ALMA MEDIA

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Petri Gostowski, Head of Research
+358 40 821 5982
petri.gostowski@inderes.fi

INDERES CORPORATE CUSTOMER

COMPANY REPORT

Earnings growth raises the expected return high

Alma Media's Q2 earnings exceeded our forecast thanks to good development in all business areas. The company's impressive operational performance provides a good basis for strong earnings growth in the coming years. Earnings growth in the coming years thus forms a significant part of the attractive expected return for the next few years. Considering this overall picture and the upward revisions to our estimates, we raise our target price to EUR 16.5 (was 15.0) and our recommendation to Buy (was Accumulate).

Impressive performance continued in Q2

Alma Media's revenue grew by 5% to 87.9 MEUR in Q2, slightly exceeding our expectations. The estimate beat was broad-based, with the development of several of the company's businesses being slightly better than anticipated Alma Media's adjusted EBIT in Q2 was 24.4 MEUR, corresponding to a very good profitability of 27.7% (Q2'25: 25.2%). The significant overperformance in profitability was partly due to a larger-than-anticipated decrease in depreciation, but even with this taken into account, the profitability development was broadly convincing. Alma Media has long been able to grow in a challenging market while keeping its cost level under tight control, which has significantly strengthened its profitability in recent years. We commented on the Q2 report in more detail on Wednesday, which can be read here.

Reaching the guidance looks easy

Alma Media reiterated its guidance for 2026, expecting its revenue to remain at the previous year's level and adjusted EBIT to grow. Since H1, the company's revenue has grown by 5% and earnings by 17% from the comparison period. Considering this background and the domestic economic development, which has recently shown signs of improvement, we believe achieving the guidance will be easy. If domestic economic growth broadens and the recovery in consumer confidence materializes into consumption, we consider a guidance upgrade for the rest of the year to be quite possible.

Our estimates continued to rise

In line with a stronger-than-expected Q2 report and a slightly improved economic growth outlook, we have raised our estimates. At the revenue level, we made marginal adjustments across the board, so current and next year's estimates increased by 1%. At the adjusted earnings level, EBIT estimates were raised due to lower depreciation estimates, but our profitability estimates for Marketplaces and News Media in particular increased due to good cost efficiency. However, some of this was offset by an increase in group costs, but our adjusted EBIT estimates for the coming years increased by 5-6%. We expect scalable growth from Alma Media in the coming years, as the average revenue growth of 4% translates into an average adjusted EBIT growth of 12% in our estimates for 2026-2028.

High expected return from earnings growth

Based on the LTM results, the adjusted P/E and EV/EBIT multiples for the stock are around 17x and 14x. In our view, considering Alma Media's high return on capital, good cash flow profile, and growth outlook, these valuation multiples are neutral. The expected return is based on our estimated strong earnings growth in the coming years (2026-2028 EPS growth-% 15%). This, together with our estimated dividend yield of around 4%, raises the expected return for the next few years clearly above the required return. The moderate valuation is also suggested by our DCF model, which stands at EUR 17 per share. We therefore consider the risk/reward ratio of the stock to be very attractive.

Recommendation

Buy
(was Accumulate)

Target price:
EUR 16.50
(was EUR 15.00)

Share price:
EUR 13.80

Business risk

Valuation risk

	2025	2026e	2027e	2028e
Revenue	327	345	359	369
growth-%	5%	5%	4%	3%
EBIT adj.	82.1	95.9	104.2	109.1
EBIT-% adj.	25.1 %	27.8 %	29.0 %	29.6 %
Net Income	55.4	72.3	79.7	84.0
EPS (adj.)	0.72	0.89	0.97	1.03
P/E (adj.)	19.8	15.6	14.2	13.4
P/B	4.8	4.0	3.6	3.2
Dividend yield-%	3.3 %	3.8 %	3.9 %	4.1 %
EV/EBIT (adj.)	15.8	12.7	11.3	10.4
EV/EBITDA	13.4	11.1	10.0	9.3
EV/S	4.0	3.5	3.3	3.1

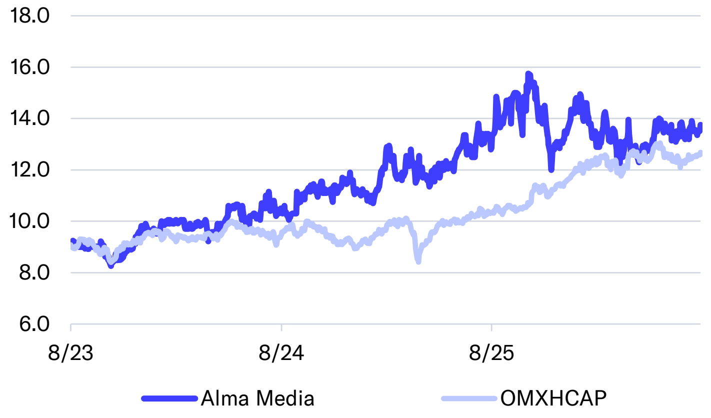
Source: Inderes

Guidance (Unchanged)

Alma Media expects its full-year revenue of 2026 to remain at the 2025 level and the adjusted operating profit to grow. The full-year revenue for 2025 was 327.1 MEUR and the adjusted operating profit

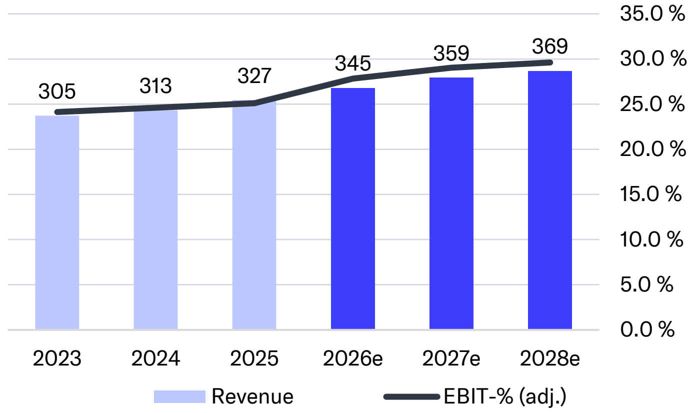
was 82.1 MEUR.

