.5	-42.1	-45.1	-50.0	-55.1
EBIT (excl. NRI)	**76.9**	**16.6**	**23.2**	**25.2**	**42.1**	**107**	**23.3**	**22.8**	**24.8**	**34.3**	**105**	**129**	**145**	**156**
EBIT	**99.0**	**12.3**	**19.6**	**24.5**	**33.9**	**90.3**	**16.7**	**16.6**	**20.8**	**30.3**	**84.5**	**111**	**127**	**138**
Net financial items	-50.1	-14.1	-12.9	-14.6	-16.8	-58.5	-13.2	-20.8	-10.5	-10.5	-55.1	-36.7	-35.4	-34.0
PTP	**48.9**	**-1.9**	**6.7**	**9.8**	**17.1**	**31.8**	**3.5**	**-4.2**	**10.3**	**19.8**	**29.4**	**74.6**	**92.1**	**104**
Taxes	-2.7	2.5	-0.4	-2.2	-2.8	-3.0	-3.3	4.6	-2.5	-4.7	-6.0	-18.6	-23.0	-25.9
Minority interest	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	**46.7**	**0.61**	**6.3**	**7.6**	**14.3**	**28.8**	**0.2**	**0.4**	**7.9**	**15.0**	**23.5**	**55.9**	**69.1**	**77.8**
EPS (adj.)	**0.15**	**0.03**	**0.05**	**0.04**	**0.12**	**0.24**	**0.03**	**0.03**	**0.06**	**0.10**	**0.22**	**0.37**	**0.44**	**0.48**
EPS (rep.)	**0.29**	**0.00**	**0.03**	**0.04**	**0.08**	**0.15**	**0.00**	**0.00**	**0.04**	**0.08**	**0.12**	**0.28**	**0.35**	**0.39**

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	-0.8 %	20.0 %	26.8 %	45.2 %	46.1 %	35.7 %	32.2 %	9.9 %	7.7 %	5.1 %	11.9 %	9.5 %	9.0 %	9.0 %
Adjusted EBIT growth-%	0.5 %	9.7 %	39.9 %	36.6 %	57.3 %	39.2 %	40.2 %	-1.7 %	-1.3 %	-18.6 %	-1.8 %	22.9 %	12.5 %	7.1 %
EBITDA-%	39.9 %	24.5 %	29.1 %	31.8 %	30.6 %	29.4 %	25.2 %	25.4 %	25.6 %	26.9 %	25.9 %	29.2 %	30.4 %	30.3 %
Adjusted EBIT-%	23.9 %	20.2 %	24.0 %	22.1 %	29.2 %	24.5 %	21.4 %	21.5 %	20.3 %	22.6 %	21.5 %	24.1 %	24.9 %	24.5 %
Net earnings-%	14.5 %	0.7 %	6.5 %	6.7 %	9.9 %	6.6 %	0.2 %	0.4 %	6.4 %	9.9 %	4.8 %	10.4 %	11.8 %	12.2 %

Source: Inderes

Full-year earnings per share are calculated using the number of shares at year-end.

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	**814**	**1013**	**1017**	**1019**	**1018**
Goodwill	578	718	718	718	718
Intangible assets	219	269	271	273	272
Tangible assets	4.0	4.3	5.7	5.4	5.5
Associated companies	1.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	1.4	4.9	4.9	4.9	4.9
Deferred tax assets	10.5	17.0	17.0	17.0	17.0
Current assets	**194**	**239**	**292**	**339**	**414**
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	39.5	31.7	29.4	32.1	35.0
Receivables	32.3	60.9	70.0	72.3	78.8
Cash and equivalents	122	147	193	234	300
Balance sheet total	**1007**	**1252**	**1309**	**1357**	**1432**

