SANOMA

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INDERES CORPORATE CUSTOMER

COMPANY REPORT



Expected level adjustment in Learning

Sanoma's Learning profitability increased significantly year-on-year in Q3, reflecting the company's efforts to boost efficiency and the market's growth turnaround. After fine-tuning of our estimates and a slight increase in the required return, we are adjusting our target price to EUR 11.0 (was EUR 11.5). In our view, the stock's reaction to yesterday's miss on Q3 estimates, which was primarily due to timing factors, was excessive. Thus, in light of Sanoma's low risk profile and the stock's moderate valuation, the stock's risk/reward ratio remains very attractive. We reiterate a Buy recommendation on the stock. The Q3 interview with the company's CEO can be viewed here.

Expected level adjustment in Learning's profitability

Sanoma's revenue in Q3 developed stably, which was slightly sluggish compared to our expectations. This was due to Learning, where certain timing factors shifted revenue to Q4. Overall, however, the Learning business has remained on a good growth trajectory when factoring in the impact of terminated and poorly profitable distribution agreements on revenue. Despite stable top-line development, the group's adjusted EBIT increased by 10% year-on-year. This was driven primarily by the Learning segment, where the efficiency measures implemented in previous years boosted its profitability roughly in line with expectations, now that demand for learning materials has increased. Q3 earnings were slightly below our estimate, particularly due to timing factors related to Learning's revenue. We commented on the earnings in more detail on Wednesday, which can be read here.

Earnings guidance was revised as expected

Sanoma updated its guidance for the current year. The company now expects revenue of 1.30-1.32 BEUR (was 1.29-1.34 BEUR) and adjusted EBIT of 215-225 MEUR (was 205-225 MEUR). The underlying assumptions of this guidance are growth in learning content and a stable advertising market, both of which appear certain at this point in the year. The updated guidance in conjunction with the Q3 result confirms that the company's earnings growth is broadly on track with our expectations.

Only small forecast adjustments

We expect Sanoma to achieve a clear earnings improvement in Q4 as well, as Learning's shifted revenue is realized and Media Finland continues to improve gradually. Following the fine-tuning of our forecasts, our 2026 adjusted EBIT estimate settled at 219 MEUR (previously 220 MEUR), which is practically at the midpoint of the updated guidance range. Our estimates for the next few years remain largely unchanged as well. In our estimates, Sanoma's earnings will remain on an upward trend also next year, as demand for learning materials continues to grow, driven by curriculum reforms, and the earnings of the Media Finland business will receive a boost from the surge in advertising growth driven by elections and the opening of the betting market.

Risk/reward is attractive

With last 12-month earnings, Sanoma's share is valued at a P/E ratio of 13x (adj.) and the corresponding adjusted EV/EBITA ratio is 10x. We believe these valuation multiples are relatively neutral for Sanoma, so the expected return for the next few years consists of our estimated earnings growth (2026-2028e EPS CAGR of 14%) and a dividend yield of around 5% Thus, the expected return rises to a very attractive level, considering Sanoma's moderate risk profile. Our cash flow model, which is at around our target price level, also indicates that the share is attractively valued.

Recommendation
Buy
(was Buy)

Target price:
EUR 11.00
(was EUR 11.50)

Share price:
EUR 9.31

Business risk



Valuation risk



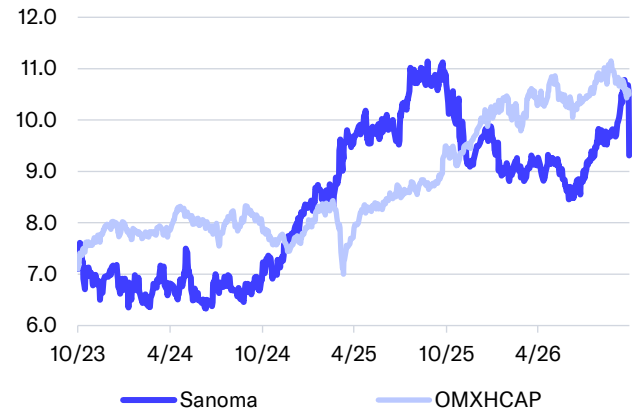
	2025	2026e	2027e	2028e
Revenue	1303	1305	1352	1369
growth-%	-3%	0%	4%	1%
EBIT adj.	188	219	227	231
EBIT-% adj.	14.4 %	16.8 %	16.8 %	16.8 %
Net Income	19.9	106.0	126.1	132.8
EPS (adj.)	0.57	0.77	0.84	0.88
P/E (adj.)	16.4	12.1	11.0	10.6
P/B	2.6	2.5	2.3	2.1
Dividend yield-%	4.5 %	4.7 %	4.9 %	5.2 %
EV/EBIT (adj.)	14.0	11.4	10.4	9.9
EV/EBITDA	6.5	6.0	5.5	5.3
EV/S	1.7	1.6	1.5	1.5

Source: Inderes

Guidance (Adjusted)

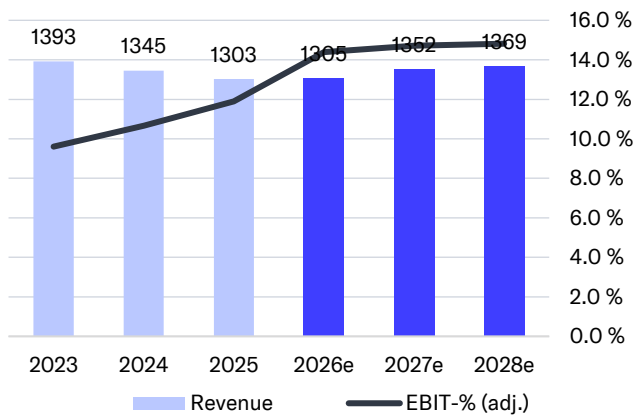
In 2026, Sanoma expects that the group's revenue will be 1.3–1.32 BEUR (2025: 1.3 BEUR) and adjusted EBIT to be 215-225 MEUR (2025: 188 MEUR).