Share price



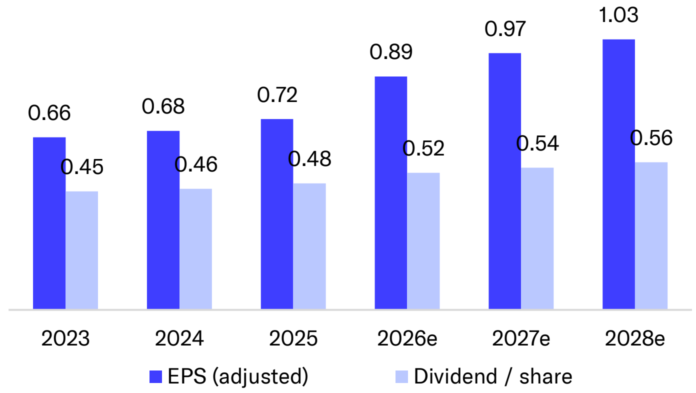
Source: Millistream Market Data AB

Revenue and EBIT % (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

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

- Cyclicality 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	2026e	2027e	2028e
Share price	13.80	13.80	13.80
Number of shares, millions	82.4	82.4	82.4
Market cap	1137	1137	1137
EV	1222	1181	1140
P/E (adj.)	15.6	14.2	13.4
P/E	15.7	14.3	13.5
P/B	4.0	3.6	3.2
P/S	3.3	3.2	3.1
EV/Sales	3.5	3.3	3.1
EV/EBITDA	11.1	10.0	9.3
EV/EBIT (adj.)	12.7	11.3	10.4
Payout ratio (%)	59.2 %	55.8 %	54.9 %
Dividend yield-%	3.8 %	3.9 %	4.1 %

Source: Inderes

Impressive performance continued in Q2

Growth rate at a good level

Alma Media's Q2 revenue growth of 5% was slightly brisker than we expected. The estimate overshoots came quite broadly from all segments and businesses. Career's revenue grew by 5% year-on-year, driven by classifieds revenue. Their development was slightly more robust than we anticipated, and growth in the most important market, the Czech Republic, has continued at a relatively good level. The company has also observed signs of recovery in the Baltics.

Marketplaces' revenue grew by 9% from the comparison period, which still reflected the acquisition of Effortia. However, organic growth reached almost 7%, as the Real Estate unit, in particular, continued its strong growth (+15%) across a wide range of services. This was supported by Mobility's good 5% growth, considering the subdued development of the new and used car markets.

News Media's performance also came as a positive surprise, as it managed to push its growth to 1%. This was driven by strong growth in digital advertising revenue in a muted market, in addition to continued strong growth in digital content, consistent with recent trends. These more than compensated for the weak performance of print, although print advertising exceptionally achieved slight growth in Q2, which was characterized by weak market development.

A significant leap in profitability

Alma Media's Q2 profitability rose to 27.7%, which represents a significant leap from the comparison period. The improvement in profitability is partly explained by a decrease in depreciation, as certain PPA depreciations from acquisitions have ended. Even after these adjustments, profitability strengthened, driven particularly by impressive cost efficiency in Marketplaces and News Media. Marketplaces has achieved synergy benefits from the acquisitions made, so despite clear top-line growth, its costs were approximately at the level of the comparison period. Correspondingly, the cost level of News Media decreased as printing costs, among others, have decreased.

Cash flow is rolling in nicely

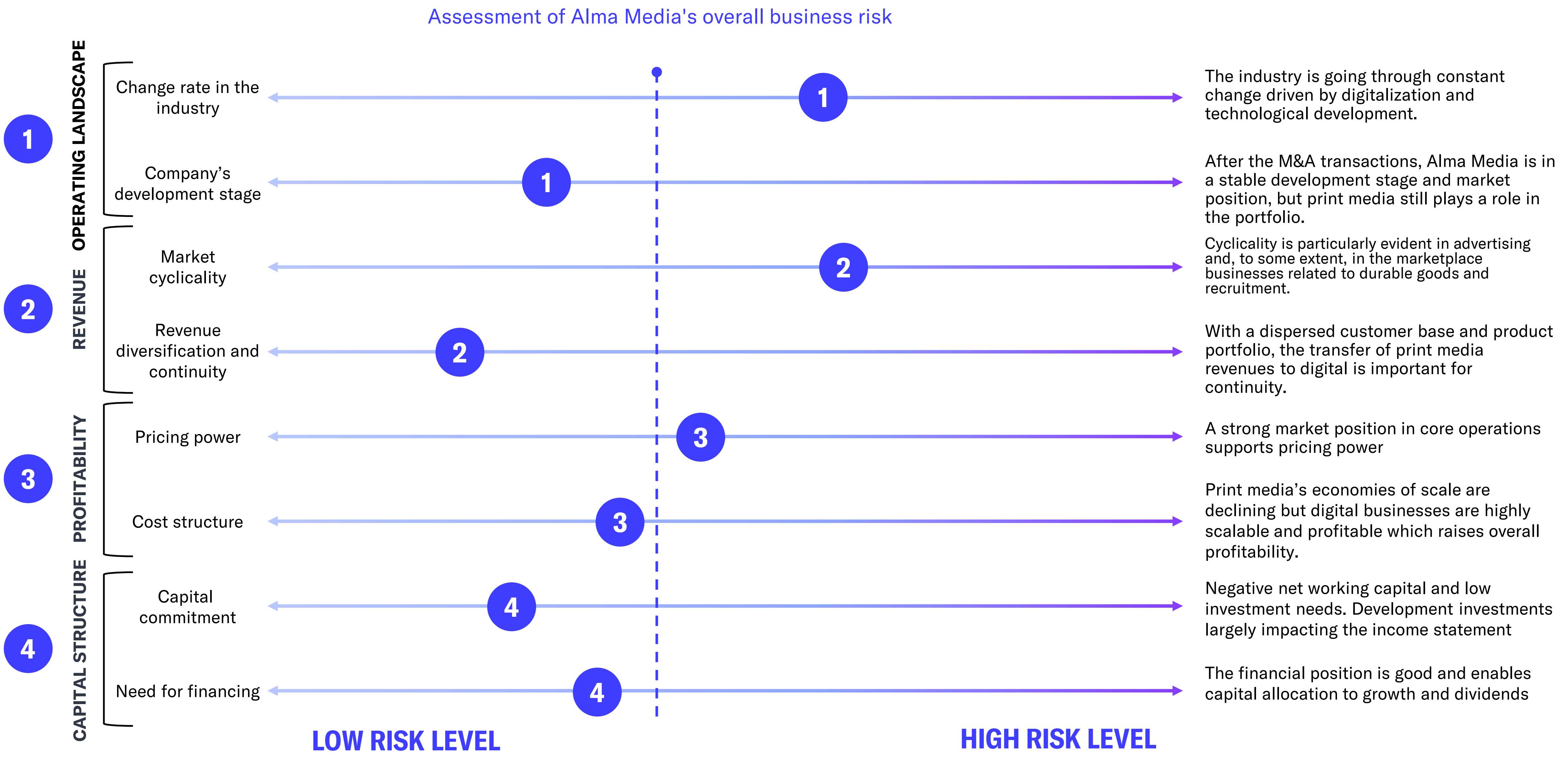
Alma Media generated a cash flow from operating activities of 44.5 MEUR in H1, reflecting its high cash conversion rate (H1 adjusted EBITDA 52.3 MEUR). Reflecting the low investment level, its free cash flow (incl. IFRS16 payments) amounted to 39.1 MEUR.

