

ALMA MEDIA

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INDERES CORPORATE CUSTOMER
COMPANY REPORT

The pace is solid

Alma Media reported stronger growth figures than expected for Q1, and profitability was also better than we anticipated. Based on this, we made small positive changes to our forecasts, but our earnings forecasts, which expect an upward trend in earnings development in H2'25 and the coming years, remain broadly unchanged. Against this backdrop, we reiterate our EUR 13.0 target price and Accumulate recommendation.

The pace was good in Q1

Alma Media's Q1 figures were better than we expected, as the company's 4% revenue growth was more lively than we anticipated, and the quarter's profitability was also stronger than expected and even better than in the good comparison period. The revenue overshoot came from both the Career and Marketplaces segments. Reflecting the rather high margin level of these services, it is not surprising that volume development also boosted profitability more than expected. News Media's earnings beat was, in turn, a positive surprise, even though it suffered from a slightly stronger-than-expected decline in revenue. The segment that has suffered from the contraction of print media, in Q1 once again demonstrated its ability to effectively adapt its cost structure, while its profitability improves with growing digital revenue streams.

Guidance unchanged, the lead started to build already in Q1

In its Q1 report, Alma Media reiterated its guidance for the current year, which indicates stable revenue and adjusted EBIT development compared to the previous year. Based on the company's comments, it has seen some signs of recovery in market activity towards the end of Q1, which we feel has been particularly evident in the international operations of the recruitment business, and there are also positive signs in, e.g., automotive and housing marketplaces. However, domestic

advertising, which has been subdued recently, is throwing a spanner into the works. After Q1, the company's revenue is 4% and adjusted EBIT 7% ahead of the previous year. Although these growth figures are still in line with the guidance, i.e. "at the same level", we see the possibility of the guidance being raised for 2025, provided that the operating environment continues to improve. However, considering the recent trade war events, we believe that the market recovery is still on fragile ground. Following the Q1 report, we only made minor positive revisions to our forecasts for the current and coming years, which increased by 2-3% at earnings level. The main driver behind the increase in this year's forecasts was the Q1 performance. In 2025, we expect revenue to increase by close on 5% to 327 MEUR and adjusted EBIT to rise to 80.7 MEUR. In the coming years, we expect the company to achieve reasonable organic growth of about 3% and an upward trend in profitability reflecting its scalable business.

The expected return exceeds our required return

Based on the LTM results, the adjusted P/E and EV/EBIT multiples for the stock are 17x and 14x, respectively. In our view, these valuation multiples are at a reasonable level given Alma Media's high return on capital, good cash flow generation and growth prospects. The expected return for the next few years is based on our earnings growth forecast of around 8% and a dividend yield of some 4% based on our estimates. This low double-digit expected return clearly exceeds the required return we apply and, therefore, we find the risk/reward ratio attractive. Our cash flow model at EUR 13.4 per share also supports an upside in the valuation.

Recommendation

Accumulate

(was Accumulate)

Target price:

EUR 13.00

(was EUR 13.00)

Share price:

EUR 11.75

Business risk



Valuation risk



	2024	2025e	2026e	2027e
Revenue	313	327	338	347
growth-%	3%	5%	3%	3%
EBIT adj.	76.9	80.9	87.0	92.3
EBIT-% adj.	24.6 %	24.7 %	25.7 %	26.6 %
Net Income	52.3	57.1	63.3	68.9
EPS (adj.)	0.68	0.71	0.78	0.85
P/E (adj.)	16.2	16.6	15.1	13.9
P/B	3.9	3.8	3.5	3.2
Dividend yield-%	4.2 %	4.0 %	4.1 %	4.3 %
EV/EBIT (adj.)	13.4	13.6	12.3	11.3
EV/EBITDA	11.3	11.2	10.2	9.4
EV/S	3.3	3.4	3.2	3.0

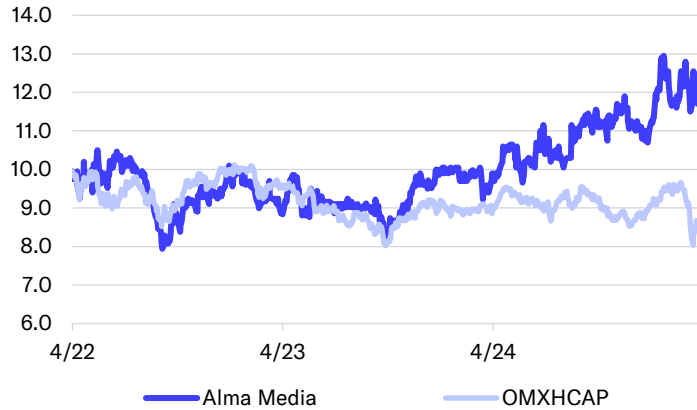
Source: Inderes

Guidance

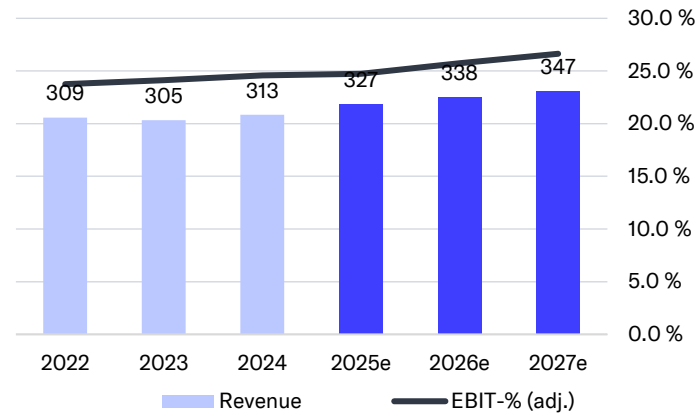
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Alma Media expects its full-year revenue and adjusted operating profit of 2025 to remain at the 2024 level. In 2024, Alma Media's revenue was 312.7 MEUR and adjusted EBIT 76.9 MEUR.

