

SANOMA

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INDERES CORPORATE CUSTOMER

COMPANY REPORT



Earnings growth outlook not reflected in the price

Sanoma's Q1 performance was largely as expected, although Media Finland's improved margin was a positive surprise. We made no major changes to our estimates, but we included a recent small acquisition in them. We expect significant earnings growth from Sanoma this year due to market growth in the Learning business, and the medium-term earnings growth outlook is also good. Relative to this outlook, the valuation of the share is low, which is why we reiterate our Buy recommendation and EUR 11.5 target price. The Q1 interview with Sanoma's CEO can be viewed [here](#).

Media Finland's good profitability reduced Q1 losses

Sanoma's Q1 revenue settling at the comparison period level of 221 MEUR was in line with our expectations. At the segment level, there was a slight difference in our estimates compared to our expectations, as Learning achieved growth, especially due to the good development of its Dutch operations. Media Finland's development was hampered more than we expected by the weak performance of the advertising market, and subscription revenue growth was also slightly more subdued than anticipated. The adjusted operating loss decreased slightly year-on-year, as Media Finland improved its profitability thanks to efficiency measures. Learning's earnings also showed a slightly upward trajectory, supported by the Solar efficiency program and top-line growth. We commented on the Q1 earnings in more detail on Thursday, which can be read [here](#).

The earnings growth outlook is quite good

Sanoma reiterated its guidance for the current year, which indicates revenue of 1.29-1.34 BEUR and adjusted EBIT of 205-225 MEUR. The underlying assumptions of growing demand for learning materials and a relatively stable advertising market were also expected. The reiteration of the guidance was expected, but our 2026 estimate is at the upper end of the

guidance range, and we would like to remind you of Sanoma's historically conservative guidance. However, a significant uncertainty is the weak advertising market, while we are confident about the learning business's margin improvement.

Small boost to our estimates from the acquisition

Our forecasts for the current and coming years remained largely unchanged, with the exception of the Q1 earnings beat and a small acquisition in the learning business. We predict that Sanoma's revenue will grow slightly to 1.32 BEUR this year, while expecting clear growth in the group's result driven by Learning's growth in content sales. Our adjusted EBIT estimate for 2026 rose to 218 MEUR, right at the upper end of the guidance. We predict that the company's results will continue to grow in the coming years, as Learning's revenue is supported by growth in the learning materials market and Media Finland grows, driven by the positive development of the advertising market and subscription income. Thus, we estimate the adjusted EBIT for the coming years to grow by an average of 7% by 2028, in line with the company's target. The still relatively recent extensive report on Sanoma can be found [here](#).

Expected return is very attractive

With last 12 month earnings, the share is valued at a P/E ratio of 15x (adj.) and the adjusted EV/EBITDA ratio is 11x. We find these valuation multiples to be relatively neutral for Sanoma, so the expected return for the next few years will consist of our estimated earnings growth (2026-2028 CAGR 16%) and a dividend yield of around 5%, rising to a very attractive level considering Sanoma's moderate risk profile. Our DCF model, which is slightly above our target price, also suggests a very attractive valuation for the stock.

Recommendation

Buy

(was Buy)

Target price:

EUR 11.50

(was EUR 11.50)

Share price:

EUR 9.00

Business risk



Valuation risk



	2025	2026e	2027e	2028e
Revenue	1303	1321	1364	1376
growth-%	-3%	1%	3%	1%
EBIT adj.	188	218	228	230
EBIT-% adj.	14.4 %	16.5 %	16.7 %	16.7 %
Net Income	19.9	124.5	132.9	138.7
EPS (adj.)	0.57	0.83	0.87	0.91

P/E (adj.)	16.4	10.7	10.3	9.9
P/B	2.6	2.3	2.1	1.9
Dividend yield-%	4.5 %	4.9 %	5.1 %	5.4 %
EV/EBIT (adj.)	14.0	11.0	10.0	9.5
EV/EBITDA	6.5	5.7	5.5	5.1
EV/S	1.7	1.6	1.5	1.4

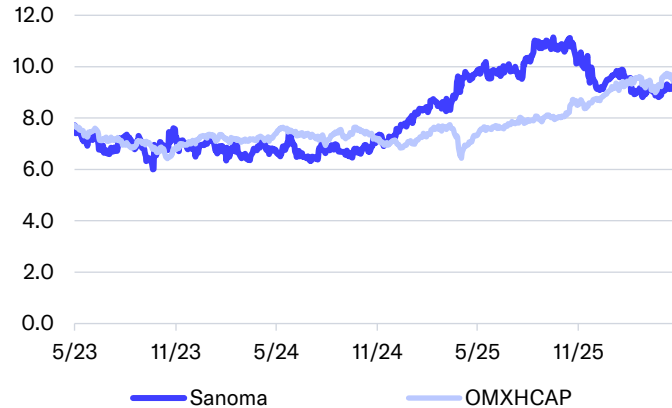
Source: Inderes

Guidance

(Unchanged)

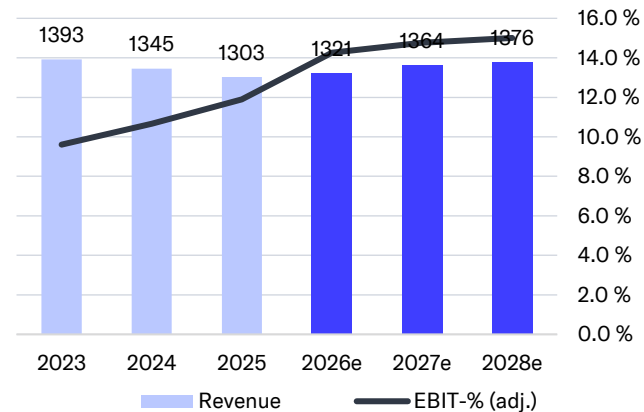
In 2026, Sanoma expects that the group's revenue will be 1.29-1.34 BEUR (2025: 1.3 BEUR) and adjusted EBIT will be 205-225 MEUR (2025: 188 MEUR).

