NORTH MEDIA

Cash generation underpins value in a structurally declining market

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Key Financials and Valuation

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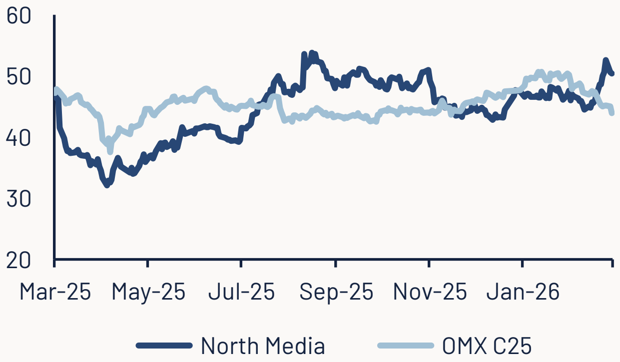
Share price



YTD	5.7%	1 year:	5.0%
1 month:	5.9%	3 years:	-11.7%

Note: We apply closing price from 03 March 2026. Source: S&P Capital IQ Pro.

Financials

DKKm	2023	2024	2025	2026E
Revenue	915	1,301	1,296	1,267 – 1,333
Growth	-8.1%	42.2%	-0.4%	-2.6% - 2.9%
EBITDA	182	154	125	133 - 175
EBITDA-%	19.9%	11.8%	9.6%	10.5% - 13.1%
Net income	264	62	66	N/A
Securities	652	854	815	
Net cash	659	737	795	
Market value	1,168	869	860	908
EV/Sales (x)	0.3	0.1	0.1	0.1
EV/EBITDA (x)	1.7	0.6	0.8	1.0
EV/EBIT (x)	2.1	-1.2	1.6	1.6
P/E (x)	4.4	14.1	13.0	N/A

Guidance 2026E

DKKm	North Media
Revenue	1,267 – 1,333
Revenue growth-%	-2.6% to +2.9%
EBITDA	133 – 175
EBITDA margin	10.5 – 13.1%
EBIT	75 – 117
EBIT margin	5.9 – 8.8%

Note: Guidance is from North Media's FY 2025 annual report

Valuation Perspectives

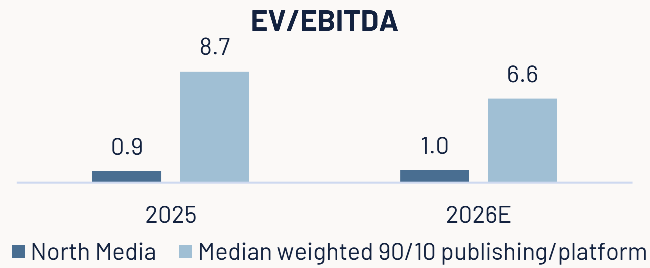
North Media trades at a very large discount to peers, with 2025 EV/EBITDA of 0.9x and EV/EBIT of 1.6x versus a 90/10 publishing/platform weighted peer median of 8.7x and 16.6x. On 2026E the discount persists at 0.6x and 1.0x versus 6.6x and 12.4x — roughly 90% below peers.

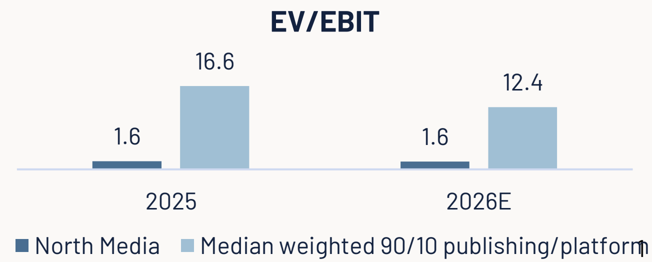
This is explained by the securities portfolio. North Media holds net cash of DKK 779m (incl. HCA estimated securities values against a market cap of ~DKK 908m, resulting in a very low implied EV. The market assigns little value to an operating business generating EBIT of DKK 66m and FCF of DKK 69m in 2025, with guidance for DKK 75–117m EBIT in 2026.

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

Key triggers to close the valuation gap include demonstrating a clear path to profitability for Bekey and Dayli, which would narrow loss-making investments. 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 may also support valuation gains.

