

ALMA MEDIA

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INDERES CORPORATE CUSTOMER
COMPANY REPORT



Convincing performance deserves its value

Alma Media's expectedly good Q4 figures sealed a rather successful year 2024, considering the circumstances. The company's stable guidance for 2025 met our expectations and the new financial target, which indicates significant profitability improvement over the medium term, was a positive surprise. We have fine-tuned our near-term forecasts while raising our longer-term forecasts. In view of this and the slightly lower required return, we are raising our price target to EUR 13.00 (was EUR 11.0) and our recommendation to Accumulate (was Reduce).

The Q4 figures were very much in line with expectations

Overall, Alma Media's Q4 results were in line with our expectations. The company's revenue grew 4% year-on-year, which was well in line with our 5% growth forecast. Growth was driven by an expected factor, namely inorganic growth in the Marketplaces segment, while organic growth was tighter than expected, reflecting the investment outlook for consumer durables and the advertising and recruitment markets. With slightly better profitability than we had forecast, Alma Media achieved an EBIT margin of 24% and an adjusted EBIT of 19.5 MEUR in Q4, slightly above our forecast. Overall, Q4 and 2024 were a continuation of Alma Media's solid profitability performance based on tight cost discipline and a change in revenue structure in the weak operating environment of recent years.

Profitability target raised

The big news of the earnings day was the updated financial targets, as the company raised its long-term profitability target to above 30% (previously above 25%). The company reiterated its target of over 5% growth and below 2.5x net debt / EBITDA. The profitability target is set to be achieved in three years and is based, in addition to the already seen and continuing change in

revenue structure, on the margin potential of higher value-added products based on product development. We recognize this potential, but at the same time it should be remembered that realizing it requires faster revenue growth than seen so far. This, in turn, requires stronger overall economic development.

Positive forecast changes for the longer term

Alma Media issued a guidance for 2025 according to which its revenue (2024: 313 MEUR) and adjusted EBIT (2024: 76.9 MEUR) are estimated to be at the 2024 level. We believe this language is consistent with our moderate earnings growth projections, and we have made only minor refinements to our 2025-2026 projections. However, based on the solid profitability performance of recent years and the growth prospects of the company's highly profitable businesses, we have raised our medium- and long-term forecasts. However, our margin projections for 2027-2028 (26.1% and 26.8%) are moderate relative to the financial target.

Expected return barely pushes above expected return

Based on the LTM results, the adjusted P/E and EV/EBIT multiples for the stock are 17x and 14x, respectively. In our view, these valuation multiples are at a reasonable level given Alma Media's high return on capital, good cash flow generation and growth prospects. Thus, the return expectation is based on the combination of our earnings growth forecast and the dividend, which we estimate will push it slightly above our calculated required rate of return. Our updated DCF model (EUR 13.4 / share) is also a sign of upside.

Recommendation

Accumulate

(was Reduce)

Target price:

EUR 13.00

(was EUR 11.00)

Share price:

EUR 12.00

Business risk



Valuation risk



	2024	2025e	2026e	2027e
Revenue	313	326	336	344
growth-%	3%	4%	3%	2%
EBIT adj.	76.9	78.8	84.7	89.6
EBIT-% adj.	24.6 %	24.2 %	25.2 %	26.0 %
Net income	52.3	56.3	61.5	66.3
EPS (adj.)	0.68	0.70	0.76	0.81
P/E (adj.)	16.2	17.3	15.9	14.7
P/B	3.9	3.9	3.6	3.3
Dividend yield-%	4.2 %	3.9 %	4.0 %	4.2 %
EV/EBIT (adj.)	13.4	14.2	12.9	11.9
EV/EBITDA	11.3	11.6	10.6	9.9
EV/S	3.3	3.4	3.3	3.1

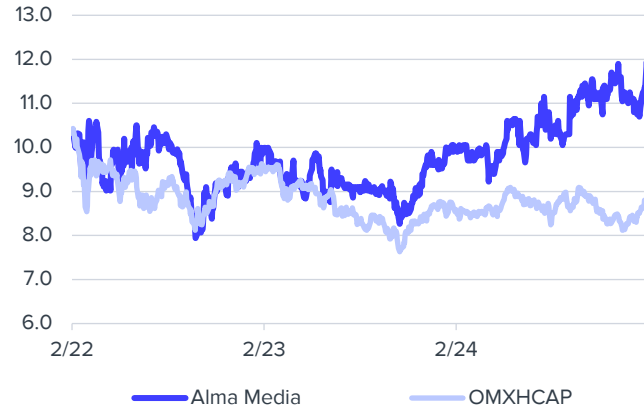
Source: Inderes

Guidance

(New guidance)

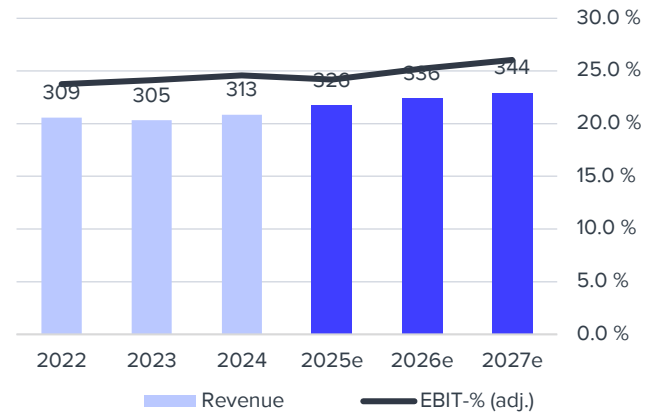
Alma Media expects its full-year revenue and adjusted operating profit of 2024 to remain at the 2024 level. In 2024, Alma Media's revenue was 312.7 MEUR and adjusted EBIT 76.9 MEUR.

