

# SANOMA

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## INDERES CORPORATE CUSTOMER COMPANY REPORT



# The price tag for result growth is low

Sanoma's operational result in Q4 was well in line with our estimates, and the proposed profit distribution matched our estimate as well. The earnings guidance provided for the current year also fell precisely within our anticipated range. The company's outlook for earnings growth in the coming years is very good, and relative to this, the share valuation is moderate. Therefore, we reiterate our Buy recommendation on the share. Considering minor estimate revisions, we revise our target price to EUR 11.5 (was EUR 11.3). The Q4 interview with Sanoma's CEO can be viewed [here](#).

## Q4 figures showing expected development path

Sanoma's Q4 revenue decreased by 6% year-on-year to 226 MEUR. Revenue decreased in both segments, as expected. Learning's revenue was adversely affected by the timing of curriculum renewals and the termination of low-value distribution contracts. Similarly, Media Finland's development was particularly hampered by the sluggish advertising market. Reflecting Learning's strong seasonality, Sanoma's Q4 EBIT came in at -27 MEUR, in line with our forecasts. Sanoma's earnings growth in 2025 was low, but this was anticipated due to the timing of Learning's curriculum renewals and the weakness of the advertising market, reflecting the sluggish economy in Finland as well. However, thanks to its strengthened financial position, the company will raise its dividend to EUR 0.42 per share as expected.

## Guidance confirmed the earnings growth outlook we had forecast

Over the past two years, Sanoma has worked on the significant Solar earnings improvement program in its Learning business with the aim of achieving a clear improvement in profitability starting this year when the timing of curriculum renewals is expected to turn the market around. The company therefore

issued guidance for the current year, indicating revenue of 1.29–1.34 BEUR and adjusted EBIT of 205–225 MEUR. This earnings guidance matches our earnings forecast exactly, confirming that the outlook for earnings growth is as expected.

## Big picture of estimates remains unchanged

Overall, we have only made minor revisions to our estimates for the coming years. We predict that the company's revenue will grow slightly to 1.31 BEUR this year, while expecting clear growth in the group's result driven by Learning's growth in content sales. Our adjusted EBIT forecast for 2026 therefore remains unchanged at 215 MEUR, which is in the middle of the guidance range. 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. We therefore forecast rapid growth in earnings per share in the coming years (2025-2028e CAGR-% 16%).

## Share price does not reflect projected earnings growth

With 2025 earnings, the share is valued at a P/E ratio of 16x (adj.) and the adjusted EV/EBITA ratio is 11x. In our view, these are slightly above the justified level, but the valuation picture will quickly change in line with the earnings growth we expect. Reflecting this, the adjusted P/E ratios for 2027–2028 fall to 11x and the corresponding adjusted EV/EBITA multiples are 10x and 9x. Thus, the projected earnings growth in the coming years, combined with our dividend yield forecast of around 5% on average, creates an attractive expected return. Our DCF model indicates a share value of EUR 11.8, suggesting that the share is quite attractively priced.

## Recommendation

**Buy**  
(was Buy)

**Target price:**  
**EUR 11.50**  
(was EUR 11.30)

**Share price:**  
EUR 9.01

## Business risk



## Valuation risk



	2025	2026e	2027e	2028e
Revenue	1303	1311	1352	1384
growth-%	-3%	1%	3%	2%
EBIT adj. excl. PPA	188	215	224	229
EBIT-% adj.	14.4 %	16.4 %	16.6 %	16.5 %
Net Income	19.9	122.6	130.2	137.7
EPS (adj.)	0.57	0.81	0.85	0.90
P/E (adj.)	16.4	11.1	10.5	10.0
P/B	2.6	2.3	2.1	2.0
Dividend yield-%	4.5 %	4.9 %	5.1 %	5.3 %
EV/EBIT (adj.)	14.0	11.0	10.1	9.4
EV/EBITDA	6.5	5.8	5.5	5.1
EV/S	1.7	1.6	1.5	1.4

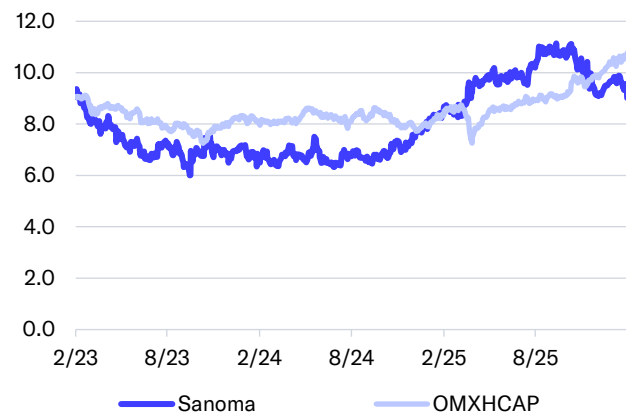
Source: Inderes

## Guidance

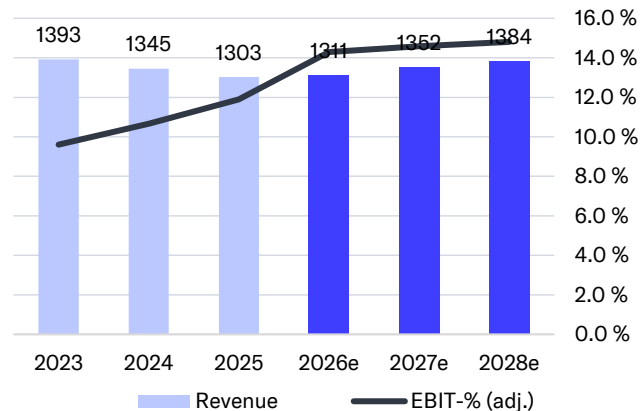
(New guidance)

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).

