

ALMA MEDIA

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INDERES CORPORATE CUSTOMER
COMPANY REPORT

The engine is ticking more efficiently

Despite the growth rate being in line with our expectations, Alma Media's Q2 adjusted operating profitability climbed higher than expected, once again proving the company's excellent cost efficiency in a weak market environment. Reflecting this, we made some slight upward revisions to our profitability forecasts for the next few years. Reflecting the estimate changes, we raise our target price to EUR 13.9 (was 13.0) per share and reiterate our Accumulate recommendation. The Q4 interview with Alma Media's CEO can be viewed [here](#).

Cost efficiency strengthens the result in a subdued market

Alma Media's Q2 revenue grew by just under 5% year-on-year to 83.7 MEUR, which was in line with our expectations. The revenue development met expectations fairly well, also by segment, although Career was affected somewhat more strongly than we anticipated by the broad-based softness in the recruitment market. As we expected, the group's Q2 growth was supported by Marketplaces' acquisitions, but its organic growth was brisker than we expected. Alma Media's adjusted EBIT was 21.1 MEUR in Q2, which was in line with the comparison period and stronger than our 25.2% margin estimate. This was a result of continued improvement in cost efficiency, which was reflected in all segments achieving better and generally very good profitability levels compared to the reference period. The reported result, impacted by restructuring costs, exceeded our forecast to a lesser extent, but this does not change the overall picture of a solid Q2 report.

The lead accumulated in the early part of the year increased in Q2

In its Q2 report, Alma Media reiterated its guidance for the current year, which indicates stable revenue and adjusted EBIT development compared to the previous year. Our revenue forecasts for this and coming years remained practically

unchanged, but thanks to the revisions to the cost structure, our adjusted EBIT forecasts for both this and coming years increased by some 2%. In our forecasts, we expect 2025 revenue to grow by just under 5% and adjusted EBIT by almost 8% from the previous year.

The company began to build a lead on last year's result already in Q1, and this lead increased thanks to a good Q2 result. We do not know the underlying limits of the verbal guidance, but considering the expectation of the market environment improving towards the end of the year and the efficiency measures taken by the company, we find it possible that the guidance will be raised later in the year. At the same time, it should be noted that although we believe that the efficiency measures taken are largely permanent, in a better market situation, the company would invest more in marketing, which would increase the cost structure. In the longer term, we believe the company can still improve efficiency, e.g., through changes in the revenue structure and the elimination of certain overlapping costs. Reflecting this, we expect profitability development in the coming years to be clearly upward.

Earnings growth and dividend are drivers of expected return

Based on the LTM results, the adjusted P/E and EV/EBIT multiples for the stock are around 18x and 15x. In our view, Alma Media's high return on capital, good cash flow generation, and growth outlook justify these higher-than-average valuation multiples. The expected return for the next few years is based on our EPS growth forecast of around 9% and a dividend yield of some 4% based on our estimates. This double-digit expected return clearly exceeds the required return we apply and, therefore, we find the risk/reward ratio attractive. Our cash flow model, which gives a value of EUR 13.9 per share, also supports the upside potential in the valuation.

Recommendation

Accumulate

(was Accumulate)

Target price:

EUR 13.90

(was EUR 13.00)

Share price:

EUR 12.90

Business risk



Valuation risk



	2024	2025e	2026e	2027e
Revenue	313	327	337	346
growth-%	3%	5%	3%	3%
EBIT adj.	76.9	82.7	88.6	94.3
EBIT-% adj.	24.6 %	25.3 %	26.3 %	27.2 %
Net Income	52.3	58.4	65.3	71.1
EPS (adj.)	0.68	0.74	0.80	0.87
P/E (adj.)	16.2	17.5	16.1	14.8
P/B	3.9	4.2	3.8	3.4
Dividend yield-%	4.2 %	3.6 %	3.7 %	3.9 %
EV/EBIT (adj.)	13.4	14.3	13.0	11.9
EV/EBITDA	11.3	12.0	10.8	10.0
EV/S	3.3	3.6	3.4	3.2

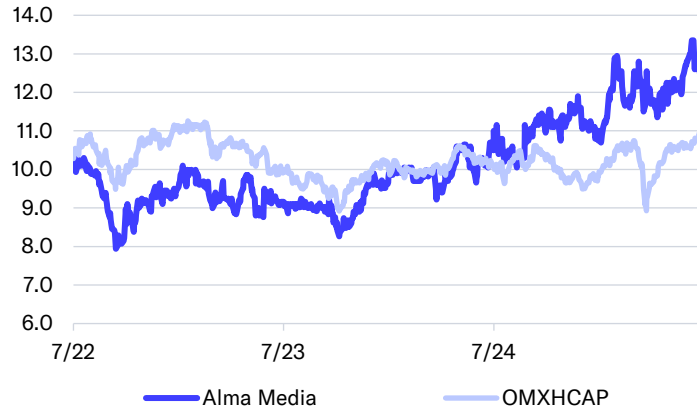
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Guidance

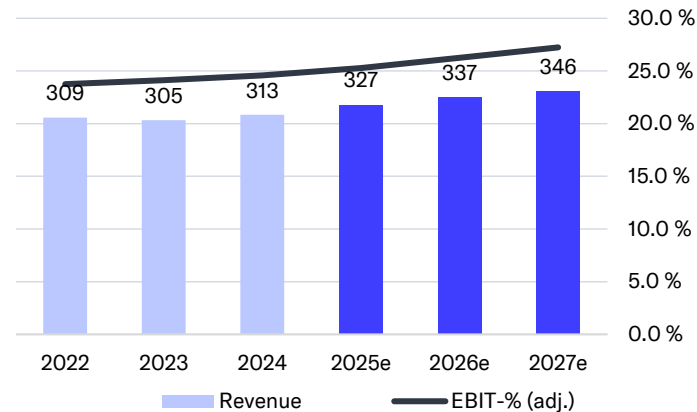
(Unchanged)

Alma Media expects its full-year revenue and adjusted operating profit of 2025 to remain at the 2024 level. In 2024, Alma Media's revenue was 312.7 MEUR and adjusted EBIT 76.9 MEUR.