Valuation multiples (x)





Investment Case – Solid cash flow despite declining market

Key Investment Reasons

- 2025 delivered operational stabilization with EBIT of DKK 66m. (vs. -75m. in 2024, impacted by SDR impairment) and with free cash flow recovering to DKK 69m 2024: -31m. FK Distribution and SDR maintain market-leading positions, and management guides 2026 EBIT of DKK 75–117m, signalling further improvement.
- North Media trades at a market cap roughly equal to its cash and securities value, implying the market assigns near-zero value to the operating business despite solid free cash flow.
- Combined cash and securities of DKK 892m (Est.) provides significant firepower for Digital Services investment and M&A to realise growth, however, with a mixed history of M&A.

Key Investment Risks

- Last Mile faces structural decline from digitisation, while SDR's transformation has been slower than anticipated pushing break-even back from 2026. while Bekey's path to profitability remains uncertain and drags on Digital Services performance.
- The DKK 779m securities portfolio (HCA est of 03.03.2026) has appreciated significantly since 2015 but carries concentration risk, with NVIDIA weighting ~30%, linking group value directly to equity market volatility and deterring some investors.
- A ruling against FK Distribution for abusing its dominant market position in 2018–2019 creates a contingent liability until the appeal expected 2027 is complete. Management is also changing, which adds uncertainty with new CEO and CFO in 2026

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). FK Distribution and SDR maintain market-leading positions, and management guides 2026 EBIT of DKK 75–117m, signalling further improvement. On the earnings call, management attributed FK Distribution's resilient guidance to a combination of price adjustments, efficiency gains, and new volumes from PostNord's market exit.

SDR completed its machine packing transformation in November 2025, a key milestone enabling cost reductions from 2026, but the broader integration has taken longer than expected. Digital Services turned EBITDA-positive at DKK 9m (2024: -11m) through reduced losses in Dayli and Bekey. BoligPortal grew 4% and launched the Pro concept for professional landlords, which exceeded expectations. Dayli's publisher platform launched in Denmark; Sweden rollout proved slower than planned.

The implied EV remains very low after adjusting for the DKK 892m estimated cash and securities position, despite a business generating DKK 66m EBIT. Despite gradual market declines the guidance suggesting improving profitability in 2026E provides an outlook for sustained strong cash flow over the medium term.

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 892m (estimated) exceeding the current market cap of ~DKK 910m 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 6.6x EV/EBITDA and 12.4x EV/EBIT, with a median dividend yield of 3.6%.

Platform peers: Rightmove plc and Scout24 SE. These are most relevant to BoligPortal, which generated a 29% EBITDA margin in 2025. Platform peers trade at significantly higher at 10.7x EV/EBITDA and 11.7x EV/EBIT, reflecting their scale, dominant market positions, and superior growth visibility.

Company	Total return YTD	Market cap (EURm)	EV (EURm)	EV/EBITDA 2025	EV/EBITDA 2026E	P/E 2025	P/E 2026E	Div yield 2025	Div yield 2026E	EBIT margin (%) 3-yr avg	EBIT margin (%) LTM
Median - Publishing peers	-6.2%	1,275	1,583	7.8	6.2	16.4	12.4	3.5%	3.7%	6.6%	3.6%
Median - Platform peers	-18.0%	4,329	4,407	16.9	10.7	17.8	11.7	2%	3%	58.1%	60.5%
Median weighted 90/10 publishing/platform				**8.7**	**6.6**	**16.6**	**12.4**	**3.4%**	**3.6%**	**11.8%**	**9.3%**
North Media	**5.7%**	**121**	**15**	**0.9**	**1.0**	**1.6**	**1.6**	**2.6%**	**N/A**	**5.2%**	**5.1%**
Premium (+) / Discount (-) to peers				-90%	-85%	-90%	-87%				

