

North Media

***NORTH MEDIA A/S**

Market: OMXC Mid Cap

Ticker: NORTHM

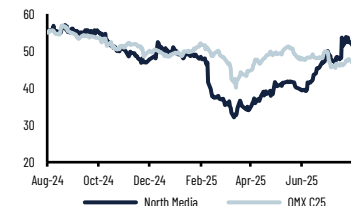
Share price (DKK): 51.6

Market cap (DKK): 930m

Net debt (DKK): -713m

Enterprise value (DKK): 217m

Share information



Ytd 7.1% 1 year: -8.5%
1 month: 5.5% 3 year: -33.5%

Note: We apply the closing price from 26 August 2025.
Index rebased to 27 August 2024. Source: S&P Capital IQ

Financials

DKKm	2023	2024	2025E*
Revenue	949.1	1,301.4	1,270-1,315
Revenue growth	-4.6%	37.1%	-2.4% to 3.5%
EBITDA	181.9	153.5	105-130
EBITDA margin	18.6%	11.8%	8-10%
EBIT	149.9	-74.9	50-75
EBIT margin	15.8%	-5.8%	4-6%
Net income	264.4	61.7	N/A
Net income margin	27.9%	4.7%	N/A
Net cash	658.5	737.1	N/A

Note: *North Media's own 2025 guidance. North Media guides for absolute numbers, growth/margins are implied. Guidance previously DKK: Revenue 1,280-1,337m; EBITDA 80-115m; EBIT 25-60m.

Valuation multiples

	2023	2024	2025E*
P/S (x)	1.2	0.7	0.7
EV/Sales (x)	0.5	0.1	0.2
EV/EBITDA (x)	2.8	0.9	1.8
EV/EBIT (x)	3.4	N/A	2.7
P/E (x)	4.4	14.1	N/A
P/B (x)	1.0	0.8	N/A
P/CF (x)	9.3	9.3	N/A

Note: Multiples for 2023 and 2024 are based on historical numbers
*Multiples in 2025 are based on North Media's own guidance

Company description

North Media connects businesses with customers through its Last Mile packing and distribution network and Digital Services. Its Last Mile segment (FK Distribution and SDR Svensk Direktreklam) packs and distributes printed matter e.g., leaflets and newspapers, reaching 80% of Danish and 90% of Swedish Households. Its Digital Services include BoligPortal, MineTilbud/Dayli and Bekey. BoligPortal is a leading Danish rental platform, while MineTilbud/Dayli is a platform for online retail discounts, and Bekey provides digital access solutions. Furthermore, Karman Connect (a 50% owned fintech company) matches borrowers and lenders.

Investment case

North Media's FK Distribution maintains a market-leading position and continues to generate solid cash flows relative to North Media's valuation despite the structural decline in print distribution. While dividends were paused in 2024, cash flow may support future payouts, investments in digital services, or further acquisitions, helping to offset the declines in the Last Mile segment.

North Media is turning around following a challenging 2024, with a DKK 155m write-down of SDR due to integration issues and lower customer volumes, along with continued losses from Bekey. In 2025, weaker volumes in FK Distribution continue to weigh on revenue, but the automation rollout at SDR is progressing as planned, helping to narrow losses. SDR delivered a small positive EBIT in Q2, and management expects further margin improvements as automation scales in H2. Digital platforms BoligPortal and Dayli offer growth potential, while Bekey remains loss-making despite cost reductions. With upgraded full-year EBIT and EBITDA guidance, 2025 now appears more like a year of gradual operational recovery than one of continued deterioration.

North Media continues generating significant operating cash flows, with a cash flow from operations yield of 5.2% Q2 (falling to 2.8% for H1). Valuation multiples trade significantly below its peer group average, particularly on an EV basis.

Key investment reasons

FK Distribution maintains solid cash flow and after initial challenges relating to the SDR Svensk Direktreklam integration, an EBIT guidance upgrade on 14/08/2025 was an early result from the ongoing SDR production model transformation. The continued turnaround of SDR may lift margins from 2026 and beyond.

North Media trades at a very low valuation with the market value currently at a similar level to its cash and securities value. Therefore, the current earnings power of the business is almost completely discounted by the market despite solid cash flow. A historical dividend payout ratio of 45-60% can also give investors significant dividends if earnings improve.

North Media can use its strong capital reserves to invest in Digital Services and/or acquire businesses to generate long-term growth and help offset Last Mile declines. Despite acquisition challenges in 2024, future acquisitions may generate positive returns.

Key investment risks

North Media's Last Mile segment will likely continue facing structural decline due to digitalization. While its Digital Services offer the potential to partially offset the decline, Bekey struggles to reach profitability and drags on the segment's performance. Additionally, realizing synergies in SDR may take longer than expected, and the impairment of DKK 155m in 2024 relating to lower future volumes suggests challenges to integrate are ongoing.

North Media holds most liquid reserves in a securities portfolio, worth DKK 780m as of 31.07.2025. While the portfolio value has appreciated significantly since 2015, the direct link to equity prices and particularly NVDIA weighting ~45% deters some investors.

