North Media

Negative enterprise value after a second guidance cut

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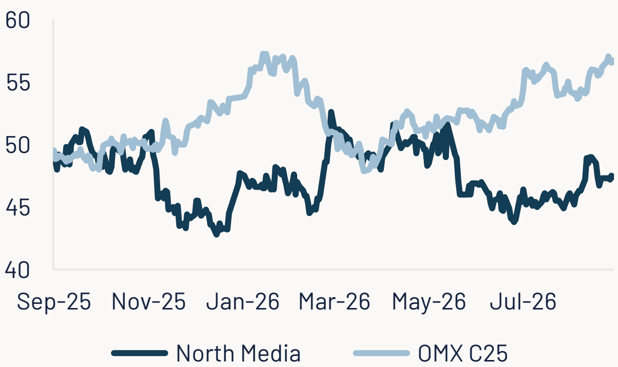
Key Financials and Valuation

Share price



YTD	-0.6%	1 year:	-4.4%
1 month:	3.3%	3 years:	-22.5%

Note: We apply closing price from 28 August 2026. Source: S&P Capital IQ.

Financials

DKKm	2023	2024	2025	2026E
Revenue	915	1,301	1,296	1,267
Growth	-8.1%	42.2%	-0.4%	-2.3%
EBITDA	182	154	125	132
EBITDA-%	19.9%	11.8%	9.6%	10.4%
Net income	264	62	66	N/A
Net cash	659	737	795	906
Market value	1,168	869	860	854
EV/Sales (x)	0.3	0.1	0.1	-0.1
EV/EBITDA (x)	1.5	0.6	0.9	-0.7
EV/EBIT (x)	1.8	-1.2	1.6	-1.2
P/E (x)	4.4	14.1	13.0	N/A

Note: *Market value from 28 August 2026. Net cash is from the Q2 2026 report. Source: S&P Capital IQ.

Guidance 2026E

DKKm	North Media
Revenue	1,248 to 1,285
Revenue growth-%	-3.7% to -0,8%
Previous guidance	1,267 to 1,320
EBITDA	122 to 142
EBITDA margin	9.8% to 11.1%
Previous guidance	133 to 161
EBIT	64 to 84
EBIT margin	5.1% to 6.5%
Previous guidance	75 to 103

Note: Guidance is from North Media's Q2 2026 report. On 18 August 2026 North Media downgraded and narrowed 2026 guidance across revenue, EBITDA and EBIT, the second reduction this year after the top end was cut in May.

Valuation Perspectives

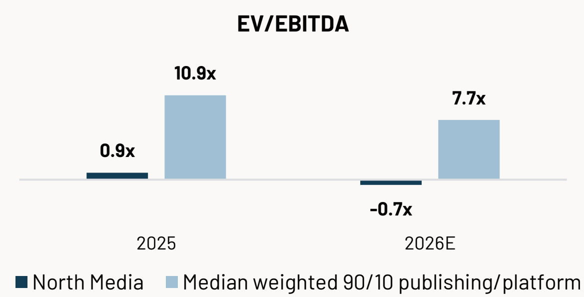
North Media trades at a very large discount to peers, with 2025 EV/EBITDA of 0.9x and EV/EBIT of 1.6x versus a 90/10 publishing/platform weighted peer median of 10.9x and 16.7x. On 2026E the implied EV turns negative, at -0.7x EV/EBITDA and -1.2x EV/EBIT versus 7.7x and 13.4x.

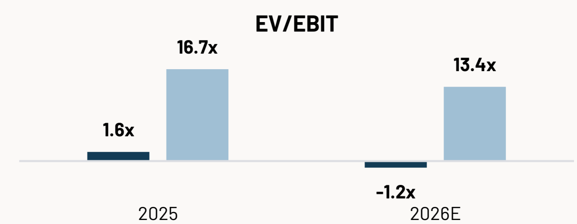
This is explained by the securities portfolio. North Media holds net cash (including securities values) of DKK 906m (DKK 1,030m before debt) against a market cap of ~DKK 854m, leaving a clearly negative implied EV. The market now assigns no value to an operating business that generated EBIT of DKK 66m and FCF of DKK 69m in 2025, and FCF of DKK 39m in H1 2026, even as H1 EBIT fell to DKK 17m and management cut 2026 guidance for the second time this year on a weak SDR and BoligPortal.