Note: data from 03/03/2026

Source: S&P Capital IQ

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

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 13.5	-5.9%	1,112	1,239	13.6	11.7	16.6	14.0	3.5%	3.7%	23.7%	23.8%
Rebl Group Oyj	EUR 1.1	13.1%	14	27	6.3	4.0	NM	NM	N/A	N/A	-1.9%	-4.1%
Sanoma Oyj	EUR 8.9	-6.8%	1,439	1,926	7.4	4.8	16.4	9.2	4.7%	5.1%	7.3%	9.4%
TX Group AG	CHF 154	-6.6%	1,797	1,951	8.3	7.5	14.7	12.4	3.0%	3.3%	5.9%	-2.2%
Median - Publishing peers		**-6.2%**	**1,275**	**1,583**	**7.8**	**6.2**	**16.4**	**12.4**	**3.5%**	**3.7%**	**6.6%**	**3.6%**
Rightmove plc	GBP 4.3	-16.5%	3,782	3,741	13.8	10.4	14.0	10.7	2.4%	2.6%	68.9%	67.7%
Scout24 SE	EUR 69	-19.6%	4,876	5,072	20.0	11.0	21.6	12.7	2.2%	2.6%	47.3%	53.2%
Median - Platform peers		**-18.0%**	**4,329**	**4,407**	**16.9**	**10.7**	**17.8**	**11.7**	**2%**	**3%**	**58.1%**	**60.5%**
Median - All			1,618	1,938	10.9	9.0	16.4	12.4	3.0%	3.3%	15.5%	16.6%
Median weighted 90/10 publishing/platform					**8.7**	**6.6**	**16.6**	**12.4**	**3.4%**	**3.6%**	**11.8%**	**9.3%**
North Media A/S	**DKK 50.4**	**5.7%**	**121**	**15**	**0.9**	**1.0**	**1.6**	**1.6**	**2.6%**	**N/A**	**5.2%**	**5.1%**
					-90%	-85%	-90%	-87%				

Note: data from 03/03/2026

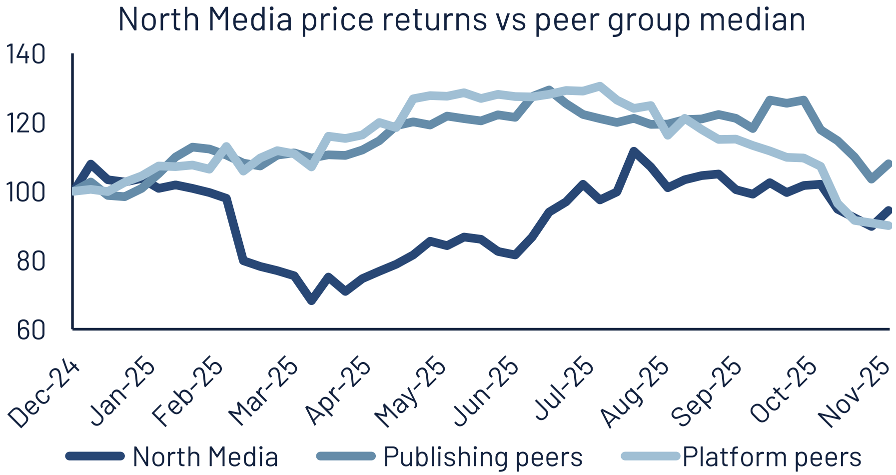
Source: S&P Capital IQ

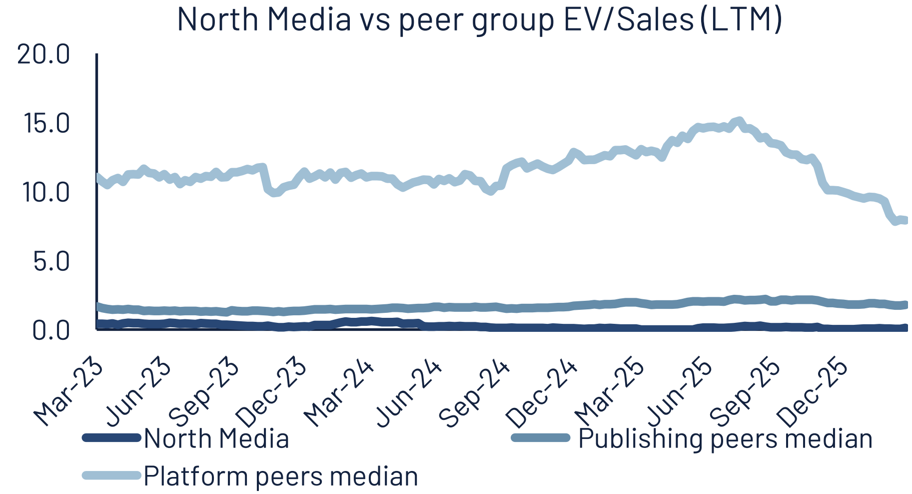
HCA estimates for North Media securities portfolio (assuming no trades since 31/01/2026)