At the end of H1'26, the company's net debt was a moderate 125 MEUR, or 1.2x the previous 12 months' EBITDA. The debt level reflected dividend payments in the spring, in addition to which the company repaid debts supported by a good cash position. The company's financial position provides significant capacity (250-300 MEUR) to execute acquisitions and continue to pay increasing profit distribution. Consequently, the company's financial position and balance sheet ratios are at a very good level.

Estimates	Q2'25	Q2'26	Q2'26e	Q2'26e	Consensus	Difference (%)	2026e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low High	Act. vs. inderes	Inderes
Revenue	83.7	87.9	87.0	86.4	86.2 - 87.0	1%	345
EBIT (adj.)	21.1	24.4	22.6	23.2	22.6 - 24.3	8%	95.9
EBIT	19.9	24.2	22.4	23.2	22.4 - 24.3	8%	95.2
EPS (reported)	0.18	0.22	0.20	0.21	0.20 - 0.22	12%	0.88
Revenue growth-%	4.7 %	4.9 %	3.9 %	3.2 %	2.9 % - 3.9 %	1 pp	5.3 %
EBIT-% (adj.)	25.2 %	27.7 %	26.0 %	26.9 %	26.2 % - 27.9 %	1.7 pp	27.8 %

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

Risk profile of the business model



Our estimates continued to rise

Guidance also remained unchanged in Q2

Alma Media reiterated its guidance for 2026, stating that its revenue will be at the previous year's level and adjusted EBIT will grow from the previous year. The thresholds for the verbal guidance (i.e., the difference between stable and growth) are not known to us, but it is noteworthy that in H1, the company's revenue grew by 5% and, correspondingly, adjusted EBIT grew by 17% from the comparison period. In our view, these figures are at least close to the limits of the verbal guidance. Based on management's comments, we interpret that the company is cautious with its guidance, as the improved economic development has not yet been widely reflected in the markets.

Our earnings forecasts rose again

Following the Q2 report, we have made clear upward revisions to our estimates for the current and coming years. At the revenue level, the estimate changes affected all segments, but overall, the revenue estimates increased by only about 1% on an annual basis.

Our adjusted EBIT estimates rose significantly as we raised our profitability estimates for the coming years and for the long term. The 5-6% revisions in our adjusted EBIT estimates for the coming years were due to decreased depreciation estimates and revisions in cost efficiency, especially in Marketplaces and News Media. We believe Marketplaces' earnings growth will continue to be supported by upcoming synergies, which is why we have lowered our cost estimates for it. Similarly, in News Media, the change in revenue structure due to the decline in print media drives its cost level downwards. These factors support the segments' margin improvement in addition to digital-driven top-line growth.

Strong earnings growth in 2026

We expect Alma Media's revenue to grow by 5% in 2026. Growth is particularly driven by the Marketplaces and Career segments, while we expect improved margins from all segments. We therefore expect adjusted EBIT to grow by 17%, and we consider an uplift to the guidance quite possible for the rest of the year.

We expect earnings growth to continue in the coming years

The earnings growth outlook for 2027-2028 is also good, as we believe the market will continue to grow and Alma Media's competitiveness will remain strong Revenue growth will come from scalable, high-margin revenues in all business areas, which is why we expect their profitability to improve in line with revenue growth. Against this background, our EBIT growth estimates for Alma Media in 2027-2028 are 9% and 5%. In our 2028 estimates, profitability will rise to 29.6%, close to the company's target of over 30%.

Estimate revisions MEUR / EUR	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %	2028e Old	2028e New	Change %
Revenue	341	345	1%	355	359	1%	364	369	1%
EBIT (exc. NRIs)	90.3	95.9	6%	98.7	104	6%	104	109	5%
EBIT	89.6	95.2	6%	98.1	104	6%	103	109	5%
PTP	83.6	91.7	10%	94.1	100.0	6%	100	105	5%
EPS (excl. NRIs)	0.81	0.89	10%	0.92	0.97	6%	0.98	1.03	5%
DPS	0.50	0.52	4%	0.52	0.54	4%	0.54	0.56	4%

Source: Inderes

Alma Media Corporation, Q2'26

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
- The decrease in the company's development costs as large projects end improves the profitability potential
- 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
- Possible changes in competitive position
- Technology changes offer opportunities and risks

High expected return from earnings growth

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.

Strong earnings growth raises the expected return

In our estimates, operational earnings growth in the coming years will reach a high level of around 12%, supported by a gradual increase in revenue and profitability Operational earnings growth also flows efficiently to the bottom line, and our average estimated earnings per share is around 15% annually. Thus, earnings growth is a key driver of the expected return in the coming years.

Alma Media's earnings-based valuation multiples for the last 12 months are an adjusted P/E of some 17x and an adjusted EV/EBIT of 14x. In our view, these earnings-based valuation multiples are justified and relatively neutral, given Alma Media's rather good return on capital capacity and moderate organic growth outlook. In our view, a justified valuation level is an EV/EBIT multiple of around 14-16x and a P/E multiple of around 16-20x.

The earnings outlook for the coming years is also supported by the dividend yield, as with our estimates and the current share price level, the dividend yield will average around 4% in the next few years. Against this backdrop, the total expected return, comprising earnings growth and dividend yield, is an attractive and clear double-digit figure that exceeds our required return substantially. Thus, we believe the stock's risk/reward ratio is very attractive.

The cash flow statement indicates undervaluation

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.

The value of the share according to our cash flow model rose to EUR 17.0 due to upward revisions in our medium and long-term estimates (was EUR 15.7). In the model, our long-term growth forecast is 2.5%, which reflects our estimate of organic growth potential (i.e., excluding acquisitions). Our profitability estimates, on the other hand, average nearl28% over the entire forecast period, and the terminal profitability estimate is 26.5%. Thus, the forecasted long-term operating result growth is just under 5% p.a., meaning that we expect growth to scale into earnings development also in the long run. These profitability levels are above the company's historical figures, so our model also includes expectations of future profitability improvement, which we consider warranted in light of the track record.