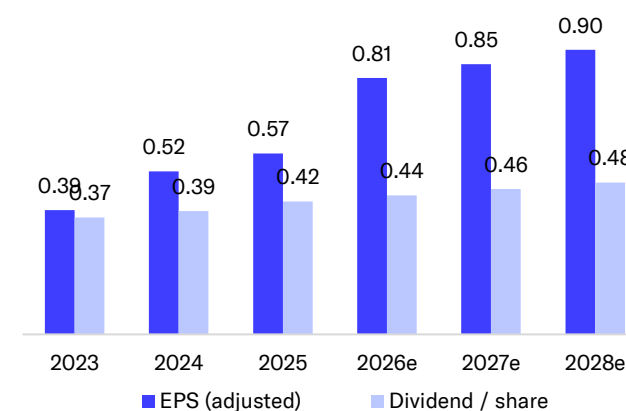
## Share price



## Revenue and EBIT-% (adj.)



## EPS and dividend



## Value drivers

- Growth of digital revenue in the Media business
- Improved revenue structure with growth in digital income and Learning business
- The potential of profitability improvement from efficiency measures
- Synergy benefits from completed acquisitions

## Risk factors

- The trend-like decline in print media
- Weakening competitive position, especially against global competitors
- Typical risks associated with acquisitions
- Risks related to general economic development
- Technology risks

Valuation	2026e	2027e	2028e
Share price	9.01	9.01	9.01
Number of shares, millions	164	164	164
Market cap	1473	1473	1473
EV	2055	1998	1932
P/E (adj.)	11.1	10.5	10.0
P/E	12.0	11.3	10.7
P/B	2.3	2.1	2.0
P/S	1.1	1.1	1.1
EV/Sales	1.6	1.5	1.4
EV/EBITDA	5.8	5.5	5.1
EV/EBIT (adj.)	11.0	10.1	9.4
Payout ratio (%)	58.7 %	57.8 %	57.0 %
Dividend yield-%	4.9 %	5.1 %	5.3 %

Source: Inderes

# Q4 figures showing expected development path

## Expected topline development

Learning’s Q4 revenue decreased by 8% from the comparison period, which was a slightly steeper decline than we anticipated. However, there were no major surprises in the operating countries' development, and the main drivers of the revenue decline were the timing of the curriculum renewal in Spain and the termination of low-value distribution contracts in the Netherlands. The positive development of digital platforms, which was already evident earlier, boosted Poland's revenue growth, which is encouraging.

At the group level, Learning's revenue decline was offset by Media Finland's revenue, which fell by 5%, slightly less than our 7% forecast. Of the segment's key income sources, advertising income fell by 15%, which was slightly less than we had forecast. This sharp decline is due to the end of reselling third-party TV advertising, as well as a 4% decline in the advertising market. Meanwhile, Sanoma's

subscription income grew 5%, driven particularly by the positive development of the Ruutu+ service. This is a very good result and higher than our forecast.

## Operational result at the expected level

Sanoma reported an operational EBIT loss of 27 MEUR in Q4. Seasonally, the last quarter is very small for Learning, dragging down the group's results to a loss. By segment, there were no surprises in profitability, with Learning's EBIT loss remaining flat year-on-year. This reflects the low level of earnings from distribution agreements that have been concluded and, according to our estimates, also a slight positive impact from the Solar efficiency program already at the end of 2025. Similarly, Media Finland achieved a slight improvement in profitability as printing and TV production costs declined and digital subscription income grew. Sanoma recorded one-time items in Q4 that exceeded our forecasts, notably in connection with the Solar Program, termination of distribution agreements, and closure of the

Tampere printing plant. However, in our view, these do not alter the overall picture of the expected result.

## Free cash flow has strengthened

Sanoma's cash flow from operations strengthened in 2025 to 199 MEUR, which, after normal capital expenditure, lease payments, and interest paid on the hybrid bond, corresponds to free cash flow of 117 MEUR. Consequently, the company's net debt settled at 486 MEUR, corresponding to 1.8x the adjusted EBITDA for the previous 12 months. Thus, within the framework of its financial position, the company is well positioned for the proposed dividend increase to EUR 0.42 and the refinancing of the hybrid bond in March. Even after these measures, thanks to continually strengthening cash flow generated by growth in earnings, the company estimates it has approximately 300 MEUR of leeway for acquisitions. The company's financial position would already allow it to make a large acquisition.