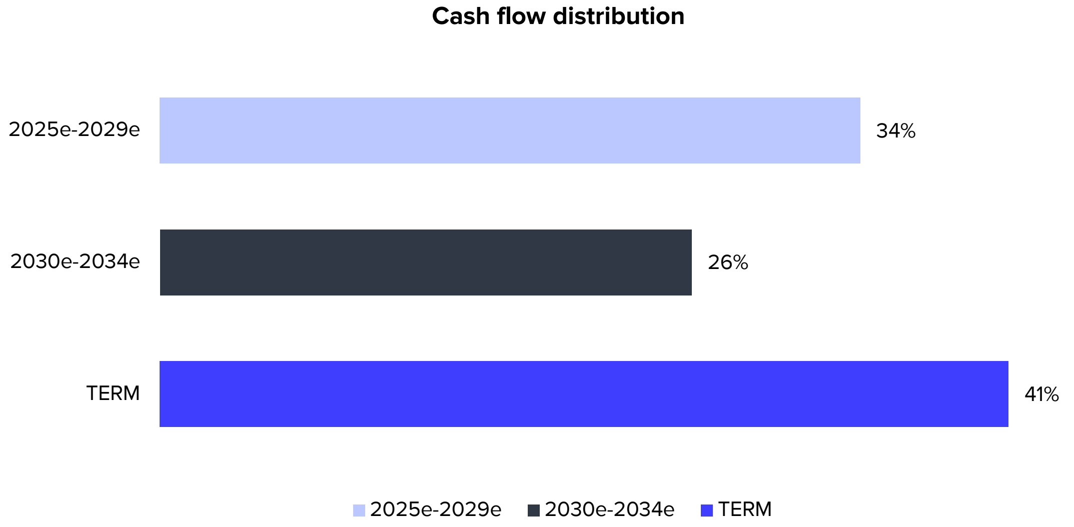
Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	**352**	**451**	**507**	**563**	**632**
Share capital	159	1.6	1.6	1.6	1.6
Retained earnings	48.1	76.9	100	156	225
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	145	372	405	405	405
Minorities	0.2	0.2	0.2	0.2	0.2
Non-current liabilities	**414**	**499**	**553**	**528**	**528**
Deferred tax liabilities	28.9	21.7	21.7	21.7	21.7
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	348	446	500	500	500
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	36.9	31.0	31.0	5.9	5.9
Current liabilities	**241**	**303**	**249**	**266**	**272**
Interest bearing debt	66.5	52.0	10.0	10.0	0.0
Payables	102	145	154	171	187
Other current liabilities	72.4	106	84.8	84.8	84.8
Balance sheet total	**1007**	**1253**	**1309**	**1357**	**1432**