Share price



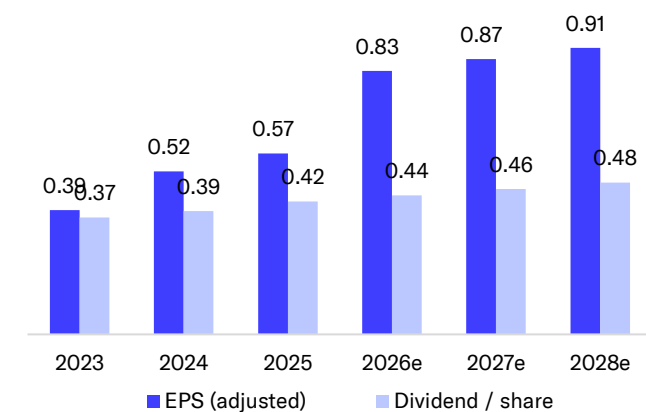
Source: Millstream Market Data AB

Revenue and EBIT % (adj.)



Source: Inderes

EPS and dividend



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	8.95	8.95	8.95
Number of shares, millions	164	164	164
Market cap	1464	1464	1464
EV	2073	2019	1955
P/E (adj.)	10.7	10.3	9.9
P/E	11.9	11.0	10.6
P/B	2.3	2.1	1.9
P/S	1.1	1.1	1.1
EV/Sales	1.6	1.5	1.4
EV/EBITDA	5.7	5.5	5.1
EV/EBIT (adj.)	11.0	10.0	9.5
Payout ratio (%)	57.8 %	56.6 %	56.6 %
Dividend yield-%	4.9 %	5.1 %	5.4 %

Source: Inderes

Media Finland's strong profitability narrowed the seasonal loss

Expected stable revenue development

Learning's Q1 revenue development exceeded our stable estimate, as the segment grew by 4% from the comparison period. The growth was mainly driven by stronger-than-expected performance in the Netherlands, but also in Spain. The good development in the Netherlands was due to a higher year-over-year spring season order, while in Spain, it was due to timing. Also positive was the continued strong growth momentum in Poland, already observed last year, driven by increasing sales of digital platforms.

At the group level, however, revenue development was in line with our expectations, while Media Finland's revenue decreased by just under 3% from the comparison period, contrary to our stable estimate. The weaker-than-expected performance is based on a significant 8% decrease in advertising revenue, and subscription revenue growth also slowed to just 1% (cf 2025 almost 4%). According to Fifty5Blue statistics, the advertising market decreased by

4% in Q1, so Sanoma has lagged behind the market's pace. We suspect this is mainly due to the contraction of its print advertising sales and the development of TV advertising.

Adjusted operating loss slightly smaller than expected

Sanoma reported an adjusted operating loss of 16 MEUR in Q1. Seasonally, the quarter is a small revenue quarter for Learning, which weighs on the Group's earnings, pushing them into red. Learning's expected operating loss decreased slightly more moderately than we had anticipated from the comparison period. It was constrained by the top-line development, in addition to the Solar efficiency program, but at the same time, it should be noted that preparations for market growth have also brought additional costs in the early part of the year. Media Finland's adjusted EBIT margin improved to a moderate 7.8% (Q1'25 6.2%) despite the decline in revenue. This indicates not only a change in the revenue structure but also successful operational streamlining. Media Finland's

development, combined with slightly lower-than-expected group expenses, resulted in a slightly smaller operating loss for Q1 than anticipated.

The redemption of the hybrid did not significantly change the overall picture of the balance sheet position

In line with the seasonality of cash flow, Q1 free cash flow was negative by around 39 MEUR (LTM: 128 MEUR). The company's cash flow is clearly weighted towards the second half of the year, reflecting the development of earnings and working capital.

Sanoma redeemed its outstanding 150 MEUR hybrid loan in Q1. Thus, its net debt stood at 686 MEUR at the end of the period, corresponding to a 2.6x net debt/EBITDA ratio. This exceeds the target level (< 2.5x), but thanks to this year's earnings growth and cash flow outlook, the level will fall well below the target ceiling as the year progresses, despite profit distribution and the announced acquisition.

