

ALMA MEDIA

10/15/2025 09:15 am EET

This is a translated version of " Ohjeistuksen nosto ei tullut puun takaa" report, published on 10/14/2025



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INDERES CORPORATE CUSTOMER COMPANY REPORT



Guidance upgrade didn't come as a surprise

We have slightly raised our short-term forecasts for Alma Media, in line with the guidance upgrade issued by the company on Tuesday. At the same time, we also made upward revisions to our forecasts for the next few years and our long-term profitability expectations. In line with these estimate changes, we raise our target price for Alma Media to EUR 15.5 (was EUR 13.90), but the earnings growth we forecast is already priced into the share, so we lower our recommendation to Reduce (was Accumulate).

Guidance rose by a notch

On Tuesday, Alma Media raised its 2025 guidance for both revenue and adjusted EBIT. The company now estimates that its 2025 revenue (2024: 312.7 MEUR) and adjusted EBIT (2024: 76.9 MEUR) will be at the 2024 level or grow. Previously, the guidance expected both to be at the 2024 level. We had anticipated after the Q2 report that the company would be in a position to raise its guidance this year, as after the first half of the year its revenue was 4% higher than the comparison period and adjusted EBIT was 8% higher. Alma Media justified the raised guidance by stating that the development of its businesses has continued favorably despite the uncertain operating environment. In addition, acquisitions support its development.

The short-term overall picture has not changed in our view

We do not believe that the raised guidance is due to a specific change in the target markets and thus in demand. Thus, in our view, the raised guidance reflects the strengthening demand outlook for the rest of the year and a small acquisition, and the change in guidance was not particularly large. We have made small positive forecast changes to our organic growth forecasts and accounted

for a recent small acquisition. Thus, we expect this year's revenue growth to settle at 5%. Alma Media's revenue is quite high-margin, and the company has also proven its ability to continuously improve its efficiency in recent years. Against this backdrop, we expect revenue growth to leverage earnings, and we forecast adjusted EBIT for the current year to grow by just over 9%.

The evidence keeps strengthening

Alma Media has managed to compensate for the slow growth in demand in recent years with its own commercial successes and acquisitions. In addition, its ability to streamline operations and improve profitability has been impressive. Given the significant development projects and the expected pick-up in demand starting next year, we have raised our medium and long-term profitability forecasts. In total, our 2025-2027 earnings estimates increased by 2-5%, and we also raised our long-term profitability forecasts underlying our cash flow model.

We believe the share is fully priced

Alma Media's adjusted P/E ratio for the past 12 months is 22x, while the corresponding EV/EBIT ratio is just over 17x. These valuation multiples are significantly above the company's long-term historical valuation. We consider the increase in valuation level relative to history justified, but in absolute terms, the aforementioned valuation multiples are demanding. Thus, part of our forecast earnings growth for the coming years is partially overshadowed by a slight downside in valuation, and we believe the share's risk/reward ratio is balanced at the current price. This overall valuation picture is also supported by our DCF model (EUR 15.5) at the level of our target price, in which we have raised long-term profitability expectations above recent historical performance.

Recommendation

Reduce
(was Accumulate)

Target price:

15.50 EUR
(was EUR 13.90)

Share price:

15.30 EUR

Business risk



Valuation risk



	2024	2025e	2026e	2027e
Revenue	313	328	341	350
growth-%	3%	5%	4%	3%
EBIT adj.	76.9	84.1	92.4	98.2
EBIT-% adj.	24.6 %	25.6 %	27.1 %	28.1 %
Net Income	52.3	59.5	69.6	75.2
EPS (adj.)	0.68	0.75	0.85	0.92
P/E (adj.)	16.2	20.4	17.9	16.6
P/B	3.9	4.9	4.4	3.9
Dividend yield-%	4.2 %	3.1 %	3.1 %	3.3 %
EV/EBIT (adj.)	13.4	16.4	14.6	13.3
EV/EBITDA	11.3	13.8	12.1	11.2
EV/S	3.3	4.2	4.0	3.7