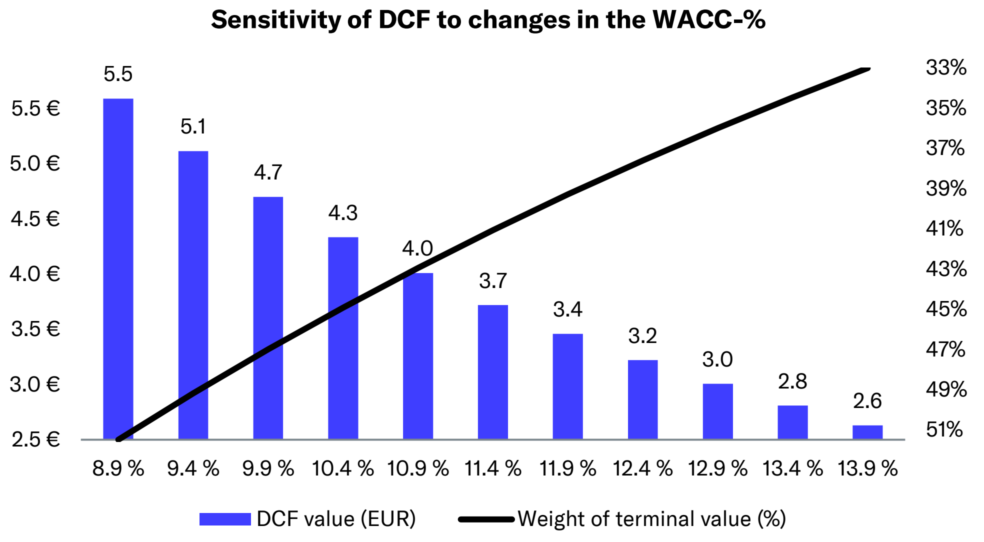
DCF-calculation

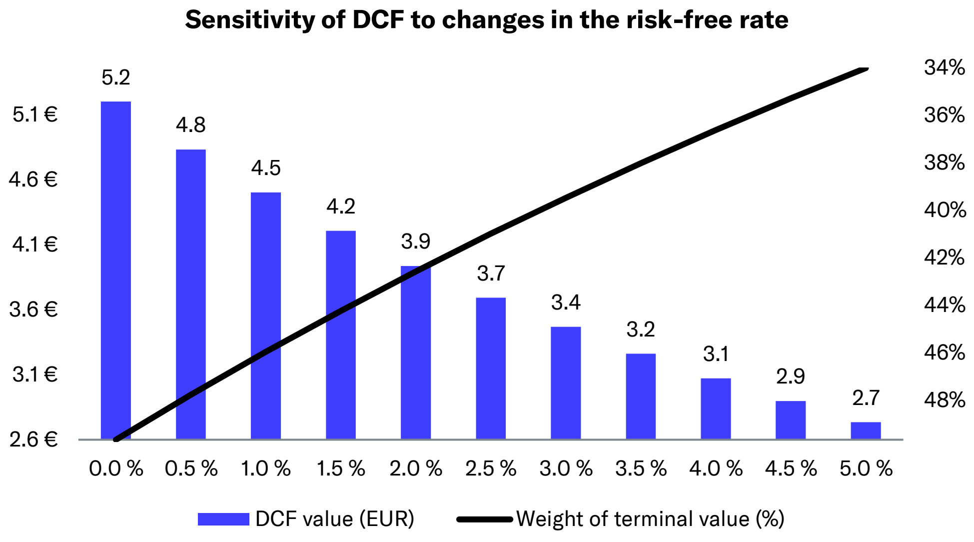
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	35.7 %	11.9 %	9.5 %	9.0 %	9.0 %	7.5 %	6.5 %	4.0 %	3.5 %	3.0 %	2.0 %	2.0 %
EBIT-%	20.7 %	17.3 %	20.8 %	21.8 %	21.6 %	21.5 %	21.0 %	20.0 %	20.0 %	18.5 %	18.5 %	18.5 %
EBIT (operating profit)	**90.3**	**84.5**	**111**	**127**	**138**	**147**	**153**	**152**	**157**	**149**	**152**	
+ Depreciation	38.2	42.1	45.1	50.0	55.1	59.7	63.7	62.0	64.8	63.2	57.0	
- Paid taxes	-16.7	-6.0	-18.6	-23.0	-25.9	-28.4	-30.5	-30.8	-32.6	-31.3	-32.5	
- Tax, financial expenses	-5.5	-11.2	-9.2	-8.8	-8.5	-8.4	-7.7	-7.1	-6.6	-6.1	-5.6	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	56.0	-18.9	12.2	6.0	6.6	-0.9	2.9	1.7	2.9	2.6	1.0	
Operating cash flow	**162**	**90.6**	**141**	**152**	**165**	**169**	**181**	**177**	**185**	**178**	**172**	
+ Change in other long-term liabilities	-5.9	0.0	-25.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-232.3	-45.5	-47.1	-49.2	-51.3	-52.4	-53.7	-56.0	-60.2	-61.0	-61.0	
Free operating cash flow	**-75.9**	**45.1**	**68.6**	**102**	**114**	**117**	**128**	**121**	**125**	**117**	**111**	
+/- Other	40.0	33.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-35.9	78.1	68.6	102	114	117	128	121	125	117	111	1214
Discounted FCFF		**75.1**	**59.2**	**79.4**	**79.1**	**72.9**	**71.7**	**61.2**	**56.6**	**47.5**	**40.6**	**443**
Sum of FCFF present value		1086	1011	952	872	793	720	649	588	531	484	443
Enterprise value DCF		**1086**										
- Interest bearing debt		-497.9										
+ Cash and cash equivalents		147										
-Minorities		-0.1										
-Dividend/capital return		0.0										
Equity value DCF		**735**										
Equity value DCF per share		**3.7**										
Equity value DCF per share (SEK)		**41.0**										