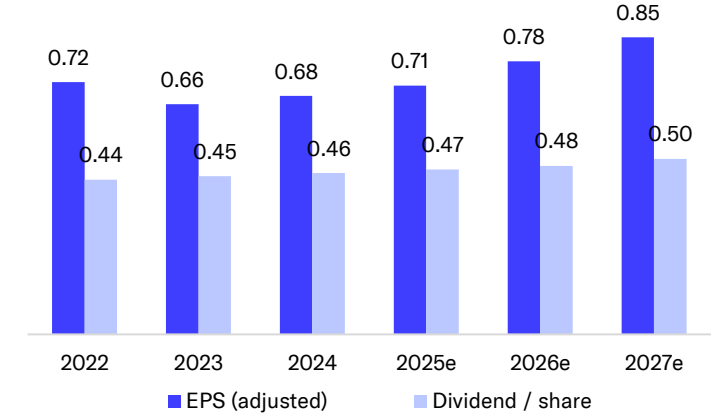
Share price



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	11.75	11.75	11.75
Number of shares, millions	82.1	82.1	82.1
Market cap	964	964	964
EV	1100	1073	1042
P/E (adj.)	16.6	15.1	13.9
P/E	16.9	15.2	14.0
P/B	3.8	3.5	3.2
P/S	2.9	2.9	2.8
EV/Sales	3.4	3.2	3.0
EV/EBITDA	11.2	10.2	9.4
EV/EBIT (adj.)	13.6	12.3	11.3
Payout ratio (%)	67.5 %	62.2 %	59.5 %
Dividend yield-%	4.0 %	4.1 %	4.3 %

Source: Inderes

Action in Q1

Revenue development in line with our expectations

Alma Media's revenue increased by 4% in Q1, which was double the pace we expected. Career's revenue developed more strongly than we expected (-4%), although it decreased by 1%. The development was better than we expected in several sources of revenue, but the largest, classified advertising, still declined slightly in Q1 (-1%). As before, development was stable in the largest segment, Career Central, while North struggled, reflecting, e.g., the weak domestic labor market.

Marketplaces also offered a positive surprise at revenue level, as their growth reached almost 18% boosted by acquisitions. Organic growth in the segment was 9%, reflecting price increases, volume growth, and new services. In our view, organic growth has been supported by the recovery of the housing and used car trade, in addition to which the commercial property business has continued to perform well, especially helped by Sweden.

Profitability improved against our expectations

Alma Media posted adjusted EBIT of 17.2 MEUR in Q1, which clearly exceeded our forecast and corresponds to an improvement in profitability compared to an already good reference period. With the revenue overshoot, it is not at all surprising that Career and Marketplaces, which offer high-margin services, exceeded our earnings forecasts, especially given their ability to manage their cost structure. In contrast, News Media's 1.6 percentage point improvement in profitability from the comparison period to 11.6% was a positive surprise, especially considering that its revenue decreased. The segment's profitability is supported by a shift in revenue focus to digital income sources, but the company has also proven its ability to adapt the costs of printed media as its volumes decrease.

In the lower income statement lines, net financial expenses were higher than expected, which at least partly reflected exchange rate movements. Cash flow-based interest

expenses, on the other hand, were at the expected level. Against this backdrop, Q1's EPS, however, settled at EUR 0.14 and exceeded our estimates less than the operating result.

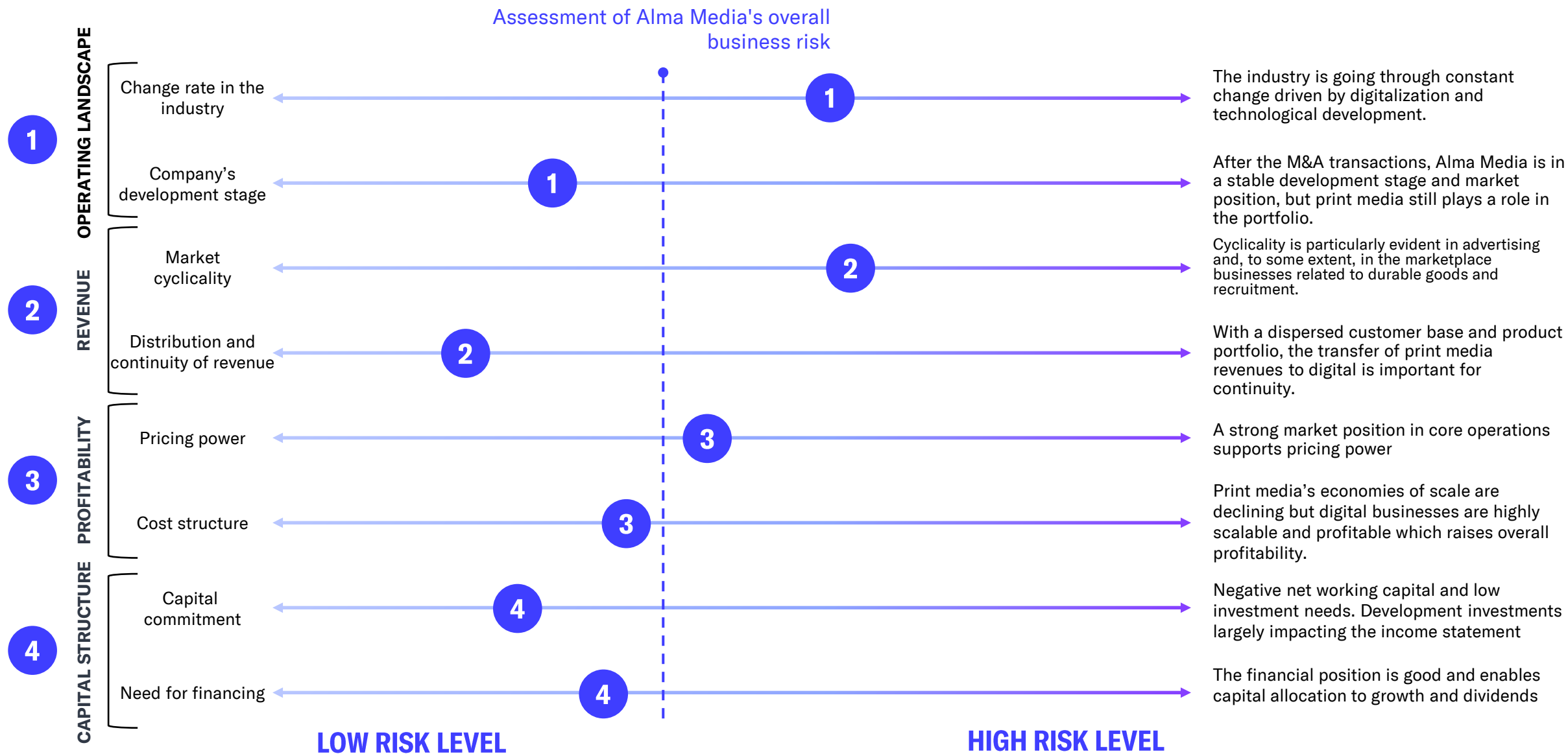
The balance sheet offers opportunities, cash flow at a good level