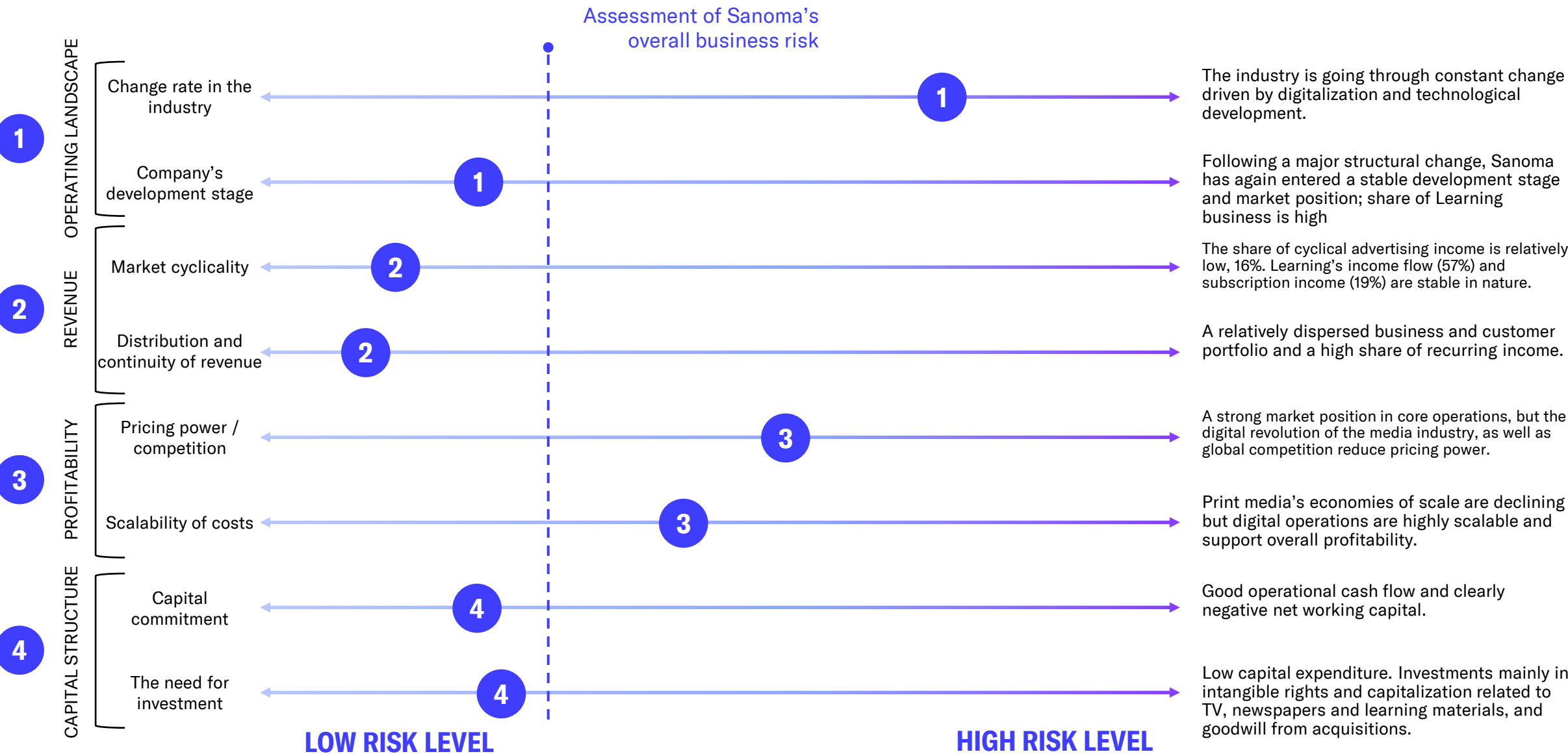
Estimates	Q4'24	Q4'25	Q4'25e	Q4'25e	Consensus	Difference (%)	2025
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low High	Act. vs. inderes	ACT
Revenue	241	226	227	233	231 - 235	-1%	1303
Adjusted EBIT	-27	-27	-28	-27	-29 - -25	1%	188
EBIT	-47	-51	-39	-41	-45 - -37	-31%	49
EPS (adj.)	-0.21	-0.20	-0.16	-0.21	-0.21 - -0.21	-25%	0.57
DPS	0.39	0.42	0.42	0.41	0.40 - 0.43	0%	0.42
Revenue growth-%	-4.8 %	-6.5 %	-6.0 %	-3.5 %	-4.3 % - -2.7 %	-0.5 pp	-3.1 %
EBIT-% (adj.)	-11.3 %	-12.1 %	-12.2 %	-11.6 %	-12.6 % - -10.6 %	0 pp	14.4 %

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

Sanoma Q4'25: Aiming for strong growth (in English)



# Risk profile of the business



# Investment profile

- 1 The Learning business is defensive and grows over time
- 2 Structural change in media decelerates organic growth, growth is sought through acquisitions especially in Learning
- 3 Reasonable operational risk level: strong market position, highly diversified income, modest share of cyclical income
- 4 Gearing has fallen to a moderate level, enabling inorganic growth
- 5 Cost inflation tests pricing power and efficiency measures

## Potential

- Improving income defensiveness as the focus of business shifts increasingly towards the Learning business
- Growth in digital income and services
- Efficiency programs in both segments and profitability improvement potential
- Improved revenue structure with growth in the Learning business

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## 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



# Big picture of estimates remains unchanged

## Guidance was as requested

Sanoma provided guidance for 2026, expecting group revenue to be 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.

The guidance provided was in line with our expectations, and the earnings guidance range was exactly as outlined in our earnings preview. Thus, the guidance confirmed that the earnings growth outlook is expected to be strong, and we note that, based on historical performance, Sanoma has tended to be conservative rather than opportunistic in its guidance.

## We expect clear earnings growth

Following the predictable Q4 report and guidance, we have only made minor adjustments to our estimates. Our revenue estimate for the current year is 1.31 BEUR, as we expect stable revenue development from Learning. However, the quality of revenue is improving underneath the surface, as growth in demand for learning materials is overshadowed by the impact of terminating Dutch distribution agreements, which continue to erode revenue. Accordingly, we estimate that Media Finland's revenue will grow by 2%, reflecting slight growth in advertising and particularly strong development in subscription income. Despite fairly stable revenue development, we expect adjusted EBIT to increase to 215 MEUR, primarily due to robust earnings growth in Learning. This is driven by the increased efficiency in learning material production through the Solar efficiency program and a decrease in depreciation reflecting lower content investments. We also

expect Media Finland's earnings to grow slightly, reflecting continuous operational efficiency improvements and growth in digital income. However, the impact of these is partly diluted by efficiency losses due to the decline in print income.

## Earnings growth continues in 2027

We estimate that Sanoma's revenue will grow by 3% in 2027, reflecting the continued growth in demand for learning materials in our estimates, due to the timing of curriculum renewals. Supported by this and the benefits of the Solar Program, we expect Learning's profitability to remain strong and drive earnings growth. The second driver of earnings growth in 2027 is the increase in Media Finland's advertising income due to the opening of the gambling market, which will strengthen advertising growth. Taking these factors into account, we estimate that the 2027 adjusted EBIT will rise to 224 MEUR.