Valuation	2026e	2027e	2028e
Share price	13.80	13.80	13.80
Number of shares, millions	82.4	82.4	82.4
Market cap	1137	1137	1137
EV	1222	1181	1140
P/E (adj.)	15.6	14.2	13.4
P/E	15.7	14.3	13.5
P/B	4.0	3.6	3.2
P/S	3.3	3.2	3.1
EV/Sales	3.5	3.3	3.1
EV/EBITDA	11.1	10.0	9.3
EV/EBIT (adj.)	12.7	11.3	10.4
Payout ratio (%)	59.2 %	55.8 %	54.9 %
Dividend yield-%	3.8 %	3.9 %	4.1 %

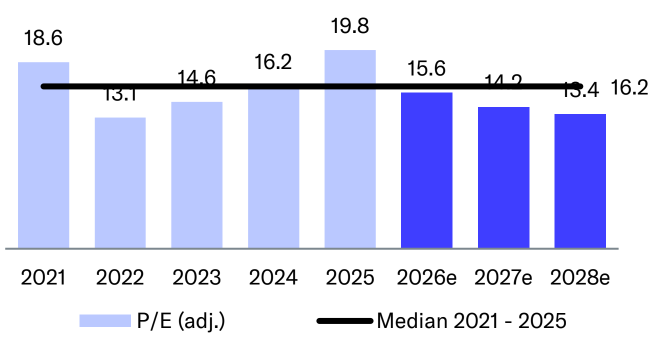
Source: Inderes

Valuation table

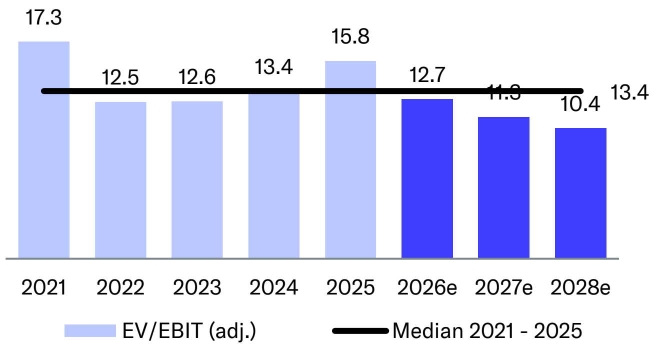
Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	10.8	9.40	9.60	11.0	14.4	**13.80**	**13.80**	**13.80**	**13.80**
Number of shares, millions	82.4	82.2	82.1	82.1	82.4	**82.4**	**82.4**	**82.4**	**82.4**
Market cap	891	773	788	903	1182	**1137**	**1137**	**1137**	**1137**
EV	1059	920	925	1029	1297	**1222**	**1181**	**1140**	**1096**
P/E (adj.)	18.6	13.1	14.6	16.2	19.8	**15.6**	**14.2**	**13.4**	**12.8**
P/E	20.4	10.7	14.0	17.3	21.4	**15.7**	**14.3**	**13.5**	**12.9**
P/B	5.4	3.8	3.6	3.9	4.8	**4.0**	**3.6**	**3.2**	**2.8**
P/S	3.2	2.5	2.6	2.9	3.6	**3.3**	**3.2**	**3.1**	**3.0**
EV/Sales	3.8	3.0	3.0	3.3	4.0	**3.5**	**3.3**	**3.1**	**2.9**
EV/EBITDA	14.4	9.5	10.2	11.3	13.4	**11.1**	**10.0**	**9.3**	**8.6**
EV/EBIT (adj.)	17.3	12.5	12.6	13.4	15.8	**12.7**	**11.3**	**10.4**	**9.6**
Payout ratio (%)	66.1 %	50.0 %	65.7 %	72.3 %	71.4 %	**59.2 %**	**55.8 %**	**54.9 %**	**54.3 %**
Dividend yield-%	3.2 %	4.7 %	4.7 %	4.2 %	3.3 %	**3.8 %**	**3.9 %**	**4.1 %**	**4.2 %**

Source: Inderes

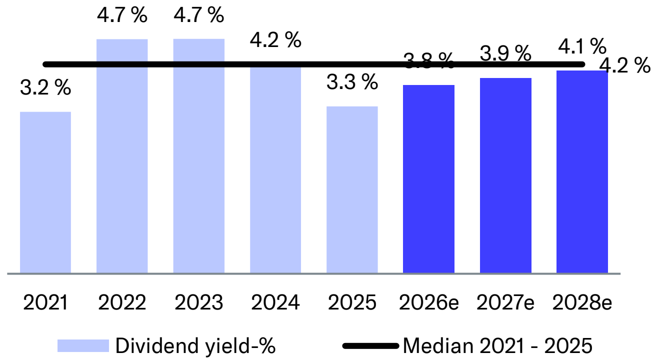
P/E (adj.)



EV/EBIT (adj.)



Dividend yield-%



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	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	MEUR	MEUR	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e
Agora SA	342	127		12.8	17.5	9.7	0.9	0.8	49.7	16.7			0.8
Future PLC	346	752	4.3	4.4	3.6	3.6	0.9	0.9	3.3	3.3	5.2	5.5	0.6
USA Today Co	870	1633	14.2	14.7	6.7	6.4	0.9	0.9	25.7	25.5			
Lagardere SA	2658	7371	11.4	10.8	6.2	5.9	0.8	0.7	9.3	8.5	3.7	3.7	2.5
Arnoldo Mondadori Editore SpA	560	874	9.2	9.0	5.3	5.2	0.9	0.9	9.0	8.8	7.9	8.6	1.0
New York Times Co	8862	8290	17.1	15.0	14.7	13.3	3.1	2.9	22.0	20.4	1.4	1.6	4.6
TX Group AG	1674	1829	13.4	12.1	7.5	7.1	2.1	2.1	16.3	14.5	3.3	3.5	0.7
Promotora de Informaciones SA	394	1137	9.5	9.5	5.8	5.8	1.1	1.1	62.2	73.1			
Vocento SA	99	193	124.4	20.2	8.3	6.3	0.6	0.6		158.0			0.9
Auto Trader Group PLC	4828	5053	10.5	10.3	10.1	10.0	6.9	6.7	14.9	13.8	2.2	2.4	7.9
Carsales.Com Ltd	6811	7635	21.4	19.7	17.8	16.2	9.8	9.1	27.8	25.6	2.9	3.2	3.7
Moneysupermarket.Com Group PLC	1215	1250	8.3	8.0	8.1	7.1	2.4	2.3	10.9	10.1	6.5	6.7	4.5
REA Group Ltd	14183	14012	25.0	21.5	21.6	18.9	12.7	12.2	36.4	31.0	1.6	2.0	11.2
Rightmove PLC	4197	4163	11.8	11.1	11.3	10.7	7.8	7.3	15.8	14.1	2.3	2.6	125.5
Scout24 SE	5546	5945	15.1	13.1	13.0	11.5	7.8	7.0	18.8	16.1	2.3	2.7	3.8
Seek Ltd	3521	4208	19.1	17.0	13.0	11.8	5.8	5.3	29.2	25.0	3.2	3.6	2.3
Stroeer SE & Co KgaA	2213	3905	12.8	11.1	6.1	5.7	1.8	1.7	13.3	11.3	5.3	5.8	4.3
Hemnet Group	755	818	15.0	11.5	13.3	10.5	6.1	5.1	18.6	13.8	1.7	2.2	10.0
Vend Marketplaces ASA	4746	4615	26.9	19.2	19.8	15.7	7.8	7.0	34.4	24.1	1.1	1.2	2.8
Alma Media (Inderes)	**1137**	**1222**	**12.7**	**11.3**	**11.1**	**10.0**	**3.5**	**3.3**	**15.6**	**14.2**	**3.8**	**3.9**	**4.0**
Average		**3602**	**20.8**	**13.2**	**10.9**	**9.4**	**4.0**	**3.7**	**23.5**	**27.6**	**3.5**	**3.7**	**11.5**
Median		**1829**	**13.4**	**11.8**	**9.2**	**8.4**	**2.2**	**2.2**	**18.6**	**15.6**	**3.1**	**3.3**	**3.3**
Diff-% to median			***-5%***	***-4%***	***21%***	***19%***	***60%***	***49%***	***-16%***	***-9%***	***23%***	***18%***	***24%***

