

SANOMA

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INDERES CORPORATE CUSTOMER

COMPANY REPORT



On the verge of accelerating earnings growth

We have reviewed our estimates following Sanoma's Capital Markets Day and updated financial targets. Our projections were in close alignment with the current targets as well, and the changes we made to our forecasts primarily affected Media Finland's medium-term estimates, as the opening of the gambling advertising market in 2027 will impact them. In our view, the share valuation is attractive relative to our earnings growth forecast for the next few years, so we are raising our recommendation to Buy (previously Accumulate) and reiterating our target price of EUR 11.3.

Our estimates are in line with revised financial targets

Sanoma updated its financial targets in connection with the Capital Markets Day. At the group level, it targets high single-digit adjusted EBIT growth in 2026-2030. As expected, Sanoma sees Learning's growth as a key growth driver, but it also expects Media Finland's results to grow, particularly thanks to the growth that will be brought about by the opening of the gambling advertising market.

In terms of revenue, Learning's growth is driven by market growth resulting from the timing of curriculum renewals in its largest operating countries (e.g., Poland and the Netherlands). In addition to revenue growth, Learning's earnings growth will be driven by improved profitability in line with reduced fixed costs, unit costs of learning materials, and investments resulting from the Solar efficiency program. Based on these drivers, Learning aims for high single-digit EBIT growth (measured annually by the CAGR-% for the previous three years). We forecast that earnings growth in 2026 will be relatively strongest compared to individual years (2026e operating EBIT growth excluding PPA +18%), as the starting level for the current year was lower. Overall, however, our earnings growth forecast for Learning is 8% in 2026-2028, which is in line with the target.

Media Finland's earnings growth mainly stems from gambling advertising

Media Finland's target is stable revenue development as growth in digital subscription income is largely offset by the decline in print revenue. Despite this, Media Finland aims for low single-digit earnings growth through continuous operational efficiency improvements. However, this target level does not include the expected revenue growth from the opening of the gambling advertising market, which Sanoma estimates at +20 MEUR. We estimate that this high-margin revenue will significantly contribute to the segment's earnings, leading us to project an average earnings growth of +7% in 2026-2028e. In line with recent estimates, we have shifted our growth expectations from gambling advertising to mid-2027 but raised our growth expectations generated by it starting in 2028, in line with updated market estimates. At the group level, changes in earnings forecasts for the coming years were only around +/- 1%.

Earnings growth drives expected return

Based on the previous 12 months' results, the share is valued at a P/E ratio of 16x and an EV/EBITA ratio of 11x. In our opinion, these valuation multiples are relatively neutral in relation to the risk level of the share. Consequently, the expected return for the coming years will be based on our earnings growth and dividend yield forecasts. The expected return on these investments exceeds 20%, making the stock's risk/return ratio highly attractive to us. Our view of the share's clear upside potential is also reflected in our cash flow model, which is valued at EUR 11.5.

Recommendation

Buy
(was Accumulate)

Target price:
11.30 EUR
(was EUR 11.30)

Share price:
EUR 9.14

Business risk



Valuation risk



	2024	2025e	2026e	2027e
Revenue	1345	1308	1306	1349
growth-%	-3%	-3%	0%	3%
EBIT adj. excl. PPA	180	188	215	229
EBIT-% adj.	13.4 %	14.4 %	16.4 %	17.0 %
Net Income	40.5	27.2	114.4	129.1
EPS (adj.)	0.52	0.56	0.75	0.85
P/E (adj.)	14.9	16.3	12.2	10.8
P/B	2.0	2.6	2.4	2.2
Dividend yield-%	5.1 %	4.6 %	4.7 %	4.9 %
EV/EBIT (adj.)	13.8	14.0	11.8	10.5
EV/EBITDA	6.0	6.3	6.1	5.6
EV/S	1.5	1.6	1.6	1.5

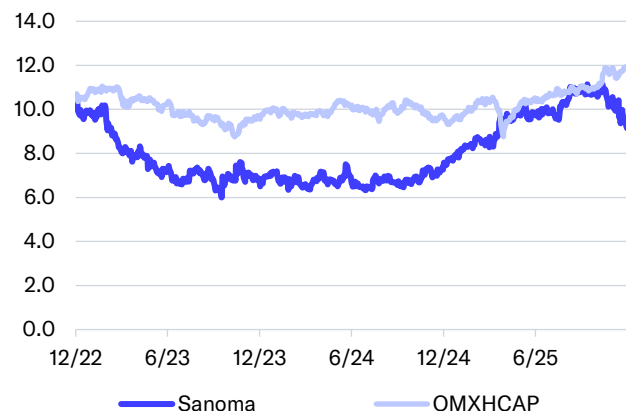
Source: Inderes

Guidance

(Unchanged)

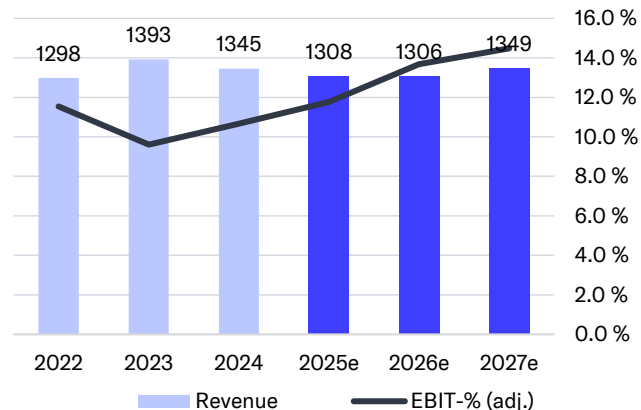
In 2025, Sanoma expects that the Group's reported revenue will be 1.29–1.31 BEUR (2024: 1.34) and operating EBIT excl. PPA is expected to be 180–190 MEUR (2024: 180 MEUR).