Estimate revisions	2025e	2025	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Inderes	Actualized	%	Old	New	%	Old	New	%
Revenue	1308	1303	0%	1302	1311	1%	1342	1352	1%
EBIT (exc. NRIs)	154	155	1%	181	187	3%	194	197	2%
EBIT	61	49	-20%	171	177	4%	184	188	2%
PTP	36.1	24.3	-33%	148	153	3%	163	166	2%
EPS (excl. NRIs)	0.56	0.57	2%	0.76	0.81	7%	0.84	0.85	2%
DPS	0.42	0.42	0%	0.43	0.44	2%	0.45	0.46	2%

Source: Inderes

Sanoma Oyj, Webcast, Q4'25



# Share price does not reflect projected earnings growth

## Earnings growth provides upside to valuation

Based on the actualized result, the adjusted P/E and EV/EBIT multiples for the stock are 16x and 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 the corresponding EV/EBITA multiples are 10x and 9x. Thus, a good expected return from the current level does not necessitate multiples reaching historical levels because earnings growth and strengthening cash flow are drivers of the expected return. Therefore, through absolute valuation multiples, we believe the earnings-based valuation for the coming years is attractive, and we estimate that the expected return will 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 estimated to be roughly 15-20%, a very attractive level considering Sanoma's risk profile.

## Cash flow-based valuation is moderate

The cash flow impacts of the Solar Program 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 around 8%. This is an attractive level considering Sanoma's risk profile. In addition, it should be noted that, with the elimination of hybrid bond interest expenses (2025: 12 MEUR) and earnings growth, we estimate that free cash flow will continue to grow this year. Thus, overall, the cash flow-based valuation is attractive.

## DCF calculation above current share price

Our updated DCF model indicates a share value of EUR 11.8. 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. Our profitability estimates in our model rise significantly from the 2025 level of 14.4% (adj. EBIT-%) in the coming years, as the Solar Program in particular strengthens Learning's profitability. In the longer term, however, our profitability forecasts are 13-14% and terminal profitability is 13.5%. Thus, we do not consider the cash flow model's profitability expectations to be overly demanding, and in our opinion, the model supports our stance that the stock is very moderately valued.

Valuation	2026e	2027e	2028e
Share price	9.01	9.01	9.01
Number of shares, millions	164	164	164
Market cap	1473	1473	1473
EV	2055	1998	1932
P/E (adj.)	11.1	10.5	10.0
P/E	12.0	11.3	10.7
P/B	2.3	2.1	2.0
P/S	1.1	1.1	1.1
EV/Sales	1.6	1.5	1.4
EV/EBITDA	5.8	5.5	5.1
EV/EBIT (adj.)	11.0	10.1	9.4
Payout ratio (%)	58.7 %	57.8 %	57.0 %
Dividend yield-%	4.9 %	5.1 %	5.3 %

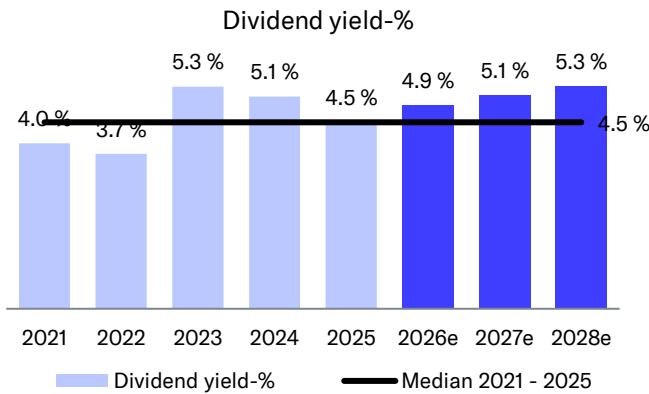
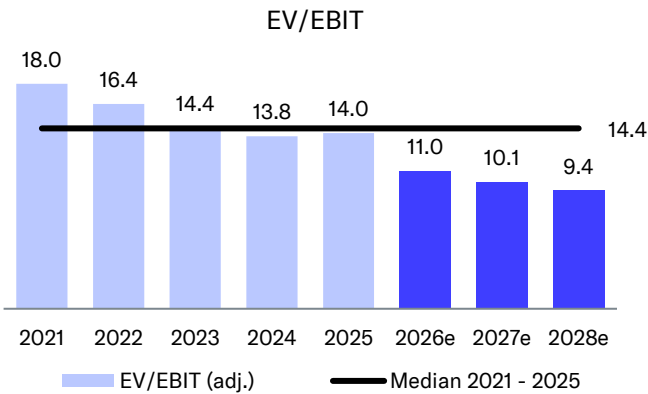
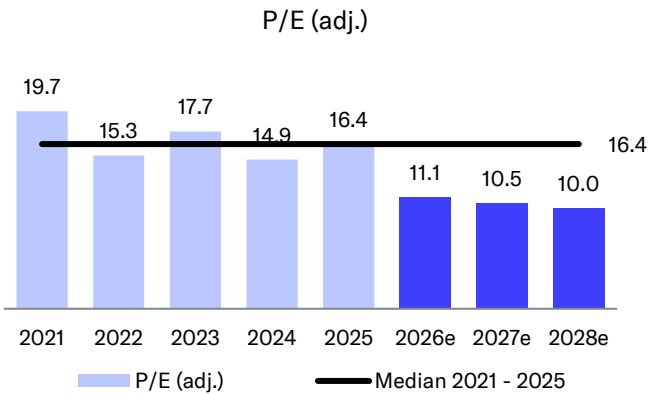
Source: Inderes



# Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	13.6	9.96	6.95	7.67	9.40	9.01	9.01	9.01	9.01
Number of shares, millions	163	163	163	164	164	164	164	164	164
Market cap	2219	1625	1135	1254	1537	1473	1473	1473	1473
EV	2842	2453	1928	1974	2174	2055	1998	1932	1862
P/E (adj.)	19.7	15.3	17.7	14.9	16.4	11.1	10.5	10.0	9.7
P/E	22.1	21.3	neg.	40.6	>100	12.0	11.3	10.7	10.3
P/B	3.1	2.3	1.8	2.0	2.6	2.3	2.1	2.0	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	5.8	5.5	5.1	4.8
EV/EBIT (adj.)	18.0	16.4	14.4	13.8	14.0	11.0	10.1	9.4	9.0
Payout ratio (%)	87.6 %	79.2 %	1948.7 %	157.6 %	345.5 %	58.7 %	57.8 %	57.0 %	56.0 %
Dividend yield-%	4.0 %	3.7 %	5.3 %	5.1 %	4.5 %	4.9 %	5.1 %	5.3 %	5.4 %

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	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e
Alma Media	1112	1238	14.0	12.8	11.7	10.9	3.7	3.5	17.1	15.0	3.7	3.9	4.0
Future PLC	482	837	3.6	3.5	3.3	3.2	1.0	1.0	3.4	3.1	3.2	3.9	0.6
ITV PLC	3646	4309	8.3	8.6	6.8	6.5	1.0	1.0	10.9	10.4	5.9	6.1	1.8
Lagardere SA	2641	7350	11.2	10.6	6.7	6.4	0.8	0.7	8.9	8.0	3.9	4.0	2.5
Arnoldo Mondadori Editore	556	792	8.2	8.1	4.9	4.8	0.8	0.8	8.4	8.3	8.0	8.7	0.8
News Corp	11554	11994	13.4	12.0	9.2	8.5	1.6	1.6	22.8	21.2	1.0	1.0	1.5
New York Times	9590	9072	19.7	17.6	17.1	15.4	3.5	3.3	26.0	22.7	1.2	1.4	5.0
Promotora de Informaciones SA	465	1137	9.9	9.0	6.1	5.7	1.2	1.2	34.5	20.3			
Prosiebensat 1 Media	1163	2843	11.7	10.6	6.2	5.9	0.8	0.7	7.5	6.7	3.0	2.4	0.8
Roularta Media Group	191	126	18.0	15.8	4.5	4.5	0.4	0.4	30.4	26.4	9.1	11.0	1.0
Bloomsbury Publishing PLC	426	441	8.4	8.4	7.4	7.3	1.2	1.1	11.1	11.1	3.6	3.7	1.8
Pearson PLC	6583	7849	10.6	9.9	7.9	7.4	1.8	1.7	13.1	11.7	3.0	3.2	1.4
John Wiley & Sons Inc	1325	2000	9.1	8.3	5.6	5.4	1.4	1.4	7.4	6.7	5.0	5.1	
Wilmington PLC	291	244	7.1	5.9	6.7	5.6	1.7	1.5	11.2	9.8	4.3	4.7	2.2
Chegg Inc	63	47			1.9	1.6	0.3	0.3					0.4
Sanoma (Inderes)	1473	2055	11.0	10.1	5.8	5.5	1.6	1.5	11.1	10.5	4.9	5.1	2.3
Average			10.9	10.1	7.1	6.6	1.4	1.3	15.2	13.0	4.2	4.5	1.8
Median			10.2	9.5	6.7	5.9	1.2	1.1	11.1	10.7	3.7	3.9	1.5
Diff-% to median			7%	7%	-14%	-7%	36%	31%	0%	-2%	32%	30%	59%
Media peers													
Average			10.7	9.9	6.9	6.5	1.3	1.3	15.4	12.9			1.8
Median			11.5	10.6	6.5	6.1	1.0	1.0	14.0	12.7			1.5
Learning peers													
Average			8.8	8.1	5.9	5.5	1.3	1.2	10.7	9.8			1.4
Median			8.7	8.3	6.7	5.6	1.4	1.4	11.1	10.4			1.6

Source: Refinitiv / Inderes

# Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26e	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	1345	221	340	516	226	1303	223	340	519	229	1311	1352	1384	1408
Media Finland	581	132	148	139	138	557	134	150	142	141	567	578	589	595
Learning	764	89	192	377	88	746	89	190	377	88	744	775	795	813
EBITDA	329	23	103	203	7	335	17	101	228	12	357	364	379	386
Depreciation	-248	-54	-54	-121	-58	-286	-45	-45	-45	-45	-180	-177	-184	-187
Adjusted EBIT	185	-19	62	172	-27	188	-19	66	192	-24	215	224	229	232
EBIT (excl. NRI)	143	-28	53	164	-35	155	-26	59	185	-31	187	197	205	208
EBIT	82	-31	49	82	-51	49	-28	56	183	-33	177	188	195	198
Media Finland	41	7	11	19	8	44	7	11	20	8	46	48	53	55
Learning	117	-32	45	148	-38	124	-29	51	170	-35	157	167	171	173
NRI	-62	-4	-4	-83	-16	-106	-3	-3	-3	-3	-10	-10	-10	-10
Other and eliminations	-14	-3	-3	-2	-5	-13	-4	-4	-4	-4	-16	-18	-19	-20
Net financial items	-33	-6	-6	-6	-6	-24	-6	-6	-6	-6	-24	-22	-20	-17
PTP	48	-38	43	76	-56	24	-34	50	177	-39	153	166	175	182
Taxes	-8	9	-10	-18	14	-4	7	-10	-35	8	-31	-36	-38	-39
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	-28	40	141	-31	123	130	138	143
EPS (adj.)	0.52	-0.17	0.21	0.73	-0.20	0.57	-0.15	0.26	0.88	-0.18	0.81	0.85	0.90	0.93
EPS (rep.)	0.19	-0.19	0.19	0.34	-0.27	0.06	-0.17	0.24	0.86	-0.19	0.75	0.80	0.84	0.87