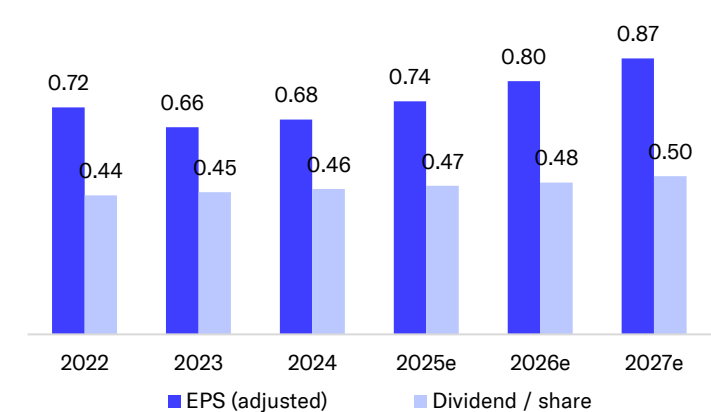
Share price



Revenue and EBIT-% (adj.)



EPS and dividend



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	12.90	12.90	12.90
Number of shares, millions	82.1	82.1	82.1
Market cap	1059	1059	1059
EV	1184	1155	1121
P/E (adj.)	17.5	16.1	14.8
P/E	18.1	16.2	14.9
P/B	4.2	3.8	3.4
P/S	3.2	3.1	3.1
EV/Sales	3.6	3.4	3.2
EV/EBITDA	12.0	10.8	10.0
EV/EBIT (adj.)	14.3	13.0	11.9
Payout ratio (%)	66.0 %	60.4 %	57.7 %
Dividend yield-%	3.6 %	3.7 %	3.9 %

Source: Inderes

Cost efficiency strengthens the result in a subdued market

Revenue development in line with our expectations

Alma Media's revenue increased by close on 5% in Q2, which was well in line with our expectations. Career's revenue decreased by 3% against our expectations (estimate +1%) and the trend weakened from Q1. According to the company, the uncertainty in the operating environment has been reflected in the willingness of large customers to recruit. However, the positive aspect is that the invoicing trend in Career is positive and will eventually pave the way for a revenue turnaround, unless the market turns upside down.

Marketplaces' revenue growth, on the other hand, was slightly stronger than we anticipated, as in addition to inorganic growth, it achieved nearly 10% organic growth. As in the previous quarter, it continued to be supported by the brisk development of the Real Estate business, which we believe is due to a slightly improved housing market situation, but especially the strong development of the Swedish commercial property business. News Media also

achieved slight growth (+1%), exceeding our stable forecast, as the brisk development of digital revenue, which accounts for a larger share, compensated for the decline in print.

The profitability improvement was a nice surprise

Alma Media posted adjusted EBIT of 21.1 MEUR in Q2, which clearly exceeded our forecast and corresponds to a profitability improvement from a good reference period. Profitability improved in all segments, and considering the roughly in-line revenue development, it highlights the successful cost control. This was driven by a clear decrease in costs in Career, as the company compensated for wage inflation by reducing the number of employees. In Marketplaces and News Media, we estimate that in addition to good efficiency, especially the change in the revenue structure has driven the profitability improvement. News Media's excellent profitability level (Q2'25: adjusted EBIT margin 16.8%) reflects the favorable development of its digital business relative to print.

The company recorded larger-than-usual non-recurring items in Q2, which we believe reflect, e.g., the discontinuation of smaller operations and presumably, to some extent, personnel reductions. Net financial expenses were also slightly higher than our forecast, partly reflecting the non-cash revaluation of derivatives. Reflecting these, the reported EPS came in at EUR 0.18 per share, which also slightly exceeded our forecast.

Cash flow is healthy and the balance sheet position is very comfortable

In H1, the company has accumulated a free cash flow of just under 32 MEUR, following its good cash flow profile. However, as a result of dividend payments and inorganic growth, net debt rose to almost 159 MEUR at the end of Q2. This corresponds to a moderate net debt/EBITDA ratio of 1.7x (LTM), meaning that the balance sheet has considerable flexibility for inorganic growth.