Share price



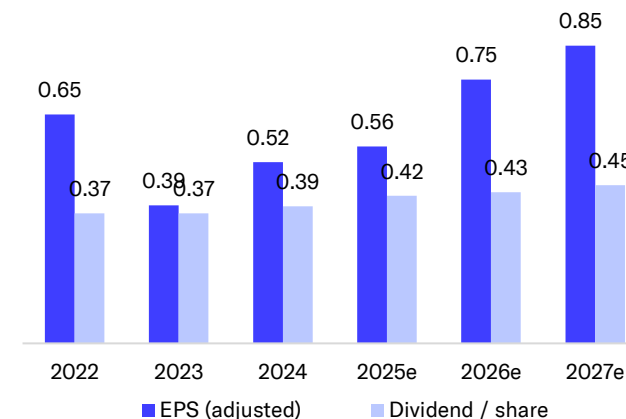
Source: Millstream Market Data AB

Revenue and EBIT-% (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Growth of digital revenue in the Media business
- Improved revenue structure with growth in digital income and Learning business
- The potential of profitability improvement from efficiency measures
- Synergy benefits from completed acquisitions

Risk factors

- The trend-like decline in print media
- Weakening competitive position, especially against global competitors
- Typical risks associated with acquisitions
- Risks related to general economic development
- Technology risks

Valuation	2025e	2026e	2027e
Share price	9.14	9.14	9.14
Number of shares, millions	164	164	164
Market cap	1495	1495	1495
EV	2148	2112	2058
P/E (adj.)	16.3	12.2	10.8
P/E	85.0	13.2	11.6
P/B	2.6	2.4	2.2
P/S	1.1	1.1	1.1
EV/Sales	1.6	1.6	1.5
EV/EBITDA	6.3	6.1	5.6
EV/EBIT (adj.)	14.0	11.8	10.5
Payout ratio (%)	252.7 %	61.4 %	57.0 %
Dividend yield-%	4.6 %	4.7 %	4.9 %

Source: Inderes

Updated targets did not affect our estimates

Growth will be accelerated by acquisitions in the future as well

Sanoma abandoned its previously announced revenue target of 2 billion for 2030. The company intended to achieve this revenue level by roughly doubling the size of Learning, which was expected to contribute 75% of the 2 billion revenue target. With the updated targets, we understand that the company aims to emphasize its ability to improve the profitability of businesses acquired through acquisitions and underlines this with Learning's earnings growth-linked target (instead of an absolute revenue level). Based on evidence from previous acquisitions, Sanoma estimates that it can achieve synergies of up to 10-20% through acquisitions made in current markets. The focus here is not only on eliminating overlaps in support functions but especially on the economies of scale brought by a larger size. In entirely new geographical markets, however, the synergy estimate is 5-10% because operations require local support functions and thus

administrative synergies cannot be fully realized on a large scale.

Leverage target somewhat more cautious

Sanoma's comments on its inorganic growth ambitions remained largely unchanged, although the leverage target has fallen to <2.5x and slightly limits capacity compared to before (cf. previous target <3x). However, based on the company's comments, the set level can be temporarily exceeded, and the company currently estimates its acquisition capacity to be as high as 300 MEUR. Thus, in our opinion, the company's financial position or the financial target linked to it does not limit the prerequisites for accelerating Learning's growth, also considering the leeway provided by the strengthened free cash flow.

Our estimates are in line with revised targets

At the group level, Sanoma aims for high single-digit earnings growth throughout the 2026-2030 strategy period. Our estimates have largely remained unchanged

in this update and align well with the company's targeted earnings growth rate. We estimate Sanoma's adjusted EBIT (excluding PPA) to grow by an average of nearly 8% annually in 2026-2028 (3-year CAGR-%).

Earnings growth will be strongest in 2026, when we expect Learning's revenue growth and clear improvement in profitability to raise its earnings to a new level. Even after a clear improvement in profitability, we expect Learning's revenue growth to sustain its earnings growth. For Media Finland, we expect a slight improvement in operational efficiency, in line with its historical trend, but we forecast significant growth in its earnings level in 2028 as gambling advertising will generate high-margin growth throughout the year. Our 2028 estimate includes approximately 16 MEUR in growth in advertising sales (incl. growth in other advertising), so our estimate is conservative compared to the company's target level. This is due to the forecast risks currently associated with the size of the market and the company's market position.