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26e	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	-3.5 %	0.1 %	-0.8 %	-4.5 %	-6.5 %	-3.1 %	0.9 %	0.1 %	0.6 %	1.3 %	0.6 %	3.2 %	2.3 %	1.8 %
Adjusted EBIT growth-%	7.1 %	-16.0 %	3.3 %	2.3 %	-2.8 %	8.1 %	-6.2 %	9.8 %	12.7 %	-13.1 %	20.9 %	4.3 %	1.9 %	1.5 %
Adjusted EBITDA-%		20.1 %	33.1 %	22.8 %	22.9 %	25.1 %	8.6 %	30.4 %	44.4 %	6.3 %	28.0 %	27.6 %	28.1 %	28.1 %
EBITDA-%	24.5 %	10.2 %	30.2 %	39.3 %	3.0 %	25.7 %	7.4 %	29.7 %	43.9 %	5.2 %	27.3 %	26.9 %	27.4 %	27.4 %
Adjusted EBIT-%	13.7 %	-8.5 %	18.3 %	33.4 %	-12.1 %	14.4 %	-8.5 %	19.3 %	37.0 %	-10.3 %	16.4 %	16.6 %	16.5 %	16.5 %
Net earnings-%	3.0 %	-12.9 %	9.7 %	11.1 %	-18.7 %	1.5 %	-12.3 %	11.8 %	27.2 %	-13.7 %	9.4 %	9.6 %	10.0 %	10.1 %

Source: Inderes

# Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	1512	1356	1382	1411	1432
Goodwill	810	810	810	810	810
Intangible assets	496	383	381	392	397
Tangible assets	161	108	136	155	170
Associated companies	4	4	4	4	4
Other investments	6	5	5	5	5
Other non-current assets	33	43	43	43	43
Deferred tax assets	4	4	4	4	4
Current assets	217	198	203	216	236
Inventories	45	38	39	41	42
Other current assets	9	13	13	13	13
Receivables	142	127	131	135	138
Cash and equivalents	21	20	20	27	44
Balance sheet total	1879	1729	1732	1747	1764

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	772	731	636	694	756
Share capital	71	71	71	71	71
Retained earnings	114	0	54	112	175
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	1
Non-current liabilities	583	532	614	595	545
Deferred tax liabilities	100	77	77	77	77
Provisions	5	7	7	7	7
Interest bearing debt	472	438	520	500	450
Convertibles	0	0	0	0	0
Other long term liabilities	7	10	10	10	10
Current liabilities	524	466	482	459	463
Interest bearing debt	118	68	79	50	50
Payables	239	179	184	189	194
Other current liabilities	167	220	220	220	220
Balance sheet total	1879	1729	1732	1747	1764

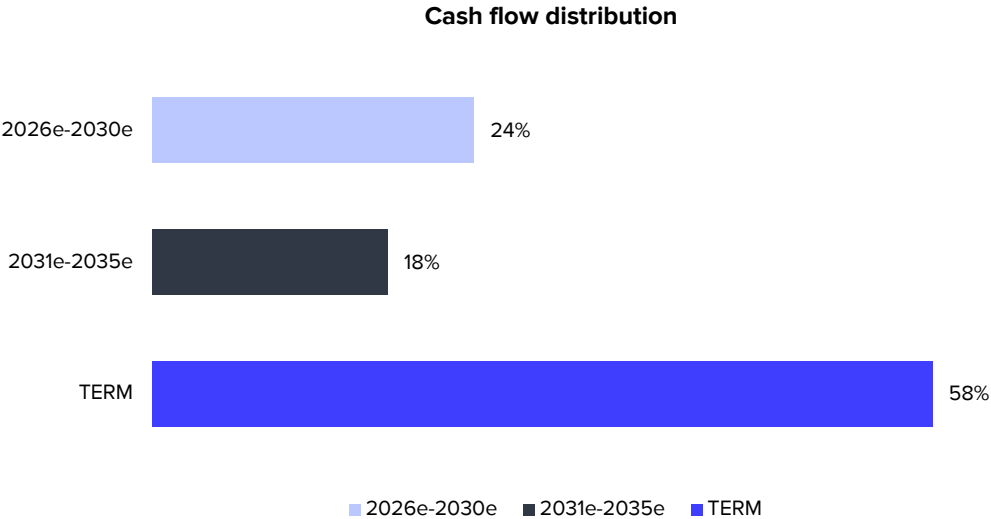
# DCF-calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	-3.1 %	0.6 %	3.2 %	2.3 %	1.8 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
EBIT-%	3.7 %	13.5 %	13.9 %	14.1 %	14.1 %	14.0 %	14.3 %	14.0 %	13.5 %	13.5 %	13.5 %	13.5 %
EBIT (operating profit)	48.6	177	188	195	198	201	209	209	206	210	214	
+ Depreciation	286	180	177	184	187	177	179	182	184	186	187	
- Paid taxes	-27	-31	-36	-38	-39	-40	-43	-43	-43	-44	-45	
- Tax, financial expenses	-1.6	-4.8	-4.7	-4.3	-3.6	-3.0	-2.4	-1.9	-1.4	-1.2	-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	322	324	337	343	335	344	346	345	351	356	
+ 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	-178	-179	-180	-182	-184	-186	-188	-190	-192	-196	
Free operating cash flow	166	144	146	157	161	151	158	158	156	159	160	
+/- Other	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	166	144	146	157	161	151	158	158	156	159	160	3035
Discounted FCFF		135	127	128	122	107	104	97.0	88.8	84.5	79	1502
Sum of FCFF present value		2574	2439	2312	2184	2062	1955	1851	1754	1666	1581	1502
Enterprise value DCF		2574										
- Interest bearing debt		-655										
+ Cash and cash equivalents		19.7										
-Minorities		-2										
-Dividend/capital return		0										
Equity value DCF		1937										
Equity value DCF per share		11.8										