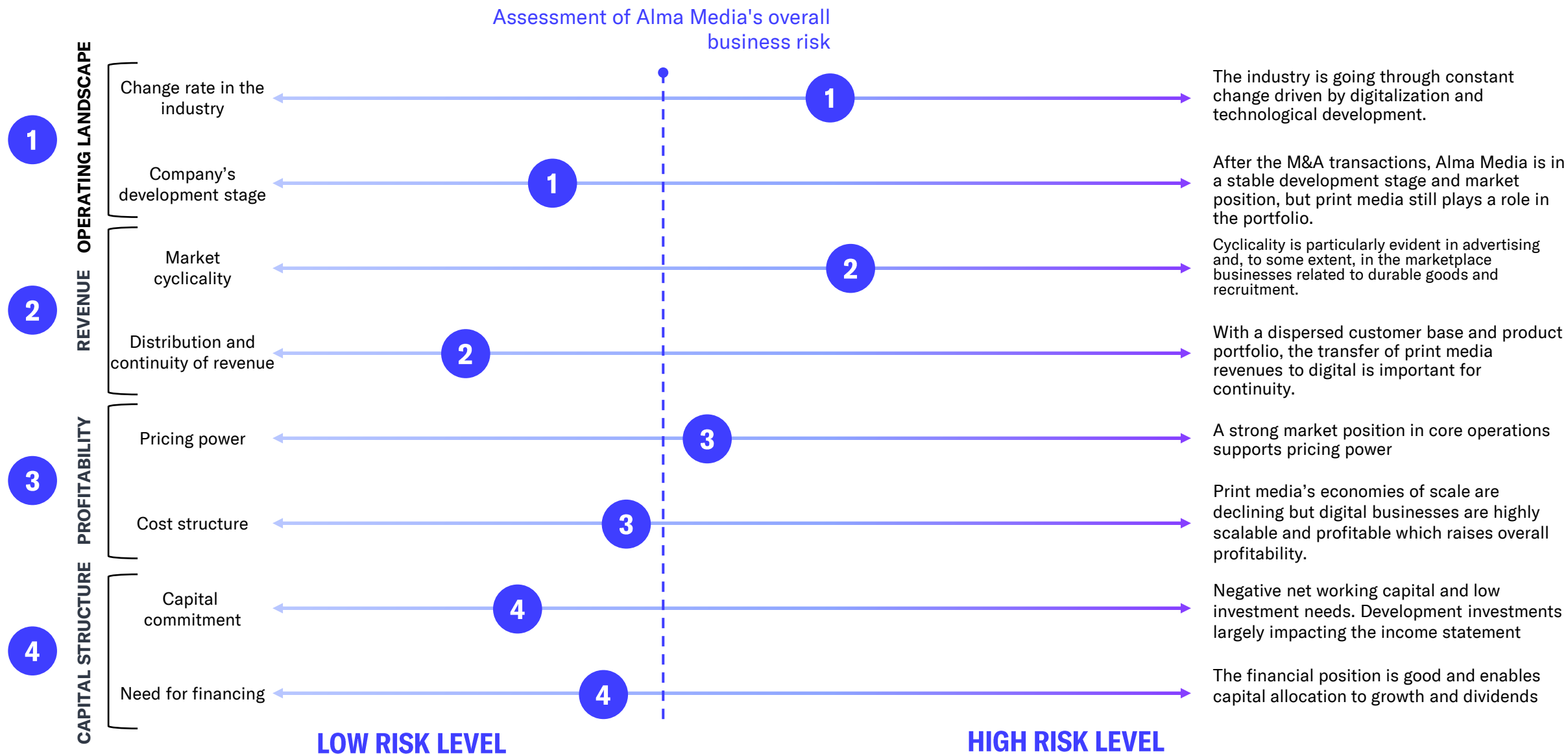
Estimates MEUR / EUR	Q2'24 Comparison	Q2'25 Actualized	Q2'25e Inderes	Q2'25e Consensus	Consensus Low High	Difference (%) Act. vs. Inderes	2025e Inderes
Revenue	80.0	83.7	83.5	83.0	82.4-83.5	0%	327
EBIT (adj.)	19.4	21.1	19.8	19.9	19.5-20.2	6%	82.7
EBIT	19.2	19.9	19.7	19.9	19.5-20.2	1%	80.6
EPS (reported)	0.18	0.18	0.17	0.17	0.17-0.19	4%	0.71
Revenue growth-%	2.3 %	4.7 %	4.4 %	3.8 %	3.0 %-4.4 %	0.2 pp	4.6 %
EBIT-% (adj.)	24.2 %	25.2 %	23.7 %	24.0 %	23.7 %-24.2 %	1.5 pp	25.3 %

Source: Inderes & Modular Finance (consensus)

Alma Media Q2'25: Improved profitability across all segments



Risk profile of the business model



Slight upward revisions to profitability estimates

Revenue estimates unchanged

At the group level, our revenue forecasts for this and the next few years remained practically unchanged after the Q2 report, although we fine-tuned our segment-level forecasts.

We revised Career's estimates slightly, cutting our revenue forecasts a bit for the coming years, as achieving growth seems to be slipping further away than we had expected. However, we are confident that Career will return to growth once the European economy turns.

Career's revenue decline was offset at group level by raised estimates for Marketplaces. The upward revisions to the segment's estimates reflect our expectations of better development in advertising income in Q2. We see good conditions for continued organic growth in the segment, as investments in consumer durables have only just begun to recover from a weak level.

Profitability forecasts were raised a bit

Despite the stagnant revenue forecasts, our earnings estimates for the coming years rose slightly as we made some revisions to our segment cost forecasts based on the actual figures for the beginning of the year and especially for Q2.

In recent years, Alma Media has significantly improved its operational efficiency and it still has significant projects underway, which should provide the conditions for further profitability improvement. Part of the company's targeted profitability (adjusted EBIT margin >30%) is to be achieved through revenue growth, but the increase in the share of digital revenue (News Media) and the decrease in costs (especially Career) also play a key role in the profitability improvement. We believe the cost reduction now seen is largely permanent, but on the other hand, the company is likely to invest more in advertising when the market situation justifies it (i.e. the market is growing). We see

Career as the clearest profitability driver, where, thanks to the United project, it should be able to get rid of significant overlapping costs by the end of 2026.

Reflecting the factors mentioned above, we forecast medium-term profitability to remain on a clear upward trend (2025e adjusted EBIT 25.3% vs. 28% in 2028e). The company's own target is to achieve its profitability target in three years, which we believe refers to the end of 2027. Our forecasts are lower, as we estimate that such a large improvement would require faster growth than we anticipate, which is difficult to achieve organically without a strong period of economic growth. On the other hand, the company's financial position enables even significant growth spurts, and thus, the target may be approached also through inorganic moves.

Estimate revisions	2025e	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	327	327	0%	338	337	0%	347	346	0%
EBIT (excl. NRIs)	80.9	82.7	2%	87.0	88.6	2%	92.3	94.3	2%
EBIT	79.9	80.6	1%	86.5	88.1	2%	91.8	93.8	2%
PTP	72.8	73.7	1%	81.2	83.5	3%	87.8	90.4	3%
EPS (excl. NRIs)	0.71	0.74	4%	0.78	0.80	3%	0.85	0.87	3%
DPS	0.47	0.47	0%	0.48	0.48	0%	0.50	0.50	0%

Source: Inderes

Alma Media, Webcast, Q2'25



Investment profile

- 1 Growth in digital businesses and excellent profitability
- 2 Stable and profitable media operations that generate cash flow
- 3 Economic growth is reflected in the business growth outlook
- 4 Balance sheet offers leeway for inorganic growth
- 5 Good track record of capital reallocation

Potential

- Organic growth potential in high profitability digital businesses
- Excellent cash flow and high ROIC
- M&A option that is positive given track record

Risks

- Cyclical sensitivity visible in some businesses
- Structural decrease in print media income and arising needs for adjustment
- Changes in the competitive position
- Technology changes offer opportunities and risks

Earnings growth in particular drives the 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.