Share price



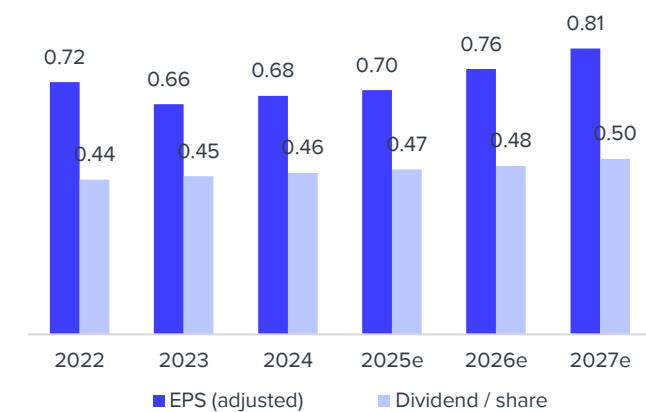
Source: Millistream Market Data AB

Revenue and EBIT-%



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Profitable growth in digital businesses
- Positive long-term market trends of marketplace businesses
- Stable profitability development and good cash flow in media businesses
- M&A option that is positive given track record

Risk factors

- Cyclicalities especially in advertising and recruitment business
- Accelerated revolution in media and decrease in print media
- Competitive risks posed by new technologies
- Possible changes in competitive position and dynamics

Valuation	2025e	2026e	2027e
Share price	12.00	12.00	12.00
Number of shares, millions	82.1	82.1	82.1
Market cap	985	985	985
EV	1122	1097	1068
P/E (adj.)	17.3	15.9	14.7
P/E	17.5	16.0	14.9
P/B	3.9	3.6	3.3
P/S	3.0	2.9	2.9
EV/Sales	3.4	3.3	3.1
EV/EBITDA	11.6	10.6	9.9
EV/EBIT (adj.)	14.2	12.9	11.9
Payout ratio (%)	68.5 %	64.1 %	61.9 %
Dividend yield-%	3.9 %	4.0 %	4.2 %

Source: Inderes

The Q4 figures were very much in line with expectations

Revenue development in line with our expectations

Alma Media's revenue grew by 4% in Q4, which was in line with our estimates. By segment, a slight deviation from forecasts was seen in Career, where slightly lower revenue (-3%) was weighed down by a slightly sharper decline in classified income and weaker-than-expected digital advertising. This largely reflects the weakness of the recruitment market in the smaller Career North markets, while the largest Career Central market saw a slight top-line decline (-2%) and Career South saw a significant increase (+11%).

In particular, Marketplaces, which grew by 18% thanks to the acquisition of Netwheels, performed in line with our expectations and also achieved organic growth in Real Estate. This was presumably due in particular to the good performance of the Swedish office rental service. Mobility's organic growth was supported by the used car business and a new pricing model. News Media's stable revenue

performance was in line with expectations, with the rapid growth of digital content (+17%) offsetting the sharp decline in print.

Strong profitability development

Alma Media achieved an adjusted EBIT margin of 24.0% in Q4, which was a hair above our forecast. Reflecting this, Q4 EBIT reached 19.5 MEUR, slightly above our forecast. This profitability development was clearly driven by lower costs in Career and News Media, which significantly outpaced the decline in revenue, while the performance of Marketplaces was in line with our expectations. As in previous quarters, this demonstrates the company's ability to adapt its cost structure to market conditions.

The company recorded slightly higher-than-expected one-off items in Q4 and the tax rate for Q4 was also higher than expected. The tax rate for the full year increased slightly, mainly reflecting the change in the country mix. As a result,

Q4 EPS came in at EUR 0.15, below our forecast of EUR 0.16. The company increased its dividend to EUR 0.46, which was expected.

Balance sheet in good shape thanks to strong cash flow

In 2024, Alma Media generated a cash flow from operating activities of 73.8 MEUR, which, after (organic) investments and repayment of lease liabilities, results in a free cash flow of 62.3 MEUR. Thanks to the good free cash flow, the company's net debt decreased to 140 MEUR at the end of Q4, representing a moderate ratio of 1.5x net debt to EBITDA (LTM). Thus, the company's financial position would have allowed for a higher dividend increase, but on the other hand, we estimate that the company wants to keep a substantial margin for inorganic growth. Historically, Alma Media has made many small precision acquisitions, but also larger ones. We believe that the company's financial position already allows for roughly 150 MEUR of acquisitions without an excessive increase in risk.

Estimates MEUR / EUR	Q4'23	Q4'24	Q4'24e	Q4'24e	Consensus		Difference (%)	2024
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Actualized
Revenue	78.0	81.2	81.8	80.3	79.1	81.8	-1%	313
EBIT (adj.)	16.7	19.5	19.1	17.2	17.0	19.1	2%	76.9
EBIT	15.8	17.7	19.0	17.2	17.0	19.0	-7%	73.4
EPS (reported)	0.13	0.15	0.16	0.16	0.14	0.18	-7%	0.64
DPS	0.45	0.46	0.46	0.46	0.45	0.48	0%	0.46
Revenue growth-%	-1.0 %	4.1 %	4.8 %	2.9 %	1.4 %	4.9 %	-0.7 pp	2.5 %
EBIT-% (adj.)	21.5 %	24.0 %	23.3 %	21.4 %	21.5 %	23.3 %	0.7 pp	24.6 %

Source: Inderes & Modular Finance
(consensus, 5 forecasts)

Forecasts up for the longer term

Stable guidance is cautious if economic growth takes off

Based on the company's comments, there have been few signs of improved demand in the market, so there is little evidence that demand trends will drive earnings growth in the short term. At the same time, we believe that belt-tightening in 2024 will lead to some recovery in spending in the current year. Thus, the change in the cost structure will likely eat into some of the prerequisites for earnings growth, and on the other hand, we estimate that the company's guidance is based on a rather moderate economic growth picture. Thus, a clear pick-up in the operating environment could lead to an increase in guidance, although the underlying thresholds for verbal guidance are not known. However, we estimate that our revenue growth forecast of around 4% and our adjusted EBIT forecast of around 3% are in line with the guidance for stable growth.

