

Interim report Q3/2021

Sami Asikainen



Q3 – an excellent result

- We achieved our best-ever quarterly result. The growth of our operating volume was favourably reflected in our result.
- The demand for our services was at an all-time high, although growth was slowed down by the shortage of labour.
- Our strategy of getting back to the path of growth is working well. We achieved growth in all of our businesses.
- We updated our management model and strengthened our focus on digital services and content.
- The perfectly timed acquisitions made in the autumn are expanding our service offering and strengthening the import of foreign labour.



Eezy's good rate of growth continues

Q3/2021

Q3/2020

Revenue

58.3 M€

53.1 M€

+10%

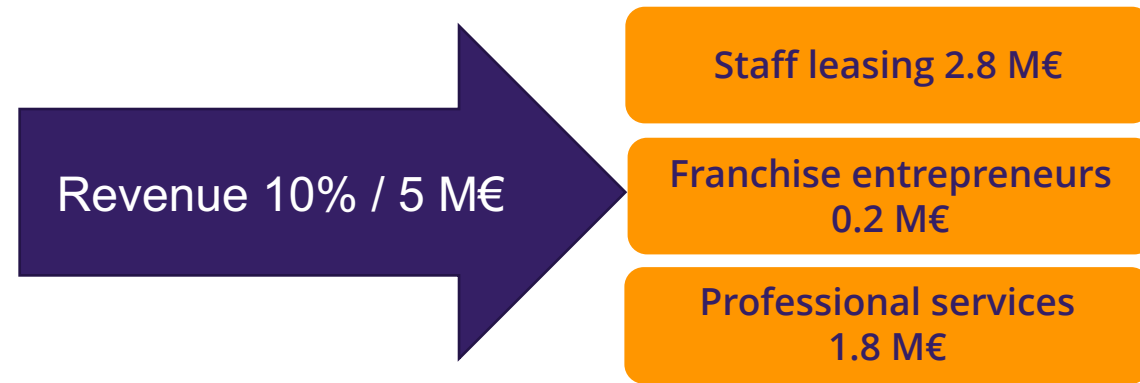
EBIT

4.7 M€

3.7 M€



Excellent profit performance driven by efficiency, the expansion of the sales mix and steady overall growth



Eezy's growth has outpaced the market even though the HoReCa sector has not returned to normal yet.

Entrepreneurs' chain volume appr. 20 M€, has grown faster than our staff leasing in average.

The period of the COVID-19 pandemic has further improved the good level of efficiency achieved through integration, including personnel expenses.



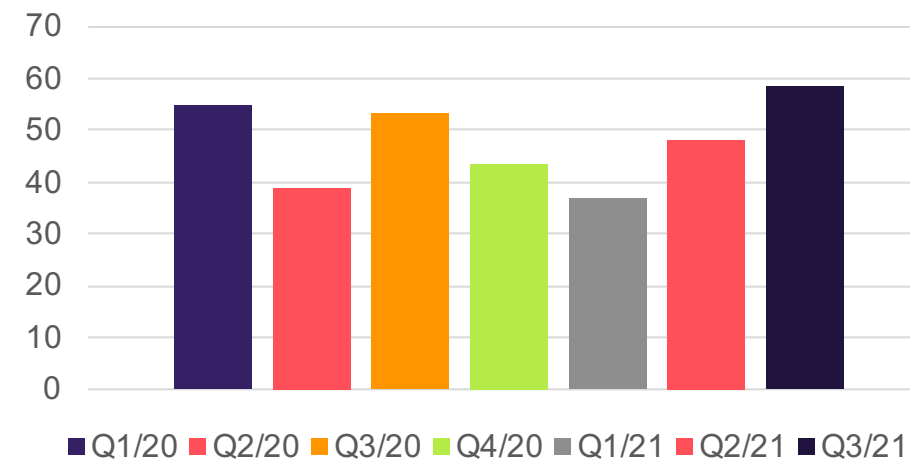
The share of professional services has increased from 2% to ➔ 10 %

The strong performance was further improved by 0.8 M€ in COVID-19 grants received in Q3/2020.

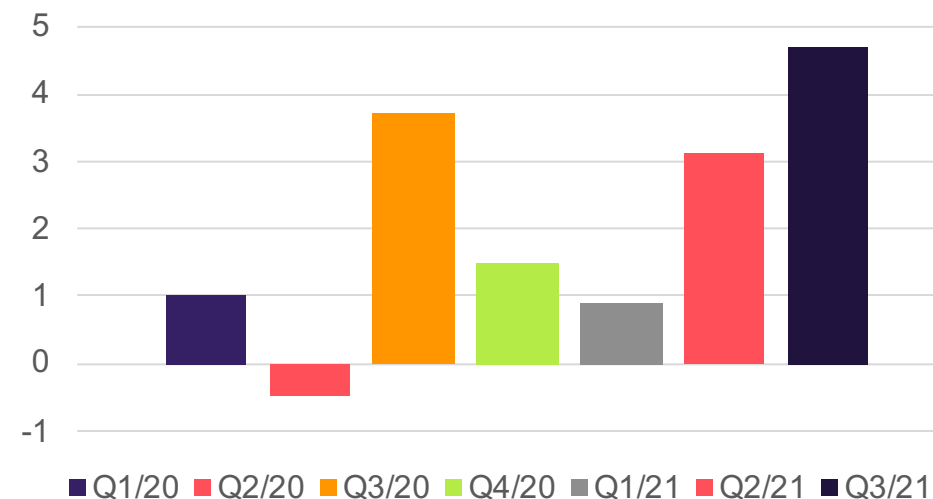
Key figures

	Q3/2021	Q3/2020	1-9/2021
Revenue	58,3 M€	53,1 M€	142,9 M€
EBITDA	6,5 M€	5,5 M€	14,2 M€
EBITDA-margin	11,1 %	10,4 %	10,0 %
EBIT	4,7 M€	3,7 M€	8,6 M€