The valuation can be partly explained by an ongoing structural decline in printed matter volumes affecting North Media's largest Last Mile business unit. Ongoing investment in loss-making business units and a mixed history of M&A add uncertainty regarding future investment decisions.

Key triggers to close the valuation gap include demonstrating a clear path to profitability for SDR, where losses widened, and continued loss reduction in Dayli and Bekey. Additionally, an M&A strategy with a mixed history of acquisitions can put pressure on valuation, until a track record of value creating M&A is proven. A sustained return to paying dividends, or a distribution of the large capital reserve rather than retaining it, may also support valuation gains and narrow the discount to peers.

Valuation multiples (x)





Investment case – Negative enterprise value after a second guidance cut

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Key Investment Reasons

- 2025 delivered operational stabilization with EBIT of DKK 66m (-75m in 2024, impacted by SDR impairment) and free cash flow recovering to DKK 69m (DKK -31m in 2024). H1 2026 saw EBIT decline to DKK 17m (31m) as SDR losses and one-off costs outweighed gains in FK Distribution and Digital Services.

- North Media trades at a market cap below its cash and securities value, implying the market assigns zero value to the operating business despite being profitable and delivering positive free cash flow.

- Combined cash and securities of DKK 1,030m (at Q2) provides significant firepower for investments and M&A to realise growth, however, with a mixed history of M&A. The profit from securities in H1 2026 was DKK 126,8m.

Key Investment Risks

- Last Mile faces structural decline from digitisation, while SDR's transformation has lagged, with H1 2026 EBIT at -23m pushing break-even past 2026. A July IT security incident in SDR adds risk, and management has now cut 2026 guidance twice this year, weighing on forecast credibility.

- The DKK 927m securities portfolio (at 30.07.2026) has appreciated since 2015 but carries concentration risk, with NVIDIA at ~28%, linking group value to equity market volatility and deterring some investors.

- Founder and vice chairman Richard Bunck (86 y/o) controls 56.6%, while North Media holds a further 10.4% as own shares, leaving limited free float. With the DKK 1,030m capital reserve retained, the discount may persist.

Company description: North Media connects businesses with customers through its Last Mile distribution network and Digital Services. Last Mile (FK Distribution and SDR Svensk Direktreklam) distributes leaflets and local newspapers to 62% of Danish and 49% of Swedish households. Digital Services comprise BoligPortal (leading Danish rental platform), Dayli (digital retail discounts platform with Publisher SaaS), and Bekey (digital access solutions). Karman Connect (50% owned) is a fintech matching borrowers and lenders across seven countries.

Investment case: 2025 delivered operational stabilization with revenue of DKK 1,296m and EBIT of DKK 66m (vs. -75m in 2024, impacted by a DKK 155m SDR impairment). Free cash flow recovered strongly to DKK 69m (2024: -31m). Dividends resumed at DKK 1.25/share (46% payout). Q2 2026 broke the trajectory, with revenue down 8% and EBIT falling to DKK 13m, taking H1 EBIT to DKK 17m, and on 18 August management downgraded guidance across revenue, EBITDA and EBIT, the second cut this year after the top was reduced in May. Meeting the DKK 64-84m full-year EBIT guidance requires H2 EBIT of DKK 47-67m, well above the DKK 17m delivered in H1 2026. H2 2025 EBIT was DKK 35m.