Fine-tuning short-term forecasts

Following the Q4 report, we made minor changes to our near-term guidance. The main driver of the revenue forecast was the small acquisition of Edilex by Marketplaces, while organically we slightly lowered our revenue growth forecast for Career. At the same time, we made minor revisions to the different segments' cost forecasts based on Q4 figures and company comments.

Long-term profitability forecasts upwards

We have made relatively larger increases in our long-term profitability forecasts. Based on the updated financial target, Alma Media aims to increase profitability by more than 5 percentage points in three years compared to the 2024 figure (24.6%). The increase in profitability in recent years has been driven by the growth of higher-margin digital services and cost savings. We do not believe there is any room to adjust expenses, but the revenue structure

continues to strengthen, especially in News Media, as digital content grows and the share of print declines. At the same time, the growth of classifieds and (digital) advertising in Marketplaces is a very high-margin business. In Marketplaces, the company also has significant product development projects underway that we believe will provide the foundation for higher value-added profitability improvements. However, this, as well as the magnitude of Career's profitability improvement, is to some extent dependent on demand growth, reflecting the high margin on their additional sales and their already quite competitive cost structure. However, as we have not made any material changes to our growth forecasts, our mid-term profitability forecasts are currently well below the company's updated target.

Estimate revisions MEUR / EUR	2024e	2024	Change	2025e	2025e	Change	2026e	2026e	Change
	Inderes	Actualized	%	Old	New	%	Old	New	%
Revenue	313	313	0%	322	326	1%	332	336	1%
EBIT (excl. NRIs)	76.4	76.9	1%	79.6	78.8	-1%	85.1	84.7	0%
EBIT	74.6	73.4	-2%	79.1	78.1	-1%	84.6	84.2	0%
PTP	67.4	67.0	-1%	73.8	71.7	-3%	80.8	78.9	-2%
EPS (excl. NRIs)	0.68	0.68	1%	0.71	0.70	-2%	0.78	0.76	-3%
DPS	0.46	0.46	0%	0.47	0.47	0%	0.48	0.48	0%

Source: Inderes

Alma Media, Webcast, Q4'24



Expected return barely pushes above expected return

Valuation methods

In forming our view, we currently place most weight on the share's expected total return based on the forecasts for the next few years (earnings growth + dividends + changes in valuation multiples) and on the discounted cash flow (DCF) model. For the earnings-based valuation, we favor the EV/EBIT ratio that reflects the balance sheet structure and the net profit-based P/E ratio. We do not give much weight to the relative valuation, because there are no obvious peers available for Alma Media's business structure that would provide a clear valuation benchmark.

The stock's expected total return

We believe that the role of the dividend is crucial for the stock's expected return over the next few years. With our estimates and the current EUR 12.0 share price level the dividend yield is around 4% in the next few years.

In the coming years, we foresee clearly positive operational earnings growth on the back of a gradual increase in revenue and profitability. Reflecting these developments, as well as our projections of earnings pressure from net financial expenses gradually declining, along with falling interest rates and shrinking debt levels, our forecast for earnings per share growth in the coming years averages 6% per year.

Alma Media's earnings-based valuation multiples for the past 12 months are P/E 18x and EV/EBIT 15x. We find these earnings-based valuation multiples quite neutral in absolute terms relative to Alma Media's rather good capital performance, the excellent cash conversion of its businesses and the ability to generate free cash flow as a

result of moderate investment needs. On the other hand, we believe that slightly higher valuation multiples could be justified given the slightly lower required return and higher medium-term profitability forecasts. However, the expected return over the next few years based on earnings growth and dividends alone is higher than the expected return, which already supports a positive view.

DCF

We feel that the applicability of the DCF calculation in Alma Media's valuation is reasonable, and it reflects the company's long-term ability to create value. In our opinion, the link between demand and economic cycles somewhat weakens its suitability, but on the other hand, Alma Media's track record over the past few years shows that it can defend its profitability quite convincingly even in a weak environment. Based on this, we have lowered our required return slightly (was 8.0% vs. now 7.7%), while based on the profitability development of recent years and the company's track record, we have raised our medium and long-term profitability forecasts. As a result of these changes, the value of the stock according to our DCF model has increased to EUR 13.4, indicating upside potential in the stock's valuation. In the model, our long-term growth forecast is 2.5%, which reflects our estimate of organic growth potential (i.e., excluding acquisitions). On average, our profitability forecasts are 25.5% and our terminal profitability forecast is 24.5%. Thus, the medium-term level is higher than in the recent past, while terminal profitability is in line with the previous year.