Revenue Q1/20-Q3/21

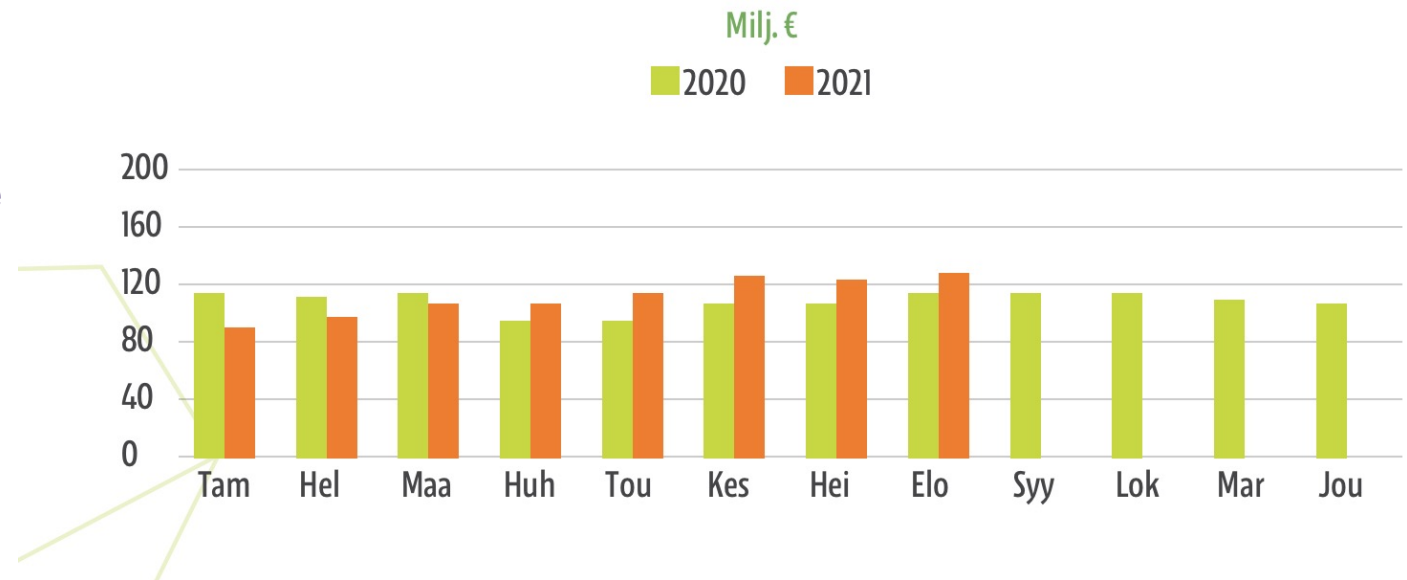


EBIT Q1/20-Q3/21



Market growth in all of our business segments

- August 2021: the staff leasing industry saw year-on-year market growth of +12% (source: Private Employment Agencies' Association HPL, the 20 largest companies).
- Our growth has outpaced the market since April.
- Business development is seeing growth after COVID-19. The last months of the year are a key period with regard to personnel surveys and training services.
- The executive search market is seeing significant growth; there is a shortage of experts and the economy is growing.