In Last Mile, FK Distribution improved on lower capacity costs and continued growth in Selected mail after PostNord's exit, but SDR weighed on the segment as revenue fell 14% and EBITDA turned negative under the new distribution-partner model. In Digital Services, BoligPortal revenue was flat with the margin down to 21% (29%) on low rental vacancy, while Dayli and Bekey both narrowed their losses and lifted segment EBIT.

The implied EV remains very low after adjusting for the DKK 1,030m capital resources position, despite a business generating DKK 66m EBIT in FY2025 and positive free cash flow in H1 2026. Despite market declines and the reduced guidance, 2026E still points to modest profitability improvement and an outlook for sustained cash flow over the medium term.

Capital resources stood at DKK 1,030m at end-Q2 2026 (30.06.2026), with the securities portfolio at DKK 927m (at 30.07.2026), leaving the valuation largely backed by cash rather than operations. While FK Distribution improved and Digital Services losses narrowed, SDR's turnaround and BoligPortal's recovery remain unproven, and the operating business still carries limited market value.

A return to dividends after the resumed 2025 payout, combined with a clear profitability path for SDR and Bekey, remains key to closing the discount. The DKK 1,030m cash and securities position gives management ample firepower for Digital Services investment and M&A, though the mixed acquisition history tempers how much value the market ascribes to it. Until the operating turnaround is proven, the cash backing provides downside protection, but a sustained re-rating likely requires evidence that SDR and BoligPortal can recover and that capital is deployed accretively.

Peer Group (1/2) – Publishing and Platform peers justification

Our North Media peer group comprises companies sharing comparable aspects in European publishing/distribution and digital classifieds markets. North Media's business is split ~85–90% Last Mile (FK Distribution and SDR, physical leaflet distribution in Denmark and Sweden) and ~10–15% Digital Services (BoligPortal rental classifieds, Dayli digital offers, and Bekey smart access). The group generated DKK 1,296m revenue and DKK 125m EBITDA in 2025, with a cash and securities position of DKK 1,030m now exceeding the current market cap of ~DKK 854m.

We divide peers into two groups. Publishing peers are most comparable given the dominant share of physical distribution revenue, though platform peers capture the valuation characteristics most relevant to BoligPortal, the highest-margin segment.

Publishing peers: Alma Media Oyj, Rebl Group Oyj, Sanoma Oyj, and TX Group AG. These provide benchmarks for the Last Mile segment, though North Media's structural exposure to secular print volume decline and its unique combination of distribution logistics with a growing digital portfolio differentiate it from peers with more advanced digital revenue mixes. The publishing peer median trades at 2026E multiples of 7.2x EV/EBITDA and 13.3x EV/EBIT, with a median dividend yield of 3.7%.

Platform peers: Rightmove plc and Scout24 SE. These are most relevant to BoligPortal, which generated a 29% EBITDA margin in 2025, though this compressed to 21% in H1 2026. Platform peers trade at significantly higher at 12.7x EV/EBITDA and 13.9x EV/EBIT, reflecting their scale, dominant market positions, and superior growth visibility.

Peer group

Peers	Total return YTD	Market cap (EURm)	EV (EURm)	EV/EBITDA 2025	EV/EBITDA 2026E	EV/EBIT 2025	EV/EBIT 2026E	Div yield 2025	Div yield 2026E	EBIT margin (%) 3-yr avg	EBIT margin (%) LTM
Median - Publishing peers	4.4%	1,369	1,621	10.2	7.2	16.5	13.3	3.4%	3.7%	5.0%	6.9%
Median - Platform peers	-2.4%	4,992	5,299	16.9	12.7	17.8	13.9	2.0%	2.2%	57.4%	58.0%
Median weighted 90/10 publishing/platform				**10.9**	**7.7**	**16.7**	**13.3**	**3.3%**	**3.5%**	**10.3%**	**12.0%**
North Media A/S	**1.9%**	**114**	**-7**	**0.9**	**-0.7**	**1.6**	**-1.2**	**2.6%**	**N/A**	**35.6%**	**4.1%**
Premium (+) / Discount (-) to peers				*-92%*	*-109%*	*-90%*	*-109%*				