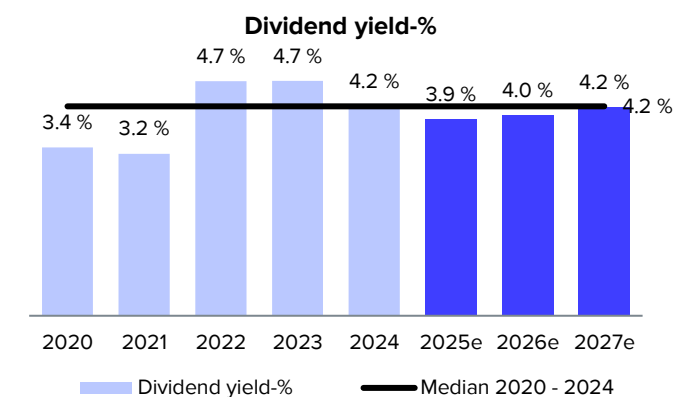
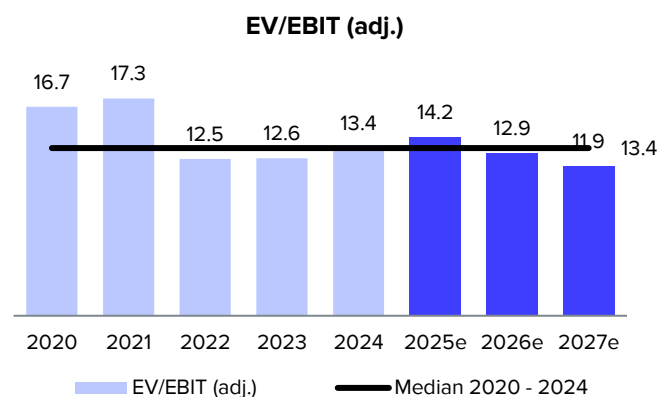
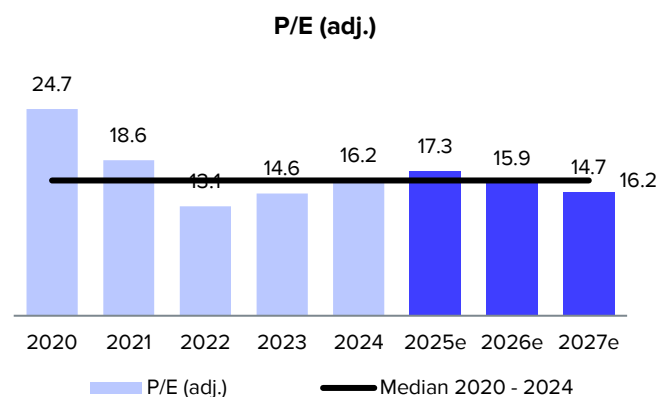
Valuation	2025e	2026e	2027e
Share price	12.00	12.00	12.00
Number of shares, millions	82.1	82.1	82.1
Market cap	985	985	985
EV	1122	1097	1068
P/E (adj.)	17.3	15.9	14.7
P/E	17.5	16.0	14.9
P/B	3.9	3.6	3.3
P/S	3.0	2.9	2.9
EV/Sales	3.4	3.3	3.1
EV/EBITDA	11.6	10.6	9.9
EV/EBIT (adj.)	14.2	12.9	11.9
Payout ratio (%)	68.5 %	64.1 %	61.9 %
Dividend yield-%	3.9 %	4.0 %	4.2 %

Source: Inderes

Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	8.92	10.8	9.40	9.60	11.0	12.00	12.00	12.00	12.00
Number of shares, millions	82.3	82.4	82.2	82.1	82.1	82.1	82.1	82.1	82.1
Market cap	734	891	773	788	903	985	985	985	985
EV	756	1059	920	925	1029	1122	1097	1068	1038
P/E (adj.)	24.7	18.6	13.1	14.6	16.2	17.3	15.9	14.7	13.9
P/E	26.7	20.4	10.7	14.0	17.3	17.5	16.0	14.9	14.0
P/B	4.0	5.4	3.8	3.6	3.9	3.9	3.6	3.3	3.0
P/S	3.2	3.2	2.5	2.6	2.9	3.0	2.9	2.9	2.8
EV/Sales	3.3	3.8	3.0	3.0	3.3	3.4	3.3	3.1	3.0
EV/EBITDA	12.8	14.4	9.5	10.2	11.3	11.6	10.6	9.9	9.3
EV/EBIT (adj.)	16.7	17.3	12.5	12.6	13.4	14.2	12.9	11.9	11.0
Payout ratio (%)	89.9 %	66.1 %	50.0 %	65.7 %	72.3 %	68.5 %	64.1 %	61.9 %	61.7 %
Dividend yield-%	3.4 %	3.2 %	4.7 %	4.7 %	4.2 %	3.9 %	4.0 %	4.2 %	4.4 %