Staffing

Revenue Q3

52,8 M€

Change

+6 %

Revenue 1-9

126,6 M€

Change

-7 %

Franchise fees Q3

2,0 M€

Change

+ 12 %

Franchise revenue
1-9

5,1 M€

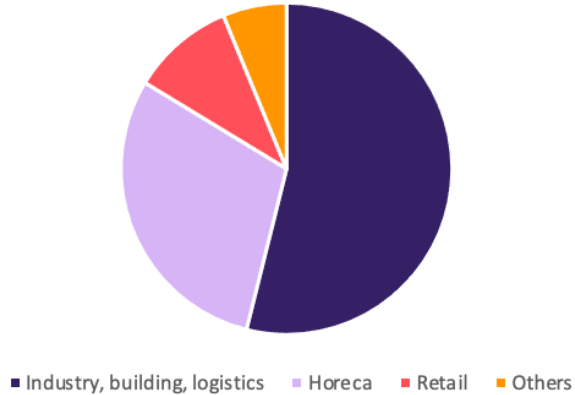
Change

+ 14 %

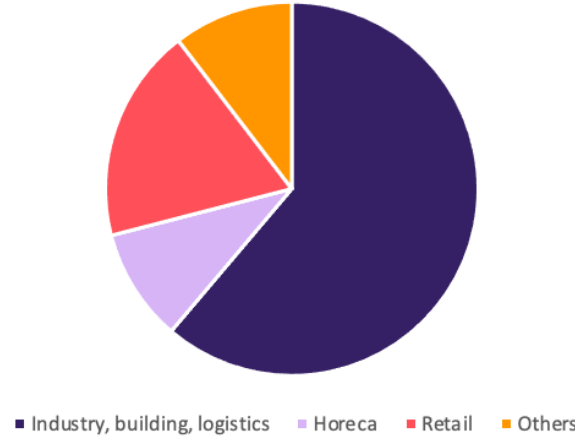


Staff leasing is growing in spite of the labour shortage

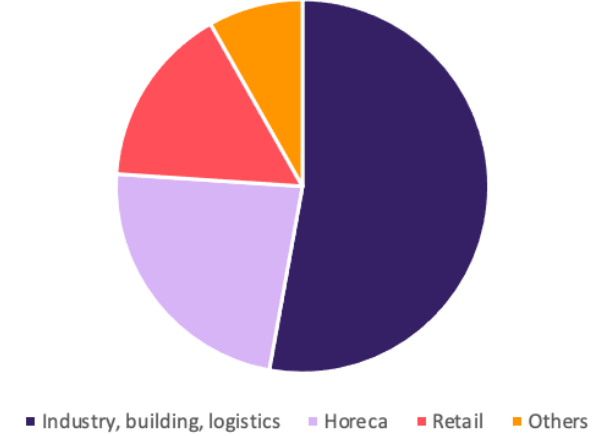
Customer breakdown in staff releasing 2019
(pro forma)



Customer breakdown in staff releasing Q1/2021



Customer breakdown in staff releasing Q3/2021



- **Industry, construction and logistics:** Strong demand. Growth has still been restricted by labour shortages and COVID-19-related challenges in the import of foreign labour.
- Revenue from the **HoReCa sector** continued to grow year-on-year but was still just under half of the level seen in 2019. Labour availability is weak.
- The **retail sector** is growing steadily and the outlook is good. The spike in labour demand caused by COVID-19 has levelled off.
- **Other customer segments** are developing in line with our strategy and increasing their share of our total sales.
- The growth of our **franchise business** again outpaced the market in the past quarter. Our entrepreneur network is in good shape.

Professional services

Revenue Q3	Change
2.8 M€	+176%

Revenue Q1– Q3	Change
9.4 M€	+90%

- Strong growth continues in the recruitment, executive search, training and consulting service businesses.
- The companies acquired in Q4/2020 have had the desired impact on operations and profit.
- Q4 is the most important season in Eezy Flow's research activities.



Light entrepreneurs

Revenue Q3	Change
0.6 M€	-4%

Revenue Q1– Q3	Change
1.8 M€	-10%

- Light entrepreneur services also began to recover from the COVID-19 slump: invoicing volume increased by 2% in Q3.



Moving forward with new strengths

We updated our management model. The Group's new management team:

- Sami Asikainen, CEO
- Hannu Nyman, CFO
- Pasi Papunen, Director, Growth and Renewal
- Thomas Hynninen, Director, Work and Talent
- Hanna Lehto, Director, People and Culture
- Isa Merikallio, Content Director
- Päivi Salo, Chief Digital Officer, starting from 1 October 2021