Note: data from 30/08/2026

Source: S&P Capital IQ

Peer Group (2/2) – Full peer overview and securities portfolio

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Company	Price (local)	Total return YTD	Market cap (EURm)	EV (EURm)	EV/EBITDA 2025	EV/EBITDA 2026E	EV/EBIT 2025	EV/EBIT 2026E	Div yield 2025	Div yield 2026E	EBIT margin (%) 3-yr avg	EBIT margin (%) LTM
Alma Media Oyj	EUR 13.9	0.0%	1,140	1,256	13.6	11.5	16.6	13.3	3.4%	3.7%	23.7%	25.7%
Rebl Group Oyj	EUR 1.1	10.1%	14	47	5.7	5.6	NM	NM	N/A	N/A	-2.3%	-2.8%
Sanoma Oyj	EUR 9.8	5.1%	1,597	2,374	7.4	6.2	16.4	10.7	4.2%	4.6%	7.4%	9.6%
TX Group AG	CHF 165.8	3.7%	1,817	1,987	13.1	8.1	NM	14.0	2.7%	2.9%	2.7%	4.3%
Median - Publishing peers		**4.4%**	**1,369**	**1,621**	**10.2**	**7.2**	**16.5**	**13.3**	**3.4%**	**3.7%**	**5.0%**	**6.9%**
Rightmove plc	GBP 5.1	-0.3%	4,410	4,376	13.8	11.9	14.0	12.3	2.1%	2.2%	68.9%	66.7%
Scout24 SE	EUR 80.5	-4.4%	5,573	6,222	20.0	13.4	21.6	15.5	1.9%	2.1%	45.9%	49.3%
Median - Platform peers		**-2.4%**	**4,992**	**5,299**	**16.9**	**12.7**	**17.8**	**13.9**	**2.0%**	**2.2%**	**57.4%**	**58.0%**
Median - All		**1.9%**	**1,707**	**2,180**	**13.3**	**9.8**	**16.5**	**13.3**	**2.7%**	**2.9%**	**15.5%**	**17.7%**
Median weighted 90/10 publishing/platform					**10.9**	**7.7**	**16.7**	**13.3**	**3.3%**	**3.5%**	**10.3%**	**12.0%**
North Media A/S	**DKK 47.4**	**1.9%**	**114**	**-7**	**0.9**	**-0.7***	**1.6**	**-1.2***	**2.6%**	**N/A**	**35.6%**	**4.1%**
Premium (+) / Discount (-) to peers					*-92%*	*-109%*	*-90%*	*-109%*				

Note: data from 30/08/2026

*North Media 2026E is calculated from guidance midpoint.

Source: S&P Capital IQ

North Media securities portfolio

Stock (Value in DKKm)	31/12/2025	30/07/2026
NVIDIA	237.0	261.3
Teradyne	73.8	143.6
Microsoft	107.5	105.9
Apple	86.4	100.5
Novo Nordisk	97.6	92.0
Amazon	58.6	70.7
Genmab	40.5	37.2
Mercado Libre	38.4	36.7
NKT	0.0	35.4
Maj Invest ETF Defence	43.0	24.4
Sea	24.3	13.9
SpaceX	0.0	5.6
Hexagon	7.6	0.0
Total	**814.7**	**927.2**

Stock (%-weight)	31/12/2025	30/07/2026
NVIDIA	29%	28%
Teradyne	9%	15%
Microsoft	13%	11%
Apple	11%	11%
Novo Nordisk	12%	10%
Amazon	7%	8%
Genmab	5%	4%
Mercado Libre	5%	4%
NKT	0%	4%
Maj Invest ETF Defence	5%	3%
Sea	3%	1%
SpaceX	0%	1%
Hexagon	1%	0%
Total	**100%**	**100%**