Source: Inderes



Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%	
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e
Alma Media	972	1126	13.9	13.0	11.6	11.0	3.5	3.4	16.0	14.9	4.1	4.3
Agora SA	522	262					1.9	1.7		156.3		
Future PLC	1235	1589	6.0	5.7	5.6	5.3	1.7	1.6	7.1	6.3	0.4	0.4
Gannett Co Inc	653	1511	18.8	15.9	5.4	5.2	0.6	0.6		153.3		
Lagardere SA	2845	7653	12.5	11.9	9.1	8.6	0.8	0.8	10.5	9.7	3.2	3.4
Arnoldo Mondadori Editore SpA	579	815	8.2	8.0	5.0	4.9	0.8	0.8	8.3	8.1	6.7	7.2
New York Times Co	8785	8311	18.8	17.1	16.4	15.1	3.1	3.0	26.8	24.2	0.9	1.0
Promotora de Informaciones SA	353	1050	8.2	7.3	5.1	4.7	1.1	1.0	21.7	13.0		
Vocento SA	87	145	722.7	39.1	5.8	4.8	0.4	0.4	23.1	11.6	7.2	7.2
Auto Trader Group PLC	8389	8380	18.0	16.4	17.5	16.0	11.5	10.7	24.8	22.0	1.3	1.5
Carsales.Com Ltd	8991	9642	29.4	25.6	24.7	21.7	13.3	11.9	39.7	34.7	2.0	2.4
Moneysupermarket.Com Group PLC	1245	1273	8.3	7.7	7.2	6.8	2.3	2.2	10.6	9.9	6.8	7.1
REA Group Ltd	19745	19814	40.3	34.9	34.6	29.9	19.9	17.6	58.2	48.7	0.9	1.1
Rightmove PLC	6319	6294	17.8	16.1	17.4	16.0	12.3	11.3	23.2	20.5	1.6	1.8
Schibsted ASA	6809	6598	44.0	31.9	31.2	24.2	7.8	7.1	58.7	41.5	0.7	0.6
Scout24 SE	7054	7234	21.9	19.4	19.0	17.0	11.6	10.6	29.0	25.6	1.6	1.8
Seek Ltd	4956	5650	30.7	25.0	20.8	17.6	8.7	7.8	54.9	41.0	1.4	1.9
Stroeer SE & Co KgaA	3147	4773	13.3	11.7	7.0	6.4	2.2	2.0	15.1	12.9	4.1	4.7
Hemnet Group	3188	3222	39.6	30.8	37.0	28.9	20.0	16.3	51.8	39.1	0.6	0.8
Alma Media (Inderes)	985	1122	14.2	12.9	11.6	10.6	3.4	3.3	17.3	15.9	3.9	4.0
Average		4704	60.5	18.0	14.7	12.9	6.4	5.8	26.3	36.2	2.9	3.1
Median		3222	18.0	16.1	11.6	11.0	2.7	2.6	23.1	21.3	1.6	1.9
Diff-% to median			-21%	-19%	0%	-3%	27%	27%	-25%	-25%	148%	112%

Source: Refinitiv / Inderes

Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25e	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue	305	76.3	80.0	75.1	81.2	313	77.8	83.5	79.3	85.4	326	336	344	351
Alma Career	111	27.0	27.8	26.2	26.3	107.2	25.9	27.6	26.9	26.8	107	111.3	115	117
Alma Marketplaces	85.4	22.9	25.1	24.4	25.9	98.3	25.8	28.4	27.8	29.2	111	116	120	124
Alma News Media	109	26.4	27.1	24.5	29.0	107	26.1	27.4	24.6	29.4	108	109	109	110
Non-allocated	0.0	-0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NRIs	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	0.0
EBITDA	90.6	19.1	23.3	26.0	22.6	91.0	19.4	24.2	27.2	25.6	96.5	103	108	112
Depreciation	-17.6	-4.1	-4.1	-4.5	-4.9	-17.6	-4.6	-4.6	-4.6	-4.6	-18.4	-19.0	-18.8	-18.4
EBIT (excl. NRI)	73.6	16.1	19.4	21.9	19.5	76.9	15.1	19.8	22.8	21.1	78.8	84.7	89.6	94.1
EBIT	73.0	15.0	19.2	21.5	17.7	73.4	14.8	19.6	22.6	21.0	78.1	84.2	89.1	93.6
Alma Career	45.0	10.4	11.1	11.1	10.6	43.1	9.3	10.6	11.6	10.8	42.4	45.3	47.6	49.4
Alma Marketplaces	26.4	5.4	7.1	8.7	6.7	27.8	6.8	8.4	9.7	8.2	33.1	35.9	38.4	41.0
Alma News Media	13.5	2.4	3.8	3.9	3.7	13.7	2.3	4.0	4.1	5.4	15.8	16.4	16.6	17.0
Non-allocated	-12.0	-3.1	-2.8	-2.1	-3.2	-11.2	-3.3	-3.3	-2.6	-3.3	-12.5	-12.8	-13.0	-13.3
NRIs	0.0	0.0	0.0	0.0	-0.1	-0.1	-0.3	-0.2	-0.2	-0.2	-0.8	-0.5	-0.5	-0.5
Net financial items	-5.3	-1.4	-1.7	-2.8	-1.9	-7.7	-1.6	-1.6	-1.6	-1.6	-6.4	-5.4	-4.1	-3.2
PTP	68.5	13.6	18.1	18.8	16.5	67.0	13.2	18.0	21.0	19.4	71.7	78.9	85.0	90.4
Taxes	-12.1	-2.8	-3.6	-3.7	-4.4	-14.4	-2.8	-3.8	-4.4	-4.1	-15.1	-17.0	-18.3	-19.4
Minority interest	-0.1	-0.1	0.0	-0.1	-0.1	-0.3	-0.1	0.0	-0.1	-0.1	-0.3	-0.4	-0.4	-0.4
Net earnings	56.2	10.8	14.5	15.0	12.0	52.3	10.3	14.3	16.5	15.2	56.3	61.5	66.3	70.5
EPS (adj.)	0.66	0.15	0.18	0.19	0.17	0.68	0.13	0.18	0.20	0.19	0.70	0.76	0.81	0.87
EPS (rep.)	0.68	0.13	0.18	0.18	0.15	0.64	0.13	0.17	0.20	0.19	0.69	0.75	0.81	0.86
Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25e	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	-1.3 %	1.3 %	2.3 %	2.2 %	4.3 %	2.5 %	2.1 %	4.4 %	5.5 %	5.2 %	4.3 %	3.0 %	2.4 %	2.2 %
Adjusted EBIT growth-%	0.3 %	-5.2 %	0.4 %	6.7 %	16.3 %	4.5 %	-6.2 %	2.3 %	4.1 %	8.4 %	2.6 %	7.5 %	5.7 %	5.0 %
EBITDA-%	29.7 %	25.0 %	29.1 %	34.6 %	27.8 %	29.1 %	25.0 %	29.0 %	34.4 %	29.9 %	29.6 %	30.7 %	31.4 %	31.9 %
Adjusted EBIT-%	24.1 %	21.1 %	24.2 %	29.1 %	24.0 %	24.6 %	19.4 %	23.7 %	28.7 %	24.7 %	24.2 %	25.2 %	26.0 %	26.8 %
Net earnings-%	18.4 %	14.2 %	18.1 %	19.9 %	14.7 %	16.7 %	13.3 %	17.1 %	20.8 %	17.8 %	17.3 %	18.3 %	19.3 %	20.1 %