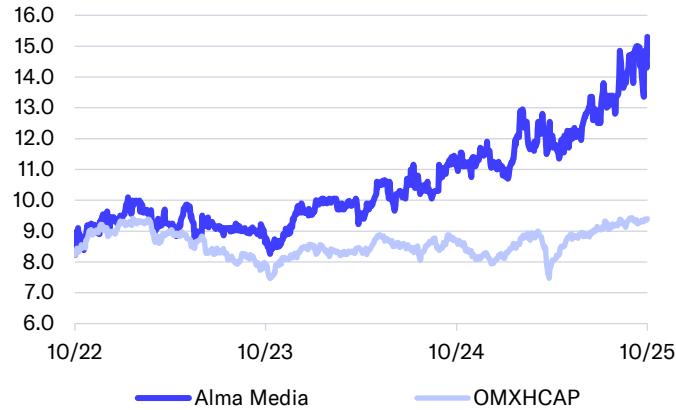
Source: Inderes

Guidance

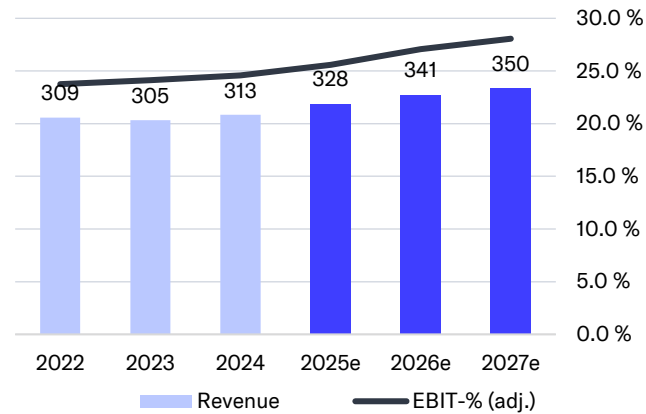
(Upgraded)

Alma Media expects its full-year revenue and adjusted operating profit of 2025 to remain at the 2024 level or grow. In 2024, Alma Media's revenue was 312.7 MEUR and adjusted EBIT 76.9 MEUR.

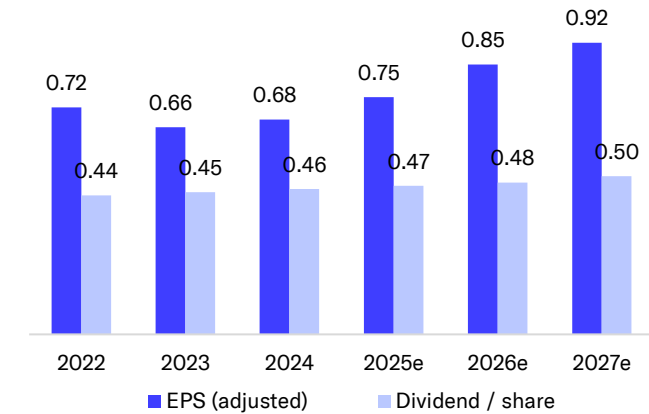
Share price



Revenue and EBIT-% (adj.)



EPS and dividend



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

- Cyclicalities 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	2025e	2026e	2027e
Share price	15.30	15.30	15.30
Number of shares, millions	82.1	82.1	82.1
Market cap	1256	1256	1256
EV	1383	1349	1311
P/E (adj.)	20.4	17.9	16.6
P/E	21.1	18.1	16.7
P/B	4.9	4.4	3.9
P/S	3.8	3.7	3.6
EV/Sales	4.2	4.0	3.7
EV/EBITDA	13.8	12.1	11.2
EV/EBIT (adj.)	16.4	14.6	13.3
Payout ratio (%)	64.8 %	56.6 %	54.6 %
Dividend yield-%	3.1 %	3.1 %	3.3 %

Source: Inderes

Guidance rose by a notch

Estimate revisions

- In line with the moderate guidance raise, we have not made major changes to our short-term forecasts
- Our 2025 forecast was, in our assessment, at least at the upper end of the old earnings guidance before the profit warning
- The small positive changes we made largely reflect the recently completed acquisition, as the company acquired Effortia, a small company with 1.7 MEUR in revenue in 2024
- In light of recent years' performance and fresh evidence, we have slightly increased our medium- and long-term profitability forecasts
- The company has a solid track record of improving operational efficiency over several years, and ongoing investments and development projects (e.g., Ovipro and Career United) suggest that profitability will continue its upward trend

Operational earnings drivers

- Our 5% revenue growth forecast for 2025 is based on growth in the Marketplaces segment, which in turn is a result of acquisitions and growth in the Swedish commercial property business
- Overall, the sluggish operating environment in 2025 will keep organic growth tight, which is reflected in the stable revenue forecasts for News Media and Career
- We expect this year's earnings growth to be driven by top-line growth in Marketplaces, while in News Media, a change in sales mix (digital sales growing) and operational efficiency improvements will strengthen earnings growth
- Our revenue growth forecasts for 2026-2026 reflect our expectations of a broad-based pick-up in demand in line with economic growth in the target markets
- The growth of Alma Media's high-margin businesses scales efficiently to the bottom line, and the completion of certain development projects is expected to improve the company's cost structure, especially in the Marketplaces and Career businesses in the coming years

Estimate revisions	2025e	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	327	328	0%	337	341	1%	346	350	1%
EBIT (exc. NRIs)	82.7	84.1	2%	88.6	92.4	4%	94.3	98.2	4%
EBIT	80.6	82.0	2%	88.1	91.9	4%	93.8	97.7	4%
PTP	73.7	75.1	2%	83.5	87.3	5%	90.4	94.4	4%
EPS (excl. NRIs)	0.74	0.75	2%	0.80	0.85	7%	0.87	0.92	6%
DPS	0.47	0.47	0%	0.48	0.48	0%	0.50	0.50	0%

Source: Inderes

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
- 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
- Changes in the competitive position
- Technology changes offer opportunities and risks

We believe the share is fully priced

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.