Share price



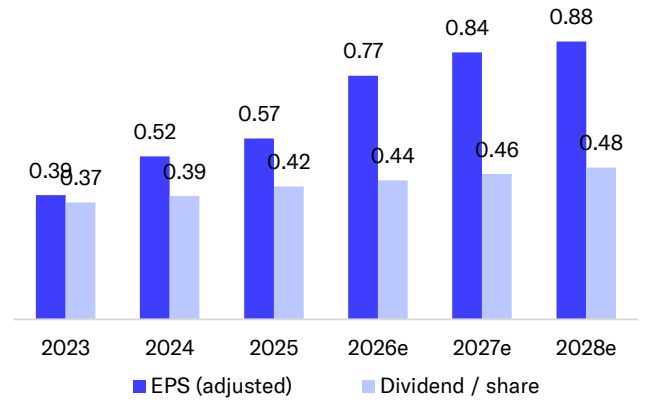
Source: Millistream Market Data AB

Revenue and EBIT-% (adj.)



Source: Inderes

EPS and DPS



Source: Inderes

Value drivers

- Improvement in revenue structure due to Learning's increased relative share
- Learning's revenue and earnings growth outlook
- Growth in Media Finland's digital revenue
- The potential for improved profitability brought about by Media Finland's efficiency measures

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	2026e	2027e	2028e
Share price	9.31	9.31	9.31
Number of shares, millions	164	164	164
Market cap	1522	1522	1522
EV	2133	2066	2001
P/E (adj.)	12.1	11.0	10.6
P/E	14.6	12.1	11.5
P/B	2.5	2.3	2.1
P/S	1.2	1.1	1.1
EV/Sales	1.6	1.5	1.5
EV/EBITDA	6.0	5.5	5.3
EV/EBIT (adj.)	11.4	10.4	9.9
Payout ratio (%)	67.9 %	59.7 %	59.1 %
Dividend yield-%	4.7 %	4.9 %	5.2 %

Source: Inderes

Expected level adjustment in Learning's profitability

Learning hampered revenue growth

Sanoma's Q3 revenue remained roughly the same as in the comparison period, falling short of our 4% growth forecast. This was due to the Learning segment, where revenue growth in the Netherlands, in particular, fell significantly short of our expectations. The biggest factor in the Netherlands was the expected impact of the termination of distribution agreements. Meanwhile, as expected, Poland's growth was strong thanks to educational reform. In Spain, the acquisition of Vicens Vives provided particular support, and increased government funding supported growth there as well. However, this funding was delayed, which is why Sanoma noted that the revenue would be shifted to Q4.

Media Finland's revenue development was slightly better than anticipated, though its advertising revenue continued to decline particularly in line with the sluggish print advertising trend. At the same time, subscription income remained on a slight upward trend (+1%), while Other income increased significantly from the comparison period, reflecting the timing of festivals.

Learning's profitability took a leap

Sanoma reported an adjusted EBIT of 190 MEUR in Q3, a significant year-on-year increase. A key aspect of Q3 was realizing the earnings improvement from the efficiency measures implemented in Learning now that market tailwinds are boosting sales volumes of learning content. Learning performed well in this regard, roughly in line with our expectations, with its adjusted EBIT margin rising by over 4 pp from the comparison period to 45.5% in the seasonally most important quarter. However, Learning's operational result fell short of our estimate, reflecting top-line development and revenue shifting to Q4. Meanwhile, Media Finland continued its series of profitability improvements, with profitability improving by 1 pp year-on-year also thanks to ongoing efficiency measures and a change in revenue structure.

Working capital ate into cash flow

Due to growth and the seasonality of the business, a significant amount of working capital was tied up in Q3, and reflecting this, the company had accumulated only 95.5 MEUR in cash flow from operations by the end of Q3 (Q1-Q3'25: 114 MEUR). After normal investments and repayments of lease liabilities, this corresponds to a free cash flow of only 43 MEUR. Nevertheless, the company reiterated its previous expectation of improving free cash flow compared to last year, and we also anticipate that it will reach this goal as significant receivables are collected in Q4.

Sanoma's net debt was 716 MEUR at the end of Q3, as acquisitions and the redemption of a hybrid bond earlier in the year have increased the debt level. Net debt was 2.7x LTM EBITDA, but we expect it to decrease to the target level (< 2.5x) as earnings grow and cash flow materializes by the turn of the year. Overall, we think the company's financial position is good.