Earnings growth and dividend yield create a nice expected 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 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. In addition, the earnings pressure from net financial expenses will decrease due to falling interest rates and a shrinking debt level. Reflecting these factors, the projected EPS growth for the next few years is on average 9% p.a.

Alma Media's earnings-based valuation multiples for the past 12 months are adjusted P/E of just over 18x and EV/EBIT of around 15x. We find these earnings-based valuation multiples to be at a justified level relative to Alma Media's fairly good return on capital, excellent cash conversion of its businesses, and free cash flow generation

capacity based on moderate investment needs. Therefore, we do not see changes in valuation multiples acting as a driver of expected return in either direction.

The expected return, consisting of the forecasted earnings growth and dividend yield for the next few years, clearly rises to double-digits and exceeds our required return. Against this backdrop, we find the current risk/reward ratio attractive.

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.

Our DCF model indicates a share value of EUR 13.9, suggesting that there is upside 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 forecasted long-term operating result growth is just under 4% p.a., meaning that we expect growth to scale moderately into earnings development also in the long run.

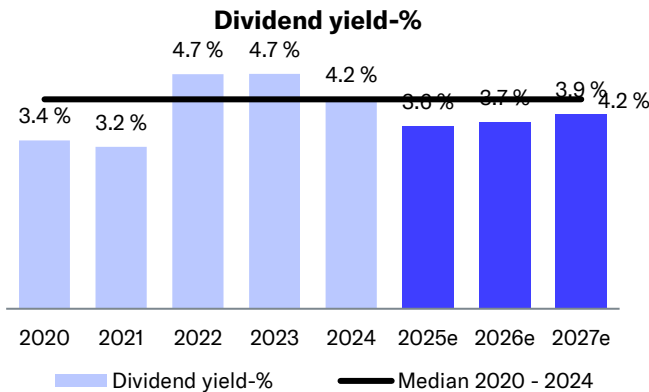
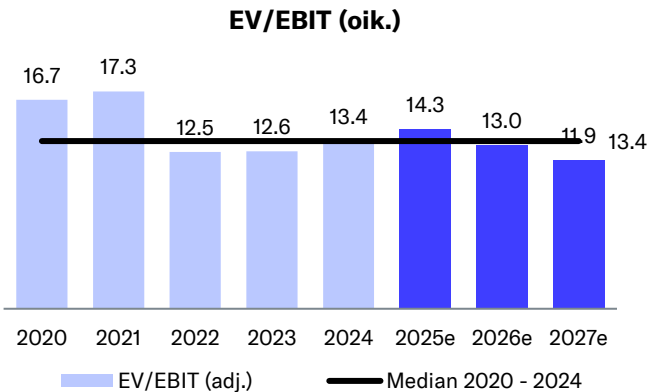
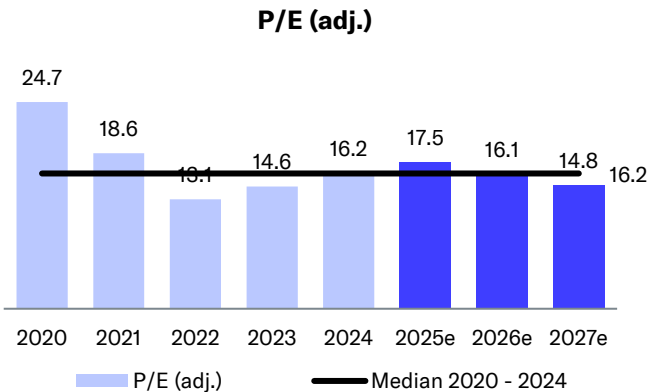
Valuation	2025e	2026e	2027e
Share price	12.90	12.90	12.90
Number of shares, millions	82.1	82.1	82.1
Market cap	1059	1059	1059
EV	1184	1155	1121
P/E (adj.)	17.5	16.1	14.8
P/E	18.1	16.2	14.9
P/B	4.2	3.8	3.4
P/S	3.2	3.1	3.1
EV/Sales	3.6	3.4	3.2
EV/EBITDA	12.0	10.8	10.0
EV/EBIT (adj.)	14.3	13.0	11.9
Payout ratio (%)	66.0 %	60.4 %	57.7 %
Dividend yield-%	3.6 %	3.7 %	3.9 %

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	12.90	12.90	12.90	12.90
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	1059	1059	1059	1059
EV	756	1059	920	925	1029	1184	1155	1121	1086
P/E (adj.)	24.7	18.6	13.1	14.6	16.2	17.5	16.1	14.8	13.9
P/E	26.7	20.4	10.7	14.0	17.3	18.1	16.2	14.9	14.0
P/B	4.0	5.4	3.8	3.6	3.9	4.2	3.8	3.4	3.1
P/S	3.2	3.2	2.5	2.6	2.9	3.2	3.1	3.1	3.0
EV/Sales	3.3	3.8	3.0	3.0	3.3	3.6	3.4	3.2	3.1
EV/EBITDA	12.8	14.4	9.5	10.2	11.3	12.0	10.8	10.0	9.3
EV/EBIT (adj.)	16.7	17.3	12.5	12.6	13.4	14.3	13.0	11.9	10.9
Payout ratio (%)	89.9 %	66.1 %	50.0 %	65.7 %	72.3 %	66.0 %	60.4 %	57.7 %	57.4 %
Dividend yield-%	3.4 %	3.2 %	4.7 %	4.7 %	4.2 %	3.6 %	3.7 %	3.9 %	4.1 %