Estimate revisions	2025e	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	1308	1308	0%	1302	1306	0%	1342	1349	1%
EBIT (exc. NRIs)	154	154	0%	181	179	-1%	194	195	1%
EBIT	61	61	0%	171	169	-1%	184	186	1%
PTP	36.1	36.1	0%	148	147	-1%	163	165	1%
EPS (excl. NRIs)	0.56	0.56	0%	0.76	0.75	-1%	0.84	0.85	1%
DPS	0.42	0.42	0%	0.43	0.43	0%	0.45	0.45	0%

Source: Inderes

Expected return is based on earnings growth and dividends

There is still upside in the valuation with next year's earnings improvement

With our 2025 estimates, the stock is valued at an adjusted P/E ratio of 16x, and the corresponding EV/EBITA ratio is good 11x. Thanks to earnings growth, the corresponding 2026 multiples fall to lower levels of 12x and 10x. In our view, the valuation multiples for this year are neutral, or at most, slightly elevated, while next year's valuation multiples are clearly below the median levels of the previous five years (2020-2024 adj. P/E 18x and EV/EBITA ~ 14x). We do not consider the historical valuation level justified at the moment when required returns are higher than during the zero-interest rate period, due to higher interest rates. At the same time, it should be noted that the relative weight of Learning, which warrants higher valuation multiples, has increased for the group.

Overall, the change in valuation multiples does not drive the expected return. In this case, the expected return is formed by earnings growth (2024-2027e EPS growth 18% p.a.) and dividend yield. Given the strengthening cash flow in the coming years and the current balance sheet position, we expect Sanoma to continue increasing its profit-sharing in the next few years, although it is also likely to more actively return to the M&A front in terms of capital allocation. With our estimates, Sanoma will offer an average dividend yield of almost 5% in the coming years. Thus, we estimate that the dividend yield will also play an essential role in the expected return for the coming years, and together with earnings growth, the expected return generated will exceed 20%, a very attractive level given Sanoma's risk profile.

On a cash-flow basis, the valuation is still reasonable

The cash flow impacts of the Solar program come through before their impact on the income statement, which has been reflected in improved free cash flow. At the current share price, Sanoma's market cap is approximately 1.5 billion, in relation to which the LTM free cash flow corresponds to a free cash flow yield of just over 8%. We find this to be an attractive level considering Sanoma's risk profile. Additionally, we expect free cash flow to continue growing in the coming years through the contraction of investments and an improvement in earnings, so the static cash flow-based expected return will also strengthen with cash flow growth.

DCF calculation above current share price

Our DCF model indicates a share value of EUR 11.5. Due to the moderate and stable growth of Learning (excl. possible acquisitions), and the decline in print media, revenue reaches a slight growth of around 2% in our cash flow model estimates in the medium and long term. Our profitability estimates in our model rise significantly from the 2025e level of 14.4% (adj. EBIT-% excl. PPA amortizations) in the coming years, as the Solar program in particular strengthens Learning's profitability. In the longer term, however, our profitability forecasts are 13-14% and terminal profitability is 13.5%. Thus, given the company's track record, we do not find the DCF model's profitability expectations demanding, and we believe the model supports our view of the share's clear upside potential.

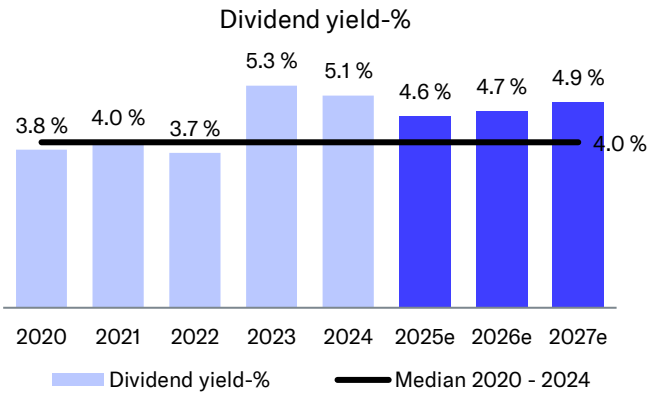
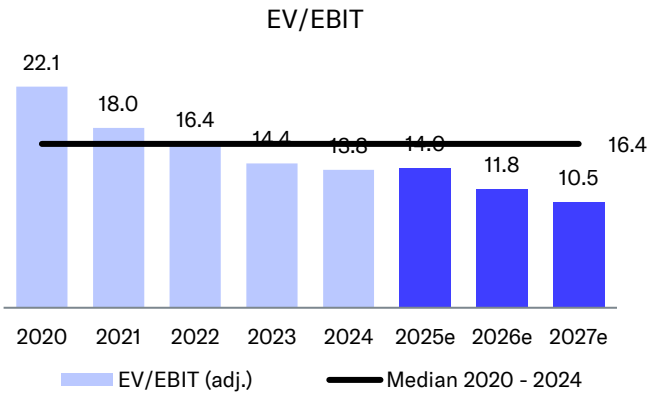
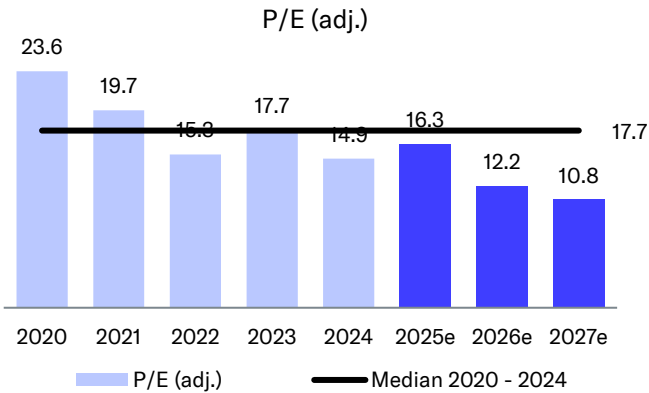
Valuation	2025e	2026e	2027e
Share price	9.14	9.14	9.14
Number of shares, millions	164	164	164
Market cap	1495	1495	1495
EV	2148	2112	2058
P/E (adj.)	16.3	12.2	10.8
P/E	85.0	13.2	11.6
P/B	2.6	2.4	2.2
P/S	1.1	1.1	1.1
EV/Sales	1.6	1.6	1.5
EV/EBITDA	6.3	6.1	5.6
EV/EBIT (adj.)	14.0	11.8	10.5
Payout ratio (%)	252.7 %	61.4 %	57.0 %
Dividend yield-%	4.6 %	4.7 %	4.9 %