Financial information Q3/2021

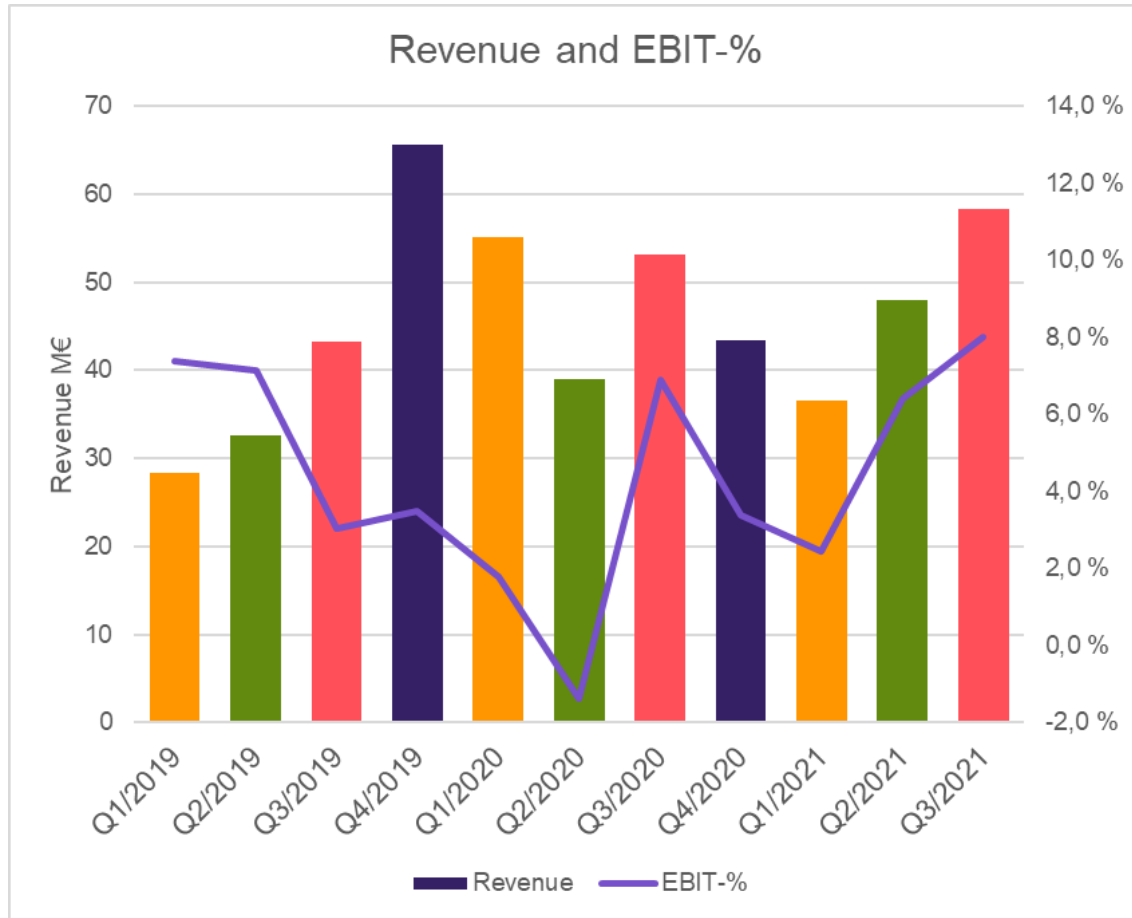


Income statement

EUR thousand	7-9/2021	7-9/2020	1-9/2021	1-9/2020	2020
Revenue	58 275	53 077	142 873	147 216	190 637
Other operating income	51	886	2 977	1 179	1 330
Share of result of equity accounted investments	-	-	-	-1	-1
Materials and services	-1 111	-589	-3 776	-3 028	-4 444
Personnel expenses	-47 205	-43 588	-116 830	-120 786	-155 124
Other operating expenses	-3 513	-4 281	-11 026	-14 491	-18 904
Other depreciation, amortisation and impairment	-830	-883	-2 578	-3 099	-4 016
IFRS 3 amortisation	-1 001	-971	-3 001	-2 897	-3 914
EBIT	4 665	3 651	8 639	4 093	5 565
Financial income	26	28	104	126	150
Financial expenses	-374	-416	-1 193	-1 245	-1 702
Financial income and expenses	-348	-388	-1 089	-1 119	-1 552
Profit (loss) before taxes	4 317	3 263	7 551	2 975	4 014
Income taxes	-889	-630	-1 709	-571	-819
Profit attributable to non-controlling interests	120	99	274	278	515
Profit attributable to the owners of the parent company	3 309	2 534	5 567	2 126	2 680

- Largest item in the other operating income in Q1 is the change in the VAT treatment of light entrepreneurs and in Q2 the Corona subsidy from State Treasury.