Source: Inderes



The market cap and EV in the table consider the forecast 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	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e
Alma Media	1030	1164	14.5	13.3	11.8	11.1	3.6	3.5	17.9	16.0	3.8	3.9	4.1
Agora SA	321	244					2.0	1.8		53.8			0.7
Future PLC	857	1179	5.0	4.9	4.6	4.5	1.4	1.4	5.7	5.3	0.5	0.5	0.7
Gannett Co Inc	457	1252	16.9	15.7	5.3	5.1	0.6	0.6					
Lagardere SA	2989	7587	12.1	11.4	7.2	6.8	0.8	0.8	10.8	9.7	3.3	3.5	3.5
Arnoldo Mondadori Editore SpA	549	768	7.9	7.7	4.8	4.7	0.8	0.8	8.2	8.0	7.2	8.0	0.8
New York Times Co	7538	7088	18.5	16.6	15.5	14.2	3.0	2.8	24.5	22.8	1.3	1.5	4.3
Promotora de Informaciones SA	500	1102	9.7	8.6	5.8	5.3	1.1	1.1	18.6	16.9			
Vocento SA	79	176		81.2	8.3	6.9	0.5	0.5	13.4		2.7	2.7	0.5
Auto Trader Group PLC	8291	8277	18.6	17.4	18.0	16.9	11.9	11.4	25.5	23.6	1.3	1.4	12.1
Carsales.Com Ltd	7940	8561	28.8	25.1	23.8	21.0	13.2	11.8	38.6	34.0	2.1	2.4	4.6
Moneysupermarket.Com Group PLC	1350	1373	9.3	8.8	8.3	7.9	2.7	2.6	12.5	11.6	5.9	6.2	5.0
REA Group Ltd	17512	17365	38.0	32.7	32.5	28.2	18.5	16.4	54.5	46.3	1.0	1.2	16.2
Rightmove PLC	6965	6924	20.2	18.4	19.8	18.1	14.1	12.8	26.9	23.9	1.4	1.5	2.0
Scout24 SE	8963	9110	27.0	23.6	23.4	20.7	14.2	12.8	35.8	30.9	1.2	1.4	5.7
Seek Ltd	4812	5465	32.8	26.9	21.6	18.5	9.0	8.1	57.0	42.6	1.7	2.0	3.2
Stroeer SE & Co KgaA	2644	4353	12.4	10.8	6.4	5.9	2.0	1.9	13.4	11.3	5.1	5.8	4.9
Hemnet Group	2263	2298	30.3	23.9	28.0	22.4	14.8	12.0	39.7	30.5	0.8	1.0	21.1
Alma Media (Inderes)	1059	1184	14.3	13.0	12.0	10.8	3.6	3.4	17.5	16.1	3.6	3.7	4.2
Average		4470	18.9	20.4	14.4	12.8	6.3	5.7	25.2	24.2	2.6	2.9	5.6
Median		2298	17.7	16.6	11.8	11.1	2.8	2.7	21.5	23.2	1.7	2.0	4.2
Diff-% to median			-19%	-21%	1%	-3%	29%	28%	-19%	-31%	112%	84%	0%

Source: Refinitiv / Inderes

Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue	305	76.3	80.0	75.1	81.2	313	79.2	83.7	78.9	85.2	327	337	346	354
Alma Career	111	27.0	27.8	26.2	26.3	107.2	26.7	27.0	26.5	26.8	107	111.2	114	117
Alma Marketplaces	85.4	22.9	25.1	24.4	25.9	98.3	26.9	29.2	27.8	29.2	113	118	123	127
Alma News Media	109	26.4	27.1	24.5	29.0	107	25.8	27.5	24.7	29.2	107	108	109	110
EBITDA	90.6	19.1	23.3	26.0	22.6	91.0	21.0	24.5	27.5	25.8	98.8	107	113	117
Depreciation	-17.6	-4.1	-4.1	-4.5	-4.9	-17.6	-4.4	-4.6	-4.6	-4.6	-18.2	-19.1	-18.9	-18.5
EBIT (excl. NRI)	73.6	16.1	19.4	21.9	19.5	76.9	17.2	21.1	23.1	21.3	82.7	88.6	94.3	99.3
EBIT	73.0	15.0	19.2	21.5	17.7	73.4	16.6	19.9	22.9	21.2	80.6	88.1	93.8	98.8
Alma Career	45.0	10.4	11.1	11.1	10.6	43.1	9.8	11.3	11.5	11.0	43.6	46.5	49.2	51.0
Alma Marketplaces	26.4	5.4	7.1	8.7	6.7	27.8	7.0	7.4	9.9	8.2	32.4	36.9	39.8	42.8
Alma News Media	13.5	2.4	3.8	3.9	3.7	13.7	2.8	4.6	4.4	5.4	17.1	18.0	18.3	18.8
Unallocated	-12.0	-3.1	-2.8	-2.1	-3.2	-11.2	-3.0	-3.4	-2.6	-3.3	-12.3	-12.8	-13.0	-13.3
NRIs	0.0	0.0	0.0	0.0	-0.1	-0.1	0.0	0.0	-0.2	-0.2	-0.3	-0.5	-0.5	-0.5
Net financial items	-5.3	-1.4	-1.7	-2.8	-1.9	-7.7	-2.3	-2.0	-1.6	-1.6	-7.4	-5.2	-4.0	-3.2
PTP	68.5	13.6	18.1	18.8	16.5	67.0	14.4	18.5	21.3	19.6	73.7	83.5	90.4	96.2
Taxes	-12.1	-2.8	-3.6	-3.7	-4.4	-14.4	-3.2	-3.2	-4.5	-4.1	-15.0	-17.8	-18.9	-20.1
Minority interest	-0.1	-0.1	0.0	-0.1	-0.1	-0.3	0.0	-0.1	-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	11.1	15.2	16.8	15.4	58.4	65.3	71.1	75.7
EPS (adj.)	0.66	0.15	0.18	0.19	0.17	0.68	0.14	0.20	0.21	0.19	0.74	0.80	0.87	0.93
EPS (rep.)	0.68	0.13	0.18	0.18	0.15	0.64	0.14	0.18	0.20	0.19	0.71	0.80	0.87	0.92

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	-1.3 %	1.3 %	2.3 %	2.2 %	4.3 %	2.5 %	3.8 %	4.7 %	5.0 %	5.0 %	4.6 %	3.2 %	2.5 %	2.3 %
Adjusted EBIT growth-%	0.3 %	-5.2 %	0.4 %	6.7 %	16.3 %	4.5 %	6.7 %	8.8 %	5.5 %	9.4 %	7.6 %	7.2 %	6.4 %	5.3 %
EBITDA-%	29.7 %	25.0 %	29.1 %	34.6 %	27.8 %	29.1 %	26.5 %	29.2 %	34.9 %	30.2 %	30.2 %	31.8 %	32.6 %	33.1 %
Adjusted EBIT-%	24.1 %	21.1 %	24.2 %	29.1 %	24.0 %	24.6 %	21.7 %	25.1 %	29.3 %	25.0 %	25.3 %	26.3 %	27.2 %	28.0 %
Net earnings-%	18.4 %	14.2 %	18.1 %	19.9 %	14.7 %	16.7 %	14.0 %	18.1 %	21.2 %	18.0 %	17.9 %	19.3 %	20.6 %	21.4 %

Source: Inderes

Full-year EPS are calculated using the year-end number of shares.