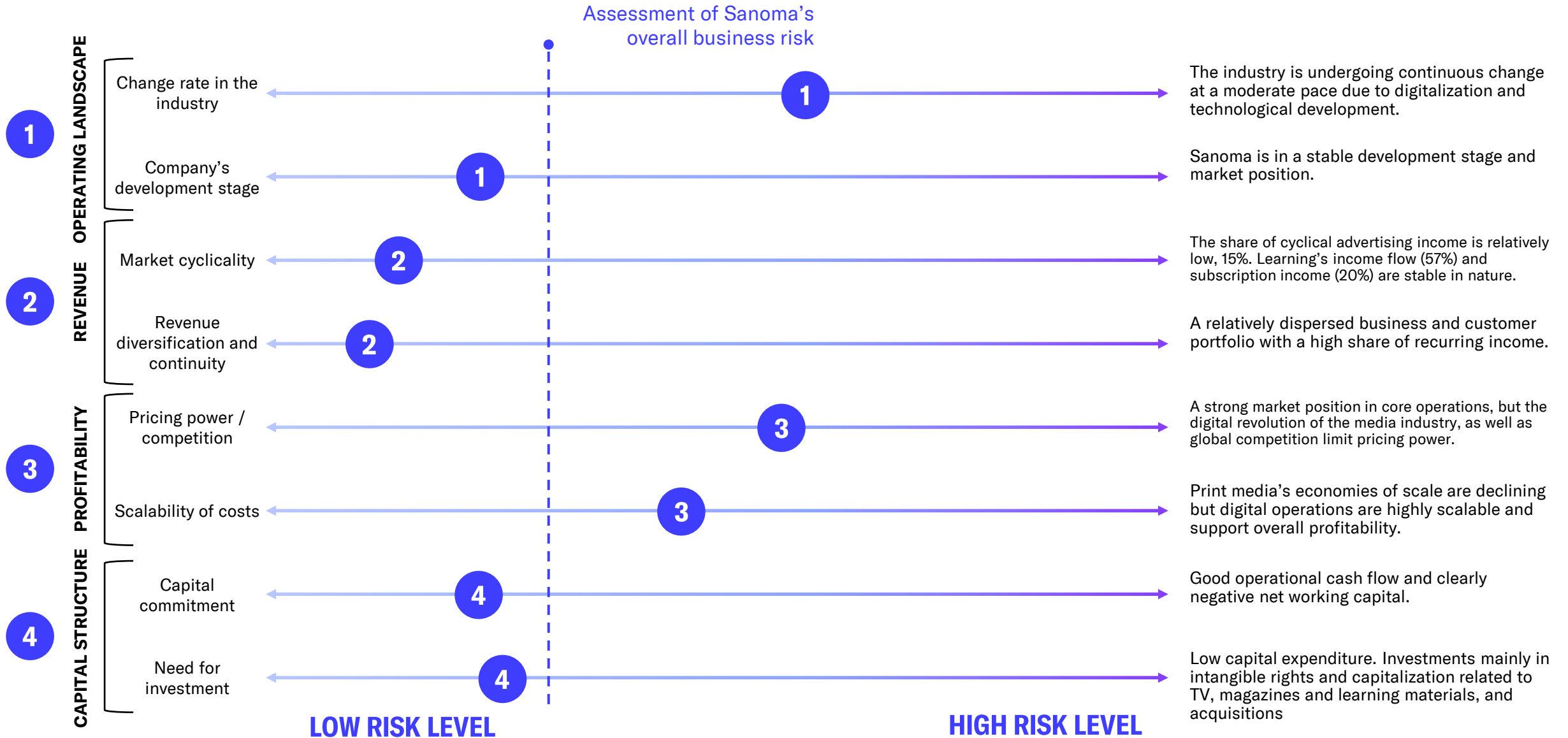
Estimates MEUR / EUR	Q1'25 Comparison	Q1'26 Actualized	Q1'26e Inderes	Q1'26e Consensus	Consensus Low High	Difference (%) Act. vs. inderes	2026e Inderes
Revenue	221	221	221	221	214-227	0%	1321
EBIT (adj.)	-19	-16	-19	-19	-17--21	15%	218
EBIT	-31	-29	-29	-29	-302--27	-1%	175
EPS (adj.)	-0.17	-0.13	-0.15	-0.16	-0.17--0.15	15%	0.83
Revenue growth-%	0.1 %	0.0 %	0.1 %	-0.1 %	-3.3 %-2.6 %	-0.1 pp	1.5 %
Liikevoitto-% (adj.)	-8.5 %	-7.3 %	-8.6 %	-8.4 %	-7.8 %--9.3 %	1.3 pp	16.5 %

Source: Inderes & Modular Finance
(consensus, 6 estimates)

Sanoma Q1'26: Activity on the M&A front



Risk profile of the business



Small boost to our estimates from the acquisition

Guidance remained unchanged, reflecting conservatism

Sanoma reiterated its guidance for 2026, expecting Group revenue of 1.29-1.34 BEUR (2025: 1.30 BEUR) and adjusted EBIT to be 205-225 MEUR (2025: 188 MEUR). The company's earnings guidance is based on the assumptions that the demand for learning content will increase, driven by curriculum renewals in some of the group's operating markets, and that the advertising market in Finland will be relatively stable.

In the beginning of the year, the advertising market has been sluggish (Q1'26 -4%), and Sanoma has not seen any particular recovery in the market, although it is still expected in H2. At the same time, the recent Vicens Vives acquisition (EBITDA 2025 ~ 6 MEUR) will boost Sanoma's earnings from May onwards, and the performance in the early part of the year was also slightly more robust than we anticipated. Sanoma commented in the earnings call that although the guidance remained unchanged, the upper half of the range is a more likely outcome.

Q1 figures and acquisition are the main estimate drivers

We only made minor adjustments to our estimates, but the essential estimate drivers were the Q1 figures and the acquisition made. We made small negative revisions to our Media Finland estimates, as we slightly fine-tuned our expectations for the development of advertising and subscription revenues downwards. However, with the Q1 development and slightly increased profitability estimates, our earnings estimate for the segment rose slightly. We also included the recent Vicens Vives acquisition in our estimates, but slightly revised our expectations for Learning's profitability estimate downwards in other respects.

Following the estimates changes, our revenue estimate for this year increased to 1.32 BEUR. At the same time, however, our adjusted EBIT estimate rose to 218 MEUR, which is very close to the upper end of the guidance range. We also recognize the possibility of an upward revision to the earnings guidance, especially considering

Sanoma's historical conservatism in providing guidance. However, much depends on Learning's Q3 earnings, when the effects of efficiency measures will be most evident. The development of the advertising market also remains uncertain, as private consumption is gloomy.

Earnings growth continues in the coming years

We made no significant changes to our longer-term estimates, but they increased slightly due to the acquisition. We expect Sanoma's revenue to grow in both segments in 2027, supported by market growth, which will also effectively translate into earnings growth. Overall, our estimate for average adjusted EBIT growth in 2026-2028 is at a good level of 7% and in line with the company's targeted high single-digit earnings growth.

Estimate revisions MEUR / EUR	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %	2028e Old	2028e New	Change %
Revenue	1307	1321	1%	1348	1364	1%	1360	1376	1%
EBIT (exc. NRIs)	187	188	1%	198	201	2%	202	207	2%
EBIT	177	175	-1%	189	192	2%	193	197	2%
PTP	153	152	-1%	167	169	1%	173	176	2%
EPS (excl. NRIs)	0.81	0.83	3%	0.86	0.87	1%	0.89	0.91	2%
DPS	0.44	0.44	0%	0.46	0.46	0%	0.48	0.48	0%

Source: Inderes

Sanoma Oyj, Webcast, Q1'26



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

Expected return is very attractive

Earnings growth provides upside to valuation

Based on the actualized result, the adjusted P/E and EV/EBIT multiples for the stock are 15x and nearly 11x. 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.