Source: Inderes

Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	13.7	13.6	9.96	6.95	7.67	9.14	9.14	9.14	9.14
Number of shares, millions	163	163	163	163	164	164	164	164	164
Market cap	2240	2219	1625	1135	1254	1495	1495	1495	1495
EV	2951	2842	2453	1928	1974	2148	2112	2058	1991
P/E (adj.)	23.6	19.7	15.3	17.7	14.9	16.3	12.2	10.8	10.3
P/E	9.5	22.1	21.3	neg.	40.6	85.0	13.2	11.6	11.0
P/B	3.2	3.1	2.3	1.8	2.0	2.6	2.4	2.2	2.0
P/S	2.1	1.8	1.3	0.8	0.9	1.1	1.1	1.1	1.1
EV/Sales	2.8	2.3	1.9	1.4	1.5	1.6	1.6	1.5	1.4
EV/EBITDA	6.6	8.1	7.5	6.7	6.0	6.3	6.1	5.6	5.3
EV/EBIT (adj.)	22.1	18.0	16.4	14.4	13.8	14.0	11.8	10.5	9.9
Payout ratio (%)	35.8 %	87.6 %	79.2 %	1948.7 %	157.6 %	252.7 %	61.4 %	57.0 %	55.3 %
Dividend yield-%	3.8 %	4.0 %	3.7 %	5.3 %	5.1 %	4.6 %	4.7 %	4.9 %	5.0 %

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 Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B 2025e
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	
Alma Media	1059	1205	15.0	13.5	12.2	11.2	3.7	3.5	17.9	15.7	3.7	3.8	4.2
Future PLC	612	966	4.1	4.1	3.8	3.8	1.1	1.1	4.5	4.2	0.6	0.7	0.6
ITV PLC	3541	4231	8.3	7.9	6.5	6.5	1.1	1.0	9.8	9.8	5.9	6.0	1.8
Lagardere SA	2605	7428	11.9	11.2	6.5	6.2	0.8	0.8	9.5	8.5	3.7	4.0	3.1
Arnoldo Mondadori Editore	533	771	8.3	8.1	4.9	4.8	0.8	0.8	8.2	8.1	7.4	8.1	0.7
News Corp	13144	13460	16.1	15.1	10.8	10.3	1.8	1.8	28.1	27.4	0.8	0.9	1.8
New York Times	9395	8865	21.9	19.2	18.1	16.4	3.7	3.4	27.9	25.6	1.0	1.2	5.3
Promotora de Informaciones SA	488	1174	11.1	10.2	6.6	6.2	1.3	1.2		36.2			
Prosiebensat 1 Media	1060	2954	17.5	11.6	7.2	6.4	0.8	0.8	5.6	6.7	2.6	3.2	0.8
Roularta Media Group	174	109	6.2	15.6	2.8	3.9	0.3	0.3	10.6	27.8	8.0	10.0	0.7
Bloomsbury Publishing PLC	453	468	10.2	8.9	8.0	7.8	1.1	1.2	13.0	11.8	3.2	3.3	1.9
Pearson PLC	7453	8733	12.7	11.7	9.2	8.7	2.1	2.0	16.5	14.8	2.5	2.9	1.7
John Wiley & Sons Inc	1442	2132	10.5	9.4	6.2	5.8	1.5	1.5	9.0	8.0	4.5	4.6	
Wilmington PLC	314	267	10.3	8.4	8.9	7.5	2.3	1.9	13.3	12.2	3.8	4.0	2.4
Chegg Inc	88	58		10.3	1.0	1.2	0.2	0.2		17.7			0.9
Sanoma (Inderes)	1495	2148	14.0	11.8	6.3	6.1	1.6	1.6	16.3	12.2	4.6	4.7	2.6
Average			11.7	11.0	7.5	7.1	1.5	1.4	13.4	15.6	3.7	4.0	2.0
Median			10.8	10.3	6.6	6.4	1.1	1.2	10.6	12.2	3.7	3.8	1.8
Diff-% to median			29%	15%	-5%	-6%	44%	31%	54%	0%	26%	23%	48%
Media peers													
Average			11.0	10.6	7.2	6.9	1.4	1.3	12.2	15.5			1.9
Median			11.5	11.4	6.6	6.3	1.1	1.1	9.8	12.8			1.8
Learning peers													
Average			10.9	9.7	6.7	6.2	1.4	1.4	12.9	12.9			1.7
Median			10.4	9.4	8.0	7.5	1.5	1.5	13.1	12.2			1.8