Source: Refinitiv / Inderes

Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	**313**	**79.2**	**83.7**	**79.3**	**84.9**	**327**	**83.1**	**88.0**	**83.6**	**89.9**	**345**	**359**	**369**	**377**
Alma Career	107	26.7	27.0	26.2	26.4	106	27.9	28.5	27.6	27.9	112	116.1	119	121
Alma Marketplaces	98.3	26.9	29.2	28.6	30.4	115	30.1	31.9	31.3	33.6	127	134	139	144
Alma News Media	107	25.8	27.5	24.6	28.4	106	25.4	27.8	24.7	28.4	106	109	111	112
EBITDA	**91.0**	**21.0**	**24.5**	**27.3**	**23.9**	**96.7**	**24.4**	**27.6**	**29.1**	**28.6**	**110**	**118**	**123**	**127**
Depreciation	-17.6	-4.4	-4.6	-4.7	-5.2	-18.9	-4.1	-3.4	-3.5	-3.5	-14.5	-14.7	-14.3	-14.4
EBIT (excl. NRI)	**76.9**	**17.2**	**21.1**	**22.7**	**21.1**	**82.1**	**20.4**	**24.4**	**25.8**	**25.3**	**95.9**	**104**	**109**	**114**
EBIT	**73.4**	**16.6**	**19.9**	**22.6**	**18.7**	**77.8**	**20.3**	**24.2**	**25.6**	**25.1**	**95.2**	**104**	**109**	**113**
Alma Career	43.1	9.8	11.3	11.0	10.3	42.4	11.2	12.0	12.2	11.8	47.2	50.6	52.4	54.4
Alma Marketplaces	27.8	7.0	7.4	9.6	8.1	32.1	9.5	11.1	12.1	11.6	44.3	48.6	51.2	53.9
Alma News Media	13.7	2.8	4.6	4.4	4.5	16.3	3.7	5.5	4.9	6.1	20.1	21.1	22.2	22.2
Unallocated	-11.2	-3.0	-3.4	-2.4	-4.2	-13.0	-4.0	-4.2	-3.4	-4.2	-15.8	-16.2	-16.8	-17.0
NRIs	-0.1	0.0	0.0	0.0	-0.2	-0.2	-0.1	-0.2	-0.2	-0.2	-0.7	-0.5	-0.5	-0.5
Net financial items	-7.7	-2.3	-2.0	-2.1	-1.7	-8.0	-0.8	-1.0	-1.0	-1.0	-3.8	-3.9	-3.4	-3.0
PTP	**67.0**	**14.4**	**18.5**	**20.9**	**16.9**	**70.7**	**19.7**	**23.3**	**24.6**	**24.1**	**91.7**	**100.0**	**105**	**110**
Taxes	-14.4	-3.2	-3.2	-4.1	-4.5	-15.0	-3.9	-4.7	-5.2	-5.1	-18.8	-19.9	-21.0	-22.0
Minority interest	-0.3	0.0	-0.1	-0.2	0.0	-0.3	-0.1	-0.2	-0.1	-0.1	-0.5	-0.4	-0.4	-0.4
Net earnings	**52.3**	**11.1**	**15.2**	**16.7**	**12.4**	**55.4**	**15.7**	**18.4**	**19.3**	**18.9**	**72.3**	**79.7**	**84.0**	**87.9**
EPS (adj.)	**0.68**	**0.14**	**0.20**	**0.20**	**0.18**	**0.72**	**0.19**	**0.23**	**0.24**	**0.23**	**0.89**	**0.97**	**1.03**	**1.07**
EPS (rep.)	**0.64**	**0.13**	**0.18**	**0.20**	**0.15**	**0.67**	**0.19**	**0.22**	**0.23**	**0.23**	**0.88**	**0.97**	**1.02**	**1.07**

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	2.5 %	3.8 %	4.7 %	5.5 %	4.6 %	4.7 %	5.0 %	5.0 %	5.5 %	5.8 %	5.3 %	4.2 %	2.7 %	2.3 %
Adjusted EBIT growth-%	4.5 %	6.7 %	8.8 %	3.9 %	8.0 %	6.8 %	18.6 %	15.9 %	13.4 %	20.1 %	16.8 %	8.7 %	4.7 %	4.1 %
EBITDA-%	29.1 %	26.5 %	29.2 %	34.5 %	28.1 %	29.6 %	29.4 %	31.4 %	34.8 %	31.8 %	31.8 %	33.0 %	33.3 %	33.8 %
Adjusted EBIT-%	24.6 %	21.7 %	25.1 %	28.7 %	24.8 %	25.1 %	24.5 %	27.7 %	30.8 %	28.1 %	27.8 %	29.0 %	29.6 %	30.1 %
Net earnings-%	16.7 %	14.0 %	18.1 %	21.0 %	14.6 %	16.9 %	18.9 %	20.9 %	23.1 %	21.1 %	21.0 %	22.2 %	22.8 %	23.3 %

Source: Inderes

Full-year earnings per share are calculated using the number of shares at year-end.