Top 1 holding account for 28%
(Nvidia)

Top 3 holdings account for 55%
(Nvidia, Teradyne & Microsoft)

Top 5 holdings account for 76%
(Nvidia, Teradyne, Microsoft, Apple & Novo Nordisk)

Securities portfolio leads to negative enterprise value

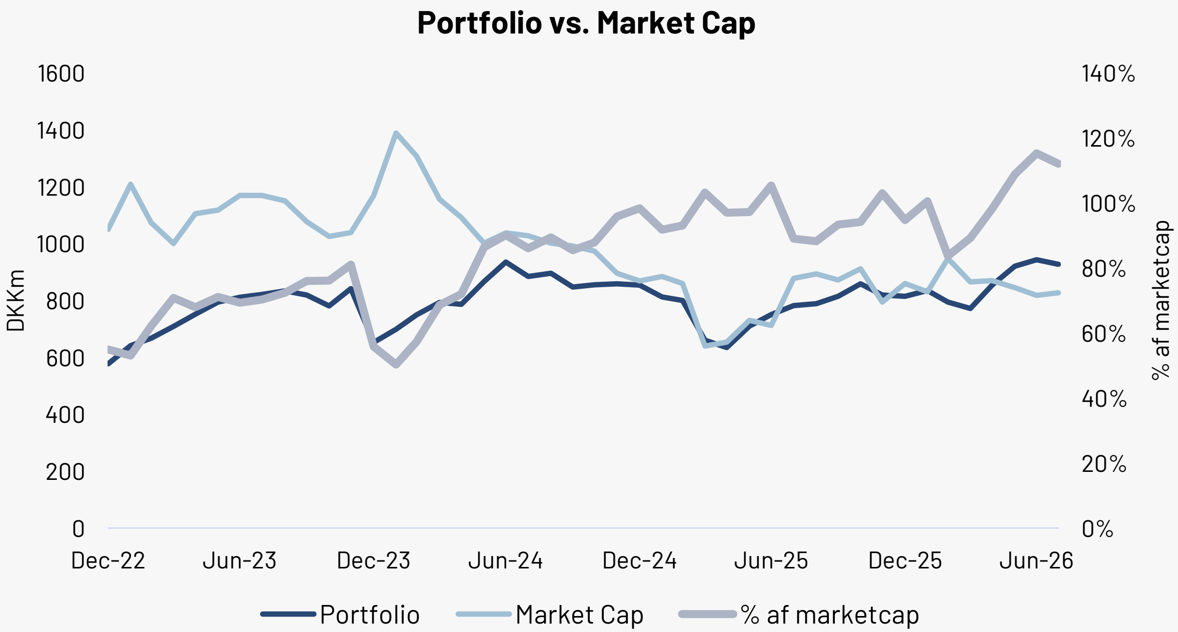
North Media's listed securities portfolio has grown to a size that materially affects how the company should be valued. The market value of the portfolio is now above the company's own market capitalization. The gap between market cap and the portfolio has narrowed since 2023, and the portfolio to market cap ratio has moved in a range of 80–110% since 2024, most recently around 110%.