In Q1, Alma Media generated a cash flow from operating activities of 22.3 MEUR while organic investments (incl. IFRS 16 repayments) amounted to 2.7 MEUR. Thus, the business generates strong free cash flow and enabled financing of completed acquisitions (Q1'25: -13.4 MEUR) without utilizing the balance sheet. At the end of Q1, interest-bearing net debt was 133 MEUR, which corresponds to a modest 1.4x ratio relative to EBITDA for the previous 12 months. Thus, the balance sheet already offers significant leeway for acquisitions, although it should be noted that dividends for 2024 were paid after the review period (~39 MEUR).

Estimates	Q1'24	Q1'25	Q1'25e	Q1'25e	Consensus	Difference (%)	2025e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low High	Act. vs. Inderes	Inderes
Revenue	76.3	79.2	77.8	77.8	77.1-78.2	2%	327
EBIT (adj.)	16.1	17.2	15.1	16.1	15.1-16.8	14%	80.9
EBIT	15.0	16.6	14.8	16.0	14.8-16.8	12%	79.9
EPS (reported)	0.13	0.14	0.13	0.14	0.13-0.15	11%	0.70
Revenue growth-%	1.3 %	3.9 %	2.1 %	2.0 %	1.1 %-2.6 %	1.8 pp	4.8 %
EBIT-% (adj.)	21.1 %	21.7 %	19.4 %	20.7 %	19.6 %-21.5 %	2.3 pp	24.7 %

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

Risk profile of the business model



Small positive forecast changes

Estimate revisions

- We only made minor positive revisions to our 2025-2027 forecasts, with the biggest driver of the forecast increase for 2025 being the Q1 forecast beat
- We revised Career's short-term growth outlook for classified income a tad upwards, reflecting the invoicing of the Czech operations turning to growth
- The increased growth base for 2025 was also reflected positively in our revenue forecasts for the coming years
- The increases in our revenue forecasts effectively trickled down to our earnings estimates, as Alma Media's revenue growth has high margins
- We lowered the long-term tax rate we apply slightly, which reflects the expected decrease in the corporate tax rate in Finland and the relative share of domestic business

Operational earnings drivers:

- We expect Alma Media's revenue for 2025 to grow by just under 5% to 327 MEUR and adjusted EBIT to rise to 80.9 MEUR
- In our view, our forecasts for the current year are in line with the guidance that indicates stable development
- In our forecasts, we still expect organic growth to be tight in Q2, but the recovering economy and strengthening consumer confidence will turn the business to organic growth in H2'25. Growth is strengthened by completed acquisitions
- We expect the company to reach about the same level of profitability in 2025 as in the previous year (2025e adjusted EBIT % 24.7% vs. 2024 24.6%), which reflects high cost-efficiency that compensates for normal cost inflation
- In 2026-2028, we expect revenue to grow on average by about 3%, supported by market growth stemming from economic growth
- We expect EBIT to grow more strongly than the top line, reflecting the earnings leverage of the businesses and the declining R&D investments as ongoing development projects end

Estimate revisions	2025e	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	326	327	0%	336	338	1%	344	347	1%
EBIT (excl. NRIs)	78.8	80.9	3%	84.7	87.0	3%	89.6	92.3	3%
EBIT	78.1	79.9	2%	84.2	86.5	3%	89.1	91.8	3%
PTP	71.7	72.8	2%	78.9	81.2	3%	85.0	87.8	3%
EPS (excl. NRIs)	0.70	0.71	2%	0.76	0.78	3%	0.81	0.85	4%
DPS	0.47	0.47	0%	0.48	0.48	0%	0.50	0.50	0%

Source: Inderes

Alma Media, Webcast, Q1'25



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

The expected return exceeds our required return

Valuation methods

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

The stock's expected total return

We believe that the role of the dividend is crucial for the stock's expected return over the next few years. With our estimates and the current 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 8% p.a.

Alma Media's earnings-based valuation multiples for the past 12 months are P/E 17x and EV/EBIT 14x. We find these earnings-based valuation multiples quite neutral in absolute terms relative to Alma Media's rather good capital performance, the excellent cash conversion of its businesses and the ability to generate free cash flow as a result of moderate investment needs.

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. In our opinion, slightly higher multiples than the current ones could also be justified for the company, so the potential expected return is more likely to be supported rather than hindered by a change in valuation. 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 13.4, 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.