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	**445**	**451**	**448**	**446**	**446**
Goodwill	309	323	323	323	323
Intangible assets	88	86	86	87	88
Tangible assets	39	33	30	28	26
Associated companies	5.7	3.4	3.4	3.4	3.4
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	3.6	3.7	3.7	3.7	3.7
Deferred tax assets	0.4	1.7	1.7	1.7	1.7
Current assets	**81.1**	**71.1**	**83.6**	**111**	**139**
Inventories	0.7	0.8	0.7	0.7	0.7
Other current assets	1.7	0.9	0.9	0.9	0.9
Receivables	36	37	38	39	41
Cash and equivalents	43	33	44	70	96
Balance sheet total	**526**	**522**	**532**	**557**	**584**

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	**235**	**250**	**282**	**319**	**359**
Share capital	45	45	45	45	45
Retained earnings	162	175	208	245	284
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	7.7	7.8	7.8	7.8	7.8
Other equity	18	20	20	20	20
Minorities	2	1	1	1	1
Non-current liabilities	**196**	**173**	**142**	**127**	**112**
Deferred tax liabilities	18	17	17	17	17
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	175	151	120	105	90
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	2.9	5.0	5.0	5.0	5.0
Current liabilities	**95**	**99**	**107**	**111**	**113**
Interest bearing debt	10	8	10	10	10
Payables	82	85	91	95	98
Other current liabilities	3.0	6	5.7	5.7	5.7
Balance sheet total	**526**	**521**	**532**	**557**	**584**

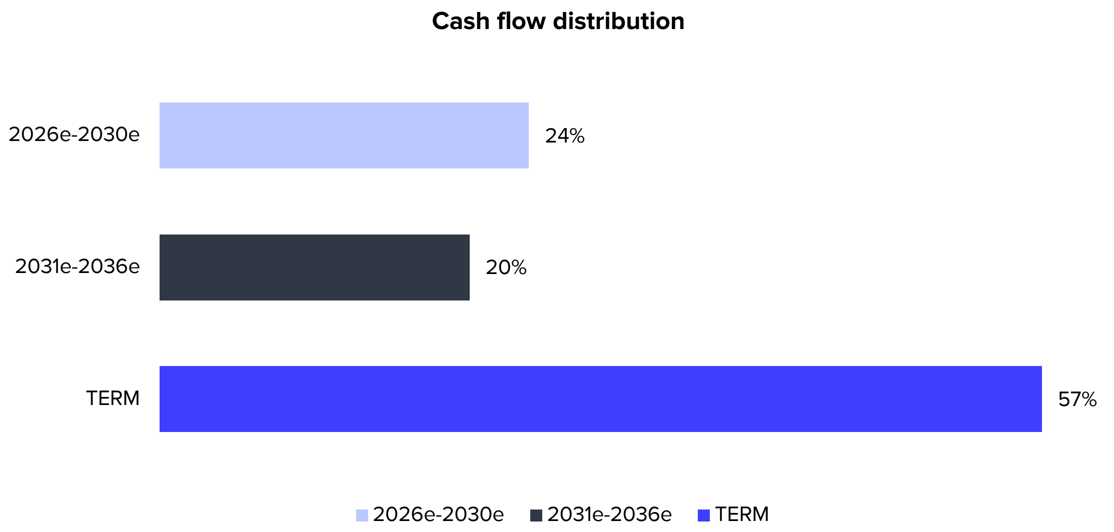
DCF-calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e	TERM
Revenue growth-%	4.7 %	5.3 %	4.2 %	2.7 %	2.3 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %
EBIT-%	23.8 %	27.6 %	28.9 %	29.4 %	30.0 %	29.0 %	28.0 %	28.0 %	27.0 %	27.0 %	26.5 %	26.5 %	26.5 %
EBIT (operating profit)	**77.8**	**95.2**	**104**	**109**	**113**	**112**	**111**	**114**	**112**	**115**	**116**	**119**	
+ Depreciation	18.9	14.5	14.7	14.3	14.4	13.6	14.4	14.5	14.6	15.9	16.4	16.4	
- Paid taxes	-16.5	-18.8	-19.9	-21.0	-22.0	-21.9	-21.8	-22.4	-22.3	-22.9	-23.1	-23.7	
- Tax, financial expenses	-1.7	-0.8	-0.8	-0.7	-0.6	-0.5	-0.4	-0.3	-0.2	-0.1	-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	6.0	4.9	2.2	1.5	1.3	1.4	1.5	1.5	1.6	1.6	1.6	1.7	
Operating cash flow	**84.5**	**95.0**	**99.8**	**103**	**106**	**105**	**105**	**107**	**106**	**110**	**111**	**113**	
+ Change in other long-term liabilities	2.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-25	-12	-13.0	-13.7	-14.0	-14.7	-15.3	-15.4	-16.5	-16.5	-16.5	-16.7	
Free operating cash flow	**61**	**83**	**86.8**	**88.9**	**92.1**	**90.0**	**89.3**	**91.6**	**89.6**	**93.1**	**94.2**	**96.4**	
+/- 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	61	83	86.8	88.9	92.1	90.0	89.3	91.6	89.6	93.1	94.2	96.4	1908
Discounted FCFF		**81**	**78.4**	**74.5**	**71.7**	**65.1**	**59.9**	**57.1**	**51.8**	**50.1**	**47.0**	**44.7**	**885**
Sum of FCFF present value		1566	1485	1407	1332	1260	1195	1135	1078	1026	976	929	885

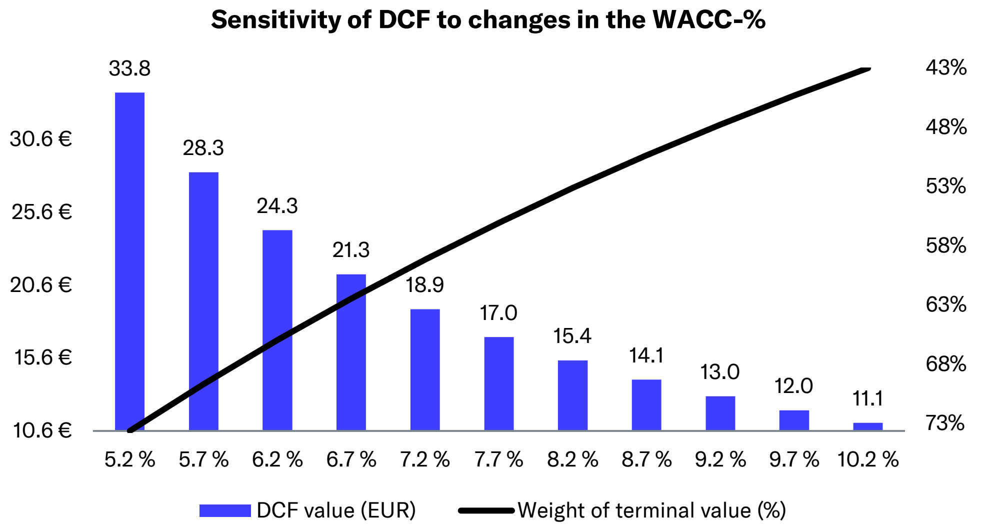
Enterprise value DCF	**1566**
- Interest bearing debt	-159
+ Cash and cash equivalents	33
+ Associated companies	5
-Minorities	-4
-Dividend/capital return	-40
Equity value DCF	**1401**
Equity value DCF per share	**17.0**