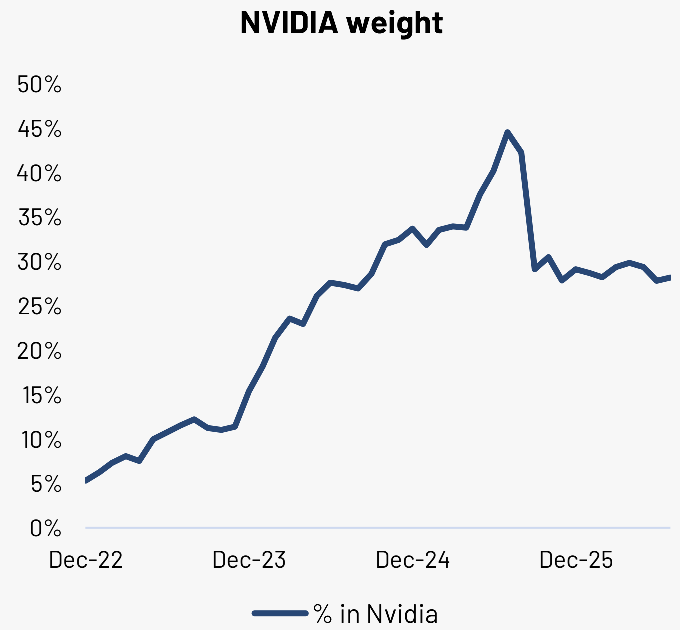
Potential re-rating: In practice, North Media's market cap is now more than covered by its financial assets alone. Once securities are deducted from the market cap, the operating business is now valued below zero. The reduced guidance for 2026 still suggests a modest increase in EBITDA, and if they deliver, they trade at a discount compared to peers (once adjusted for the portfolio). If confidence in management grows, the market may price in a premium on the operating business rather than valuing the company solely on its portfolio.

Risks: The portfolio composition carries meaningful concentration risk. The Top 3 and Top 5 holdings have historically made up 65–70% and 85–90% of the portfolio, respectively, and although concentration has eased to around 55% (Top 3) and 76% (Top 5), the portfolio remains far from broadly diversified. As a result, North Media's stock trades in close correlation with its securities portfolio.

NVIDIA alone peaked at around 45% of the portfolio value and still accounts for 28%, which is an unusually high single-stock exposure for a non-financial listed company. A significant drop in NVIDIA or other large holding would directly reduce the securities portfolio value.

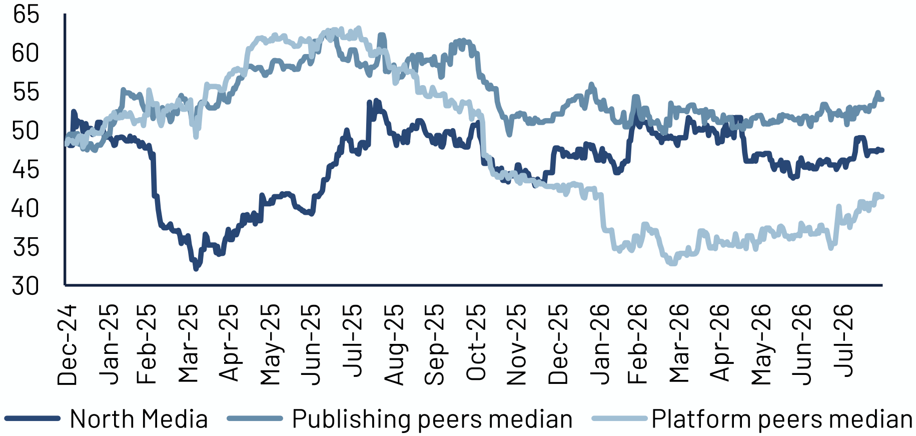
North Media sold portfolio holdings to fund the SDR acquisition, which has had multiple write-downs after the acquisition. This track record likely contributes to the market's discount on the operating business.