Given the earnings growth we estimate, the adjusted P/E ratios for 2026–2027 are 11x and 10 x, and the corresponding EV/EBITA multiples are 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 rapid 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. Thus, the stock's annual expected return is roughly 20%, a very attractive level considering Sanoma's risk profile.

Cash flow-based valuation is moderate

The cash flow impacts of the Solar program have partly come through before their impact on the income statement, which has been reflected in Sanoma's improved free cash flow. At the current share price, Sanoma's market cap is just under 1.5 BEUR, in relation to which the LTM free cash flow implies a free cash flow yield of close to 9%. This is a very attractive level considering Sanoma's risk profile, and in addition, it should be noted that with the support of earnings growth, we estimate free cash flow to continue to grow this year. Thus, overall, the cash flow-based valuation is very attractive, and we see considerable upside in the cash flow-based valuation.

DCF calculation above current share price

Our DCF model indicates a share value of EUR 12.0. 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, our cash flow model supports our view of the stock's very moderate valuation and clear upside potential.

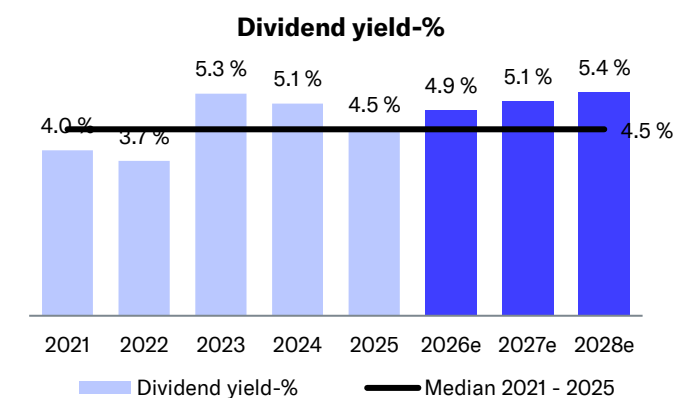
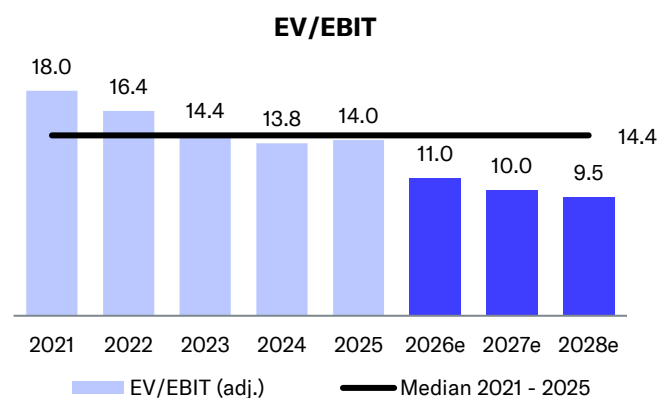
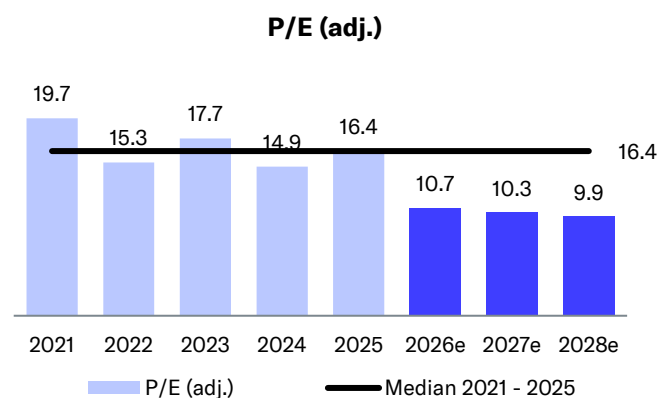
Valuation	2026e	2027e	2028e
Share price	8.95	8.95	8.95
Number of shares, millions	164	164	164
Market cap	1464	1464	1464
EV	2073	2019	1955
P/E (adj.)	10.7	10.3	9.9
P/E	11.9	11.0	10.6
P/B	2.3	2.1	1.9
P/S	1.1	1.1	1.1
EV/Sales	1.6	1.5	1.4
EV/EBITDA	5.7	5.5	5.1
EV/EBIT (adj.)	11.0	10.0	9.5
Payout ratio (%)	57.8 %	56.6 %	56.6 %
Dividend yield-%	4.9 %	5.1 %	5.4 %

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	8.95	8.95	8.95	8.95
Number of shares, millions	163	163	163	164	164	164	164	164	164
Market cap	2219	1625	1135	1254	1537	1464	1464	1464	1464
EV	2842	2453	1928	1974	2174	2073	2019	1955	1886
P/E (adj.)	19.7	15.3	17.7	14.9	16.4	10.7	10.3	9.9	9.5
P/E	22.1	21.3	neg.	40.6	>100	11.9	11.0	10.6	10.1
P/B	3.1	2.3	1.8	2.0	2.6	2.3	2.1	1.9	1.8
P/S	1.8	1.3	0.8	0.9	1.2	1.1	1.1	1.1	1.0
EV/Sales	2.3	1.9	1.4	1.5	1.7	1.6	1.5	1.4	1.3
EV/EBITDA	8.1	7.5	6.7	6.0	6.5	5.7	5.5	5.1	4.8
EV/EBIT (adj.)	18.0	16.4	14.4	13.8	14.0	11.0	10.0	9.5	9.0
Payout ratio (%)	87.6 %	79.2 %	1948.7 %	157.6 %	345.5 %	57.8 %	56.6 %	56.6 %	56.0 %
Dividend yield-%	4.0 %	3.7 %	5.3 %	5.1 %	4.5 %	4.9 %	5.1 %	5.4 %	5.5 %