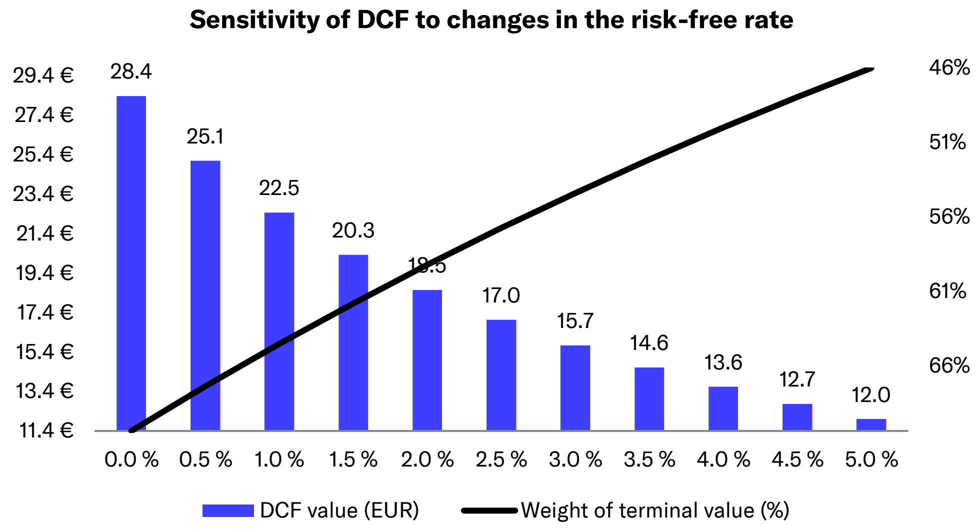
WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E)	20.0 %
Cost of debt	4.5 %
Equity Beta	1.2
Market risk premium	4.75%
Liquidity premium	0.50%
Risk free interest rate	2.5 %
Cost of equity	**8.7 %**
Weighted average cost of capital (WACC)	**7.7 %**

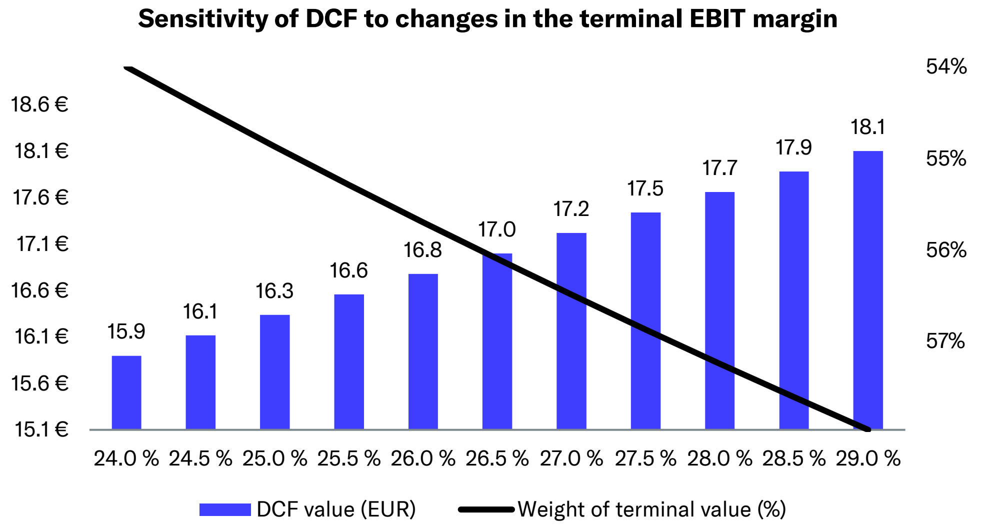
Source: Inderes

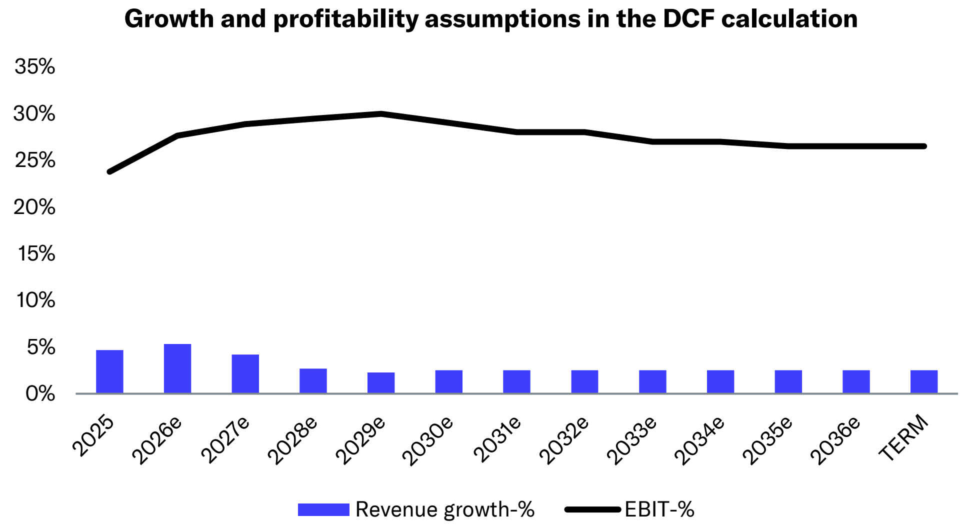


DCF sensitivity calculations and key assumptions in graphs









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

Summary

Income statement	2023	2024	2025	2026e	2027e
Revenue	305	313	327	**345**	**359**
EBITDA	90.6	91.0	96.7	**109.7**	**118.4**
EBIT	73.0	73.4	77.8	**95.2**	**103.6**
PTP	68.5	67.0	70.7	**91.7**	**100.0**
Net Income	56.2	52.3	55.4	**72.3**	**79.7**
Extraordinary items	-0.6	-3.5	-4.3	**-0.7**	**-0.6**

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	527.7	526.1	521.6	**531.6**	**557.2**
Equity capital	222.8	234.9	249.5	**282.3**	**319.1**
Goodwill	298.0	309.0	322.5	**322.5**	**322.5**
Net debt	146.5	143.2	126.0	**85.9**	**45.1**

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	90.6	91.0	96.7	**109.7**	**118.4**
Change in working capital	-7.9	2.4	6.0	**4.9**	**2.2**
Operating cash flow	69.8	77.6	84.5	**95.0**	**99.8**
CAPEX	-26.2	-23.7	-25.4	**-12.0**	**-13.0**
Free cash flow	40.4	49.8	61.2	**83.0**	**86.8**