Source: Refinitiv / Inderes

Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25	Q4'25e	2025e	2026e	2027e	2028e
Revenue	1393	221	342	540	241	1345	221	340	516	231	1308	1306	1349	1380
Media Finland	598	140	152	144	145	581	132	148	139	138	558	564	575	586
Learning	795	81	191	396	97	764	89	192	377	93	750	742	774	794
EBITDA	287	23	97	170	40	329	23	103	203	15	343	349	368	377
Depreciation	-235	-54	-54	-53	-87	-248	-54	-54	-121	-54	-282	-180	-182	-185
EBIT (excl. NRI and PPA)	175	-24	61	170	-27	180	-19	62	172	-27	188	215	229	234
EBIT (excl. NRI)	134	-33	52	161	-36	143	-28	53	164	-36	154	179	195	202
EBIT	52	-31	43	117	-47	82	-31	49	82	-39	61	169	186	192
Media Finland	33	6	12	16	7	41	7	11	19	6	42	45	48	52
Learning	114	-35	42	148	-38	117	-32	45	148	-38	123	151	166	168
NRI	-82	1	-8	-44	-11	-62	-4	-4	-83	-3	-93	-10	-10	-10
Other and eliminations	-13	-4	-3	-3	-5	-14	-3	-3	-2	-4	-12	-17	-18	-18
Net financial items	-31	-7	-11	-9	-7	-33	-6	-6	-6	-6	-25	-22	-21	-19
PTP	20	-38	33	108	-54	48	-38	43	76	-45	36	147	165	173
Taxes	-17	11	-8	-24	14	-8	9	-10	-18	10	-9	-32	-35	-37
Minority interest	-1	0	0	0	0	0	0	0	0	0	0	0	0	0
Net earnings	3.1	-28	24	84	-40	40	-28	33	57	-35	27	114	129	136
EPS (adj.)	0.39	-0.20	0.17	0.75	-0.20	0.52	-0.17	0.21	0.73	-0.21	0.56	0.75	0.85	0.89
EPS (rep.)	-0.03	-0.18	0.13	0.50	-0.26	0.19	-0.19	0.19	0.34	-0.23	0.11	0.69	0.79	0.83

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	7.3 %	1.5 %	0.3 %	-7.0 %	-4.8 %	-3.5 %	0.1 %	-0.8 %	-4.5 %	-4.4 %	-2.8 %	-0.1 %	3.3 %	2.3 %
Adjusted EBIT growth-%	-10.7 %	-19.2 %	20.7 %	-4.8 %	-2.6 %	7.1 %	-16.0 %	3.3 %	2.3 %	-0.1 %	7.4 %	16.1 %	9.3 %	3.3 %
Adjusted EBITDA-%		20.1 %	32.9 %	21.8 %	21.4 %	24.3 %	11.9 %	31.5 %	55.3 %	7.6 %	33.3 %	27.5 %	28.0 %	28.0 %
EBITDA-%	20.6 %	10.3 %	28.3 %	31.5 %	16.4 %	24.5 %	10.2 %	30.2 %	39.3 %	6.5 %	26.2 %	26.7 %	27.3 %	27.3 %
Adj. EBIT-% (excl. PPA)	12.6 %	-10.8 %	17.9 %	31.5 %	-11.3 %	13.4 %	-8.5 %	18.3 %	33.4 %	-11.9 %	14.4 %	16.4 %	17.0 %	17.0 %
Adjusted EBIT-%	9.6 %	-14.9 %	15.1 %	29.8 %	-15.0 %	10.7 %	-12.5 %	15.7 %	31.9 %	-15.7 %	11.8 %	13.7 %	14.5 %	14.6 %
Net earnings-%	0.2 %	-12.5 %	7.1 %	15.5 %	-16.7 %	3.0 %	-12.9 %	9.7 %	11.1 %	-15.1 %	2.1 %	8.8 %	9.6 %	9.8 %

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	1643	1512	1437	1471	1501
Goodwill	812	810	761	761	761
Intangible assets	601	496	443	456	466
Tangible assets	185	161	188	209	229
Associated companies	4	4	4	4	4
Other investments	6	6	6	6	6
Other non-current assets	31	33	33	33	33
Deferred tax assets	6	4	4	4	4
Current assets	273	217	206	213	226
Inventories	54	45	39	39	40
Other current assets	14	9	9	9	9
Receivables	139	142	137	144	155
Cash and equivalents	66	21	21	21	21
Balance sheet total	2055	1879	1759	1763	1773