Source: Inderes

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	437	445	458	457	457
Goodwill	298	309	309	309	309
Intangible assets	88	88	100	101	103
Tangible assets	41	39	39	37	36
Associated companies	4.4	5.7	5.7	5.7	5.7
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	5.9	3.6	3.6	3.6	3.6
Deferred tax assets	0.2	0.4	0.4	0.4	0.4
Current assets	90.3	81.1	70.8	72.9	76.0
Inventories	0.6	0.7	0.7	0.7	0.7
Other current assets	3.9	1.7	1.7	1.7	1.7
Receivables	33	36	36	37	38
Cash and equivalents	52	43	33	34	36
Balance sheet total	528	526	528	530	533

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	223	235	253	276	303
Share capital	45	45	45	45	45
Retained earnings	148	162	180	203	230
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	7.7	7.7	7.7	7.7	7.7
Other equity	20	18	18	18	18
Minorities	3	2	2	2	2
Non-current liabilities	216	196	165	146	125
Deferred tax liabilities	17	18	18	18	18
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	192	175	145	126	105
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long-term liabilities	7.0	2.9	2.9	2.9	2.9
Current liabilities	89	95	109	108	104
Interest bearing debt	7	10	20	16	10
Payables	80	82	86	89	91
Other current liabilities	2.5	3	3.0	3.0	3.0
Balance sheet total	528	526	528	530	533

DCF-calculation

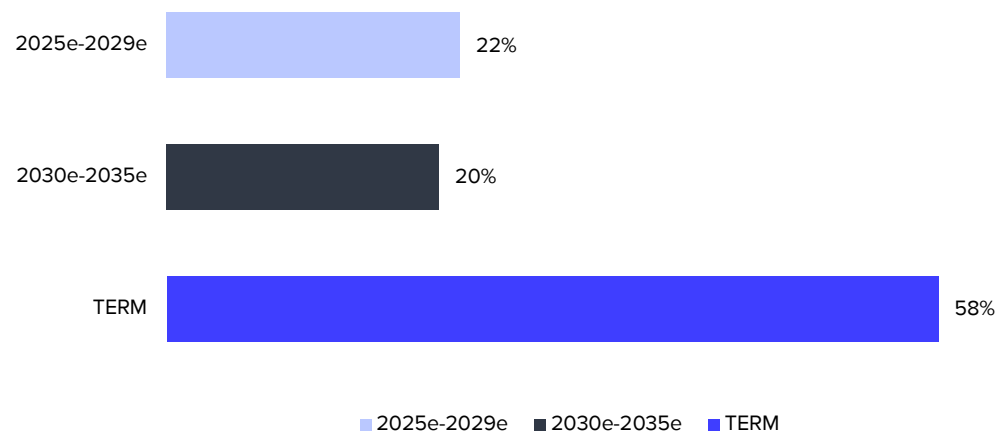
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	2.5 %	4.3 %	3.0 %	2.4 %	2.2 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %
EBIT-%	23.5 %	23.9 %	25.1 %	25.9 %	26.6 %	26.0 %	26.0 %	25.5 %	25.0 %	25.0 %	24.5 %	24.5 %	24.5 %
EBIT (operating profit)	73.4	78.1	84.2	89.1	93.6	93.7	96.0	96.5	97.0	99.4	99.9	102	
+ Depreciation	17.6	18.4	19.0	18.8	18.4	18.6	19.1	19.7	20.0	20.2	20.1	20.1	
- Paid taxes	-14.0	-15.1	-17.0	-18.3	-19.4	-19.5	-20.1	-20.3	-20.5	-21.2	-21.4	-21.9	
- Tax, financial expenses	-1.7	-1.3	-1.2	-0.9	-0.7	-0.6	-0.5	-0.4	-0.3	-0.2	-0.1	-0.1	
+ 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	0.0	
- Change in working capital	2.4	4.7	1.5	1.2	1.2	1.3	1.4	1.4	1.4	1.5	1.5	1.6	
Operating cash flow	77.6	84.7	86.6	90.0	93.1	93.5	95.9	96.9	97.6	99.7	100	102	
+ Change in other long-term liabilities	-4.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-24	-31	-18.5	-18.5	-19.0	-19.5	-20.0	-20.0	-20.0	-20.1	-20.1	-20.4	
Free operating cash flow	50	54	68.1	71.5	74.1	74.0	75.9	76.9	77.6	79.6	79.9	81.7	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	50	54	68.1	71.5	74.1	74.0	75.9	76.9	77.6	79.6	79.9	81.7	1616
Discounted FCFF		50	59.2	57.7	55.5	51.5	49.0	46.2	43.3	41.2	38.4	36.5	721
Sum of FCFF present value		1250	1200	1141	1083	1027	976	927	881	837	796	758	721
Enterprise value DCF		1250											
- Interest bearing debt		-186											
+ Cash and cash equivalents		43											
-Minorities		-4											
-Dividend/capital return		0											
Equity value DCF		1103											
Equity value DCF per share		13.4											

WACC

Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	20.0 %
Cost of debt	4.5 %
Equity Beta	1.2
Market risk premium	4.75%
Liquidity premium	0.50%
Risk free interest rate	2.5 %
Cost of equity	8.7 %
Weighted average cost of capital (WACC)	7.7 %