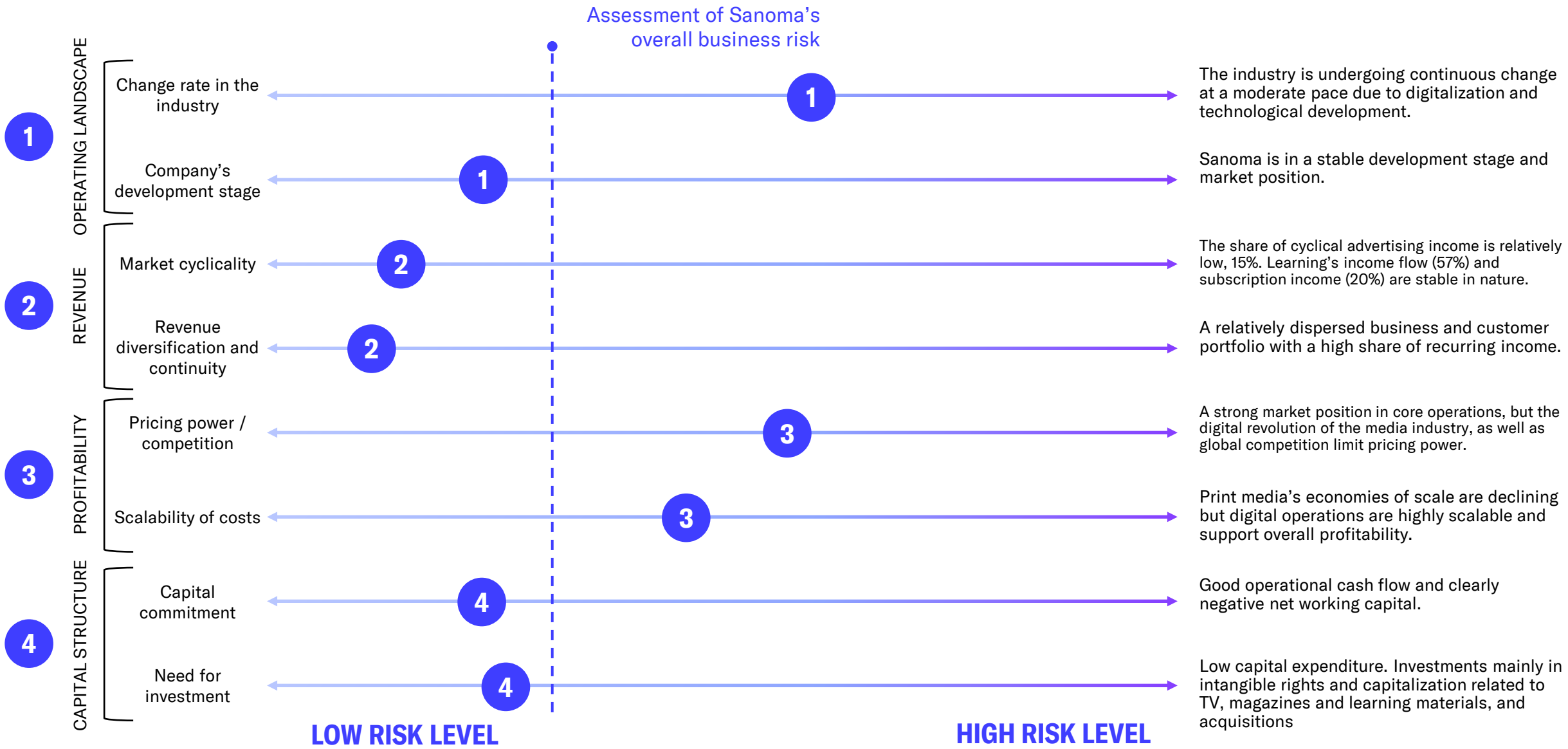
Estimates	Q3'25	Q3'26	Q3'26e	Q3'26e	Consensus		Difference (%)	2026e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	516	519	535	541	535	547	-3%	1305
Adjusted EBIT	172	190	199	201	199	204	-4%	219
EBIT	82	172	185	189	185	191	-7%	163
EPS (adj.)	0.73	0.82	0.90	0.91	0.89	0.93	-9%	0.77
Revenue growth-%	-4.5 %	0.6 %	3.7 %	4.9 %	3.7 %	6.0 %	-3.1 pp	0.2 %
EBIT-% (adj.)	33.4 %	36.6 %	37.1 %	37.1 %	37.2 %	37.2 %	-0.5 pp	16.8 %

Source: Inderes & Modular Finance (consensus, 7 estimates)

Sanoma Q3'26: Learning profitability progressing as expected



Risk profile of the business



Estimate revisions

Estimate revisions

- Sanoma specified its guidance for the current year and narrowed its earnings guidance range, which was in line with our expectations
- We made minor adjustments to our estimates for the rest of the year by shifting some of Learning's revenue to Q4, which also significantly boosted our earnings estimate for Learning
- While we made minor adjustments to our operational estimates for the coming years, our adjusted EBIT estimates remained practically unchanged
- We also revised our depreciation estimates following the recent acquisitions
- We slightly increased our net financial costs estimate as well, reflecting the higher interest rate environment

Operational earnings drivers

- We forecast stable revenue trend for Sanoma in 2026, as Learning's volume growth will be offset by the impact of terminating distribution agreements and Media Finland's print sales contract
- However, we estimate that the adjusted EBIT for 2026 will rise by 16% to 219 MEUR, as Learning's profitability takes a step-change to 23.3% and Media Finland also improves its profitability
- Our forecast for revenue growth in 2027 is nearly 4%, as we expect both segments to experience growth
- Learning's growth is driven by rising demand for learning materials following curriculum reforms, while Media Finland is supported by advertising related to elections and the opening of the betting market
- We forecast that the 2027 adjusted EBIT will rise to 227 MEUR, driven by the continuation of volume growth in Learning and the growth of high-margin advertising income in Media Finland
- Based on our estimates, the average operational earnings growth for 2026–2028e is 7%

Estimate revisions	2026e	2026e	Change	2027e	2027e	Change	2028e	2028e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	1318	1305	-1%	1369	1352	-1%	1381	1369	-1%
EBIT (exc. NRIs)	188	188	0%	201	199	-1%	206	203	-2%
EBIT	169	163	-3%	189	187	-1%	195	192	-2%
PTP	143	135	-6%	166	159	-4%	175	168	-4%
EPS (excl. NRIs)	0.82	0.77	-6%	0.87	0.84	-3%	0.91	0.88	-3%
DPS	0.44	0.44	0%	0.46	0.46	0%	0.48	0.48	0%