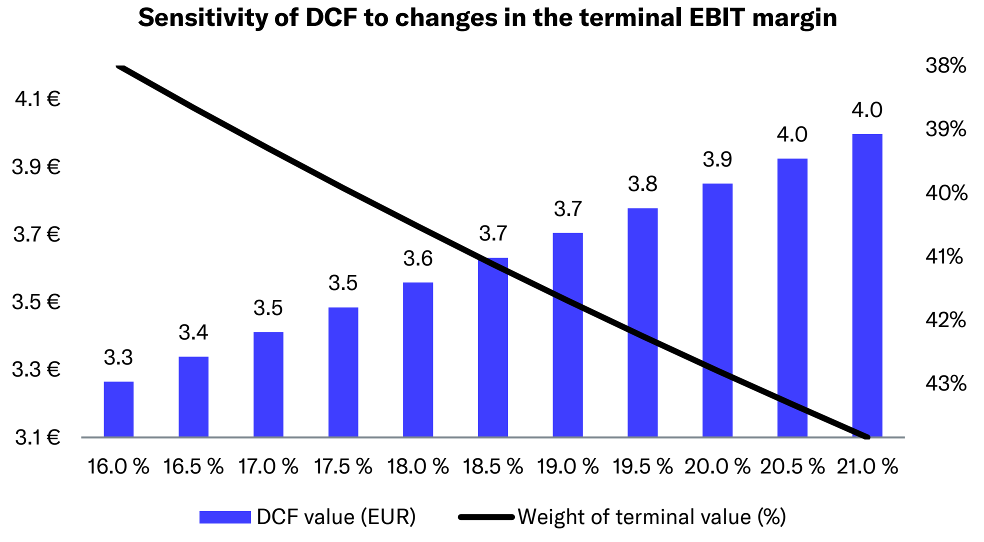
WACC	
Tax-% (WACC)	25.0 %
Target debt ratio (D/(D+E)	15.0 %
Cost of debt	8.2 %
Equity Beta	1.70
Market risk premium	4.75%
Liquidity premium	1.70%
Risk free interest rate	2.5 %
Cost of equity	**12.3 %**
Weighted average cost of capital (WACC)	**11.4 %**

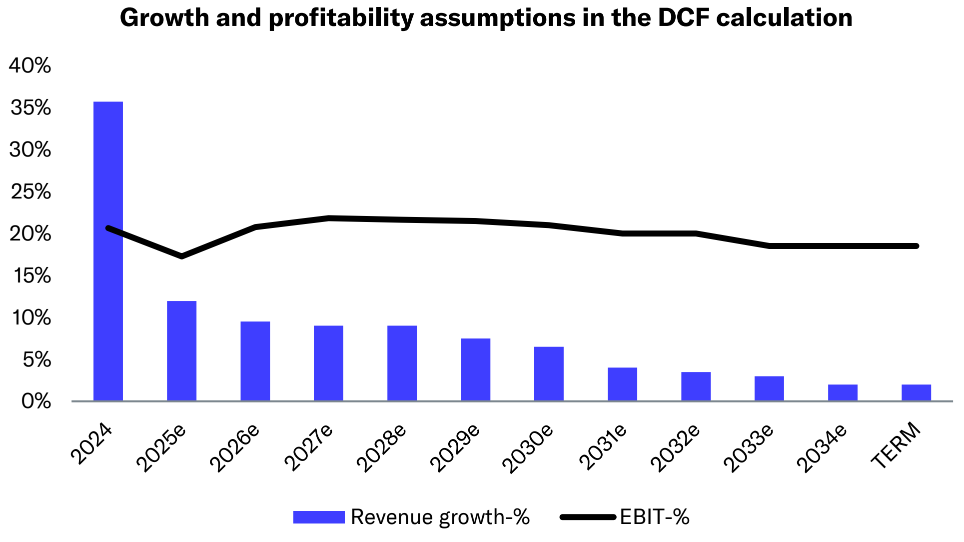


DCF sensitivity calculations and key assumptions in graphs









Source: Inderes. Note that the weight of the terminal value (%) is shown on an inverse scale for clarity.

Summary

Income statement	2022	2023	2024	2025e	2026e
Revenue	324.4	322.0	437.0	**489.2**	**535.6**
EBITDA	84.8	128.5	128.5	**126.6**	**156.4**
EBIT	26.6	99.0	90.3	**84.5**	**111.3**
PTP	-11.3	48.9	31.8	**29.4**	**74.6**
Net Income	-20.3	46.7	28.8	**23.5**	**55.9**
Extraordinary items	-49.9	22.1	-16.8	**-20.7**	**-18.0**

Balance sheet	2022	2023	2024	2025e	2026e
Balance sheet total	1044.7	1007.0	1252.4	**1309.0**	**1357.2**
Equity capital	321.7	352.5	450.9	**507.3**	**563.3**
Goodwill	587.7	578.0	718.0	**718.0**	**718.0**
Net debt	271.3	292.8	351.2	**316.9**	**275.8**