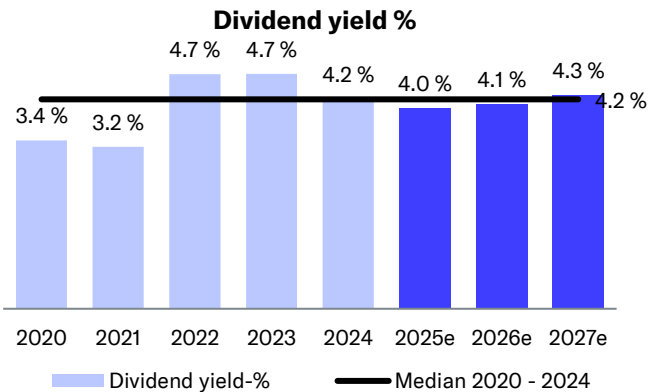
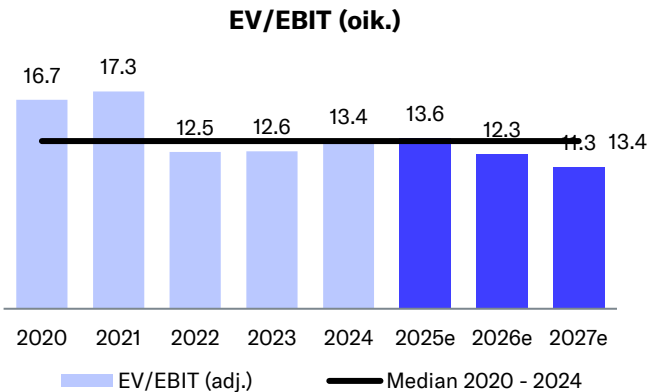
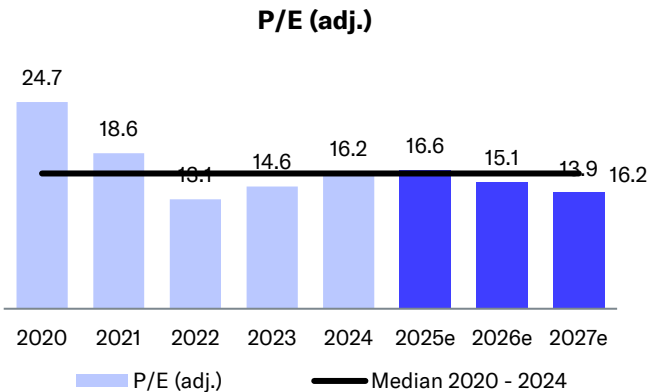
Valuation	2025e	2026e	2027e
Share price	11.75	11.75	11.75
Number of shares, millions	82.1	82.1	82.1
Market cap	964	964	964
EV	1100	1073	1042
P/E (adj.)	16.6	15.1	13.9
P/E	16.9	15.2	14.0
P/B	3.8	3.5	3.2
P/S	2.9	2.9	2.8
EV/Sales	3.4	3.2	3.0
EV/EBITDA	11.2	10.2	9.4
EV/EBIT (adj.)	13.6	12.3	11.3
Payout ratio (%)	67.5 %	62.2 %	59.5 %
Dividend yield-%	4.0 %	4.1 %	4.3 %

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	11.75	11.75	11.75	11.75
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	964	964	964	964
EV	756	1059	920	925	1029	1100	1073	1042	1009
P/E (adj.)	24.7	18.6	13.1	14.6	16.2	16.6	15.1	13.9	13.0
P/E	26.7	20.4	10.7	14.0	17.3	16.9	15.2	14.0	13.1
P/B	4.0	5.4	3.8	3.6	3.9	3.8	3.5	3.2	2.8
P/S	3.2	3.2	2.5	2.6	2.9	2.9	2.9	2.8	2.7
EV/Sales	3.3	3.8	3.0	3.0	3.3	3.4	3.2	3.0	2.8
EV/EBITDA	12.8	14.4	9.5	10.2	11.3	11.2	10.2	9.4	8.8
EV/EBIT (adj.)	16.7	17.3	12.5	12.6	13.4	13.6	12.3	11.3	10.4
Payout ratio (%)	89.9 %	66.1 %	50.0 %	65.7 %	72.3 %	67.5 %	62.2 %	59.5 %	59.2 %
Dividend yield-%	3.4 %	3.2 %	4.7 %	4.7 %	4.2 %	4.0 %	4.1 %	4.3 %	4.5 %

Source: Inderes



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	968	1109	13.9	12.8	11.5	10.8	3.4	3.3	16.7	15.1	4.0	4.2	3.8
Agora SA	263	64					0.5	0.5		46.4			0.5
Future PLC	876	1221	4.8	4.6	4.5	4.3	1.3	1.3	5.4	4.7	0.5	0.5	1.1
Gannett Co Inc	448	1304	14.0	11.7	5.3	5.0	0.6	0.6	87.0	20.6			
Lagardere SA	2723	7321	11.6	11.0	8.4	7.9	0.8	0.8	9.8	9.0	3.5	3.6	1.1
Arnoldo Mondadori Editore SpA	553	698	7.2	7.0	4.5	4.4	0.7	0.7	8.1	7.5	7.1	7.9	0.8
New York Times Co	7333	6836	17.9	16.0	15.0	13.5	2.8	2.7	24.2	21.9	1.4	1.6	3.9
Promotora de Informaciones SA	551	1281	10.5	9.2	6.6	6.0	1.3	1.3	31.5	20.5			
Vocento SA	87	201	91.4	74.5	7.3	6.8	0.6	0.6		11.7	3.6	7.1	0.4
Auto Trader Group PLC	8367	8358	18.5	17.0	18.0	16.5	11.8	11.0	25.4	22.7	1.3	1.5	12.3
Carsales.Com Ltd	6969	7623	25.6	22.3	21.1	18.6	11.7	10.5	33.9	29.7	2.4	2.7	4.1
Moneysupermarket.Com Group PLC	1260	1283	8.6	8.1	7.6	7.2	2.4	2.3	11.3	10.5	6.4	6.7	4.3
REA Group Ltd	17820	17697	38.2	32.9	32.8	28.4	18.7	16.6	54.5	46.3	1.0	1.2	16.6
Rightmove PLC	6541	6500	18.7	17.0	18.4	16.8	13.1	11.9	24.7	22.0	1.5	1.7	2.1
Schibsted ASA	6026	5887	51.7	36.0	33.2	26.5	7.4	7.2	69.9	45.0	0.9	0.8	2.2
Scout24 SE	7590	7710	22.9	20.3	20.0	17.8	12.1	11.1	30.9	27.2	1.4	1.6	4.9
Seek Ltd	4218	4873	29.5	23.9	19.3	17.1	8.0	7.2	50.8	37.5	1.9	2.3	2.8
Stroeer SE & Co KgaA	2871	4570	12.9	11.2	6.7	6.2	2.1	1.9	14.3	12.0	4.4	5.2	4.9
Hemnet Group	2790	2825	33.9	26.0	31.8	24.8	16.8	13.5	44.7	33.3	0.7	0.9	23.8
Alma Media (Inderes)	964	1100	13.6	12.3	11.2	10.2	3.4	3.2	16.6	15.1	4.0	4.1	3.8
Average		4323	22.4	19.2	14.0	12.5	6.0	5.4	29.6	22.1	2.8	3.2	5.5
Median		2825	17.9	16.0	11.5	10.8	2.6	2.5	25.1	21.3	1.9	2.3	3.9
Diff-% to median			-24%	-23%	-2%	-6%	28%	27%	-34%	-29%	108%	78%	-1%