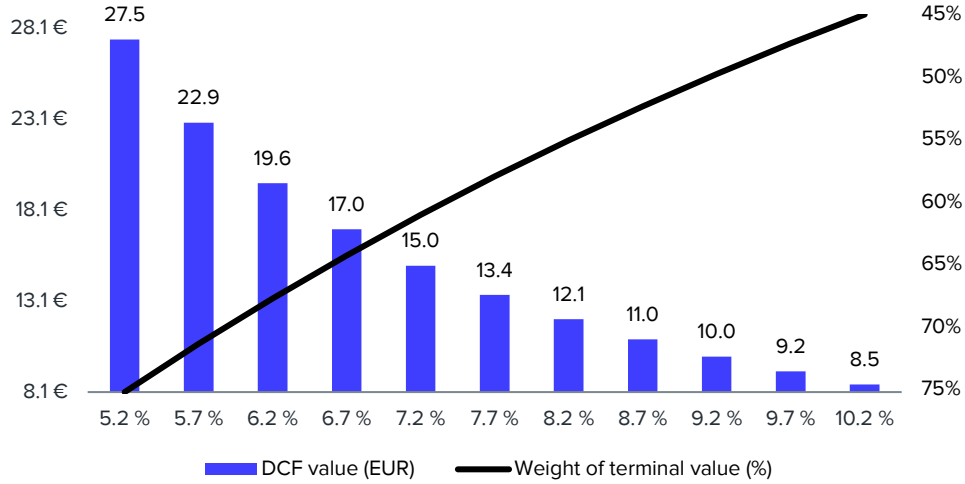
Source: Inderes

Cash flow distribution

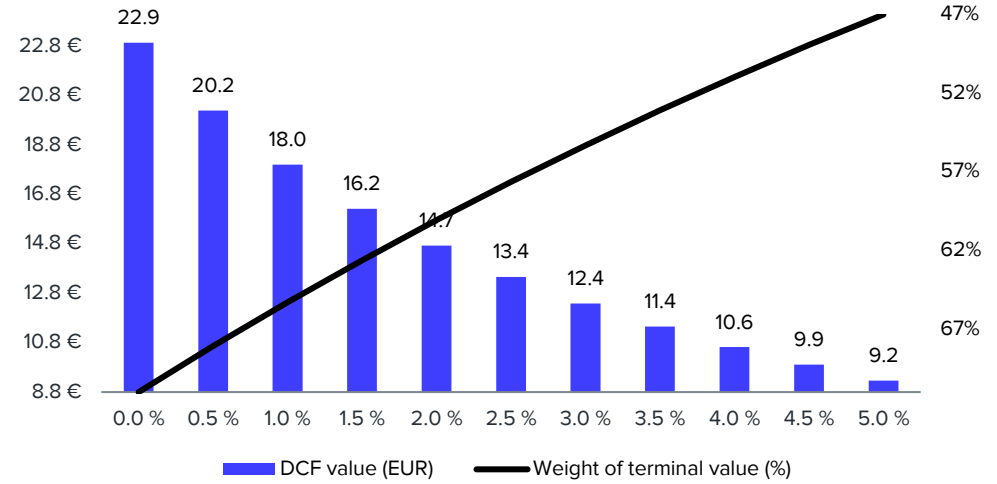


DCF sensitivity calculations and key assumptions in graphs

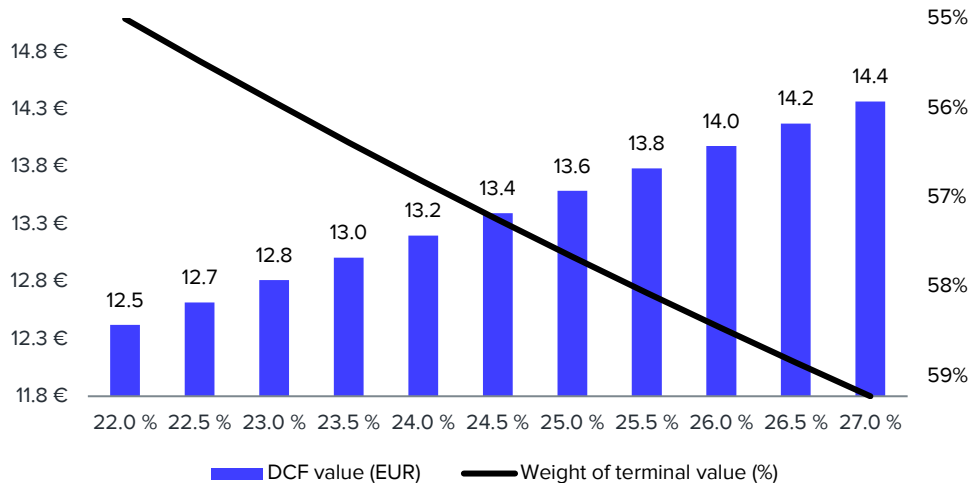
Sensitivity of DCF to changes in the WACC-%



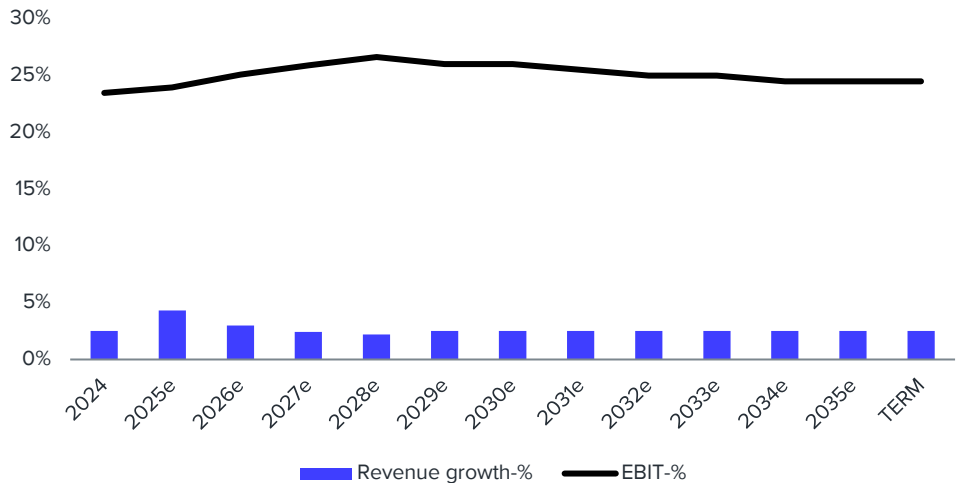
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