Cash flow	2022	2023	2024	2025e	2026e
EBITDA	84.8	128.5	128.5	**126.6**	**156.4**
Change in working capital	8.6	-14.1	56.0	**-18.9**	**12.2**
Operating cash flow	80.9	109.5	162.3	**90.6**	**140.7**
CAPEX	-236.3	-15.5	-232.3	**-45.5**	**-47.1**
Free cash flow	-81.8	41.3	-35.9	**78.1**	**68.6**

Valuation multiples	2022	2023	2024	2025e	2026e
EV/S	1.6	1.4	2.1	**1.4**	**1.2**
EV/EBITDA	5.6	4.8	7.0	**5.4**	**4.1**
EV/EBIT (adj.)	6.9	5.9	8.7	**6.4**	**4.9**
P/E (adj.)	8.4	6.6	12.8	**8.2**	**4.9**
P/B	0.8	0.5	1.3	**0.7**	**0.6**
Dividend-%	0.0 %	0.0 %	0.0 %	**0.0 %**	**0.0 %**

Source: Inderes

Per share data	2022	2023	2024	2025e	2026e
EPS (reported)	-0.13	0.29	0.15	**0.12**	**0.28**
EPS (adj.)	0.19	0.15	0.24	**0.22**	**0.37**
OCF / share	0.52	0.69	0.87	**0.45**	**0.70**
OFCF / share	-0.52	0.26	-0.19	**0.39**	**0.34**
Book value / share	2.07	2.21	2.41	**2.53**	**2.81**
Dividend / share	0.00	0.00	0.00	**0.00**	**0.00**

Growth and profitability	2022	2023	2024	2025e	2026e
Revenue growth-%	29%	-1%	36%	**12%**	**9%**
EBITDA growth-%	30%	52%	0%	**-1%**	**24%**
EBIT (adj.) growth-%	40%	0%	39%	**-2%**	**23%**
EPS (adj.) growth-%	-21%	-18%	58%	**-10%**	**67%**
EBITDA-%	26.1 %	39.9 %	29.4 %	**25.9 %**	**29.2 %**
EBIT (adj.)-%	23.6 %	23.9 %	24.5 %	**21.5 %**	**24.1 %**
EBIT-%	8.2 %	30.7 %	20.7 %	**17.3 %**	**20.8 %**
ROE-%	-6.4 %	13.8 %	7.2 %	**4.9 %**	**10.5 %**
ROI-%	3.7 %	13.1 %	10.5 %	**8.6 %**	**10.6 %**
Equity ratio	30.8 %	35.0 %	36.0 %	**38.8 %**	**41.5 %**
Gearing	84.3 %	83.1 %	77.9 %	**62.5 %**	**49.0 %**

The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years. Per-share figures are calculated using the number of shares at year-end.

Disclaimer and recommendation history

The information presented in Inderes reports is obtained from several different public sources that Inderes considers to be reliable. Inderes aims to use reliable and comprehensive information, but Inderes does not guarantee the accuracy of the presented information. Any opinions, estimates and forecasts represent the views of the authors. Inderes is not responsible for the content or accuracy of the presented information. Inderes and its employees are also not responsible for the financial outcomes of investment decisions made based on the reports or any direct or indirect damage caused by the use of the information. The information used in producing the reports may change quickly. Inderes makes no commitment to announcing any potential changes to the presented information and opinions.

The reports produced by Inderes are intended for informational use only. The reports should not be construed as offers or advice to buy, sell or subscribe investment products. Customers should also understand that past performance is not a guarantee of future results. When making investment decisions, customers must base their decisions on their own research and their estimates of the factors that influence the value of the investment and take into account their objectives and financial position and use advisors as necessary. Customers are responsible for their investment decisions and their financial outcomes.

Reports produced by Inderes may not be edited, copied or made available to others in their entirety, or in part, without Inderes' written consent. No part of this report, or the report as a whole, shall be transferred or shared in any form to the United States, Canada or Japan or the citizens of the aforementioned countries. The legislation of other countries may also lay down restrictions pertaining to the distribution of the information contained in this report. Any individuals who may be subject to such restrictions must take said restrictions into account.