A recent ruling against FK Distribution relating to abusing its dominant position in 2018-2019 can bring a contingent liability. North Media will appeal the ruling but may lead to a future one-off loss. Environmental impacts of leaflets remains a discussed topic.

Peer group

Company	Price (local)	Total return YTD	Market cap (EURm)	EV (EURm)	EV/EBITDA 2024	EV/EBITDA 2025e	EV/EBIT 2024	EV/EBIT 2025e	P/E 2024	P/E 2025e	EBIT margin 3-yr avg	EBIT margin LTM
Median of publishers		22.6%	1,462	1,830	9.1	9.6	25.5	15.5	33.1	19.3	11.9%	4.0%
Median of platform companies		28.5%	7,564	7,685	21.0	20.6	21.9	22.8	30.8	30.5	59.8%	55.5%
Weighted peers (90% / 10%)					10.3	10.8	25.2	16.3	32.9	20.5	14.8%	7.1%
North Media A/S	DKK 51.6	7.1%	125	29.1	0.9	1.8	1.4	2.7	14.1	N/A	6.0%	5.3%

Note: Data from 26/05/2025

Source: S&P Capital IQ



Disclaimer: HC Andersen Capital receives payment from North Media for a Digital IR/Corporate visibility subscription agreement. The authors, Rasmus Køjborg and Philip Coombes do not own shares in North Media. This is not a piece of advice to buy, not to buy, sell, or not to sell shares. HC Andersen Capital assumes no responsibility for the correctness of the contents of the material. Published 16:00 27.08.2025, updated Rasmus Køjborg and Philip Coombes, HC Andersen Capital.

Investment Case
One-pager

Appendix – Peer Group

Estimates and Assumptions: Data in the peer group has not been calculated by HC Andersen Capital but is instead composed of consensus analyst estimates from S&P Capital IQ. Some peers have no or limited analyst cover; hence N/A shows for some data points. HC Andersen Capital assumes no responsibility for the correctness of the numbers in the peer group; however, considers S&P Capital IQ a credible source of information. It is worth noting that no perfect peers for North Media exist, and therefore, direct comparisons may not be appropriate.

Weighting Assumptions: The peer group has been weighted with a 90% to 10% split between publishing and platform peers, to reflect North Media's 2024 revenue split between its Last Mile (publishing) and Digital Services.

Selected publishing and platform companies overview:

Alma Media: is a Finland-based digital media company focusing on digital services and journalistic content. Alma Media has divested its printed newspaper publishing business and has only its digital media arm now.

Rebl Group: is a Finland-based communications group that owns companies engaged in publishing and printing newspapers in Eastern Finland, including one company that operates printing plants. The company also provides services in graphic design and is a suitable peer to FK Distribution.

Sanoma Oyj: is a Finnish media group with physical and digital media brands. The company also develops printed and digital learning materials for teachers.

TX Group AG: is a Swiss media group that hosts the largest editorial network in Switzerland, publishing and printing Sunday newspapers and magazines, as well as hosting digital marketplaces and digital media brands.

Rightmove plc: is the UK's leading online real estate portal, providing property listings, market insights, and digital advertising solutions for estate agents, landlords, and homebuyers. The company is listed on the London Stock Exchange (LSE) and is a constituent of the FTSE 100 Index.

Scout24 SE: is a German-based digital marketplace for residential and commercial real estate. It has also launched activities in Austria and is a suitable peer to North Media's BoligPortal.

Company	Price	Total return	Market cap	EV	EV/EBITDA		EV/EBIT		P/E		EBIT margin	
	(local)	YTD	(EURm)	(EURm)	2024	2025e	2024	2025e	2024	2025e	3-yr avg	LTM
Alma Media Oyj	EUR 13.9	30.7%	1,140	1,275	11.8	13.0	14.7	15.5	18.3	19.3	24.1%	23.8%
Rebl Group Oyj	EUR 1.3	12.5%	16	43	3.0	8.6	NM	NM	2.3	NM	-1.3%	-1.9%
Sanoma Oyj	EUR 11	44.8%	1,784	2,444	8.0	6.4	25.5	13.9	47.9	18.7	13.4%	8.6%
TX Group AG	CHF 202.5	14.5%	2,291	2,384	10.2	10.6	28.4	17.1	54.2	29.7	10.4%	-0.5%
Median publishing peers		22.6%	1,462	1,830	9.1	9.6	25.5	15.5	33.1	19.3	11.9%	4.0%
Rightmove plc	GBP 7.7	20.4%	6,842	6,799	18.9	19.4	19.2	19.9	26.0	26.6	71.9%	67.4%
Scout24 SE	EUR 115	36.6%	8,287	8,571	23.0	21.8	24.7	25.7	35.5	34.4	47.7%	43.6%
Median platform peers		28.5%	7,564	7,685	21.0	20.6	21.9	22.8	30.8	30.5	59.8%	55.5%
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Note: Data from 26/08/2025

Note: No adjustments made for Seek Ltd skewed reporting season which runs from 1 July 2023 – 30 June 2024. North Media estimates from 1 analyst

Source: S&P Capital IQ