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	Per share data	2022	2023	2024	2025e	2026e
Revenue	309	305	313	326	336	EPS (reported)	0.88	0.68	0.64	0.69	0.75
EBITDA	97.2	90.6	91.0	96.5	103.2	EPS (adj.)	0.72	0.66	0.68	0.70	0.76
EBIT	80.0	73.0	73.4	78.1	84.2	OCF / share	1.06	0.85	0.95	1.03	1.06
PTP	86.9	68.5	67.0	71.7	78.9	FCF / share	0.89	0.49	0.61	0.65	0.83
Net Income	72.4	56.2	52.3	56.3	61.5	Book value / share	2.49	2.68	2.83	3.06	3.34
Extraordinary items	6.6	-0.6	-3.5	-0.8	-0.5	Dividend / share	0.44	0.45	0.46	0.47	0.48
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	495.2	527.7	526.1	528.4	530.0	Revenue growth-%	12%	-1%	3%	4%	3%
Equity capital	205.9	222.8	234.9	253.4	276.4	EBITDA growth-%	32%	-7%	0%	6%	7%
Goodwill	294.4	298.0	309.0	309.0	309.0	EBIT (adj.) growth-%	20%	0%	4%	3%	7%
Net debt	143.7	146.5	143.2	132.6	107.7	EPS (adj.) growth-%	24%	-9%	4%	2%	9%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	31.5 %	29.7 %	29.1 %	29.6 %	30.7 %
EBITDA	97.2	90.6	91.0	96.5	103.2	EBIT (adj.)-%	23.8 %	24.1 %	24.6 %	24.2 %	25.2 %
Change in working capital	5.0	-7.9	2.4	4.7	1.5	EBIT-%	25.9 %	23.9 %	23.5 %	23.9 %	25.1 %
Operating cash flow	87.0	69.8	77.6	84.7	86.6	ROE-%	39.3 %	26.5 %	23.1 %	23.3 %	23.4 %
CAPEX	-17.5	-26.2	-23.7	-31.0	-18.5	ROI-%	20.6 %	18.4 %	17.7 %	18.6 %	20.1 %
Free cash flow	73.1	40.4	49.8	53.7	68.1	Equity ratio	45.8 %	46.3 %	48.6 %	52.3 %	56.9 %
Valuation multiples	2022	2023	2024	2025e	2026e	Gearing	69.8 %	65.8 %	61.0 %	52.3 %	39.0 %
EV/S	3.0	3.0	3.3	3.4	3.3						
EV/EBITDA	9.5	10.2	11.3	11.6	10.6						
EV/EBIT (adj.)	12.5	12.6	13.4	14.2	12.9						
P/E (adj.)	13.1	14.6	16.2	17.3	15.9						
P/B	3.8	3.6	3.9	3.9	3.6						
Dividend-%	4.7 %	4.7 %	4.2 %	3.9 %	4.0 %						

Source: Inderes

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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

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Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
2/16/2020	Reduce	8.80 €	8.70 €
3/12/2020	Reduce	6.80 €	6.54 €
3/26/2020	Reduce	6.50 €	6.50 €
6/12/2020	Accumulate	8.00 €	7.10 €
7/20/2020	Accumulate	8.00 €	7.06 €
10/23/2020	Accumulate	8.50 €	7.84 €
1/13/2021	Reduce	9.50 €	9.54 €
2/18/2021	Reduce	9.00 €	9.14 €
3/8/2021	Accumulate	10.00 €	9.50 €
4/13/2021	Accumulate	10.00 €	9.22 €
4/22/2021	Accumulate	11.00 €	10.46 €
5/28/2021	Accumulate	10.50 €	9.80 €
7/19/2021	Accumulate	12.50 €	11.80 €
7/22/2021	Reduce	12.00 €	11.60 €
9/17/2021	Reduce	11.50 €	10.90 €
10/22/2021	Reduce	12.00 €	12.48 €
2/17/2022	Accumulate	11.00 €	10.00 €
3/14/2022	Reduce	11.00 €	10.60 €
4/25/2022	Accumulate	11.00 €	9.58 €
6/13/2022	Reduce	11.00 €	10.50 €
7/21/2022	Reduce	11.00 €	10.30 €
10/21/2022	Accumulate	10.50 €	9.10 €
2/17/2023	Accumulate	10.50 €	9.63 €
4/24/2023	Accumulate	10.50 €	9.04 €
6/10/2023	Accumulate	10.00 €	8.92 €
7/20/2023	Accumulate	10.00 €	9.14 €
10/19/2023	Accumulate	10.00 €	8.62 €
2/19/2024	Accumulate	10.50 €	9.92 €
4/11/2024	Accumulate	10.50 €	9.44 €
4/22/2024	Accumulate	10.50 €	9.40 €
6/10/2024	Reduce	10.50 €	10.05 €
7/19/2024	Reduce	11.00 €	11.00 €
10/21/2024	Reduce	11.00 €	11.20 €
2/6/2025	Accumulate	13.00 €	12.00 €



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