Quarterly development 2019-2021

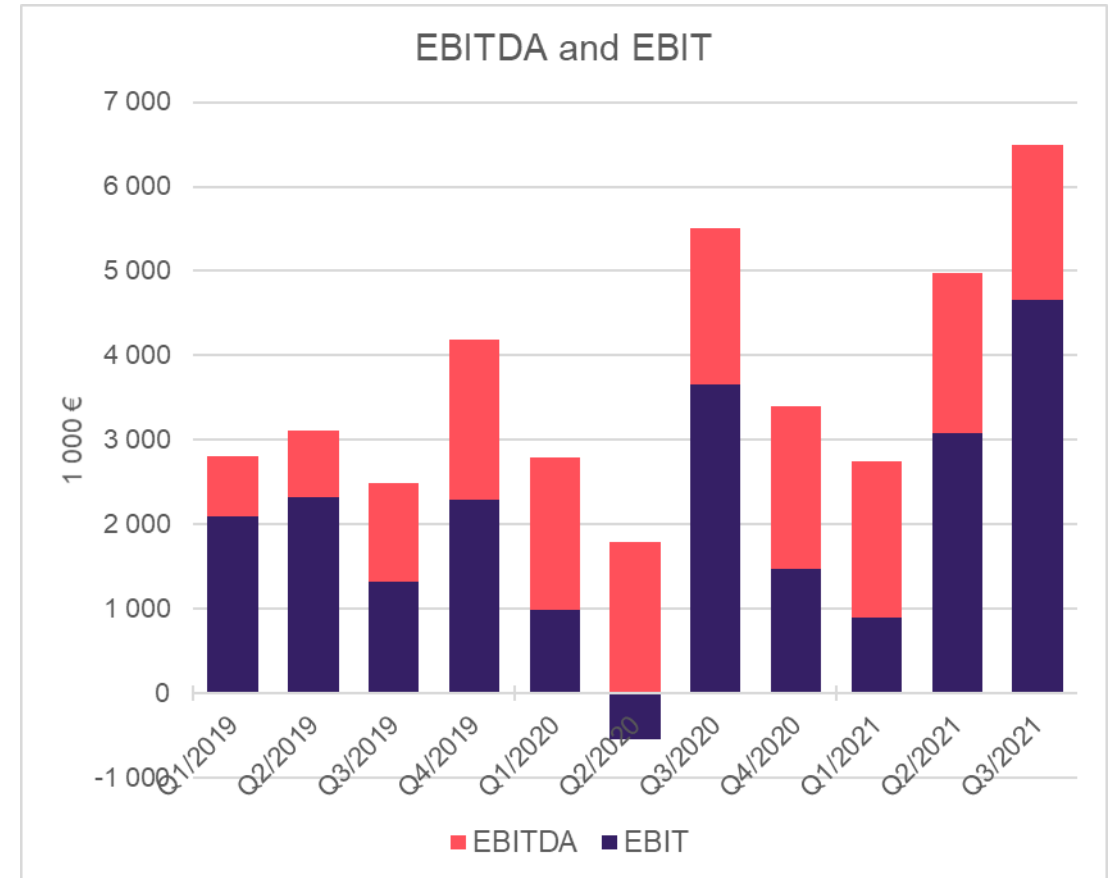


Significant factors contributing to earnings development:

- VMP-Smile merger in Q3/2019
 - Integration work in Q3/2019-Q1/2020 temporarily decreased profitability
 - Integration efficiencies have continued
- Covid has strongly affected us since Q2/2020, but effects are gradually winding down
- Q3/2021 was still a recovery period, but still the best quarterly profitability so far

Quarterly development 2019-2021

- EBITDA has been clearly positive all the time, even during the whole Covid period
- Depreciation is approx. 8 M€ annually
 - Depreciation clearly increased in Q3/2019 due to the Smile acquisition
- Approximate split of the 8 M€ depreciation:
 - 2 M€ lease costs (offices etc.)
 - 2 M€ depreciation of goods (IT etc..)
 - 4 M€ IFRS3 amortization (acquisitions, like goodwill)



Balance sheet

EUR thousand	30.9.2021	30.9.2020	31.12.2020
ASSETS			
Goodwill	128 011	125 801	127 938
Intangible assets	27 099	29 670	29 731
Tangible assets	5 175	5 737	6 984
Long-term receivables and investments	2 842	3 677	2 187
Non-current assets	163 127	164 885	166 841
Current receivables	29 554	27 464	20 851
Cash and cash equivalents	9 365	21 493	15 447
Current assets total	38 919	48 957	36 298
Assets classified as held-for-sale	-	-	2 096
ASSETS TOTAL	202 046	213 843	205 235
EQUITY AND LIABILITIES			
Total equity attributable to shareholders of the parent company	103 997	102 743	100 885
Non-controlling interests	2 831	946	2 859
Total equity	106 828	103 689	103 744
Non-current liabilities total	54 147	59 190	57 198
Current liabilities total	41 071	50 963	42 542
Liabilities related to assets held for sale	-	-	1 752
EQUITY AND LIABILITIES TOTAL	202 046	213 843	205 235

Goodwill and intangible assets totalled approximately EUR 155 million

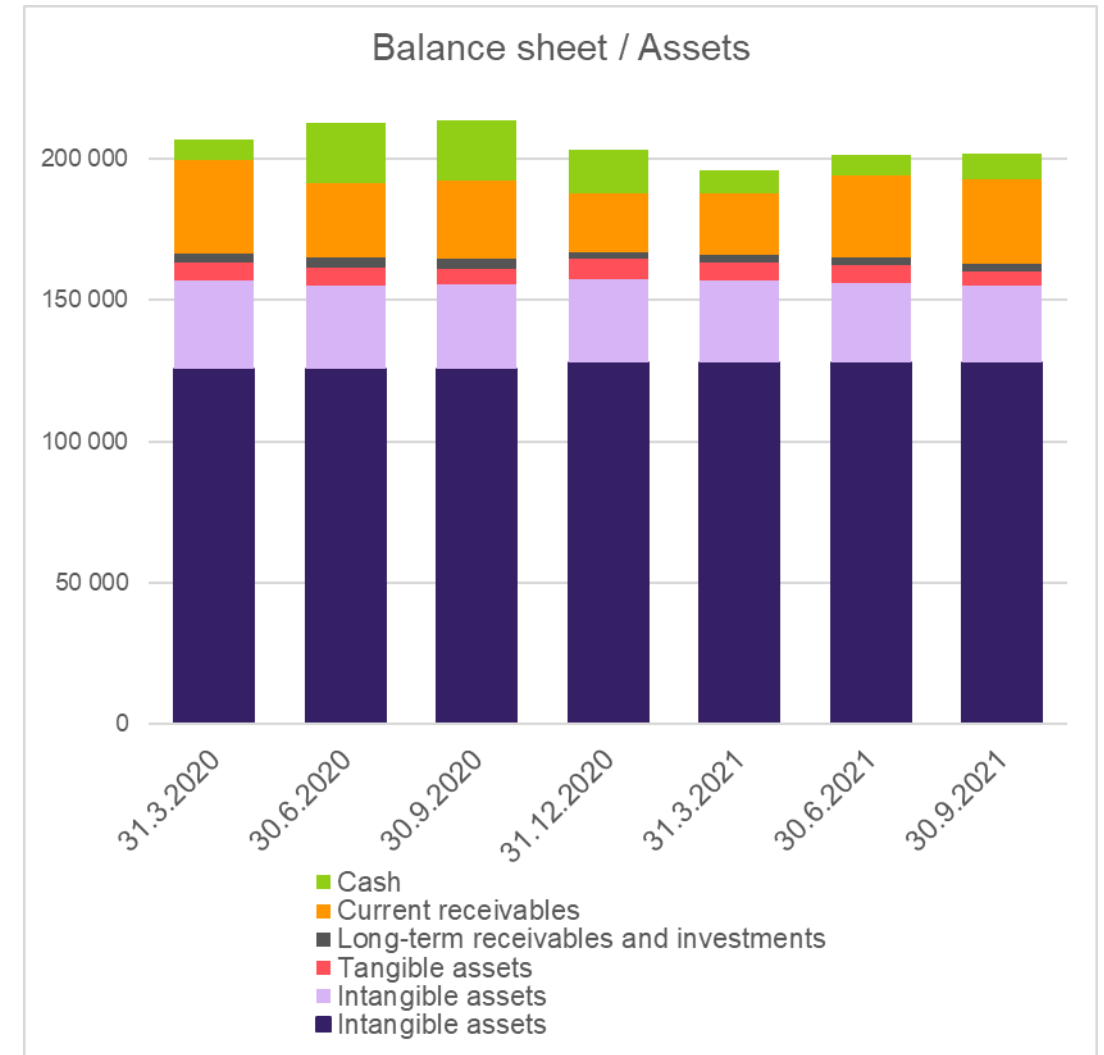
The repayment of last year's COVID-19 reliefs is visible in cash position development