Source: Inderes

Sanoma Oyj, Webcast, Q3'26



Investment profile

1. Learning business revenue and earnings growth outlook for the current decade
2. The structural change in media slows down organic growth and requires continuous efficiency improvements
3. Moderate operational risk level: strong market position, highly dispersed income, modest share of cyclical income
4. Gearing has decreased to a very reasonable level, enabling inorganic growth
5. The growth of the relative share of digital income strengthens the profitability potential

Potential

- Growth in the Learning business and digital revenue and services in Media Finland
- Efficiency programs in both segments and their earnings growth potential
- The growth of the Learning business raises the acceptable valuation level of the share
- The strengthening defensiveness of earnings as the business increasingly shifts its focus towards Learning

Risks

- Failed acquisitions and integration of them
- Acceleration of the structural change in media and drop in print media
- Weakening competitive position especially against global competitors
- Risk related to technology and regulations

Risk/reward is attractive

Earnings growth provides upside to valuation

Based on the LTM result, the adjusted P/E and EV/EBITA multiples for the stock are 13x and nearly 10x. These valuation multiples are below the median levels of the past five years (2021-2025 adj. P/E 17x and EV/EBITA ~12x). The median valuation multiples of the previous five years are inflated due to the low-interest-rate period (2021-2022). 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. On the other hand, the relative weight of Learning, which warrants higher valuation multiples, has increased for the group, which in turn supports a justified valuation level. Against this backdrop, we consider the stock's current valuation multiples to be quite moderate.

Given the earnings growth we estimate, the adjusted P/E ratios for 2026–2027 are 12x and 11x and the corresponding EV/EBITA multiples are 10x and 9x. Thus, a good expected return from the current level does not necessitate multiples reaching historical levels because earnings growth and strengthening cash flow are drivers of the expected return. Therefore, through absolute valuation multiples, we believe the earnings-based valuation for the coming years is attractive, and we estimate that the expected return will clearly reach double-digit levels, driven by the earnings growth we anticipate. The expected return is further supported by our estimated dividend yield, which averages 5% in the coming years with our updated estimates. Consequently, the expected return, consisting of the dividend yield and earnings growth, is nearly 20%, a very attractive level considering Sanoma's risk profile.

Cash flow-based valuation is moderate

In 2025, Sanoma generated 129 MEUR in free cash flow. Sanoma guides that its free cash flow for the current year will increase slightly, which is in line with our expectations for earnings growth. The company's current market value is approximately 1.5 BEUR, so based on this year's growth in free cash flow, we estimate the stock's free cash flow yield will be nearly 9%. Considering Sanoma's risk profile, this is a very attractive level. Thus, we believe there is a definite upside in the cash flow-based valuation.

DCF calculation above current share price

Our DCF model indicates a share value of EUR 11.1, following a slight upward revision to our required return to reflect the interest rate environment. 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. Correspondingly, our medium-term EBIT margin forecast is 14% on average, and our terminal EBIT margin forecast is 13.5%. In recent history, the company has also achieved higher operating profitability than these levels (2025 adjusted EBIT 14.4%), and our short and medium-term estimates are also higher than this. Thus, we do not find these long-term profitability expectations demanding. Therefore, based on the cash flow model, the current valuation of the share is moderate, and there is clear upside in the share price.

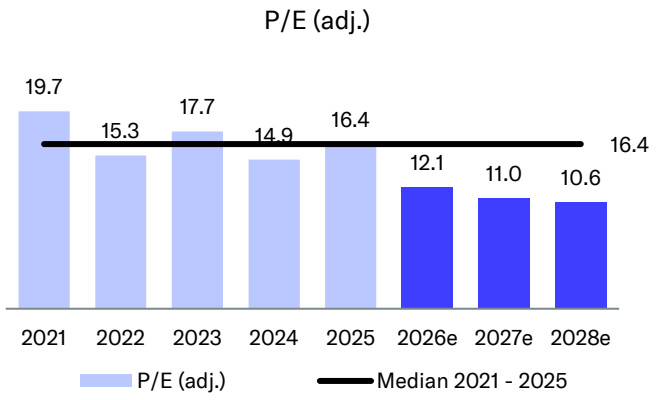
Valuation	2026e	2027e	2028e
Share price	9.31	9.31	9.31
Number of shares, millions	164	164	164
Market cap	1522	1522	1522
EV	2133	2066	2001
P/E (adj.)	12.1	11.0	10.6
P/E	14.6	12.1	11.5
P/B	2.5	2.3	2.1
P/S	1.2	1.1	1.1
EV/Sales	1.6	1.5	1.5
EV/EBITDA	6.0	5.5	5.3
EV/EBIT (adj.)	11.4	10.4	9.9
Payout ratio (%)	67.9 %	59.7 %	59.1 %
Dividend yield-%	4.7 %	4.9 %	5.2 %