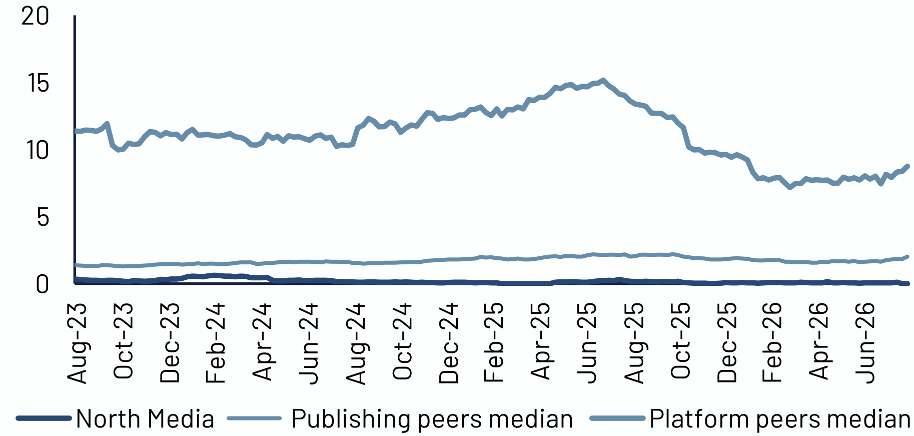


Valuation vs. Peers

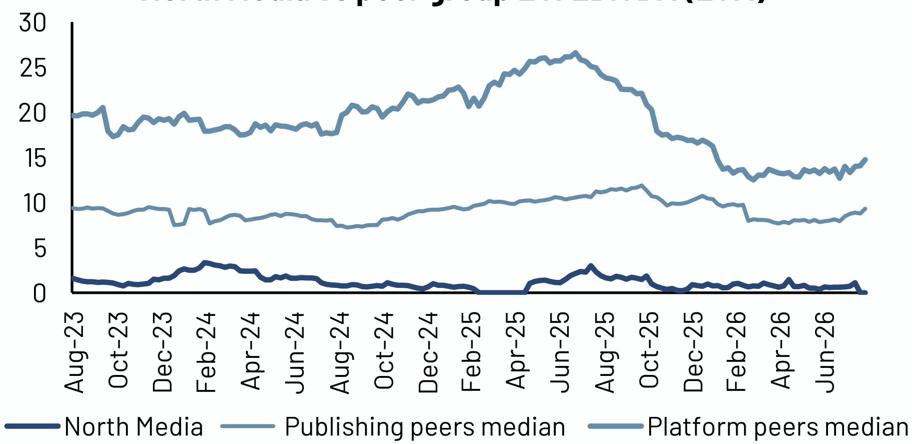
North Media price returns vs peer group median



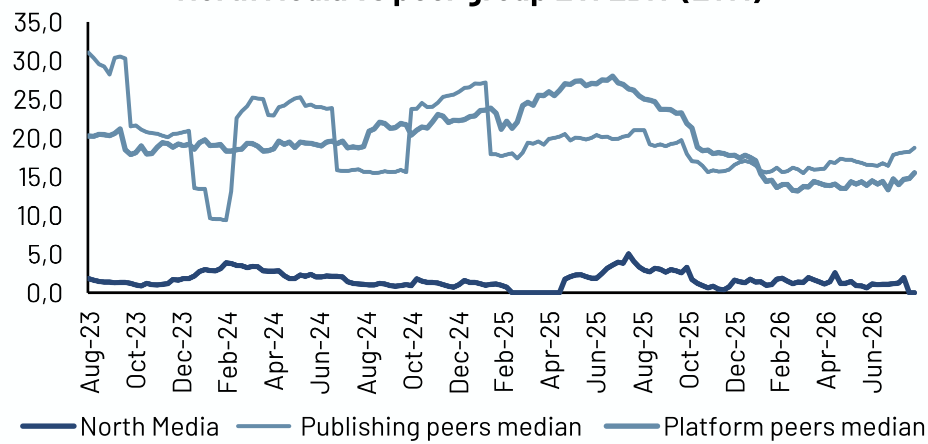
North Media vs peer group EV/Sales (LTM)



North Media vs peer group EV/EBITDA (LTM)



North Media vs peer group EV/EBIT (LTM)