Earnings growth and dividend yield are not enough to make the expected return attractive

Reflecting Alma Media's dividend policy, we believe the company will continue to pursue increasing dividends. We believe that the role of the dividend is crucial for the stock's expected return over the next few years. With our estimates and the current share price level, the dividend yield is around 3% in the next few years.

In the coming years, we foresee clearly positive operational earnings growth on the back of a gradual increase in revenue and profitability. In addition, the earnings pressure from net financial expenses will decrease due to falling interest rates and a shrinking debt level. Reflecting these factors, the projected EPS growth for the next few years is on average 10% p.a.

Alma Media's earnings-based valuation multiples for the past 12 months are an adjusted P/E of 22x and an adjusted EV/EBIT of just over 17x. Over the past five years, Alma Media has been valued at an average P/E ratio of 18x and an EV/EBIT ratio of ~15x. We consider these historical levels

justified given the development of the company's quality, which acts as a counterforce to the pressure on valuation multiples caused by rising interest rates. However, in our view, the current valuation multiples for the past 12 months are demanding, and thus part of the expected return formed by earnings growth and dividend yield is overshadowed by a slight downside in valuation. Thus, we estimate the expected return for the coming years to be roughly in line with the required return, and therefore the stock's risk/reward ratio to be balanced.

DCF

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.

Our updated DCF model indicates a share value of EUR 15.5, suggesting that the stock is correctly priced. In the model, our long-term growth forecast is 2.5%, which reflects our estimate of organic growth potential (i.e., excluding acquisitions). Our long-term profitability forecasts are on average just over 27%, and the terminal profitability forecast is 26%. Thus, the long-term estimated operational earnings growth is 5% (p.a.), meaning we expect growth to scale into earnings development in the long run as well. Our profitability forecasts are also above recent historical performance, which we believe reflects the relatively demanding expectations priced into the share, though this is justified.

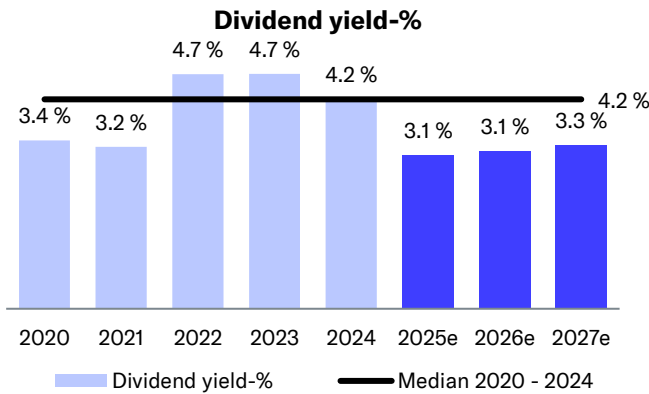
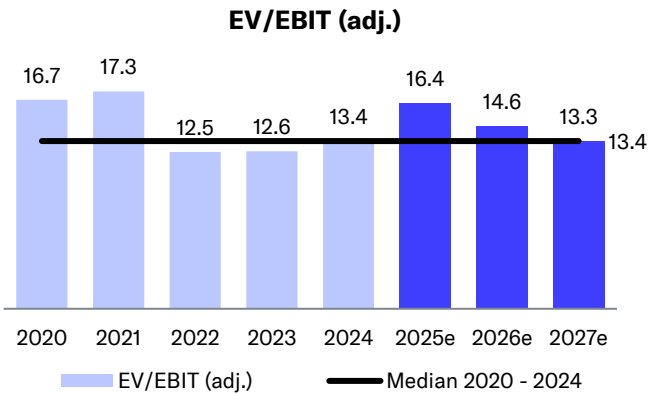
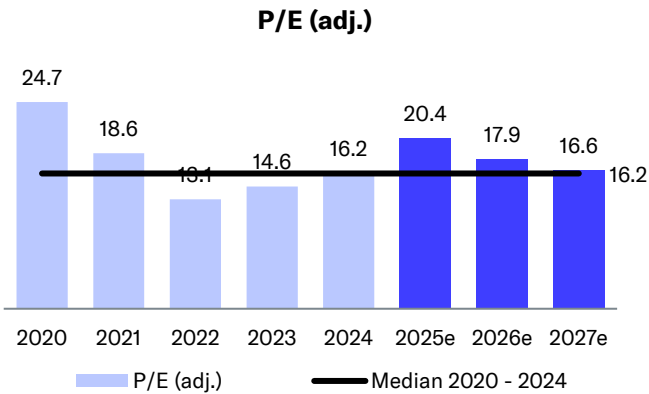
Valuation	2025e	2026e	2027e
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Market cap	1256	1256	1256
EV	1383	1349	1311
P/E (adj.)	20.4	17.9	16.6
P/E	21.1	18.1	16.7
P/B	4.9	4.4	3.9
P/S	3.8	3.7	3.6
EV/Sales	4.2	4.0	3.7
EV/EBITDA	13.8	12.1	11.2
EV/EBIT (adj.)	16.4	14.6	13.3
Payout ratio (%)	64.8 %	56.6 %	54.6 %
Dividend yield-%	3.1 %	3.1 %	3.3 %