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 Company	Market cap MEUR	EV MEUR	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B 2026e
			2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	
Alma Media	1034	1132	12.5	11.3	10.6	9.8	3.3	3.2	15.4	13.9	4.0	4.2	3.7
Future PLC	335	694	3.7	3.8	3.2	3.3	0.8	0.8	3.0	3.0	5.5	5.7	0.5
USA Today Co	897	1632	15.4	14.1	6.8	6.4	0.9	0.9	50.6	26.5			
ITV PLC	3568	4255	7.6	7.7	6.3	6.2	1.0	1.0	9.6	9.3	6.2	6.2	1.7
Lagardere SA	2595	7216	11.1	10.5	6.1	5.8	0.8	0.7	9.5	8.5	3.8	3.8	2.5
Arnoldo Mondadori Editore	543	708	7.6	7.5	4.3	4.3	0.7	0.7	8.7	8.6	8.2	8.9	0.6
News Corp	13011	13450	14.5	13.0	10.1	9.3	1.8	1.7	24.2	20.9	1.0	1.0	1.6
New York Times	11465	10919	23.3	20.2	20.1	17.8	4.2	3.9	30.1	26.8	1.0	1.2	5.9
Promotora de Informaciones SA	414	1132	8.7	8.9	5.5	5.5	1.1	1.1	30.7	61.4			
Prosiebensat 1 Media	933	2522	11.3	10.4	6.0	5.6	0.7	0.7	6.8	5.9	3.0	2.6	0.7
Roularta Media Group	193	154	22.0	19.3	5.5	5.5	0.5	0.5	30.8	26.6	9.0	10.8	1.0
Bloomsbury Publishing PLC	567	581	10.9	9.9	9.5	8.7	1.5	1.4	14.4	13.3	2.7	2.8	2.4
Pearson PLC	7891	9234	12.3	11.5	9.3	8.7	2.1	2.1	16.4	14.7	2.4	2.5	1.9
John Wiley & Sons Inc	1784	2390	10.2	9.1	6.4	6.1	1.7	1.6	9.7	8.6	3.6	3.7	
Wilmington PLC	247	327	9.7	8.0	8.9	7.1	2.2	1.8	9.6	8.1	5.1	5.7	1.9
Chegg Inc	110	94			3.7	3.2	0.5	0.5					0.6
Sanoma (Inderes)	1464	2073	11.0	10.0	5.7	5.5	1.6	1.5	10.7	10.3	4.9	5.1	2.3
Average			12.1	11.0	7.6	7.1	1.5	1.4	18.0	17.1	4.3	4.6	1.9
Median			11.1	10.4	6.3	6.2	1.1	1.1	14.4	13.3	3.8	3.8	1.7
Diff-% to median			-1%	-4%	-10%	-11%	48%	41%	-25%	-23%	30%	36%	36%
Media peers													
Average			11.5	10.6	7.0	6.6	1.3	1.3	18.3	17.6			1.8
Median			11.3	10.5	6.1	5.8	0.9	0.9	15.4	13.9			1.6
Learning peers													
Average			10.8	9.6	7.5	6.8	1.6	1.5	12.5	11.2			1.7
Median			10.6	9.5	8.9	7.1	1.7	1.6	12.0	10.9			1.9

Source: Refinitiv / Inderes

Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	1345	221	340	516	226	1303	221	340	530	231	1321	1364	1376	1406
Media Finland	581	132	148	139	138	557	129	146	141	140	555	565	576	582
Learning	764	89	192	377	88	746	92	194	389	91	767	799	800	824
EBITDA	329	23	103	203	7	335	21	101	228	11	361	368	382	391
Depreciation	-248	-54	-54	-121	-58	-286	-50	-46	-46	-46	-187	-176	-185	-190
Oikaistu liikevoitto	180	-19	62	172	-27	188	-16	66	193	-24	218	228	230	234
EBIT (excl. NRI)	143	-28	53	164	-35	155	-24	58	186	-32	188	201	207	211
EBIT	82	-31	49	82	-51	49	-29	55	183	-34	175	192	197	201
Media Finland	41	7	11	19	8	44	9	12	19	8	48	49	52	54
Learning	117	-32	45	148	-38	124	-30	50	170	-36	155	170	174	177
NRIs	-62	-4	-4	-83	-16	-106	-3	-3	-3	-3	-11	-10	-10	-10
Other and eliminations	-14	-3	-3	-2	-5	-13	-5	-4	-4	-4	-17	-18	-19	-20
Net financial items	-33	-6	-6	-6	-6	-24	-5	-6	-6	-6	-23	-23	-21	-17
PTP	48	-38	43	76	-56	24	-34	49	177	-40	152	169	176	184
Taxes	-8	9	-10	-18	14	-4	10	-10	-35	8	-27	-36	-38	-40
Minority interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net earnings	40.5	-28	33	57	-42	20	-24	39	141	-32	125	133	139	145
EPS (adj.)	0.52	-0.17	0.21	0.73	-0.20	0.57	-0.13	0.26	0.88	-0.18	0.83	0.87	0.91	0.94
EPS (rep.)	0.19	-0.19	0.19	0.34	-0.27	0.06	-0.16	0.24	0.87	-0.20	0.75	0.81	0.85	0.89

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	-3.5 %	0.1 %	-0.8 %	-4.5 %	-6.5 %	-3.1 %	0.0 %	0.0 %	2.7 %	2.3 %	1.5 %	3.2 %	0.9 %	2.2 %
EBITDA-%	24.5 %	10.2 %	30.2 %	39.3 %	3.0 %	25.7 %	9.6 %	29.6 %	43.1 %	4.8 %	27.3 %	27.0 %	27.8 %	27.8 %
Adjusted EBIT-%	13.4 %	-8.5 %	18.3 %	33.4 %	-12.1 %	14.4 %	-7.3 %	19.3 %	36.5 %	-10.6 %	16.5 %	16.7 %	16.7 %	16.7 %
Net earnings-%	3.0 %	-12.9 %	9.7 %	11.1 %	-18.7 %	1.5 %	-10.8 %	11.6 %	26.7 %	-14.0 %	9.4 %	9.7 %	10.1 %	10.3 %