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	3.0	3.3	4.0	**3.5**	**3.3**
EV/EBITDA	10.2	11.3	13.4	**11.1**	**10.0**
EV/EBIT (adj.)	12.6	13.4	15.8	**12.7**	**11.3**
P/E (adj.)	14.6	16.2	19.8	**15.6**	**14.2**
P/B	3.6	3.9	4.8	**4.0**	**3.6**
Dividend-%	4.7 %	4.2 %	3.3 %	**3.8 %**	**3.9 %**

Source: Inderes

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	0.68	0.64	0.67	**0.88**	**0.97**
EPS (adj.)	0.66	0.68	0.72	**0.89**	**0.97**
OCF / share	0.85	0.95	1.03	**1.15**	**1.21**
OFCF / share	0.49	0.61	0.74	**1.01**	**1.05**
Book value / share	2.68	2.83	3.02	**3.41**	**3.86**
Dividend / share	0.45	0.46	0.48	**0.52**	**0.54**

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	-1%	3%	5%	**5%**	**4%**
EBITDA growth-%	-7%	0%	6%	**13%**	**8%**
EBIT (adj.) growth-%	0%	4%	7%	**17%**	**9%**
EPS (adj.) growth-%	-9%	4%	7%	**22%**	**10%**
EBITDA-%	29.7 %	29.1 %	29.6 %	**31.8 %**	**33.0 %**
EBIT (adj.)-%	24.1 %	24.6 %	25.1 %	**27.8 %**	**29.0 %**
EBIT-%	23.9 %	23.5 %	23.8 %	**27.6 %**	**28.9 %**
ROE-%	26.5 %	23.1 %	23.0 %	**27.3 %**	**26.6 %**
ROI-%	18.4 %	17.7 %	19.0 %	**23.3 %**	**24.6 %**
Equity ratio	46.3 %	48.6 %	52.6 %	**58.4 %**	**62.8 %**
Gearing	65.8 %	61.0 %	50.5 %	**30.4 %**	**14.1 %**
Net debt/EBITDA	1.6	1.6	1.3	**0.8**	**0.4**
EBITDA/net financials	17.0	11.8	12.1	**28.9**	**30.2**

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

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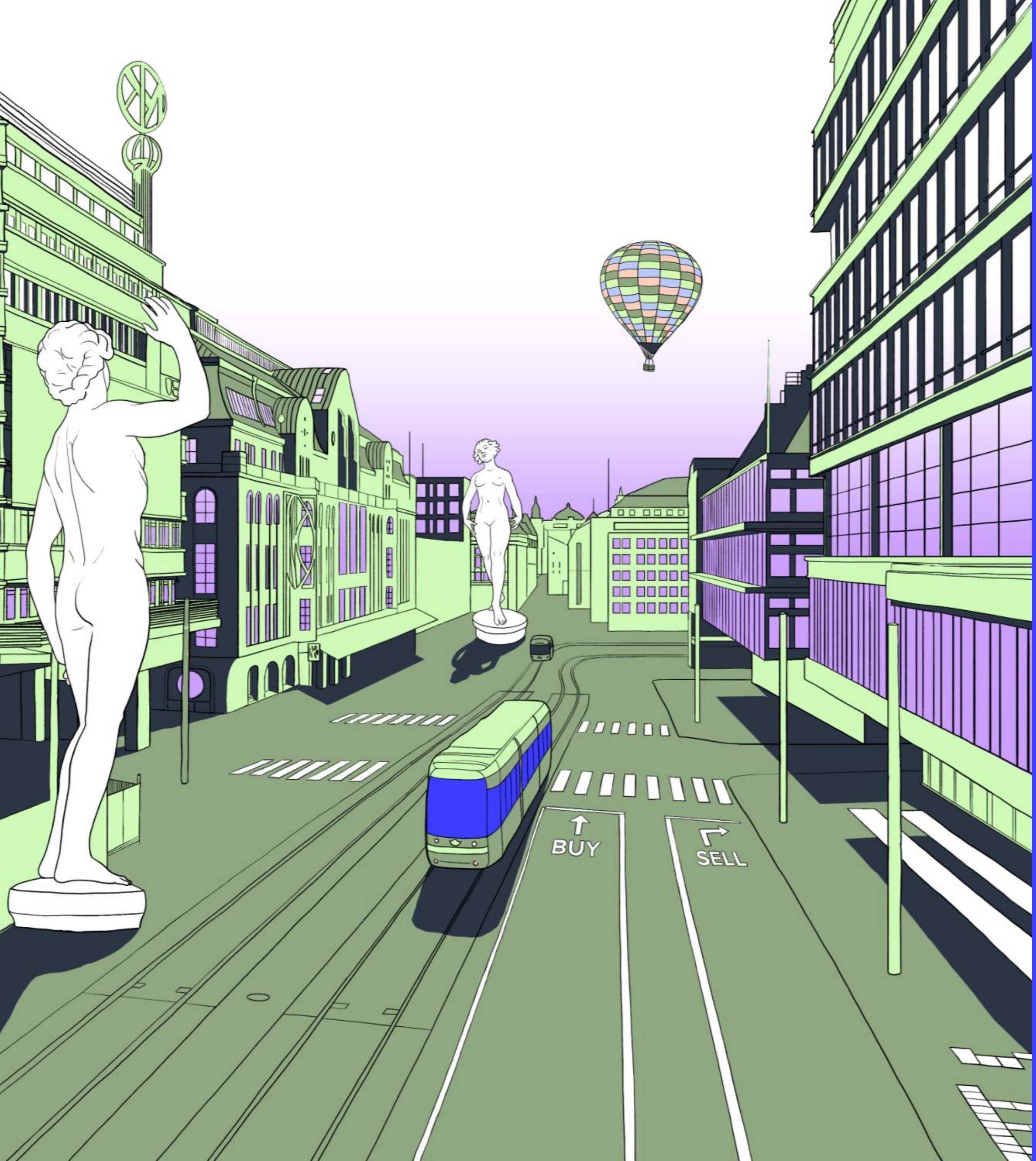
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
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 €
7/18/2025	Accumulate	13.90 €	12.90 €
10/15/2025	Reduce	15.50 €	15.30 €
11/3/2025	Reduce	15.50 €	14.80 €
2/6/2026	Accumulate	15.00 €	13.25 €
4/30/2026	Accumulate	15.00 €	12.40 €
8/13/2026	Buy	16.50 €	13.80 €



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Inderes Ab
Vattugatan 17, 5tr
Stockholm
+46 8 411 43 80

inderes.se

Inderes Oyj
Porkkalankatu 5
00180 Helsinki
+358 10 219 4690

inderes.fi