Source: Inderes

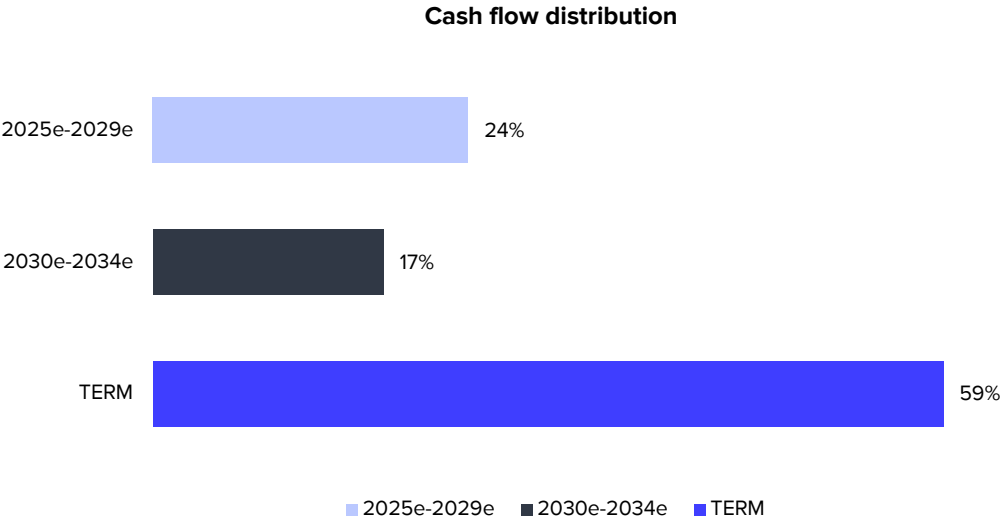
Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	799	772	726	621	679
Share capital	71	71	71	71	71
Retained earnings	140	114	68	112	171
Hybrid bonds	149	149	149	0	0
Revaluation reserve	0	0	0	0	0
Other equity	436	436	436	436	436
Minorities	3	1	1	1	1
Non-current liabilities	499	583	566	645	624
Deferred tax liabilities	116	100	100	100	100
Provisions	2	5	5	5	5
Interest bearing debt	374	472	455	534	513
Convertibles	0	0	0	0	0
Other long term liabilities	7	7	7	7	7
Current liabilities	738	524	468	497	470
Interest bearing debt	331	118	68	101	69
Payables	242	239	233	229	233
Other current liabilities	165	167	167	167	167
Balance sheet total	2037	1879	1759	1763	1773