Source: Inderes

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	1512	1356	1413	1447	1471
Goodwill	810	810	840	840	840
Intangible assets	496	383	383	393	398
Tangible assets	161	108	135	159	178
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	205	211	213
Inventories	45	38	40	41	41
Other current assets	9	13	13	13	13
Receivables	142	127	132	136	138
Cash and equivalents	21	20	20	21	21
Balance sheet total	1879	1729	1762	1776	1778

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	772	731	635	696	759
Share capital	71	71	71	71	71
Retained earnings	114	0	54	115	178
Hybrid bonds	149	149	0	0	0
Revaluation reserve	0	0	0	0	0
Other equity	436	510	510	510	510
Minorities	1	1	1	1	0
Non-current liabilities	583	532	626	605	549
Deferred tax liabilities	100	77	77	77	77
Provisions	5	7	7	7	7
Interest bearing debt	472	438	531	510	455
Convertibles	0	0	0	0	0
Other long term liabilities	7	10	10	10	10
Current liabilities	524	466	501	475	469
Interest bearing debt	118	68	97	65	57
Payables	239	179	185	191	193
Other current liabilities	167	220	220	220	220
Balance sheet total	1879	1729	1762	1776	1778

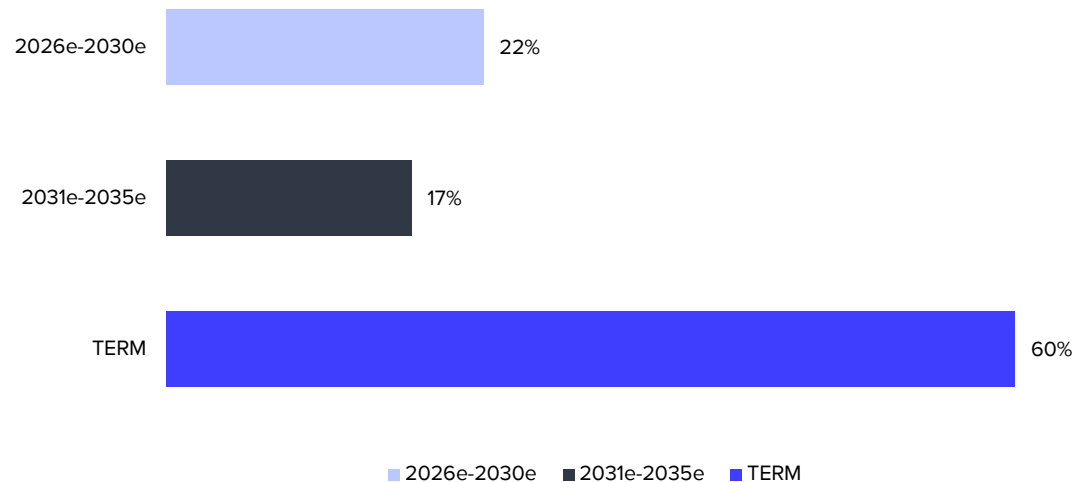
DCF-calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	-3.1 %	1.5 %	3.2 %	0.9 %	2.2 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
EBIT-%	3.7 %	13.2 %	14.1 %	14.3 %	14.3 %	14.0 %	14.3 %	14.0 %	13.5 %	13.5 %	13.5 %	13.5 %
EBIT (operating profit)	48.6	175	192	197	201	201	209	209	205	210	214	
+ Depreciation	286	187	176	185	190	181	184	186	188	191	193	
- Paid taxes	-27	-27	-36	-38	-40	-40	-42	-43	-42	-44	-45	
- Tax, financial expenses	-1.6	-4.1	-4.9	-4.4	-3.6	-3.2	-2.7	-2.2	-1.7	-1.3	-1.1	
+ 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	
- Change in working capital	9	0	0	0	0	0	0	0	0	0	0	
Operating cash flow	314	330	327	340	348	339	348	350	350	355	361	
+ 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	-213	-184	-186	-187	-189	-191	-193	-195	-197	-193	
Free operating cash flow	166	117	144	155	161	149	157	157	155	158	168	
+/- 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	144	155	161	149	157	157	155	158	168	3179
Discounted FCFF		112	128	128	124	107	105	98.0	89.9	85.6	84	1599
Sum of FCFF present value		2661	2549	2421	2293	2170	2062	1957	1859	1769	1684	1599
Enterprise value DCF		2661										
- Interest bearing debt		-655										
+ Cash and cash equivalents		19.7										
+ 0		0.0										
-Minorities		-2										
-Dividend/capital return		-69										
Equity value DCF		1955										
Equity value DCF per share		12.0										

WACC

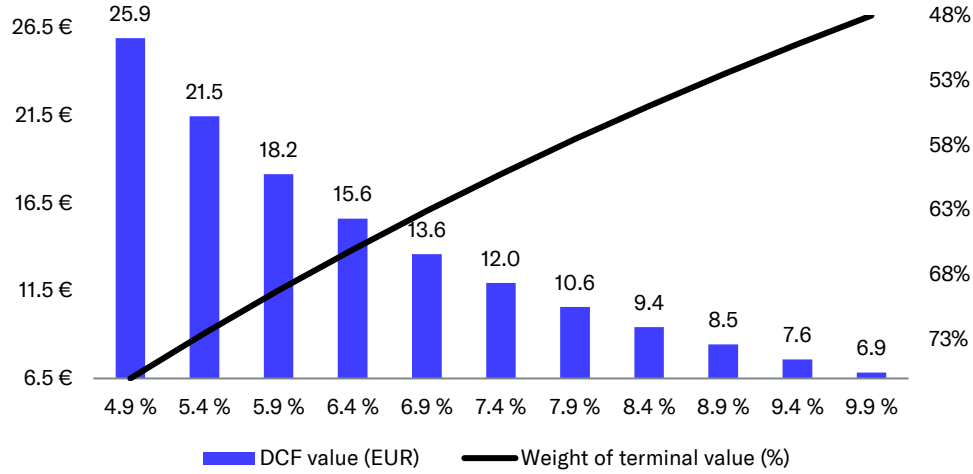
Tax-% (WACC)	21.5 %
Target debt ratio (D/(D+E))	20.0 %
Cost of debt	4.0 %
Equity Beta	1.25
Market risk premium	4.75%
Liquidity premium	0.00%
Risk free interest rate	2.5 %
Cost of equity	8.4 %
Weighted average cost of capital (WACC)	7.4 %