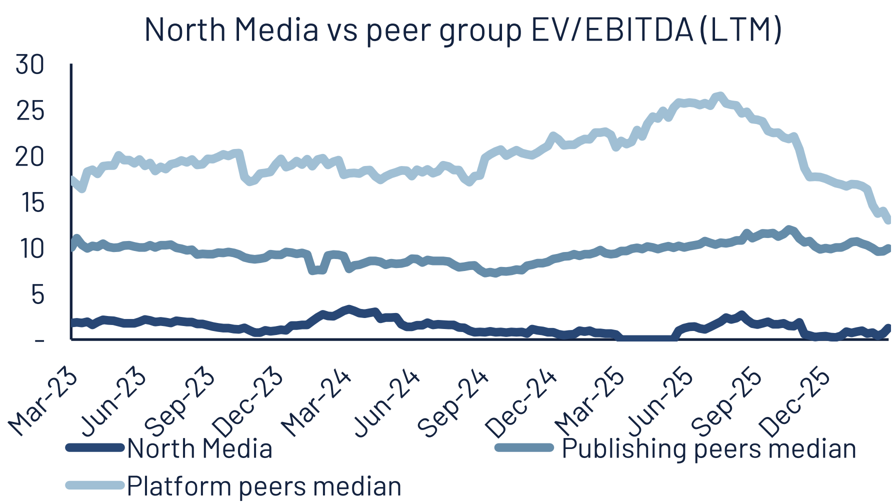
Value DKKm 31/12/2025	Share price DKK 31/12/2025	Number of shares (est)
237.0	1,186.3	200,000
97.6	325.3	300,000
107.5	3,076.2	30,000
86.4	1,729.3	50,000
38.4	12,812.5	3,000
73.8	1,231.2	60,000
24.3	188.8	130,000
40.5	2,027.0	20,000
58.6	1,468.2	40,000
43.0	1,468.2	30,000
0.0	798.5	-
7.6	143.7	50,000
815		

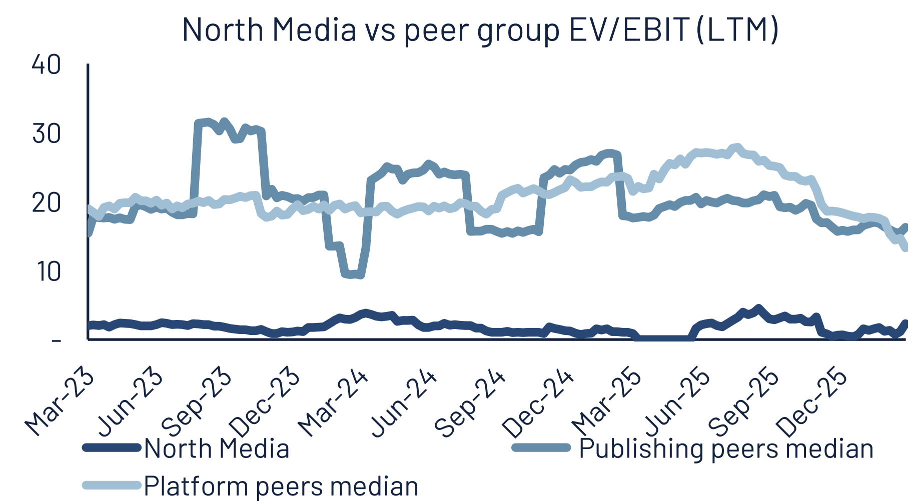
Value DKKm 03/03/2026	Share price DKK 03/03/2026	Number of shares
232.2	1,161.1	200,000
69.5	231.5	300,000
78.1	2,604.8	30,000
85.0	1,700.8	50,000
33.2	11,052.9	3,000
117.7	1,961.8	60,000
18.3	229.2	80,000
35.3	1,766.0	20,000
53.8	1,346.0	40,000
40.4	1,346.0	30,000
15.4	769.0	20,000
0.0	159.8	-
779		