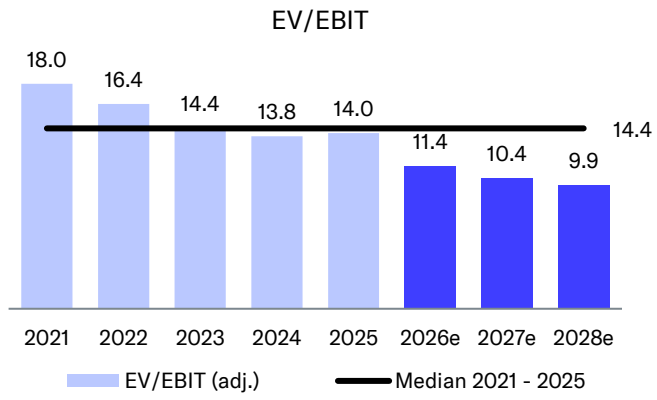
Source: Inderes

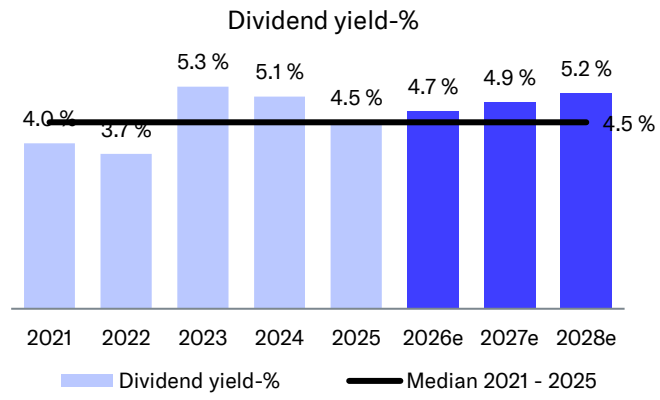
Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	13.6	9.96	6.95	7.67	9.40	9.31	9.31	9.31	9.31
Number of shares, millions	163	163	163	164	164	164	164	164	164
Market cap	2219	1625	1135	1254	1537	1522	1522	1522	1522
EV	2842	2453	1928	1974	2174	2133	2066	2001	1936
P/E (adj.)	19.7	15.3	17.7	14.9	16.4	12.1	11.0	10.6	10.1
P/E	22.1	21.3	neg.	40.6	>100	14.6	12.1	11.5	10.8
P/B	3.1	2.3	1.8	2.0	2.6	2.5	2.3	2.1	1.9
P/S	1.8	1.3	0.8	0.9	1.2	1.2	1.1	1.1	1.1
EV/Sales	2.3	1.9	1.4	1.5	1.7	1.6	1.5	1.5	1.4
EV/EBITDA	8.1	7.5	6.7	6.0	6.5	6.0	5.5	5.3	5.1
EV/EBIT (adj.)	18.0	16.4	14.4	13.8	14.0	11.4	10.4	9.9	9.3
Payout ratio (%)	87.6 %	79.2 %	1948.7 %	157.6 %	345.5 %	67.9 %	59.7 %	59.1 %	56.0 %
Dividend yield-%	4.0 %	3.7 %	5.3 %	5.1 %	4.5 %	4.7 %	4.9 %	5.2 %	5.2 %

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		Dividend yield-%		P/B
Company	MEUR	MEUR	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e
Alma Media	1108	1233	13.1	12.0	11.3	10.5	3.6	3.5	15.7	14.2	3.8	4.0	4.0
Future PLC	303	718	3.9	4.1	3.3	4.0	0.9	0.9	2.9	2.9	5.8	6.0	0.3
USA Today Co	863	1637	13.9	14.1	6.6	6.4	0.8	0.9	22.3	22.4			
ITV PLC	2839	3643	6.9	7.1	5.6	5.5	0.9	0.9	8.1	7.8	7.7	7.7	1.4
Lagardere SA	2598	7311	11.1	10.5	4.8	4.6	0.8	0.7	8.5	7.9	3.7	3.7	2.5
Arnoldo Mondadori Editore	512	827	8.9	8.8	5.1	5.0	0.9	0.8	8.6	8.5	8.7	9.4	1.5
News Corp	14982	15502	15.6	13.5	11.0	9.7	1.9	1.8	27.8	22.8	0.9	0.9	1.9
New York Times	10054	9461	18.9	16.6	16.3	14.6	3.4	3.2	24.2	22.3	1.3	1.5	5.1
Promotora de Informaciones SA	278	1021	8.6	8.7	5.3	5.3	1.0	1.0	43.8	51.5			
Prosiebensat 1 Media	738	2361	11.6	10.2	5.9	5.5	0.7	0.7	6.6	5.4	1.5	1.4	0.6
Roularta Media Group	160	119	17.0	14.9	4.2	4.2	0.4	0.4	25.6	22.1	10.9	13.0	0.8
Bloomsbury Publishing PLC	632	622	11.3	11.0	9.9	8.8	1.6	1.4	15.5	13.9	2.5	2.6	2.6
Pearson PLC	9525	11231	14.3	13.3	11.1	10.4	2.5	2.4	18.9	16.9	2.0	2.1	2.3
John Wiley & Sons Inc	2405	3468	14.1	13.5	8.8	8.1	2.3	2.2	12.5	11.0	2.8	2.9	
Wilmington PLC	295	362	10.9	9.2	9.5	8.2	2.5	2.1	10.9	10.1	4.4	4.8	2.1
Chegg Inc	73	39			1.4	1.6	0.2	0.3					0.4
Sanoma (Inderes)	1522	2133	11.4	10.4	6.0	5.5	1.6	1.5	12.1	11.0	4.7	4.9	2.5
Average			12.0	11.2	7.5	7.0	1.5	1.4	16.8	16.0	4.3	4.6	1.9
Median			11.6	11.0	6.3	5.9	0.9	0.9	15.5	13.9	3.7	3.7	1.9
Diff-% to median			-2%	-5%	-5%	-7%	74%	63%	-22%	-21%	26%	32%	32%