Source: Refinitiv / Inderes

Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue	305	76.3	80.0	75.1	81.2	313	79.2	83.5	79.3	85.4	327	338	347	355
Alma Career	111	27.0	27.8	26.2	26.3	107.2	26.7	27.9	26.9	26.8	108	112.5	116	118
Alma Marketplaces	85.4	22.9	25.1	24.4	25.9	98.3	26.9	28.4	27.8	29.2	112	117	122	127
Alma News Media	109	26.4	27.1	24.5	29.0	107	25.8	27.2	24.6	29.4	107	108	109	110
EBITDA	90.6	19.1	23.3	26.0	22.6	91.0	21.0	24.3	27.2	25.6	98.1	106	111	115
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	-18.4
EBIT (excl. NRI)	73.6	16.1	19.4	21.9	19.5	76.9	17.2	19.8	22.8	21.1	80.9	87.0	92.3	97.3
EBIT	73.0	15.0	19.2	21.5	17.7	73.4	16.6	19.7	22.6	21.0	79.9	86.5	91.8	96.8
Alma Career	45.0	10.4	11.1	11.1	10.6	43.1	9.8	10.9	11.6	10.8	43.1	46.0	48.4	50.2
Alma Marketplaces	26.4	5.4	7.1	8.7	6.7	27.8	7.0	8.4	9.7	8.2	33.3	36.9	39.8	42.8
Alma News Media	13.5	2.4	3.8	3.9	3.7	13.7	2.8	3.8	4.1	5.4	16.1	16.9	17.2	17.6
Unallocated	-12.0	-3.1	-2.8	-2.1	-3.2	-11.2	-3.0	-3.3	-2.6	-3.3	-12.2	-12.8	-13.0	-13.3
NRI	0.0	0.0	0.0	0.0	-0.1	-0.1	0.0	-0.2	-0.2	-0.2	-0.5	-0.5	-0.5	-0.5
Net financial items	-5.3	-1.4	-1.7	-2.8	-1.9	-7.7	-2.3	-1.6	-1.6	-1.6	-7.1	-5.3	-4.1	-3.2
PTP	68.5	13.6	18.1	18.8	16.5	67.0	14.4	18.1	21.0	19.4	72.8	81.2	87.8	93.6
Taxes	-12.1	-2.8	-3.6	-3.7	-4.4	-14.4	-3.2	-3.8	-4.4	-4.1	-15.5	-17.5	-18.4	-19.7
Minority interest	-0.1	-0.1	0.0	-0.1	-0.1	-0.3	0.0	0.0	-0.1	-0.1	-0.2	-0.4	-0.4	-0.4
Net earnings	56.2	10.8	14.5	15.0	12.0	52.3	11.1	14.3	16.5	15.2	57.1	63.3	68.9	73.5
EPS (adj.)	0.66	0.15	0.18	0.19	0.17	0.68	0.14	0.18	0.20	0.19	0.71	0.78	0.85	0.90
EPS (rep.)	0.68	0.13	0.18	0.18	0.15	0.64	0.14	0.17	0.20	0.19	0.70	0.77	0.84	0.90

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25e	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	-1.3 %	1.3 %	2.3 %	2.2 %	4.3 %	2.5 %	3.8 %	4.4 %	5.5 %	5.2 %	4.8 %	3.2 %	2.5 %	2.3 %
Adjusted EBIT growth-%	0.3 %	-5.2 %	0.4 %	6.7 %	16.3 %	4.5 %	6.7 %	2.4 %	4.1 %	8.4 %	5.3 %	7.5 %	6.1 %	5.4 %
EBITDA-%	29.7 %	25.0 %	29.1 %	34.6 %	27.8 %	29.1 %	26.5 %	29.1 %	34.4 %	29.9 %	30.0 %	31.2 %	31.9 %	32.5 %
Adjusted EBIT-%	24.1 %	21.1 %	24.2 %	29.1 %	24.0 %	24.6 %	21.7 %	23.7 %	28.7 %	24.7 %	24.7 %	25.7 %	26.6 %	27.4 %
Net earnings-%	18.4 %	14.2 %	18.1 %	19.9 %	14.7 %	16.7 %	14.0 %	17.1 %	20.8 %	17.8 %	17.4 %	18.7 %	19.9 %	20.7 %

Source: Inderes

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	437	445	458	457	457
Goodwill	298	309	309	309	309
Intangible assets	88	88	100	101	103
Tangible assets	41	39	39	37	36
Associated companies	4.4	5.7	5.7	5.7	5.7
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	5.9	3.6	3.6	3.6	3.6
Deferred tax assets	0.2	0.4	0.4	0.4	0.4
Current assets	90.3	81.1	71.1	73.4	81.9
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	41
Balance sheet total	528	526	529	531	539