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	102
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	71.0	73.2	87.2
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	47
Balance sheet total	528	526	529	530	544

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	223	235	256	282	314
Share capital	45	45	45	45	45
Retained earnings	148	162	182	209	241
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	143	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	144	123	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	105	105
Interest bearing debt	7	10	19	13	10
Payables	80	82	87	89	92
Other current liabilities	2.5	3	3.0	3.0	3.0
Balance sheet total	528	526	529	530	544

DCF-calculation

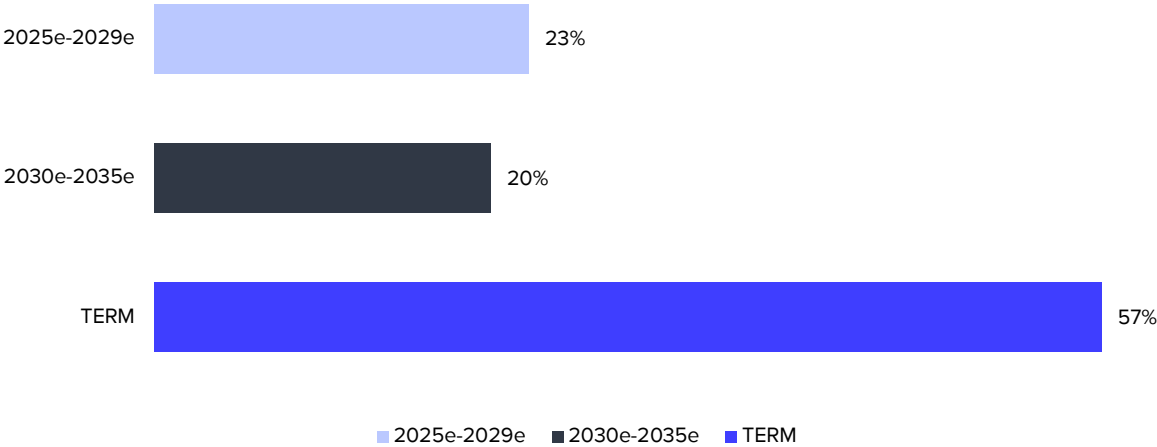
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	2.5 %	4.6 %	3.2 %	2.5 %	2.3 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %
EBIT-%	23.5 %	24.6 %	26.1 %	27.1 %	27.9 %	26.0 %	26.0 %	25.5 %	25.0 %	25.0 %	24.5 %	24.5 %	24.5 %
EBIT (operating profit)	73.4	80.6	88.1	93.8	98.8	94.4	96.7	97.3	97.7	100	101	103	
+ Depreciation	17.6	18.2	19.1	18.9	18.5	18.7	19.1	19.7	20.0	20.2	20.1	20.1	
- Paid taxes	-14.0	-15.0	-17.8	-18.9	-20.1	-19.2	-19.8	-20.0	-20.2	-20.8	-21.0	-21.6	
- Tax, financial expenses	-1.7	-1.5	-1.1	-0.8	-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	4.8	1.6	1.3	1.2	1.4	1.4	1.4	1.5	1.5	1.5	1.6	
Operating cash flow	77.6	87.0	89.8	94.3	97.7	94.6	96.9	98.0	98.7	101	101	103	
+ 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	-21.0	
Free operating cash flow	50	56	71.3	75.8	78.7	75.1	76.9	78.0	78.7	80.7	81.1	82.1	
+/- 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	56	71.3	75.8	78.7	75.1	76.9	78.0	78.7	80.7	81.1	82.1	1625
Discounted FCFF		54	64.0	63.2	61.0	54.0	51.4	48.4	45.3	43.2	40.3	37.9	749
Sum of FCFF present value		1312	1258	1194	1131	1070	1016	964	916	871	828	787	749
Enterprise value DCF		1312											
- Interest bearing debt		-186											
+ Cash and cash equivalents		43											
-Minorities		-4											
-Dividend/capital return		-38											
Equity value DCF		1137											
Equity value DCF per share		13.9											