Media verrokit

Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26	Q4'26e	2026e	2027e	2028e	2029e
Revenue	1345	221	340	516	226	1303	221	335	519	230	1305	1352	1369	1399
Media Finland	581	132	148	139	138	557	129	138	141	137	545	555	566	572
Learning	764	89	192	377	88	746	92	197	378	93	761	797	803	827
EBITDA	329	23	103	203	7	335	21	97	219	19	356	373	375	377
Depreciation	-248	-54	-54	-121	-58	-286	-50	-49	-47	-48	-193	-186	-183	-179
Adjusted EBIT	180	-19	62	172	-27	188	-16	63	190	-18	219	227	231	230
EBIT (excl. NRI)	143	-28	53	164	-35	155	-24	54	182	-25	188	199	203	208
EBIT	82	-31	49	82	-51	49	-29	48	172	-28	163	187	192	198
Media Finland	41	7	11	19	8	44	9	12	21	9	50	54	55	54
Learning	117	-32	45	148	-38	124	-30	45	165	-30	150	163	167	174
NRI	-62	-4	-4	-83	-16	-106	-5	-6	-10	-3	-25	-12	-11	-10
Other and eliminations	-14	-3	-3	-2	-5	-13	-3	-3	-3	-4	-13	-18	-19	-20
Net financial items	-33	-6	-6	-6	-6	-24	-5	-6	-9	-8	-28	-28	-24	-19
PTP	48	-38	43	76	-56	24	-34	42	163	-36	135	159	168	179
Taxes	-8	9	-10	-18	14	-4	10	-9	-38	7	-30	-34	-36	-38
Minority interest	0	0	0	0	0	0	0	0	1	0	1	1	1	1
Net earnings	40.5	-28	33	57	-42	20	-24	33	126	-29	106	126	133	141
EPS (adj.)	0.52	-0.17	0.21	0.73	-0.20	0.57	-0.13	0.23	0.82	-0.16	0.77	0.84	0.88	0.93
EPS (rep.)	0.19	-0.19	0.19	0.34	-0.27	0.06	-0.16	0.20	0.77	-0.18	0.64	0.77	0.81	0.87

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	-3.5 %	0.1 %	-0.8 %	-4.5 %	-6.5 %	-3.1 %	0.0 %	-1.4 %	0.6 %	2.1 %	0.2 %	3.6 %	1.3 %	2.2 %
EBITDA-%	24.5 %	10.2 %	30.2 %	39.3 %	3.0 %	25.7 %	9.6 %	28.9 %	42.1 %	8.5 %	27.3 %	27.6 %	27.4 %	27.0 %

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

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	1512	1356	1397	1414	1436
Goodwill	810	810	840	840	840
Intangible assets	496	383	379	382	385
Tangible assets	161	108	123	138	156
Associated companies	4	4	4	4	4
Other investments	6	5	5	5	5
Other non-current assets	33	43	43	43	43
Deferred tax assets	4	4	4	4	4
Current assets	217	198	203	209	212
Inventories	45	38	39	41	41
Other current assets	9	13	13	13	13
Receivables	142	127	131	135	137
Cash and equivalents	21	20	20	20	21
Balance sheet total	1879	1729	1743	1739	1735

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	772	731	616	669	726
Share capital	71	71	71	71	71
Retained earnings	114	0	35	89	147
Hybrid bonds	149	149	0	0	0
Revaluation reserve	0	0	0	0	0
Other equity	436	510	510	510	510
Minorities	1	1	0	-1	-2
Non-current liabilities	583	532	627	601	546
Deferred tax liabilities	100	77	77	77	77
Provisions	5	7	7	7	7
Interest bearing debt	472	438	532	507	452
Convertibles	0	0	0	0	0
Other long term liabilities	7	10	10	10	10
Current liabilities	524	466	500	469	464
Interest bearing debt	118	68	98	60	52
Payables	239	179	183	189	192
Other current liabilities	167	220	220	220	220
Balance sheet total	1879	1729	1743	1739	1735

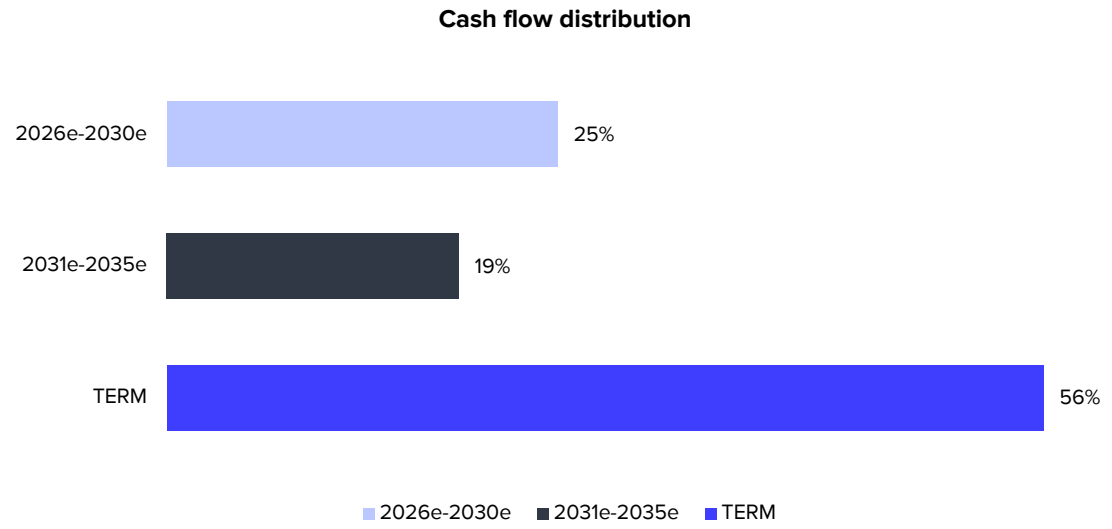
DCF-calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	-3.1 %	0.2 %	3.6 %	1.3 %	2.2 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
EBIT-%	3.7 %	12.5 %	13.8 %	14.0 %	14.1 %	14.0 %	14.3 %	14.0 %	13.5 %	13.5 %	13.5 %	13.5 %
EBIT (operating profit)	48.6	163	187	192	198	200	208	208	204	209	213	
+ Depreciation	286	193	186	183	179	183	183	181	184	185	186	
- Paid taxes	-27	-30	-34	-36	-38	-39	-42	-42	-42	-43	-44	
- Tax, financial expenses	-1.6	-6.2	-5.9	-5.2	-4.1	-3.5	-2.9	-2.3	-1.8	-1.4	-1.3	
+ 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	9	0	0	0	0	0	0	0	0	0	0	
Operating cash flow	314	320	333	334	335	340	347	345	345	349	353	
+ Change in other long-term liabilities	6.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-155	-203	-175	-177	-179	-180	-182	-184	-186	-188	-190	
Free operating cash flow	166	117	158	157	156	160	165	161	159	161	163	
+/- Other	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	166	117	158	157	156	160	165	161	159	161	163	2840
Discounted FCFF		115	144	133	123	116	111	101	92,6	86,9	81	1419
Sum of FCFF present value		2524	2409	2264	2131	2008	1892	1780	1680	1587	1500	1419