## 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 %

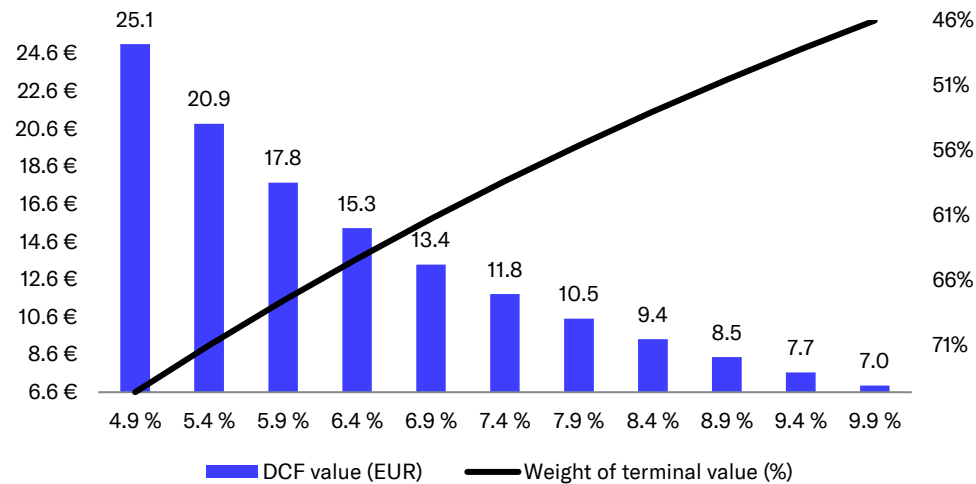
Source: Inderes



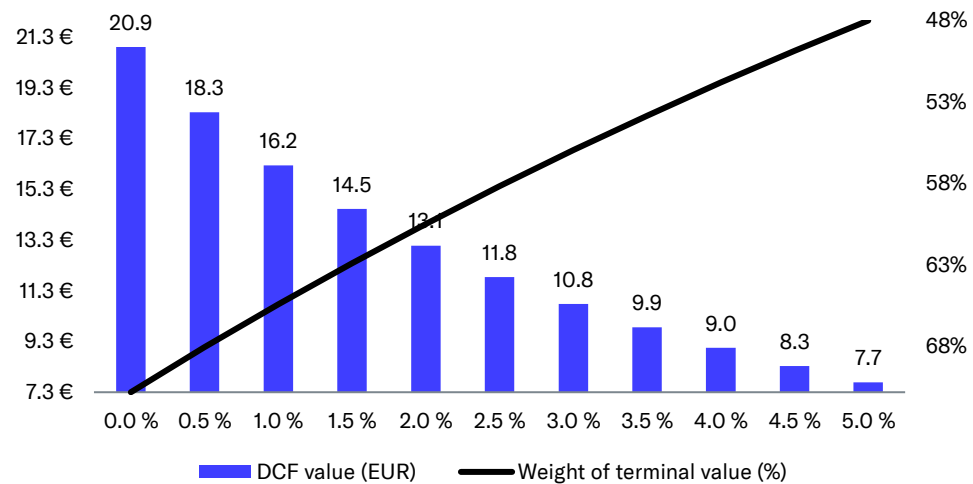


# DCF sensitivity calculations and key assumptions in graphs

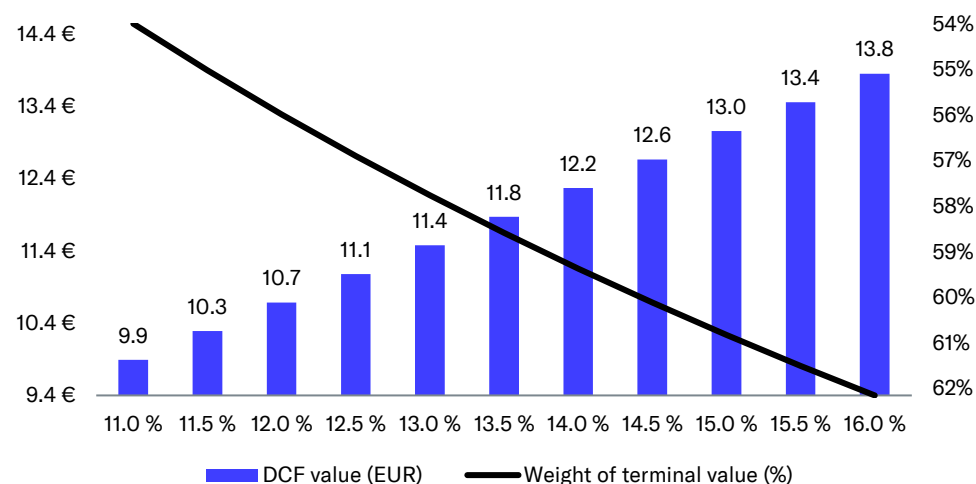
Sensitivity of DCF to changes in the WACC-%