Equity EUR 104 million

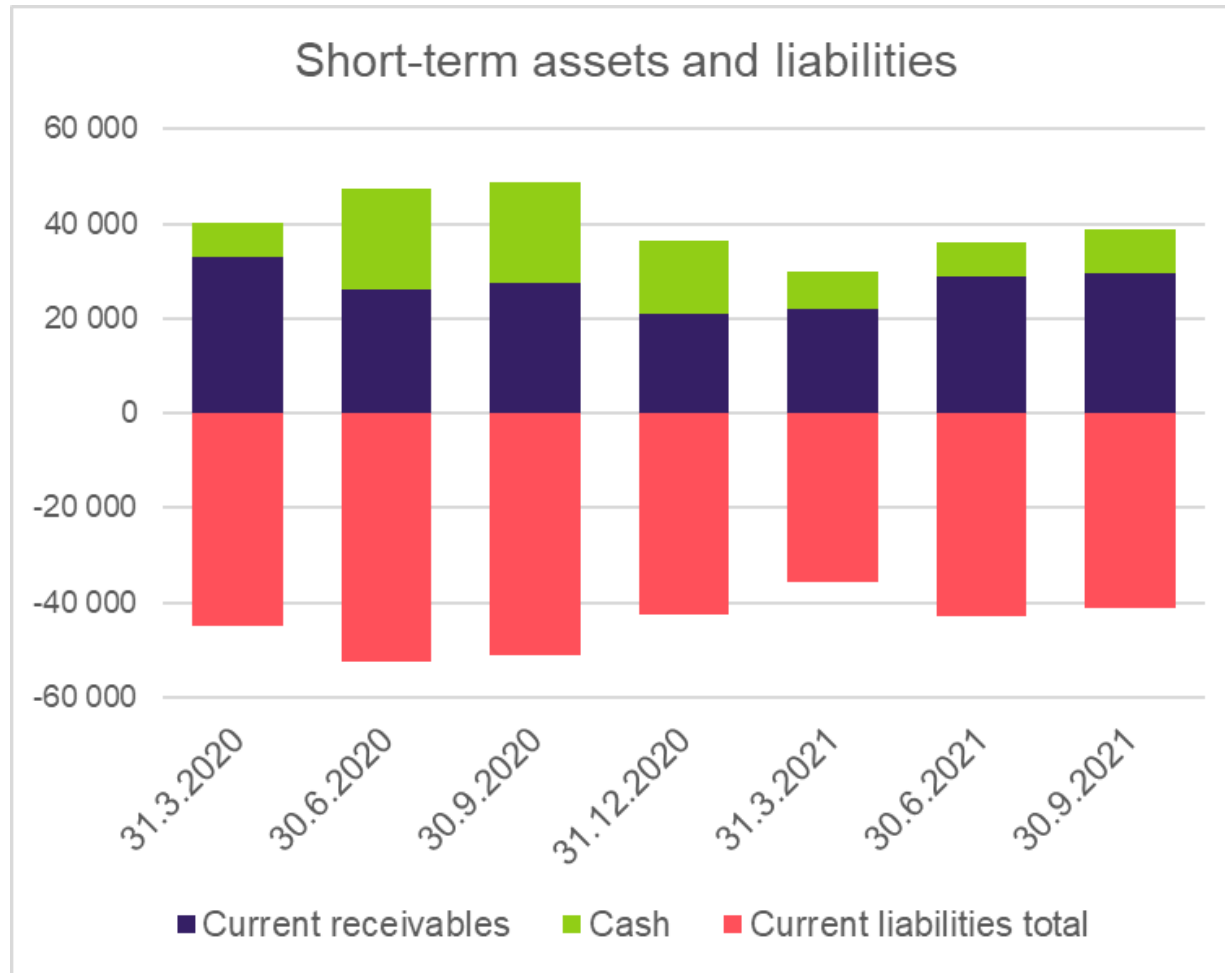
Net debt EUR 46.0 million
(excluding IFRS 16: EUR 41.5 million)