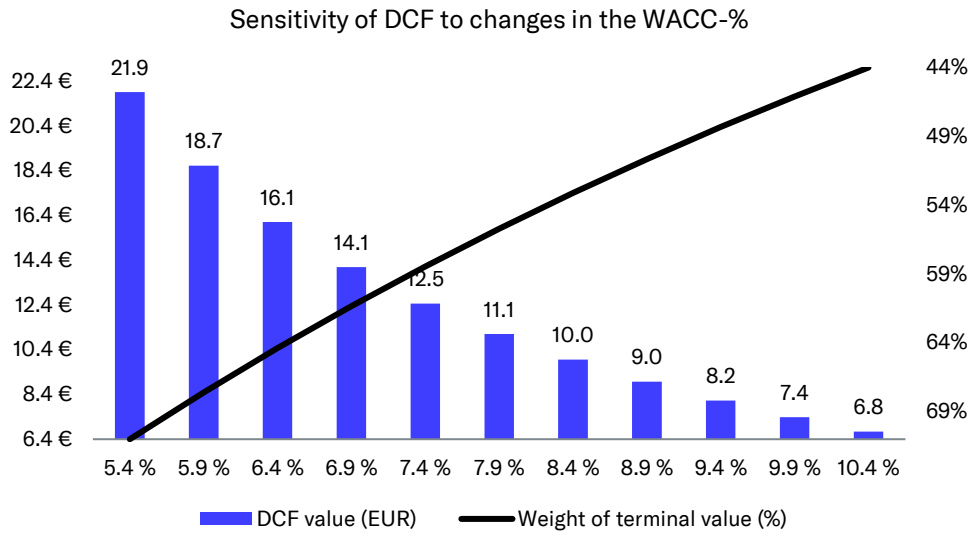
Enterprise value DCF	2524
- Interest bearing debt	-655
+ Cash and cash equivalents	19.7
+ Associated companies	0.1
-Minorities	0
-Dividend/capital return	-69
Equity value DCF	1820
Equity value DCF per share	11.1

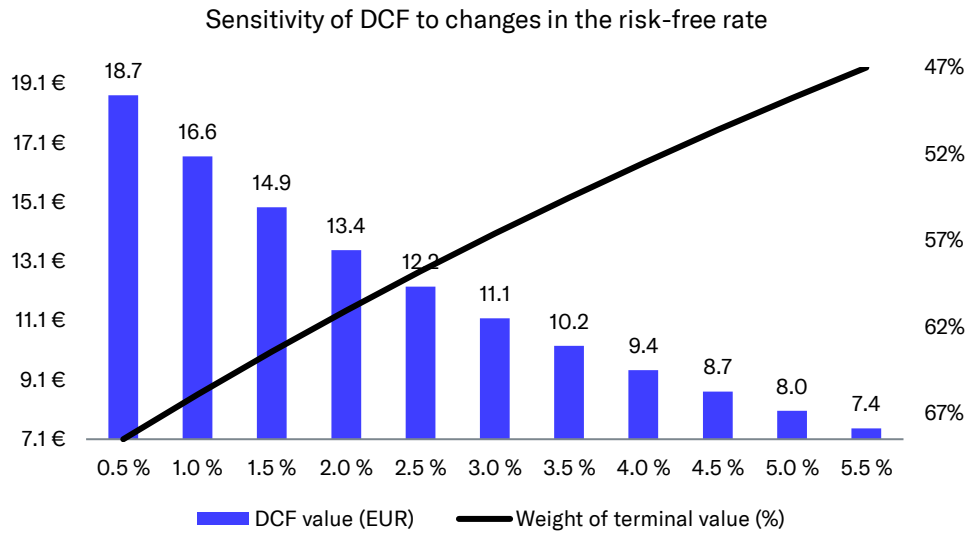
WACC	
Tax-% (WACC)	21.5 %
Target debt ratio (D/(D+E)	20.0 %
Cost of debt	4.5 %
Equity Beta	1.25
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	3.0 %
Cost of equity	8.9 %
Weighted average cost of capital (WACC)	7.9 %