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	223	235	254	279	308
Share capital	45	45	45	45	45
Retained earnings	148	162	181	206	235
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	145	125
Deferred tax liabilities	17	18	18	18	18
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	192	175	145	124	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	110	107	105
Interest bearing debt	7	10	20	14	10
Payables	80	82	87	90	92
Other current liabilities	2.5	3	3.0	3.0	3.0
Balance sheet total	528	526	529	531	539

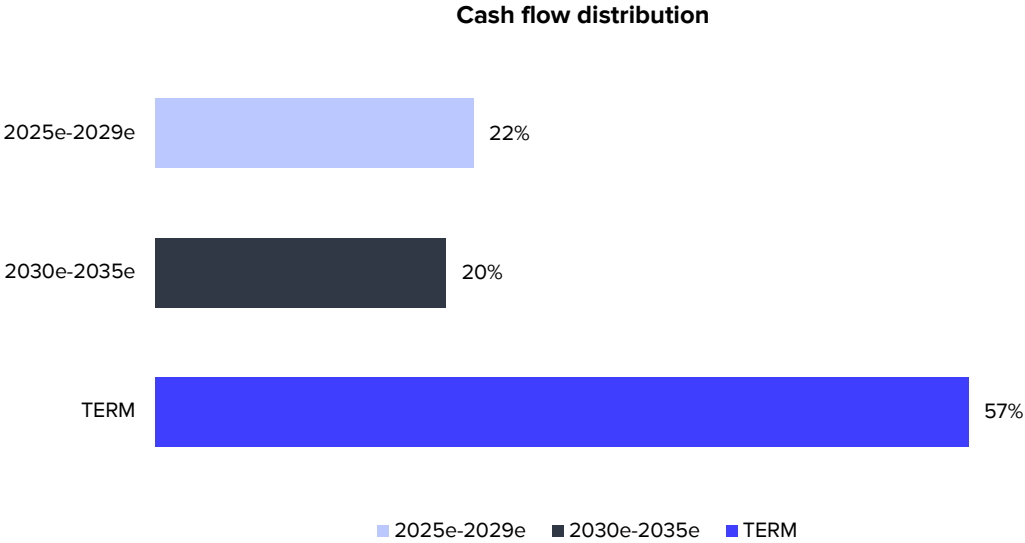
DCF-calculation

DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	2.5 %	4.8 %	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 %	24.4 %	25.6 %	26.5 %	27.3 %	26.0 %	26.0 %	25.5 %	25.0 %	25.0 %	24.5 %	24.5 %	24.5 %
EBIT (operating profit)	73.4	79.9	86.5	91.8	96.8	94.5	96.9	97.4	97.9	100	101	103	
+ Depreciation	17.6	18.2	19.1	18.9	18.4	18.6	19.1	19.7	20.1	20.2	20.1	20.1	
- Paid taxes	-14.0	-15.5	-17.5	-18.4	-19.7	-19.3	-19.9	-20.1	-20.3	-20.9	-21.1	-21.6	
- Tax, financial expenses	-1.7	-1.5	-1.1	-0.9	-0.7	-0.6	-0.5	-0.4	-0.3	-0.2	-0.1	-0.1	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	2.4	4.9	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	85.9	88.6	92.7	96.2	94.7	97.0	98.1	98.8	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	-21.6	
Free operating cash flow	50	55	70.1	74.2	77.2	75.2	77.0	78.1	78.8	80.8	81.2	81.6	
+/- 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	55	70.1	74.2	77.2	75.2	77.0	78.1	78.8	80.8	81.2	81.6	1616
Discounted FCFF		52	61.9	60.9	58.8	53.2	50.6	47.6	44.7	42.5	39.7	37.0	733
Sum of FCFF present value		1282	1230	1168	1107	1048	995	945	897	852	810	770	733
Enterprise value DCF		1282											
- Interest bearing debt		-186											
+ Cash and cash equivalents		43											
-Minorities		-4											
-Dividend/capital return		-38											
Equity value DCF		1097											
Equity value DCF per share		13.4											