WACC

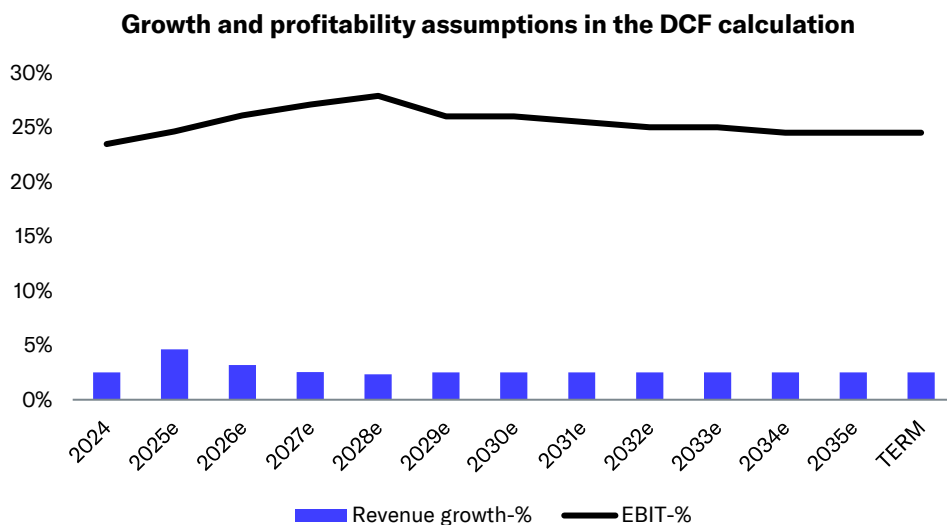
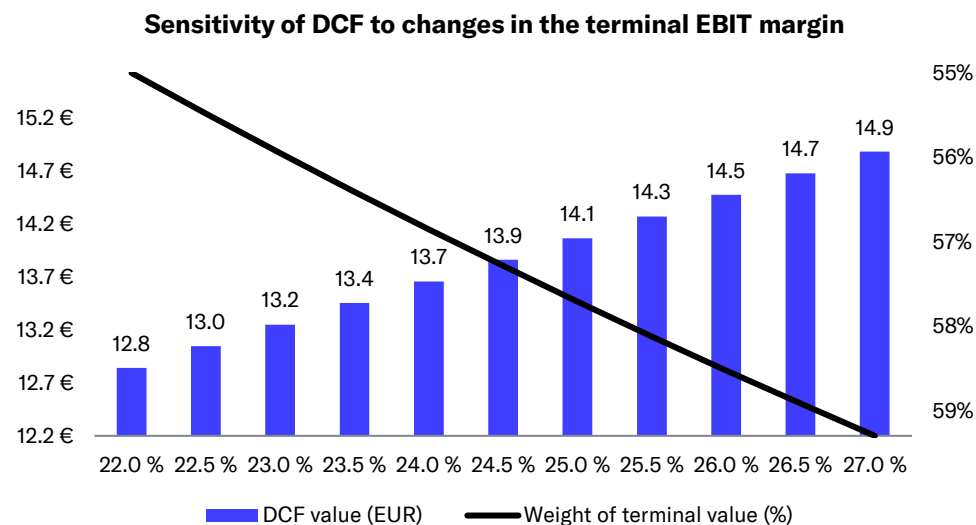
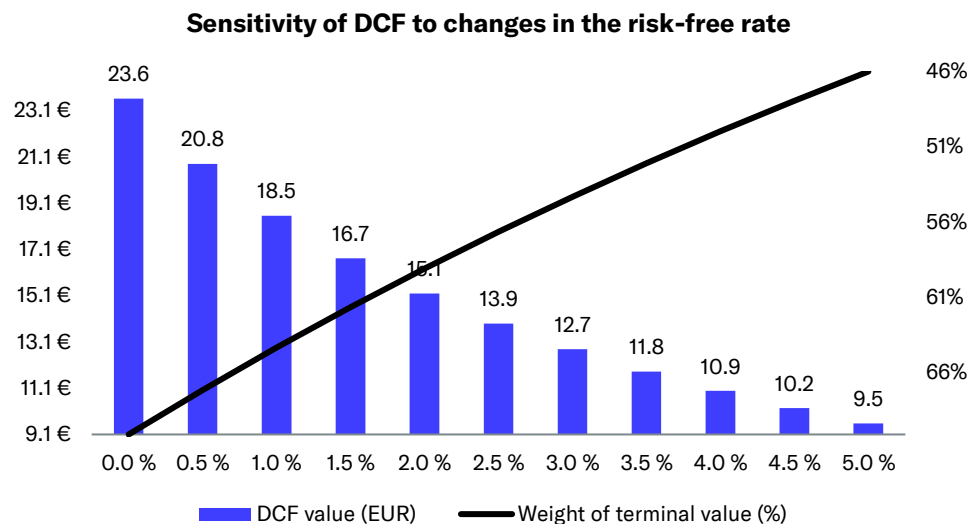
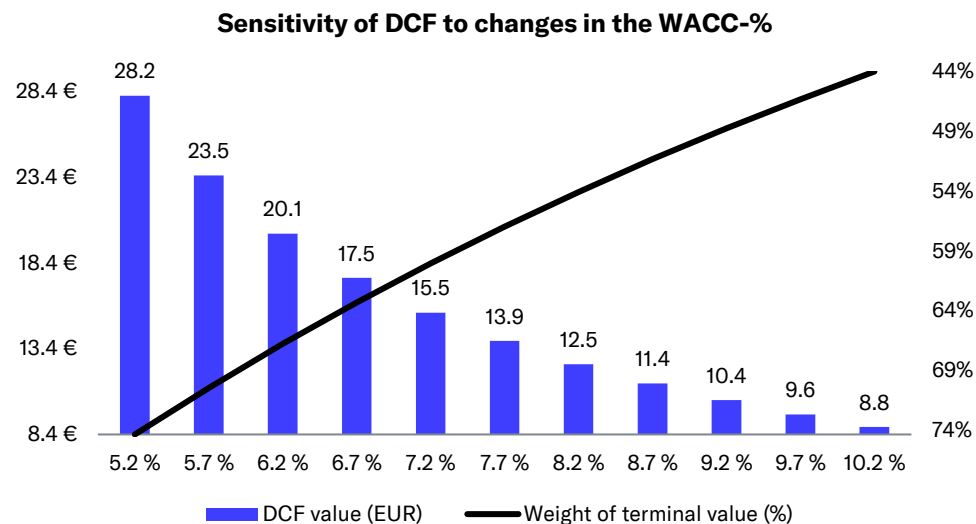
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	20.0 %
Cost of debt	4.5 %
Equity Beta	1.2
Market risk premium	4.75%
Liquidity premium	0.50%
Risk free interest rate	2.5 %
Cost of equity	8.7 %
Weighted average cost of capital (WACC)	7.7 %

Source: Inderes

Cash flow distribution



DCF sensitivity calculations and key assumptions in graphs



Source: Inderes. NB! The terminal value weight (%) is presented on a reverse scale for clarity.