Source: S&P Capital IQ Pro, 31.08.2026

Valuation vs. Historical

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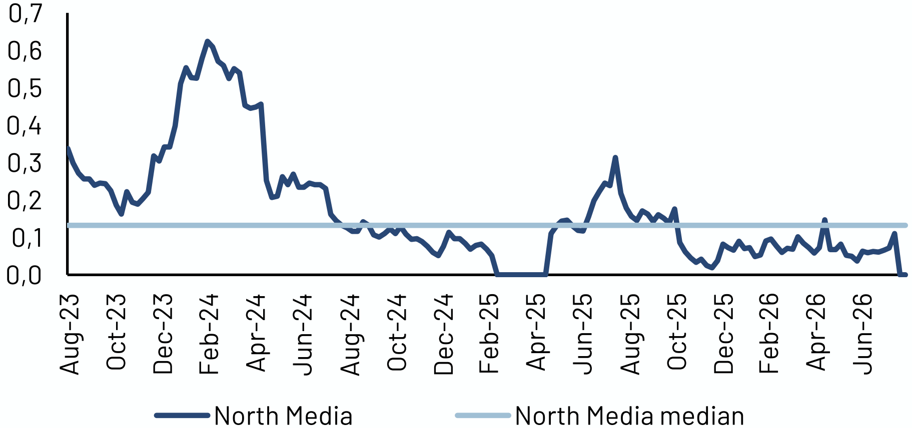
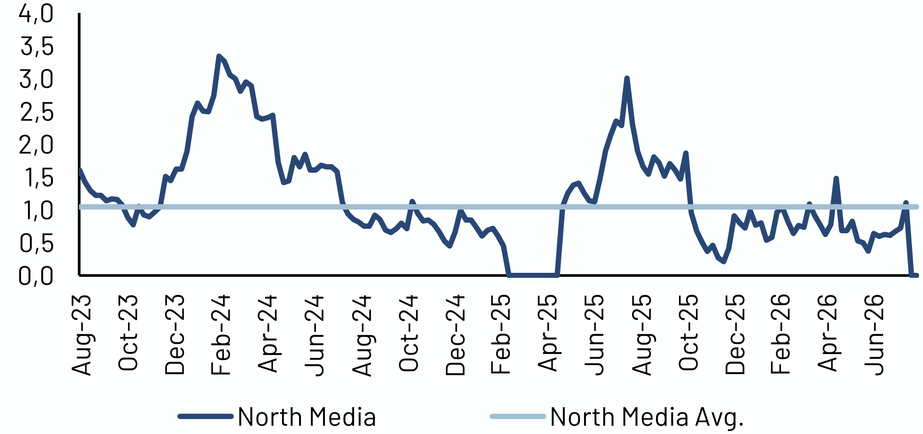
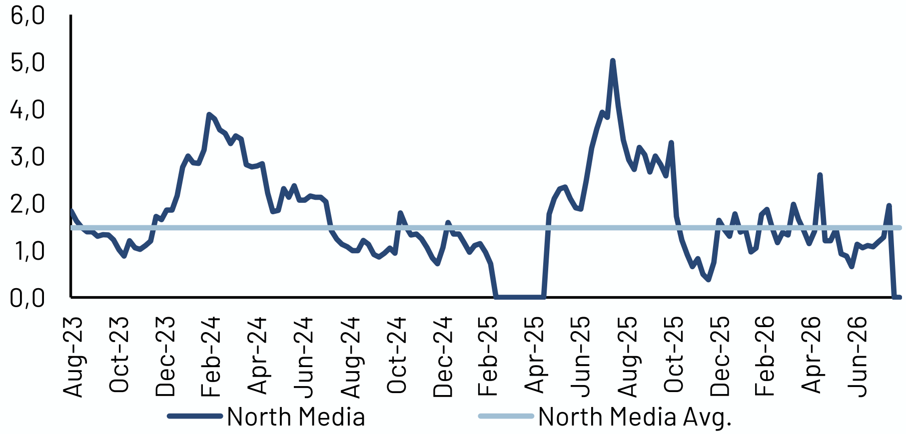
North Media vs 3-year median EV/Sales (LTM)



North Media vs 3-year median EV/EBITDA (LTM)



North Media vs 3-year median EV/EBIT (LTM)



Source: S&P Capital IQ Pro, 31.08.2026

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