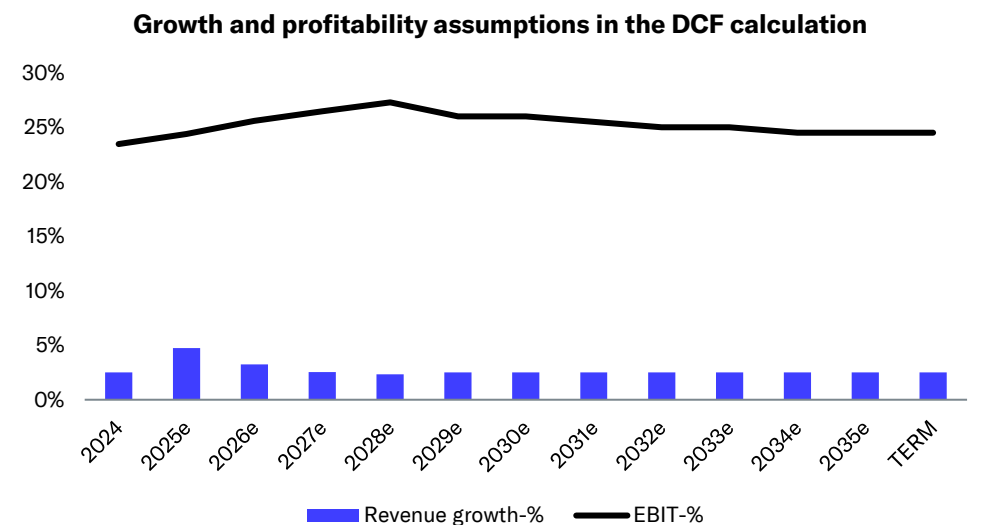
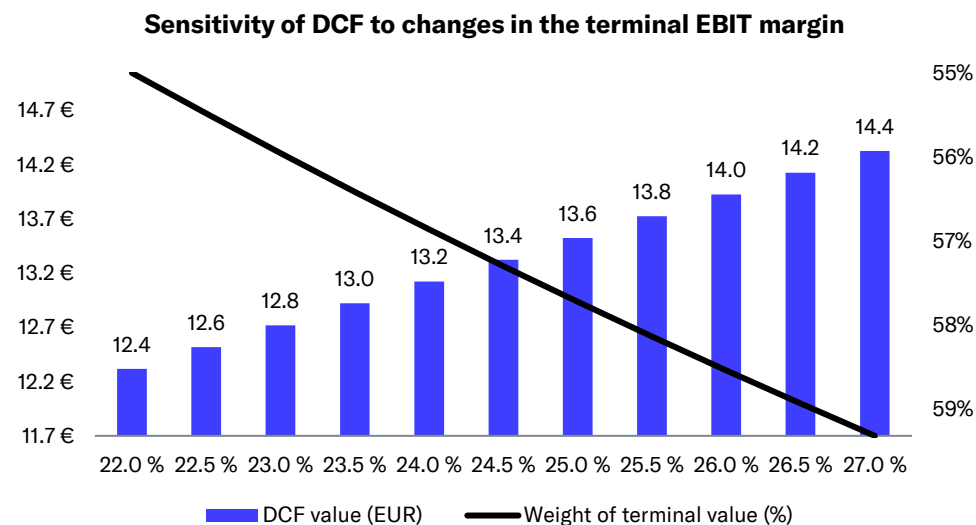
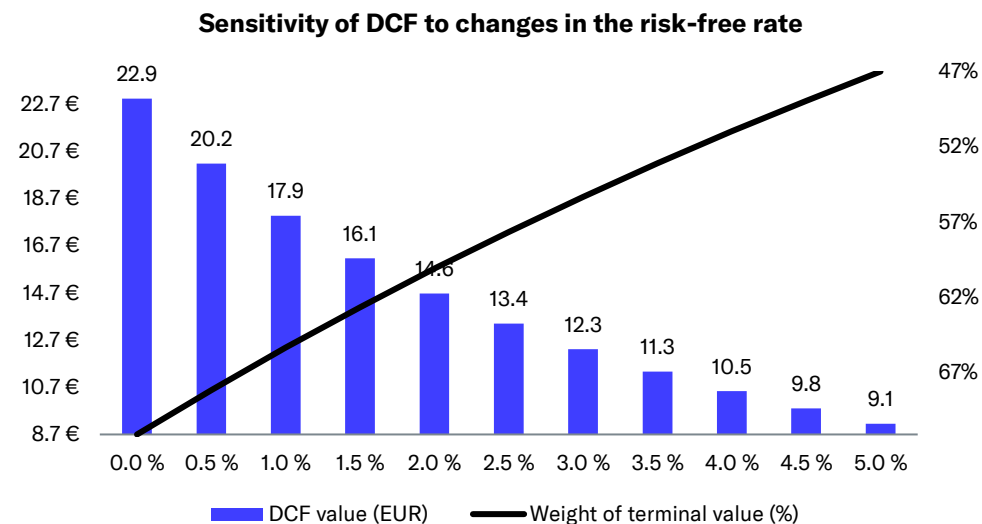
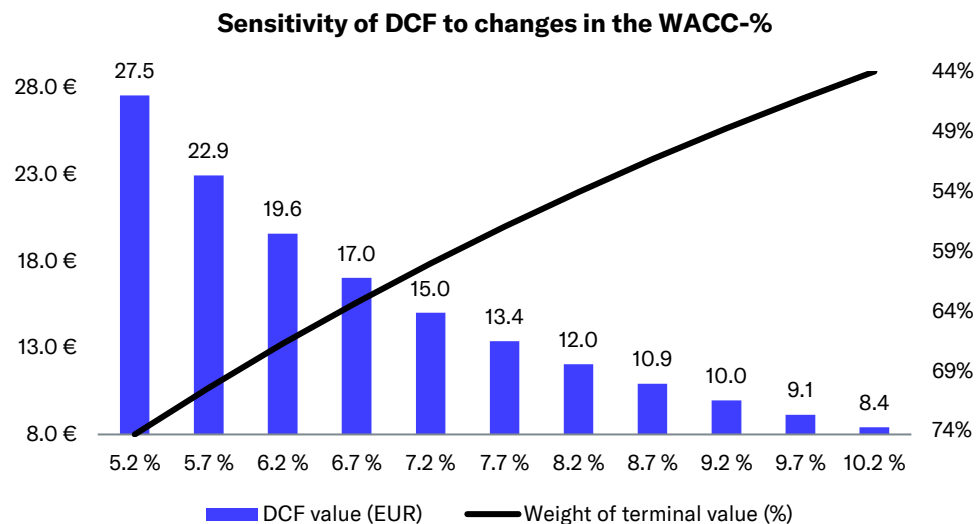
WACC

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

Source: Inderes



DCF sensitivity calculations and key assumptions in graphs



Lähde: Inderes. Huomaa, että terminaaliarvon paino (%) on esitetty käänteisellä asteikolla selkeyden vuoksi.