Cash flow distribution

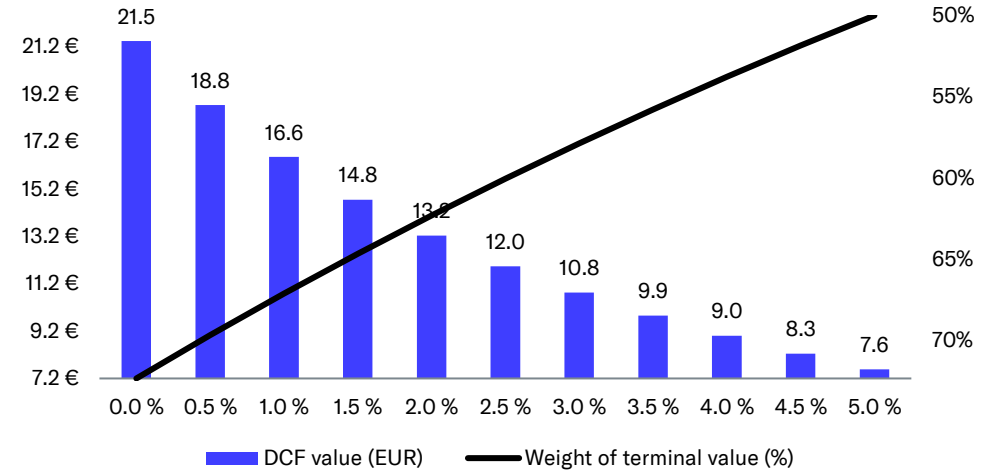


DCF sensitivity calculations and key assumptions in graphs

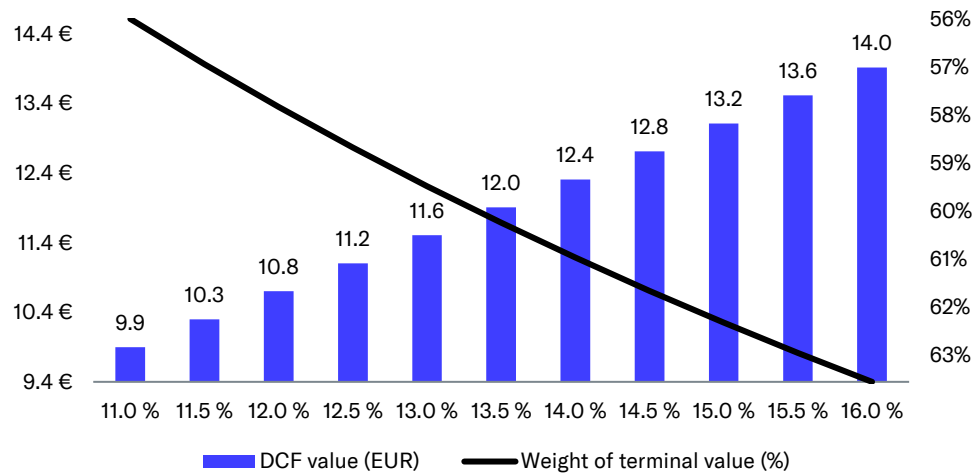
Sensitivity of DCF to changes in the WACC-%



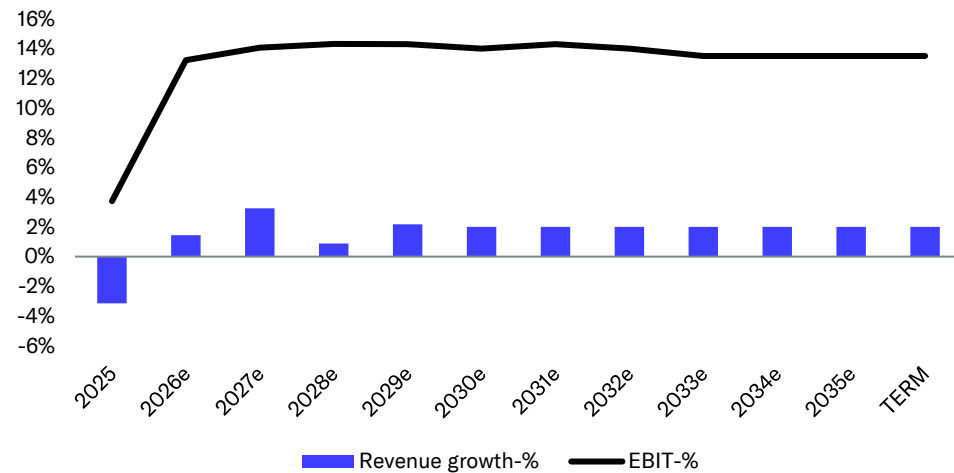
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