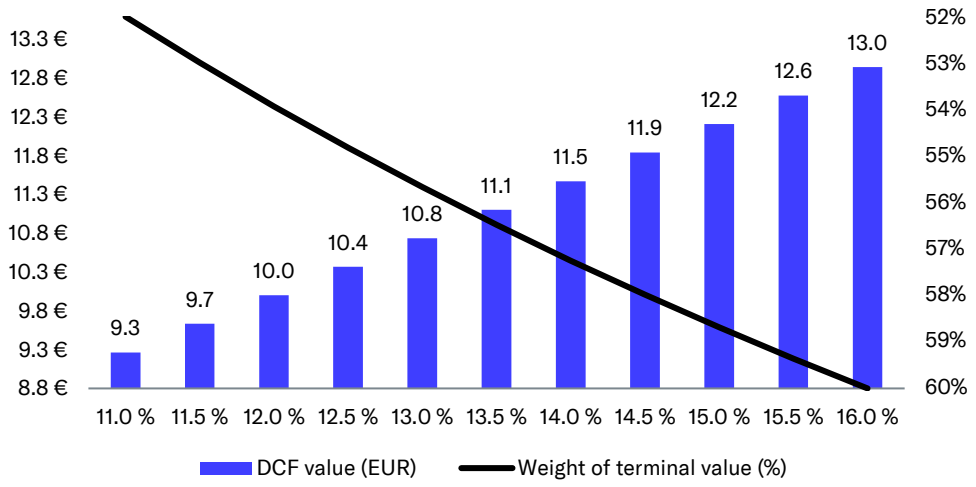
Source: Inderes

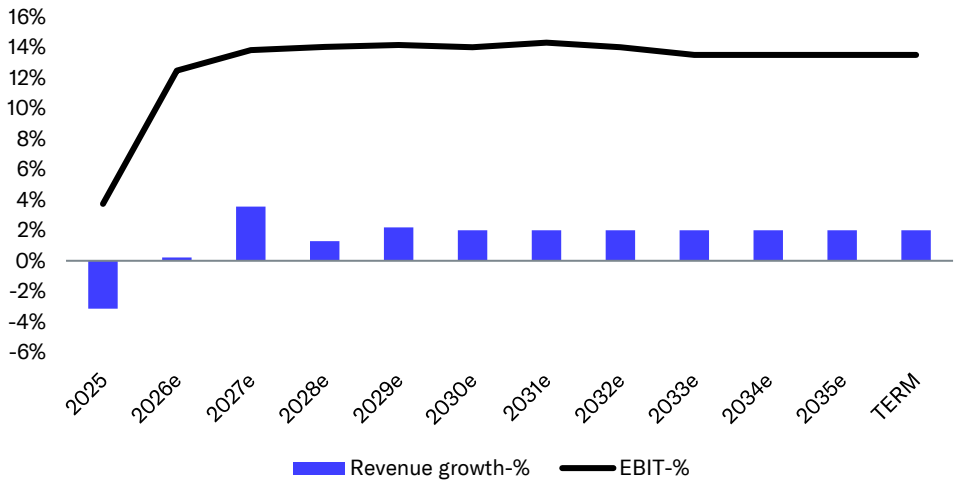


DCF sensitivity calculations and key assumptions in graphs









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

Summary

Income statement	2023	2024	2025	2026e	2027e
Revenue	1393	1345	1303	1305	1352
EBITDA	287	329	335	356	373
EBIT	52	82	49	163	187
PTP	20	48	24	135	159
Net Income	3.1	40.5	19.9	106.0	126.1
Extraordinary items	-82.3	-61.5	-106.3	-25.0	-12.0

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	2055	1879	1729	1743	1739
Equity capital	799	772	731	616	669
Goodwill	812	810	810	840	840
Net debt	640	568	486	611	546

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	287	329	335	356	373
Change in working capital	55	11.3	8.6	-0.1	0.5
Operating cash flow	318	315	314	320	333
CAPEX	-221	-130	-155	-203	-175
Free cash flow	96	188	166	117	158

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	1.4	1.5	1.7	1.6	1.5
EV/EBITDA	6.7	6.0	6.5	6.0	5.5
EV/EBIT (adj.)	14.4	13.8	14.0	11.4	10.4
P/E (adj.)	17.7	14.9	16.4	12.1	11.0
P/B	1.8	2.0	2.6	2.5	2.3
Dividend-%	5.3 %	5.1 %	4.5 %	4.7 %	4.9 %

Source: Inderes

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	-0.03	0.19	0.06	0.64	0.77
EPS (adj.)	0.39	0.52	0.57	0.77	0.84
OCF / share	1.95	1.93	1.92	1.96	2.04
OFCF / share	0.59	1.15	1.01	0.71	0.96
Book value / share	4.88	4.71	4.46	3.77	4.10
Dividend / share	0.37	0.39	0.42	0.44	0.46

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	7%	-3%	-3%	0%	4%
EBITDA growth-%	-13%	15%	2%	6%	5%
EBIT (adj.) growth-%	-11%	7%	8%	21%	6%
EPS (adj.) growth-%	-40%	31%	11%	35%	10%
EBITDA-%	20.6 %	24.5 %	25.7 %	27.3 %	27.6 %
EBIT (adj.)-%	9.6 %	10.7 %	11.9 %	14.4 %	14.7 %
EBIT-%	3.7 %	6.1 %	3.7 %	12.5 %	13.8 %
ROE-%	0.4 %	5.2 %	2.6 %	15.8 %	19.6 %
ROI-%	3.3 %	5.7 %	3.7 %	13.1 %	15.1 %
Equity ratio	42.0 %	45.0 %	46.0 %	38.4 %	41.8 %
Gearing	80.0 %	73.7 %	66.5 %	99.1 %	81.6 %
Net debt/EBITDA	2.2	1.7	1.5	1.7	1.5
EBITDA/net financials	9.4	9.8	13.7	12.8	13.5

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.

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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 €
2/12/2026	Buy	11.50 €	9.01 €
4/13/2026	Buy	11.50 €	9.08 €
5/8/2026	Buy	11.50 €	8.95 €
7/30/2026	Buy	11.50 €	8.98 €
10/29/2026	Buy	11.00 €	9.31 €



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