Inderes issues target prices for the shares it follows. The recommendation methodology used by Inderes is based on the share's 12-month expected total shareholder return (including the share price and dividends) and takes into account Inderes' view of the risk associated with the expected returns. The recommendation policy consists of four tiers: Sell, Reduce, Accumulate and Buy. As a rule, Inderes' investment recommendations and target prices are reviewed at least 2–4 times per year in connection with the companies' interim reports, but the recommendations and target prices may also be changed at other times depending on the market conditions. The issued recommendations and target prices do not guarantee that the share price will develop in line with the estimate. Inderes primarily uses the following valuation methods in determining target prices and recommendations: Cash flow analysis (DCF), valuation multiples, peer group analysis and sum of parts analysis. The valuation methods and target price criteria used are always company-specific and they may vary significantly depending on the company and (or) industry.

Inderes' recommendation policy is based on the following distribution relative to the 12-month risk-adjusted expected total shareholder return.

Buy	The 12-month risk-adjusted expected shareholder return of the share is very attractive
Accumulate	The 12-month risk-adjusted expected shareholder return of the share is attractive
Reduce	The 12-month risk-adjusted expected shareholder return of the share is weak
Sell	The 12-month risk-adjusted expected shareholder return of the share is very weak

The assessment of the 12-month risk-adjusted expected total shareholder return based on the above-mentioned definitions is company-specific and subjective. Consequently, similar 12-month expected total shareholder returns between different shares may result in different recommendations, and the recommendations and 12-month expected total shareholder returns between different shares should not be compared with each other. The counterpart of the expected total shareholder return is Inderes' view of the risk taken by the investor, which varies considerably between companies and scenarios. Thus, a high expected total shareholder return does not necessarily lead to positive performance when the risks are exceptionally high and, correspondingly, a low expected total shareholder return does not necessarily lead to a negative recommendation if Inderes considers the risks to be moderate.

The analysts who produce Inderes' research and Inderes employees cannot have 1) shareholdings that exceed the threshold of significant financial gain or 2) shareholdings exceeding 1% in any company subject to Inderes' research activities. Inderes Oyj can only own shares in the target companies it follows to the extent shown in the company's model portfolio investing real funds. All of Inderes Oyj's shareholdings are presented in itemised form in the model portfolio. Inderes Oyj does not have other shareholdings in the target companies analysed. The remuneration of the analysts who produce the analysis are not directly or indirectly linked to the issued recommendation or views. Inderes Oyj does not have investment bank operations.