Balance sheet normalising after Covid

- We ensured liquidity in spring 2020, which shows as increased cash
- Receivables clearly decreased in the Covid period as business contracted, and are now growing along the business



Effects of Covid conditions



- In spring 2020 we prepared for more severe economic conditions by increasing liquidity
- Cash reserves and short-term liabilities increased in Q2/2020
- Business contracted until summer 2021, after which the business growth has also materialised as balance sheet growth

Balance sheet – key figures

	9/2021	9/2020	12/2020
Net debt	45 985	38 370	42 424
Net debt excluding IFRS 16	41 542	33 775	36 440
Net debt/Adjusted EBITDA	2,6 x	2,6 x	3,1 x
Gearing, per cent	43,0 %	37,0 %	40,9 %
Equity ratio, per cent	52,9 %	48,5 %	50,6 %
Equity per share	4,30	4,17	4,17

EUR 10 million overdraft limit
unused on 30 September 2021.



Largest shareholders

30.9.2021

Shareholder	Shares	%
1. Sentica Buyout V Ky	6 105 458	24,57
2. Noho Partners Oyj	5 914 745	23,80
3. Meissa-Capital Oy	3 223 071	12,97
4. Evli Suomi Pienyhtiöt fund	901 699	3,63
5. OP-Suomi Mikroyhtiöt fund	575 000	2,31
6. Asikainen Sami	414 350	1,67
7. Säästöpankki Pienyhtiöt fund	322 200	1,30
8. Ilmarinen Mutual Pension	274 261	1,10
9. Jobinvest Oy	259 835	1,05
10. Laine Capital Oy	256 785	1,03
10 largest in total	18 247 404	73,43
Nominee-registered	2 199 642	8,85
Others	4 402 329	17,72
Total	24 849 375	100,00



Growth continues



We are strengthening our position as a significant driver of renewal in working life

- We are responding to the shortage of labour by enhancing the import of foreign labour: we acquired Triton Henkilöstöpalvelut Oy in October.
- On 1 November 2021, we acquired an 80% stake in KK Valmennuskeskus Oy.
 - Going forward, we will encounter over 10,000 young people participating in entrance examination courses each year.
 - Valmennuskeskus Public, for its part, offers nationwide workforce training, coaching, guidance and rehabilitation services under public administration to more than 8,000 people each year.



The rest of 2021

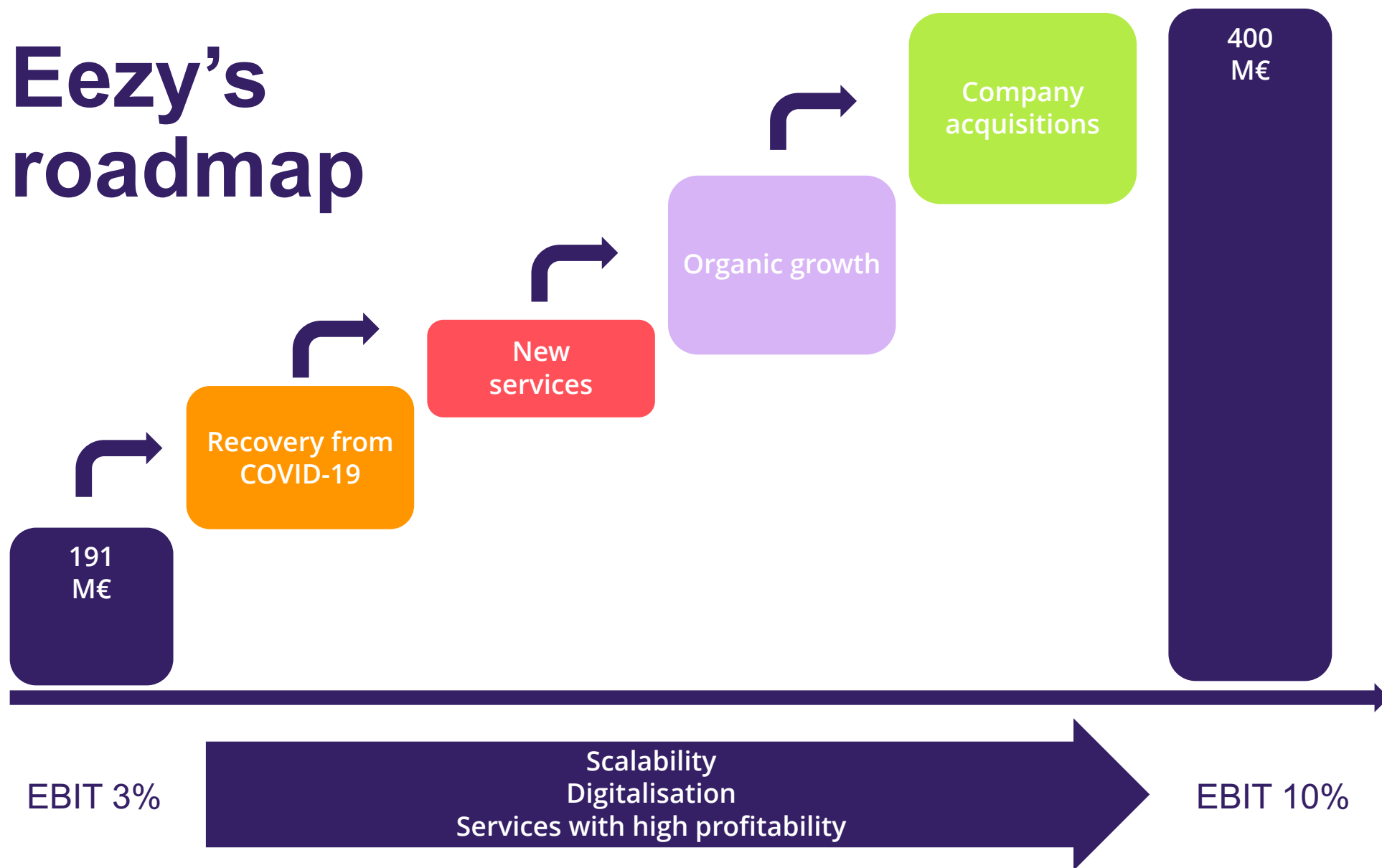
- Strong performance through the remainder of the year is contingent on a successful pre-Christmas season, free of restrictions, in the HoReCa sector.
- We expect demand to remain good across all of our services. The shortage of labour will continue to affect the staff leasing business.
- Our offering will be strengthened by the rapid leveraging of the commercial synergies of our acquisitions.
- We will update our long-term strategy before the end of the year.
- We expect our full-year revenue for 2021 to be in the range of €190–210 million and EBIT to amount to €11–14 million.