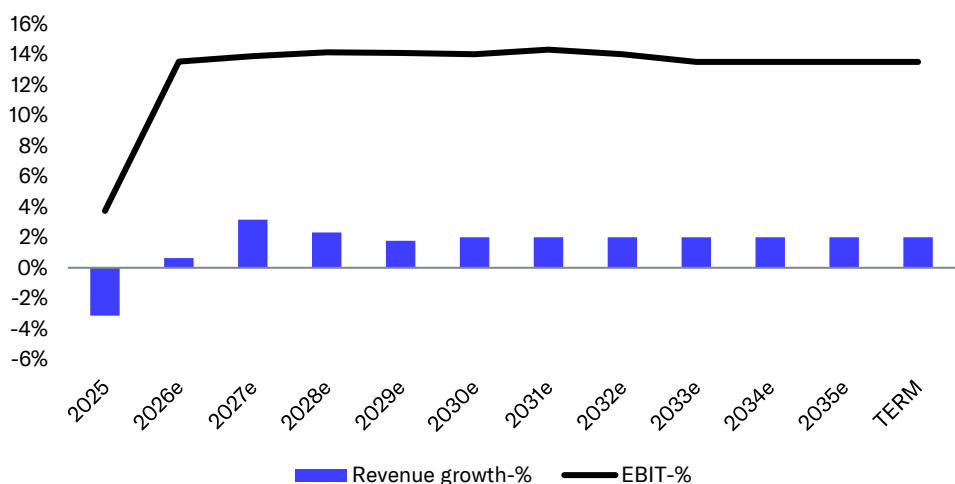
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



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

# Summary

Income statement	2023	2024	2025	2026e	2027e	Per share data	2023	2024	2025	2026e	2027e
Revenue	1393	1345	1303	1311	1352	EPS (reported)	-0.03	0.19	0.06	0.75	0.80
EBITDA	287	329	335	357	364	EPS (adj.)	0.39	0.52	0.57	0.81	0.85
EBIT	52	82	49	177	188	OCF / share	1.95	1.93	1.92	1.97	1.98
PTP	20	48	24	153	166	OFCF / share	0.59	1.15	1.01	0.88	0.89
Net Income	3.1	40.5	19.9	122.6	130.2	Book value / share	4.88	4.71	4.46	3.88	4.24
Extraordinary items	-82.3	-61.5	-106.3	-10.0	-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	1732	1747	Revenue growth-%	7%	-3%	-3%	1%	3%
Equity capital	799	772	731	636	694	EBITDA growth-%	-13%	15%	2%	7%	2%
Goodwill	812	810	810	810	810	EBIT (adj.) growth-%	-11%	7%	8%	21%	5%
Net debt	640	568	486	579	523	EPS (adj.) growth-%	-40%	31%	11%	42%	5%
Cash flow	2023	2024	2025	2026e	2027e	EBITDA-%	20.6 %	24.5 %	25.7 %	27.3 %	26.9 %
EBITDA	287	329	335	357	364	EBIT (adj.)-%	9.6 %	10.7 %	11.9 %	14.3 %	14.6 %
Change in working capital	55	11.3	8.6	0.0	0.4	EBIT-%	3.7 %	6.1 %	3.7 %	13.5 %	13.9 %
Operating cash flow	318	315	314	322	324	ROE-%	0.4 %	5.2 %	2.6 %	18.0 %	19.6 %
CAPEX	-221	-130	-155	-178	-179	ROI-%	3.3 %	5.7 %	3.7 %	14.3 %	15.1 %
Free cash flow	96	188	166	144	146	Equity ratio	42.0 %	45.0 %	46.0 %	39.9 %	43.2 %
Valuation multiples	2023	2024	2025	2026e	2027e	Gearing	80.0 %	73.7 %	66.5 %	91.1 %	75.3 %
EV/S	1.4	1.5	1.7	1.6	1.5						
EV/EBITDA	6.7	6.0	6.5	5.8	5.5						
EV/EBIT (adj.)	14.4	13.8	14.0	11.0	10.1						
P/E (adj.)	17.7	14.9	16.4	11.1	10.5						
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

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Sell	The 12-month risk-adjusted expected shareholder return of the share is very weak

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## Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
7/27/2020	Accumulate	10.00 €	9.30 €
10/20/2020	Reduce	12.50 €	12.84 €
10/30/2020	Reduce	12.50 €	12.48 €
12/9/2020	Reduce	13.00 €	13.38 €
2/11/2021	Reduce	15.00 €	15.95 €
4/12/2021	Reduce	15.00 €	14.56 €
5/3/2021	Accumulate	15.00 €	14.44 €
7/29/2021	Reduce	15.50 €	16.16 €
10/28/2021	Accumulate	15.50 €	14.34 €
2/14/2022	Accumulate	14.00 €	12.58 €
4/13/2022	Accumulate	14.00 €	12.26 €
5/2/2022	Accumulate	14.00 €	12.04 €
6/8/2022	Accumulate	14.00 €	13.18 €
7/26/2022	Reduce	14.00 €	14.76 €
7/28/2022	Reduce	14.00 €	13.80 €
10/28/2022	Reduce	11.50 €	12.16 €
1/10/2023	Reduce	10.00 €	9.96 €
2/13/2023	Reduce	9.50 €	9.48 €
5/2/2023	Accumulate	8.50 €	7.88 €
5/5/2023	Accumulate	8.00 €	7.29 €
7/24/2023	Accumulate	7.50 €	6.72 €
7/27/2023	Accumulate	7.50 €	7.21 €
10/27/2023	Reduce	7.50 €	7.45 €
1/22/2024	Reduce	7.00 €	6.76 €
2/7/2024	Accumulate	7.00 €	6.35 €
5/2/2024	Accumulate	7.00 €	6.73 €
5/8/2024	Accumulate	7.00 €	6.66 €
7/25/2024	Accumulate	7.00 €	6.74 €
11/1/2024	Accumulate	8.00 €	7.23 €
2/7/2025	Reduce	8.00 €	8.41 €
2/12/2025	Accumulate	9.00 €	8.41 €
4/1/2025	Accumulate	10.00 €	8.94 €
4/30/2025	Accumulate	10.50 €	9.55 €
7/31/2025	Accumulate	10.90 €	9.90 €
10/31/2025	Accumulate	11.30 €	10.70 €
12/12/2025	Buy	11.30 €	9.14 €
2/12/2026	Buy	11.50 €	9.01 €



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