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

Summary

Income statement	2023	2024	2025	2026e	2027e	Per share data	2023	2024	2025	2026e	2027e
Revenue	1393	1345	1303	1321	1364	EPS (reported)	-0.03	0.19	0.06	0.75	0.81
EBITDA	287	329	335	361	368	EPS (adj.)	0.39	0.52	0.57	0.83	0.87
EBIT	52	82	49	175	192	OCF / share	1.95	1.93	1.92	2.02	2.00
PTP	20	48	24	152	169	FCF / share	0.59	1.15	1.01	0.71	0.88
Net Income	3.1	40.5	19.9	124.5	132.9	Book value / share	4.88	4.71	4.46	3.88	4.25
Extraordinary items	-82.3	-61.5	-106.3	-13.8	-9.5	Dividend / share	0.37	0.39	0.42	0.44	0.46
Balance sheet	2023	2024	2025	2026e	2027e	Growth and profitability	2023	2024	2025	2026e	2027e
Balance sheet total	2055	1879	1729	1762	1776	Revenue growth-%	7%	-3%	-3%	1%	3%
Equity capital	799	772	731	635	696	EBITDA growth-%	-13%	15%	2%	8%	2%
Goodwill	812	810	810	840	840	EBIT (adj.) growth-%	-11%	7%	8%	22%	7%
Net debt	640	568	486	608	554	EPS (adj.) growth-%	-40%	31%	11%	46%	4%
Cash flow	2023	2024	2025	2026e	2027e	EBITDA-%	20.6 %	24.5 %	25.7 %	27.3 %	27.0 %
EBITDA	287	329	335	361	368	EBIT (adj.)-%	9.6 %	10.7 %	11.9 %	14.3 %	14.8 %
Change in working capital	55	11.3	8.6	0.1	0.4	EBIT-%	3.7 %	6.1 %	3.7 %	13.2 %	14.1 %
Operating cash flow	318	315	314	330	327	ROE-%	0.4 %	5.2 %	2.6 %	18.3 %	20.0 %
CAPEX	-221	-130	-155	-213	-184	ROI-%	3.3 %	5.7 %	3.7 %	14.0 %	15.1 %
Free cash flow	96	188	166	117	144	Equity ratio	42.0 %	45.0 %	46.0 %	39.2 %	42.6 %
						Gearing	80.0 %	73.7 %	66.5 %	95.7 %	79.6 %
							0	2.2	1.7	1.5	1.7
							0	9.4	9.8	13.7	15.7
											16.1
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	5.7	5.5						
EV/EBIT (adj.)	14.4	13.8	14.0	11.0	10.0						
P/E (adj.)	17.7	14.9	16.4	10.7	10.3						
P/B	1.8	2.0	2.6	2.3	2.1						
Dividend-%	5.3 %	5.1 %	4.5 %	4.9 %	5.1 %						

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. 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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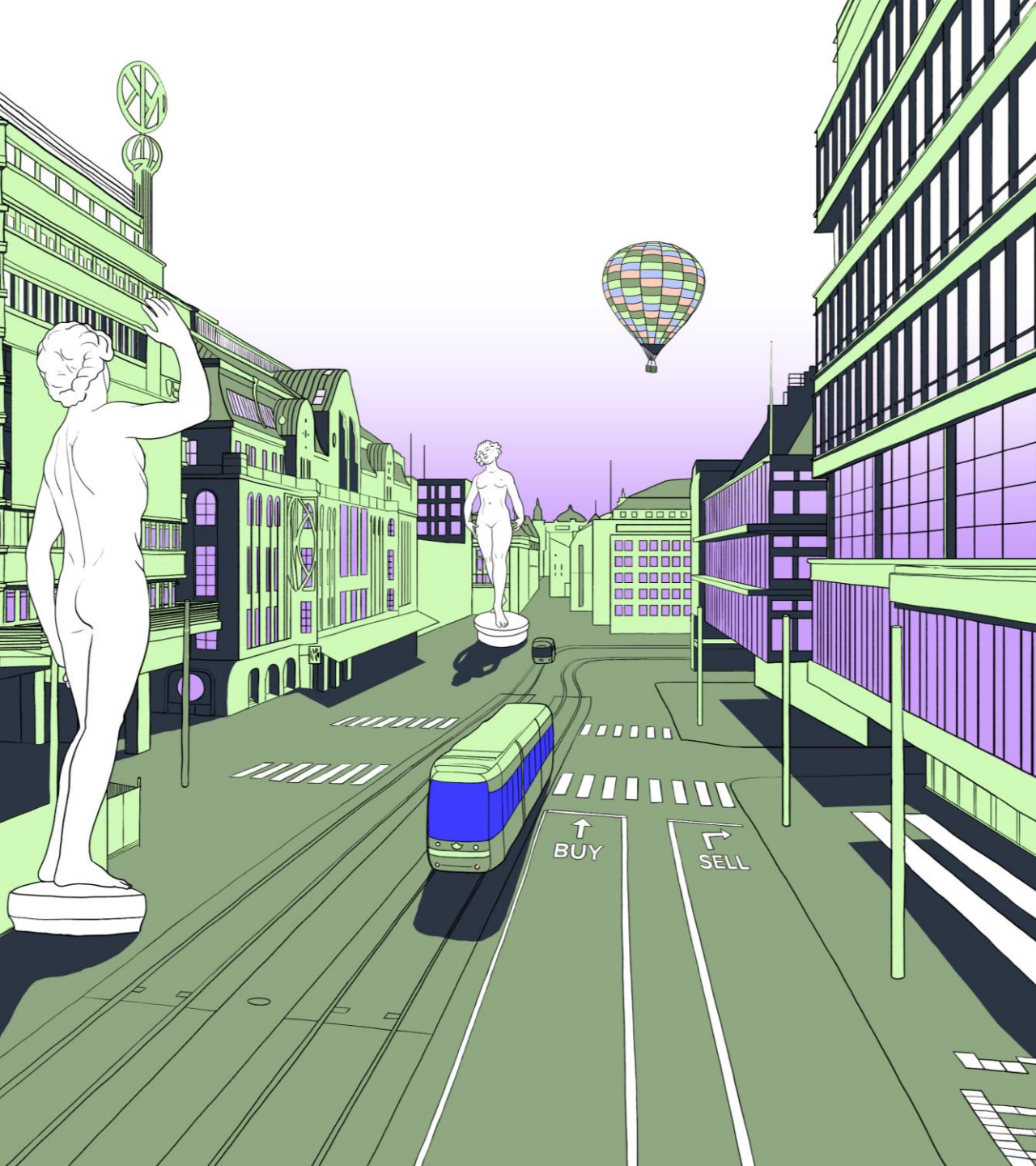
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Recommendation history (>12 mo)

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 €



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