DCF-calculation

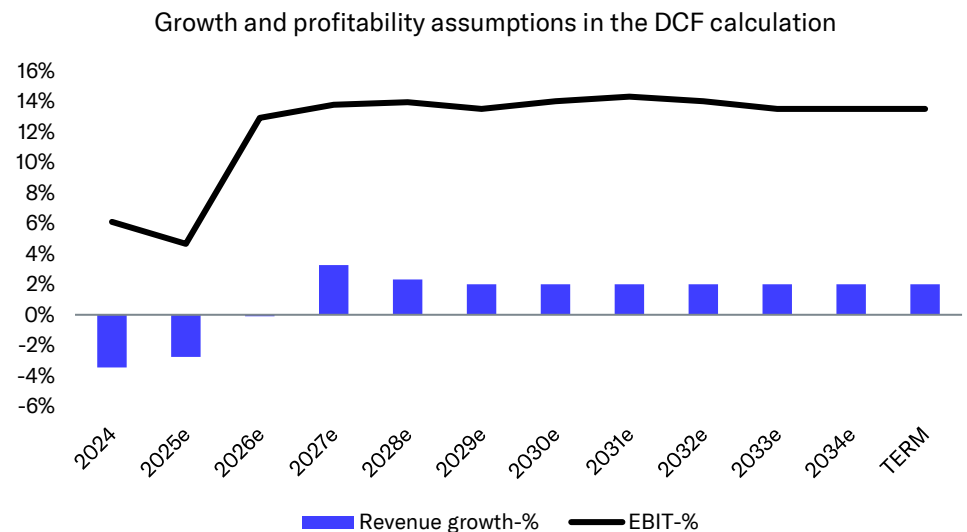
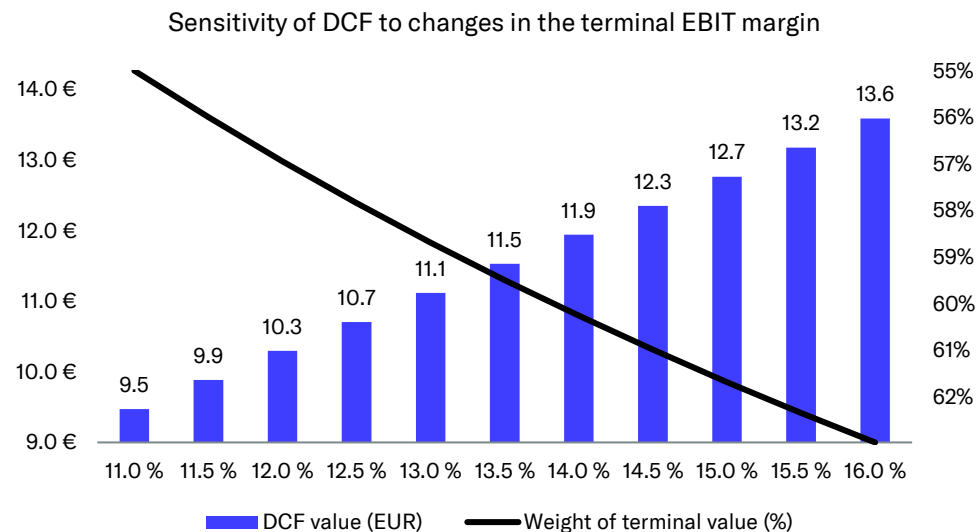
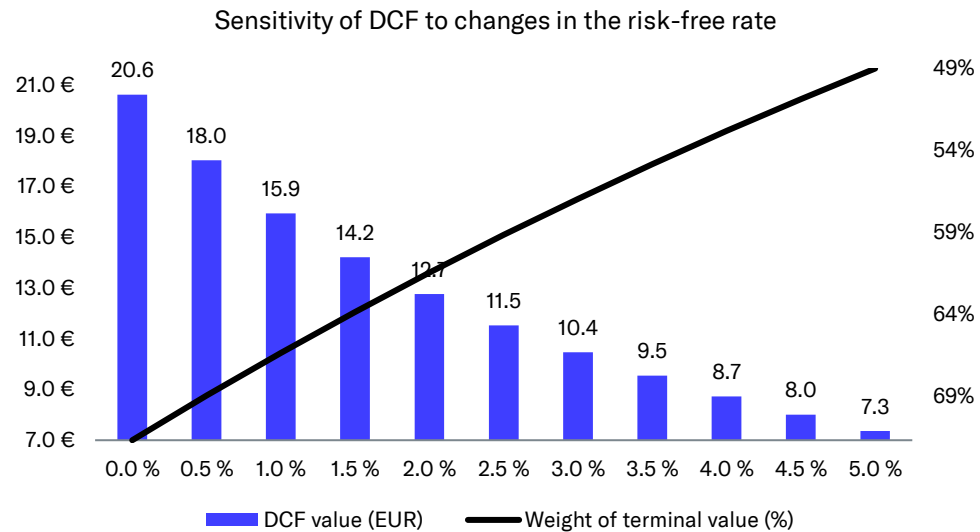
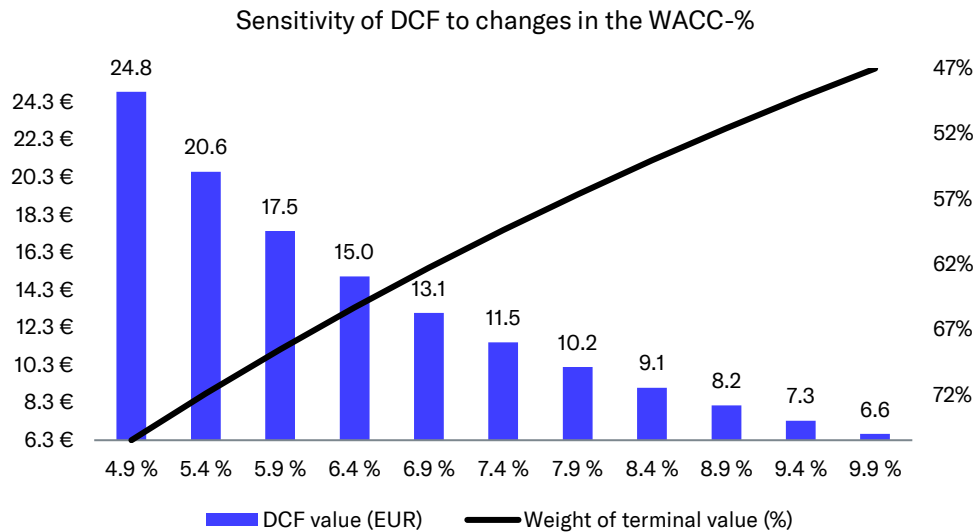
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	-3.5 %	-2.8 %	-0.1 %	3.3 %	2.3 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
EBIT-%	6.1 %	4.7 %	12.9 %	13.8 %	13.9 %	13.5 %	14.0 %	14.3 %	14.0 %	13.5 %	13.5 %	13.5 %
EBIT (operating profit)	81.8	60.8	169	186	192	190	201	209	209	206	210	
+ Depreciation	248	282	180	182	185	175	168	172	176	183	185	
- Paid taxes	-22	-9	-32	-35	-37	-37	-40	-42	-43	-42	-44	
- Tax, financial expenses	-3.4	-2.6	-4.8	-4.6	-4.1	-3.7	-3.3	-2.9	-2.4	-2.0	-1.5	
+ 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	11	4	-11	-8	-1	-1	-1	1	1	1	1	
Operating cash flow	315	335	301	320	336	324	325	337	341	346	350	
+ Change in other long-term liabilities	2.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-130	-173	-178	-179	-180	-182	-184	-186	-188	-190	-192	
Free operating cash flow	188	162	123	141	155	141	141	151	154	156	158	
+/- Other	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	188	162	123	141	155	141	141	151	154	156	158	3003
Discounted FCFF		161	115	122	125	106	98.7	98.2	92.9	87.9	83	1576
Sum of FCFF present value		2666	2505	2390	2268	2143	2037	1939	1840	1747	1660	1576
Enterprise value DCF		2666										
- Interest bearing debt		-739										
+ Cash and cash equivalents		21.1										
-Minorities		-2										
-Dividend/capital return		-64										
Equity value DCF		1882										
Equity value DCF per share		11.5										