Valuation vs. Peers

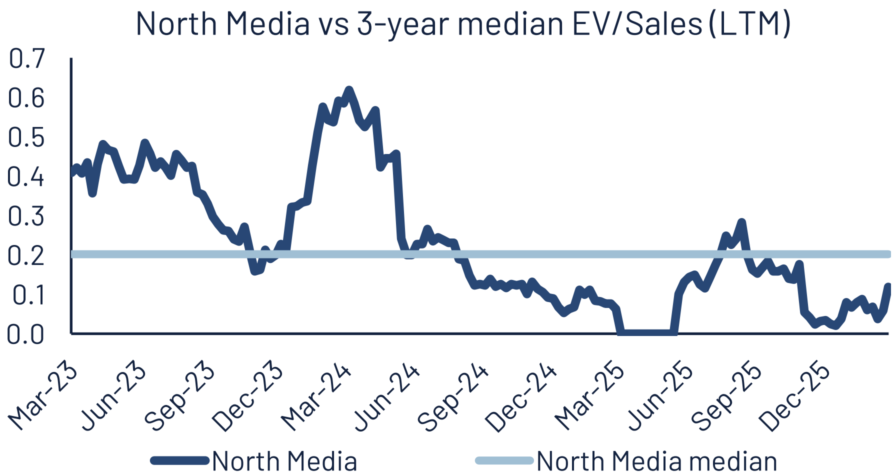


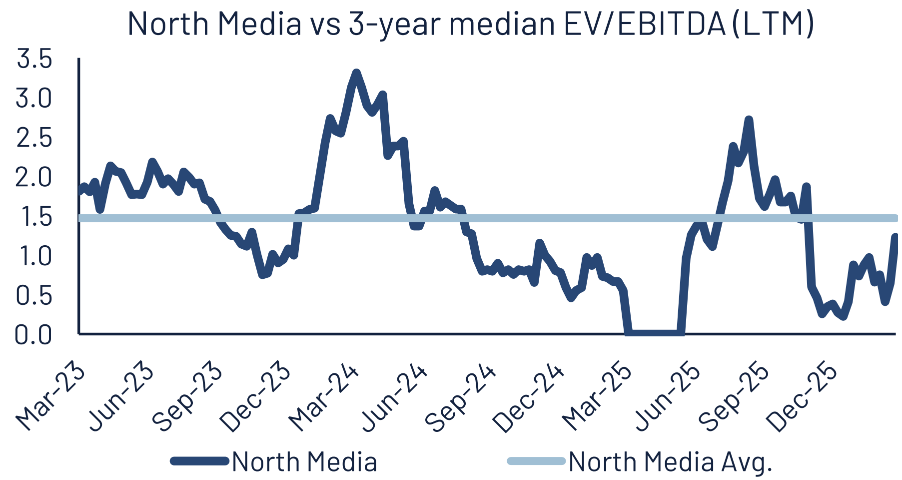


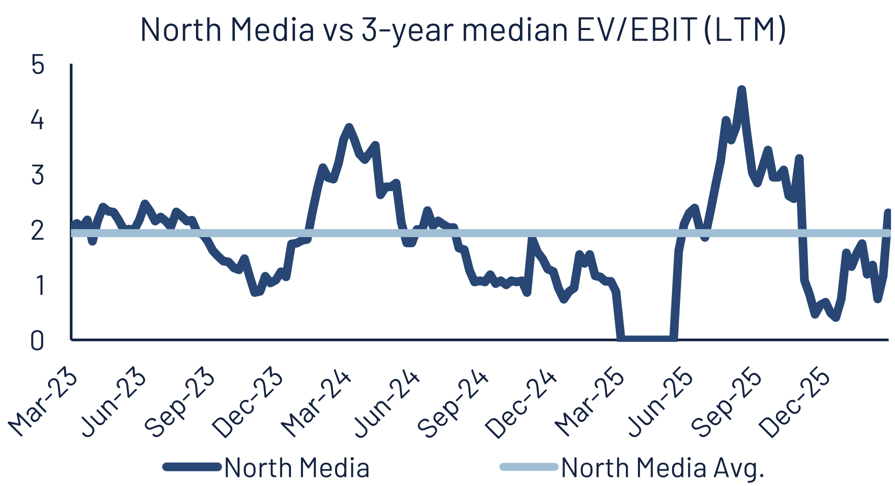




Valuation vs. Historical







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