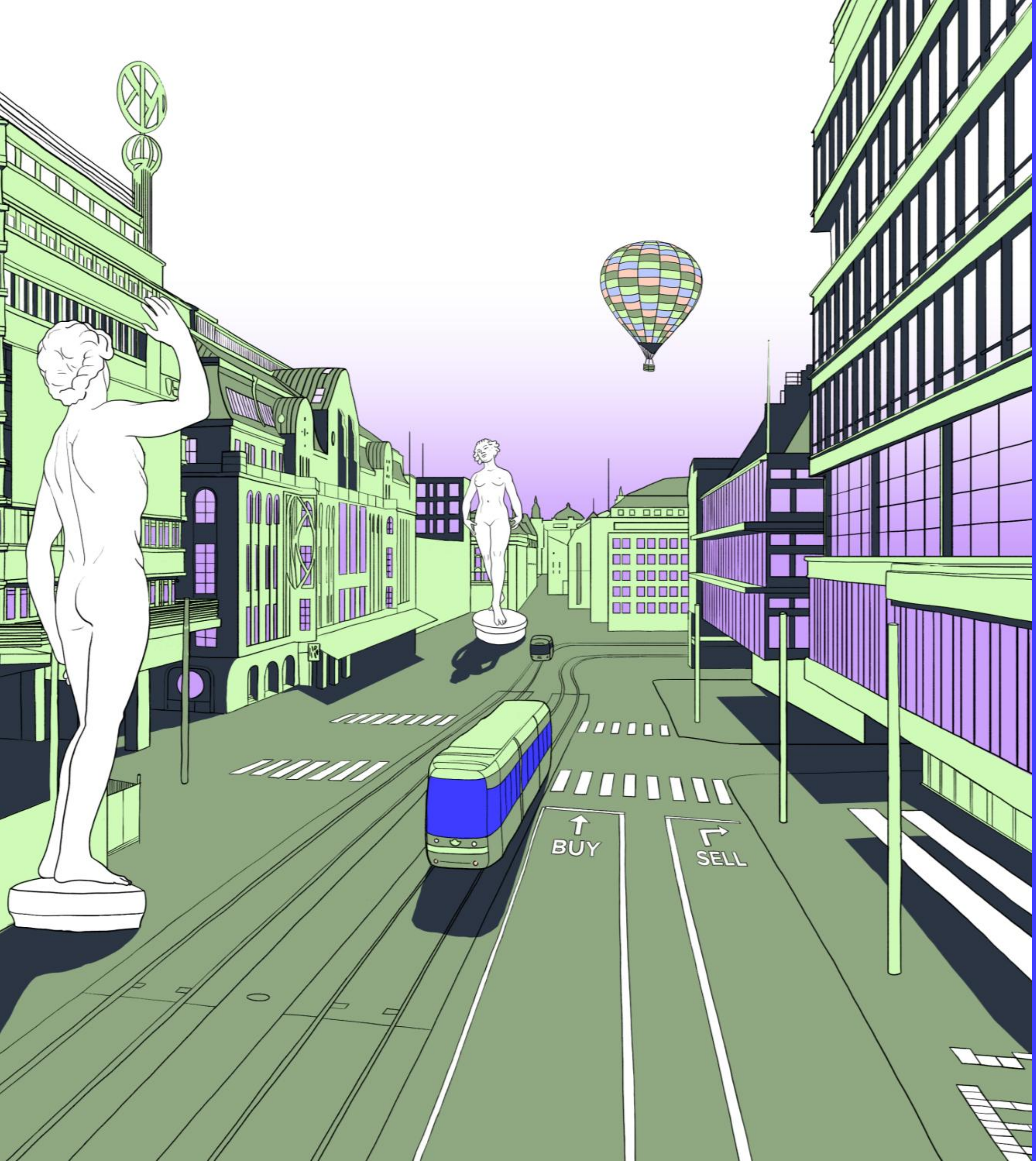
Inderes or its partners whose customer relationships may have a financial impact on Inderes may, in their business operations, seek assignments with various issuers with respect to services provided by Inderes or its partners. Thus, Inderes may be in a direct or indirect contractual relationship with an issuer that is the subject of research activities. Inderes and its partners may provide investor relations services to issuers. The aim of such services is to improve communication between the company and the capital markets. These services include the organisation of investor events, advisory services related to investor relations and the production of investor research reports.

More information about research disclaimers can be found at www.inderes.fi/research-disclaimer.

Inderes has made an agreement with the issuer and target of this report, which entails compiling a research report.

Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
2022-12-12	Buy	23 kr	16.90 kr
2023-01-03	Buy	26 kr	18.00 kr
2023-06-01	Buy	22 kr	12.70 kr
2023-09-01	Buy	21 kr	15.20 kr
2023-12-01	Buy	16 kr	10.10 kr
2024-03-01	Buy	17 kr	12.09 kr
2024-03-21	Buy	20 kr	16.98 kr
Change of Analyst			
2024-05-08	Accumulate	24 kr	20.85 kr
2024-06-24	Buy	28 kr	18.52 kr
2024-07-05	Accumulate	29 kr	25.25 kr
2024-08-13	Accumulate	35 kr	31.55 kr
2024-08-30	Accumulate	38 kr	33.65 kr
2024-10-31	Accumulate	50 kr	45.20 kr
2024-11-29	Accumulate	50 kr	41.00 kr
2025-02-28	Buy	57 kr	42.85 kr
2025-04-09	Buy	45 kr	29.60 kr
2025-05-28	Buy	45 kr	34.24 kr
2025-08-18	Buy	32 kr	20.20 kr



CONNECTING INVESTORS AND COMPANIES.

Inderes democratizes financial information by connecting investors and listed companies. For investors, we are an investing community and a trusted source of financial information and equity research. For listed companies, we are a partner in delivering high-quality investor relations. Over 500 listed companies in Europe use our investor relations products and equity research services to provide better investor communications to their shareholders.

Our goal is to be the most investor-minded company in finance. Inderes was founded in 2009 by investors, for investors. As a Nasdaq First North-listed company, we understand the day-to-day reality of our customers.

Inderes Ab
Vattugatan 17, 5tr
Stockholm
+46 8 411 43 80

inderes.se

Inderes Oyj
Porkkalankatu 5
00180 Helsinki
+358 10 219 4690

inderes.fi