Summary

Income statement	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	309	305	313	327	337	EPS (reported)	0.88	0.68	0.64	0.71	0.80
EBITDA	97.2	90.6	91.0	98.8	107.2	EPS (adj.)	0.72	0.66	0.68	0.74	0.80
EBIT	80.0	73.0	73.4	80.6	88.1	OCF / share	1.06	0.85	0.95	1.06	1.09
PTP	86.9	68.5	67.0	73.7	83.5	FCF / share	0.89	0.49	0.61	0.68	0.87
Net Income	72.4	56.2	52.3	58.4	65.3	Book value / share	2.49	2.68	2.83	3.08	3.41
Extraordinary items	6.6	-0.6	-3.5	-2.1	-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	528.8	530.5	Revenue growth-%	12%	-1%	3%	5%	3%
Equity capital	205.9	222.8	234.9	255.5	282.2	EBITDA growth-%	32%	-7%	0%	9%	8%
Goodwill	294.4	298.0	309.0	309.0	309.0	EBIT (adj.) growth-%	20%	0%	4%	8%	7%
Net debt	143.7	146.5	143.2	130.5	101.7	EPS (adj.) growth-%	24%	-9%	4%	9%	9%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	31.5 %	29.7 %	29.1 %	30.2 %	31.8 %
EBITDA	97.2	90.6	91.0	98.8	107.2	EBIT (adj.)-%	23.8 %	24.1 %	24.6 %	25.3 %	26.3 %
Change in working capital	5.0	-7.9	2.4	4.8	1.6	EBIT-%	25.9 %	23.9 %	23.5 %	24.6 %	26.1 %
Operating cash flow	87.0	69.8	77.6	87.0	89.8	ROE-%	39.3 %	26.5 %	23.1 %	24.1 %	24.5 %
CAPEX	-17.5	-26.2	-23.7	-31.0	-18.5	ROI-%	20.6 %	18.4 %	17.7 %	19.3 %	21.2 %
Free cash flow	73.1	40.4	49.8	56.0	71.3	Equity ratio	45.8 %	46.3 %	48.6 %	52.6 %	58.0 %
Valuation multiples	2022	2023	2024	2025e	2026e	Gearing	69.8 %	65.8 %	61.0 %	51.1 %	36.0 %
EV/S	3.0	3.0	3.3	3.6	3.4						
EV/EBITDA	9.5	10.2	11.3	12.0	10.8						
EV/EBIT (adj.)	12.5	12.6	13.4	14.3	13.0						
P/E (adj.)	13.1	14.6	16.2	17.5	16.1						
P/B	3.8	3.6	3.9	4.2	3.8						
Dividend-%	4.7 %	4.7 %	4.2 %	3.6 %	3.7 %						

Source: Inderes

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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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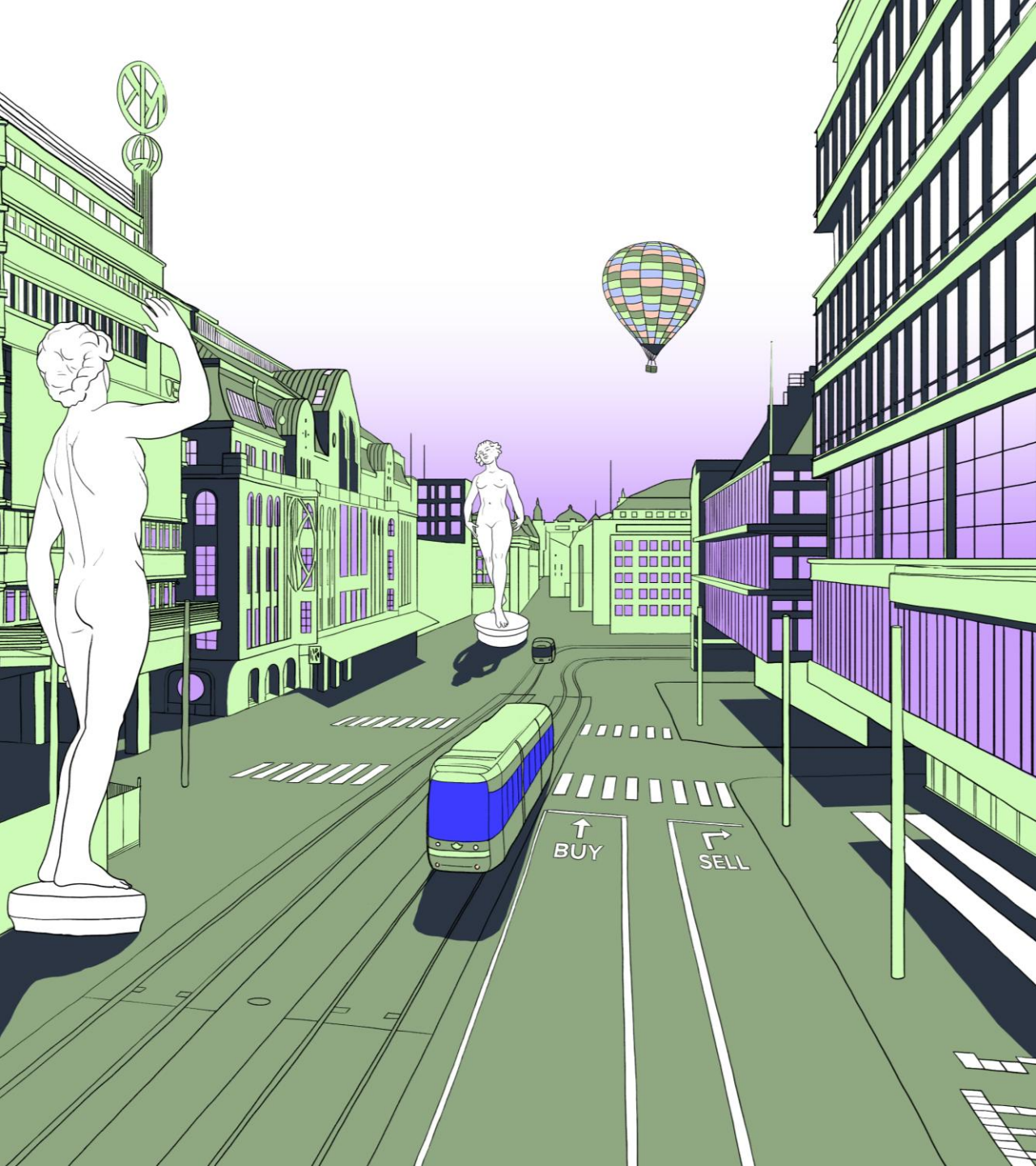
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Recommendation history (>12 mo)

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 €
4/28/2025	Accumulate	13.00 €	11.75 €
7/18/2025	Accumulate	13.90 €	12.90 €



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