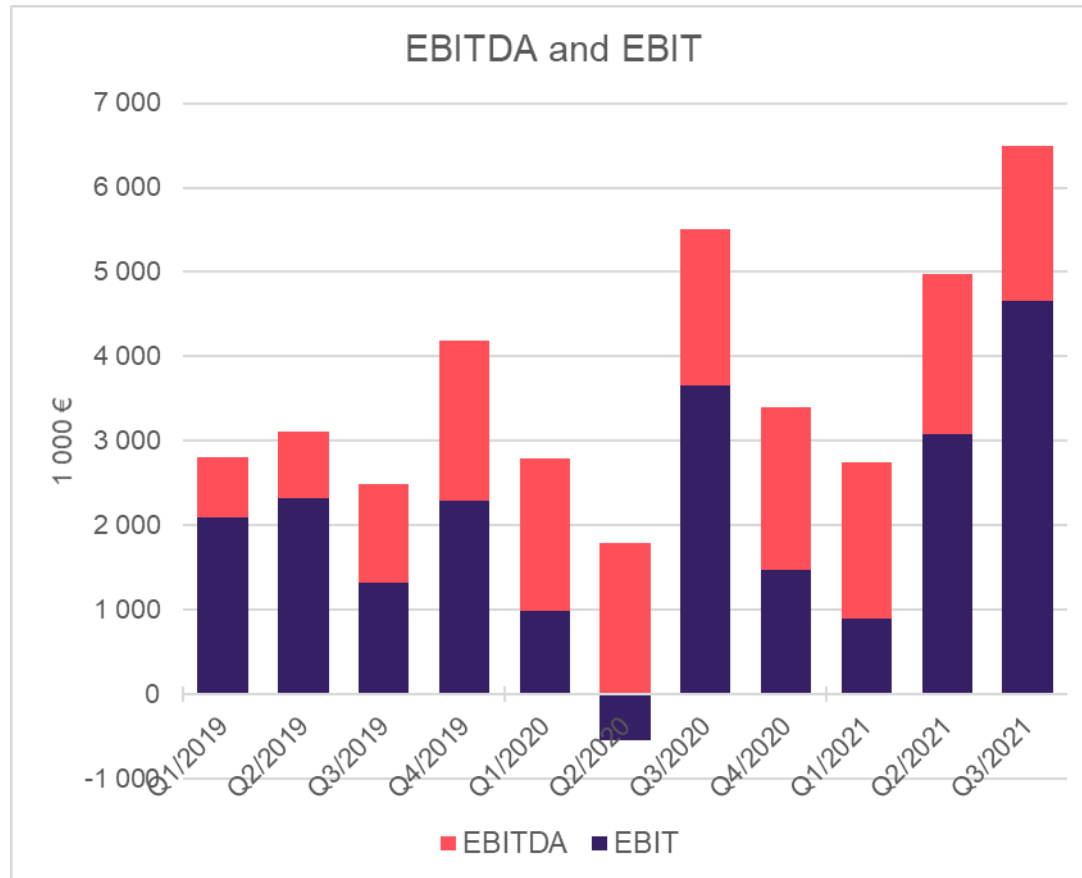
Good long-term growth outlook



Eezy's roadmap



Strong cash flow enables growth investments



Digital investments
(2.1 M€ in 2020)

Investments in new
services

Company
acquisitions

Loan repayments
4 M€/year

Dividend
(policy: 30–50% of
profit)



We are Eezy

Mission

We create
successful work
experiences

Vision

We will become
Finland's most
significant
operator in
working life.

Values

Courage
Professionalism
Positivity



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