Summary

Income statement	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	309	305	313	327	338	EPS (reported)	0.88	0.68	0.64	0.70	0.77
EBITDA	97.2	90.6	91.0	98.1	105.5	EPS (adj.)	0.72	0.66	0.68	0.71	0.78
EBIT	80.0	73.0	73.4	79.9	86.5	OCF / share	1.06	0.85	0.95	1.05	1.08
PTP	86.9	68.5	67.0	72.8	81.2	FCF / share	0.89	0.49	0.61	0.67	0.85
Net Income	72.4	56.2	52.3	57.1	63.3	Book value / share	2.49	2.68	2.83	3.07	3.37
Extraordinary items	6.6	-0.6	-3.5	-1.1	-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	528.9	530.6	Revenue growth-%	12%	-1%	3%	5%	3%
Equity capital	205.9	222.8	234.9	254.2	279.0	EBITDA growth-%	32%	-7%	0%	8%	8%
Goodwill	294.4	298.0	309.0	309.0	309.0	EBIT (adj.) growth-%	20%	0%	4%	5%	7%
Net debt	143.7	146.5	143.2	131.8	104.9	EPS (adj.) growth-%	24%	-9%	4%	4%	10%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	31.5 %	29.7 %	29.1 %	30.0 %	31.2 %
EBITDA	97.2	90.6	91.0	98.1	105.5	EBIT (adj.)-%	23.8 %	24.1 %	24.6 %	24.7 %	25.7 %
Change in working capital	5.0	-7.9	2.4	4.9	1.6	EBIT-%	25.9 %	23.9 %	23.5 %	24.4 %	25.6 %
Operating cash flow	87.0	69.8	77.6	85.9	88.6	ROE-%	39.3 %	26.5 %	23.1 %	23.6 %	24.0 %
CAPEX	-17.5	-26.2	-23.7	-31.0	-18.5	ROI-%	20.6 %	18.4 %	17.7 %	19.0 %	20.7 %
Free cash flow	73.1	40.4	49.8	54.9	70.1	Equity ratio	45.8 %	46.3 %	48.6 %	52.4 %	57.4 %
						Gearing	69.8 %	65.8 %	61.0 %	51.8 %	37.6 %
Valuation multiples	2022	2023	2024	2025e	2026e						
EV/S	3.0	3.0	3.3	3.4	3.2						
EV/EBITDA	9.5	10.2	11.3	11.2	10.2						
EV/EBIT (adj.)	12.5	12.6	13.4	13.6	12.3						
P/E (adj.)	13.1	14.6	16.2	16.6	15.1						
P/B	3.8	3.6	3.9	3.8	3.5						
Dividend-%	4.7 %	4.7 %	4.2 %	4.0 %	4.1 %						

Source: Inderes

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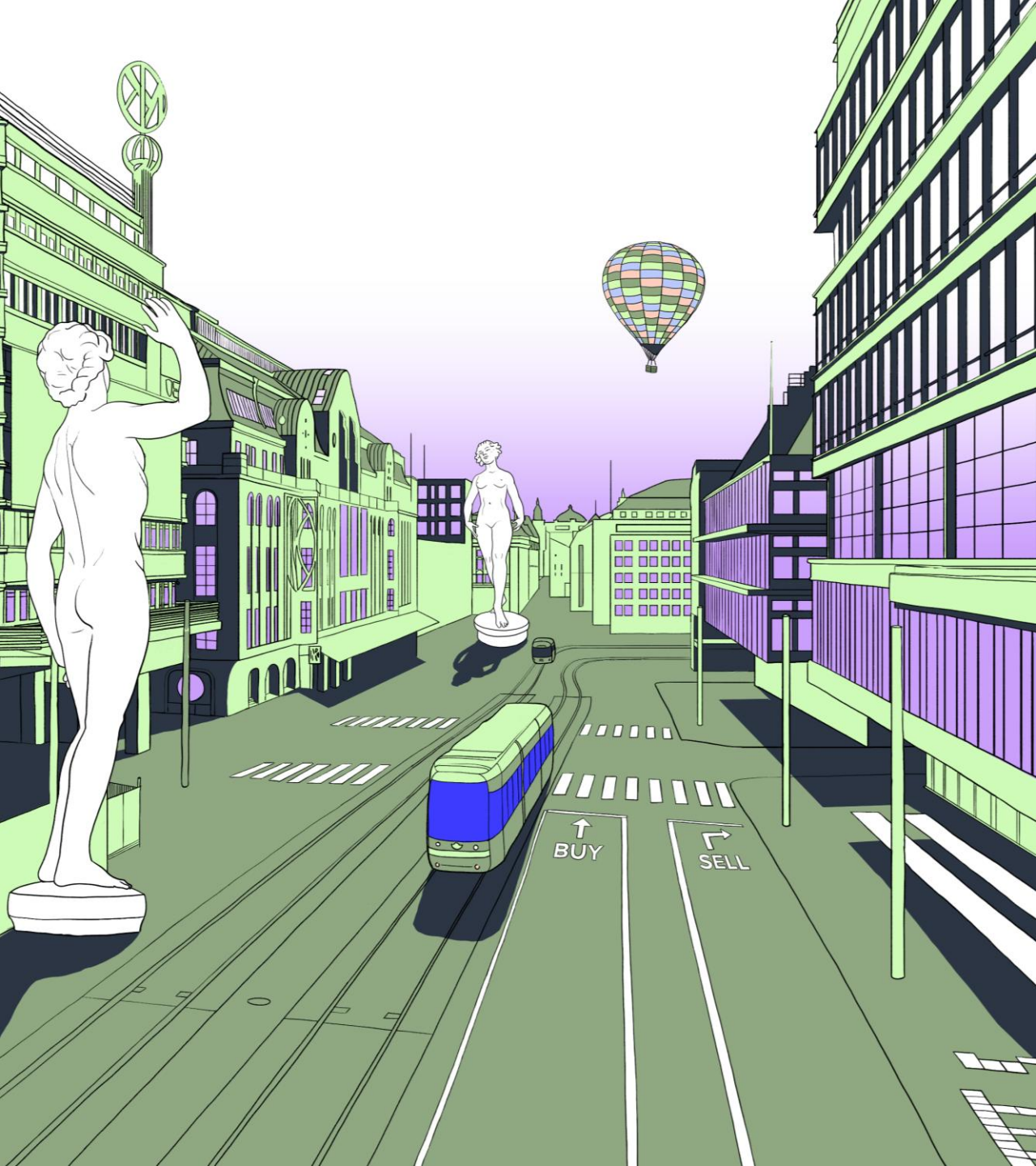
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Recommendation history (>12 mo)

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 €



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