WACC	
Tax-% (WACC)	21.5 %
Target debt ratio (D/(D+E))	20.0 %
Cost of debt	4.0 %
Equity Beta	1.25
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.5 %
Cost of equity	8.4 %
Weighted average cost of capital (WACC)	7.4 %

Source: Inderes



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	Per share data	2022	2023	2024	2025e	2026e
Revenue	1298	1393	1345	1308	1306	EPS (reported)	0.47	-0.03	0.19	0.11	0.69
EBITDA	329	287	329	343	349	EPS (adj.)	0.65	0.39	0.52	0.56	0.75
EBIT	112	52	82	61	169	OCF / share	1.39	1.95	1.93	2.05	1.84
PTP	99	20	48	36	147	OFCF / share	-0.83	0.59	1.15	0.99	0.75
Net Income	76.2	3.1	40.5	27.2	114.4	Book value / share	4.26	4.88	4.71	4.43	3.79
Extraordinary items	-37.9	-82.3	-61.5	-93.1	-10.0	Dividend / share	0.37	0.37	0.39	0.42	0.43
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	2104	2055	1879	1759	1763	Revenue growth-%	4%	7%	-3%	-3%	0%
Equity capital	702	799	772	726	621	EBITDA growth-%	-6%	-13%	15%	4%	2%
Goodwill	812	812	810	761	761	EBIT (adj.) growth-%	-5%	-11%	7%	7%	16%
Net debt	823	640	568	502	615	EPS (adj.) growth-%	-6%	-40%	31%	9%	34%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	25.3 %	20.6 %	24.5 %	26.2 %	26.7 %
EBITDA	329	287	329	343	349	EBIT (adj.)-%	11.5 %	9.6 %	10.7 %	11.8 %	13.7 %
Change in working capital	-69	54.8	11.3	3.5	-10.5	EBIT-%	8.6 %	3.7 %	6.1 %	4.7 %	12.9 %
Operating cash flow	227	318	315	335	301	ROE-%	10.8 %	0.4 %	5.2 %	3.6 %	17.0 %
CAPEX	-324	-221	-130	-173	-178	ROI-%	7.4 %	3.3 %	5.7 %	4.7 %	13.5 %
Free cash flow	-136	96	188	162	123	Equity ratio	35.8 %	42.0 %	45.0 %	44.8 %	38.2 %
Valuation multiples	2022	2023	2024	2025e	2026e	Gearing	117.3 %	80.0 %	73.7 %	69.2 %	99.1 %
EV/S	1.9	1.4	1.5	1.6	1.6						
EV/EBITDA	7.5	6.7	6.0	6.3	6.1						
EV/EBIT (adj.)	16.4	14.4	13.8	14.0	11.8						
P/E (adj.)	15.3	17.7	14.9	16.3	12.2						
P/B	2.3	1.8	2.0	2.6	2.4						
Dividend-%	3.7 %	5.3 %	5.1 %	4.6 %	4.7 %						

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
7/27/2020	Accumulate	10.00 €	9.30 €
10/20/2020	Reduce	12.50 €	12.84 €
10/30/2020	Reduce	12.50 €	12.48 €
12/9/2020	Reduce	13.00 €	13.38 €
2/11/2021	Reduce	15.00 €	15.95 €
4/12/2021	Reduce	15.00 €	14.56 €
5/3/2021	Accumulate	15.00 €	14.44 €
7/29/2021	Reduce	15.50 €	16.16 €
10/28/2021	Accumulate	15.50 €	14.34 €
2/14/2022	Accumulate	14.00 €	12.58 €
4/13/2022	Accumulate	14.00 €	12.26 €
5/2/2022	Accumulate	14.00 €	12.04 €
6/8/2022	Accumulate	14.00 €	13.18 €
7/26/2022	Reduce	14.00 €	14.76 €
7/28/2022	Reduce	14.00 €	13.80 €
10/28/2022	Reduce	11.50 €	12.16 €
1/10/2023	Reduce	10.00 €	9.96 €
2/13/2023	Reduce	9.50 €	9.48 €
5/2/2023	Accumulate	8.50 €	7.88 €
5/5/2023	Accumulate	8.00 €	7.29 €
7/24/2023	Accumulate	7.50 €	6.72 €
7/27/2023	Accumulate	7.50 €	7.21 €
10/27/2023	Reduce	7.50 €	7.45 €
1/22/2024	Reduce	7.00 €	6.76 €
2/7/2024	Accumulate	7.00 €	6.35 €
5/2/2024	Accumulate	7.00 €	6.73 €
5/8/2024	Accumulate	7.00 €	6.66 €
7/25/2024	Accumulate	7.00 €	6.74 €
11/1/2024	Accumulate	8.00 €	7.23 €
2/7/2025	Reduce	8.00 €	8.41 €
2/12/2025	Accumulate	9.00 €	8.41 €
4/1/2025	Accumulate	10.00 €	8.94 €
4/30/2025	Accumulate	10.50 €	9.55 €
7/31/2025	Accumulate	10.90 €	9.90 €
10/31/2025	Accumulate	11.30 €	10.70 €
12/12/2025	Buy	11.30 €	9.14 €



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