Source: Inderes

Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	8.92	10.8	9.40	9.60	11.0	15.30	15.30	15.30	15.30
Number of shares, millions	82.3	82.4	82.2	82.1	82.1	82.1	82.1	82.1	82.1
Market cap	734	891	773	788	903	1256	1256	1256	1256
EV	756	1059	920	925	1029	1383	1349	1311	1271
P/E (adj.)	24.7	18.6	13.1	14.6	16.2	20.4	17.9	16.6	15.6
P/E	26.7	20.4	10.7	14.0	17.3	21.1	18.1	16.7	15.7
P/B	4.0	5.4	3.8	3.6	3.9	4.9	4.4	3.9	3.5
P/S	3.2	3.2	2.5	2.6	2.9	3.8	3.7	3.6	3.5
EV/Sales	3.3	3.8	3.0	3.0	3.3	4.2	4.0	3.7	3.5
EV/EBITDA	12.8	14.4	9.5	10.2	11.3	13.8	12.1	11.2	10.5
EV/EBIT (adj.)	16.7	17.3	12.5	12.6	13.4	16.4	14.6	13.3	12.3
Payout ratio (%)	89.9 %	66.1 %	50.0 %	65.7 %	72.3 %	64.8 %	56.6 %	54.6 %	54.4 %
Dividend yield-%	3.4 %	3.2 %	4.7 %	4.7 %	4.2 %	3.1 %	3.1 %	3.3 %	3.5 %

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	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	MEUR	MEUR	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e
Alma Media	1178	1338	16.6	15.2	13.4	12.6	4.1	4.0	20.1	17.9	3.3	3.4	4.6
Agora SA	280	212					1.7	1.6		48.2			0.6
Future PLC	750	1071	4.5	4.5	4.2	4.2	1.3	1.3	5.3	4.9	0.5	0.6	0.7
Gannett Co Inc	443	1221	18.7	12.6	5.1	4.7	0.6	0.6		30.1			
Lagardere SA	2652	7475	11.9	11.2	6.5	6.2	0.8	0.8	9.5	8.2	3.7	3.9	3.1
Arnoldo Mondadori Editore SpA	557	829	9.0	8.7	5.2	5.2	0.9	0.9	8.6	8.5	7.1	7.8	0.8
New York Times Co	7705	7238	18.0	16.3	15.1	13.9	3.0	2.8	23.2	21.7	1.3	1.4	4.3
Promotora de Informaciones SA	514	1200	10.7	9.5	6.5	5.9	1.3	1.2	25.4	22.4			
Vocento SA	80	178	1365.5	265.0	8.4	7.2	0.5	0.5	10.7		2.7	2.7	0.5
Auto Trader Group PLC	7639	7625	17.1	16.1	16.6	15.6	10.9	10.5	23.7	21.7	1.4	1.5	11.3
Carsales.Com Ltd	7688	8360	28.0	24.8	23.2	20.6	12.8	11.5	37.2	32.6	2.2	2.5	4.5
Moneysupermarket.Com Group PLC	1184	1211	8.3	7.7	7.4	7.0	2.4	2.3	11.0	10.2	6.6	7.0	4.4
REA Group Ltd	16330	16143	35.2	30.7	30.1	26.4	17.1	15.5	50.7	43.6	1.1	1.4	15.1
Rightmove PLC	6056	6013	17.7	16.1	17.3	15.7	12.3	11.1	23.5	20.9	1.6	1.8	76.5
Scout24 SE	7718	7999	24.0	20.5	20.4	17.9	12.4	11.0	31.2	26.6	1.4	1.6	5.1
Seek Ltd	5526	6132	36.4	30.1	23.9	20.4	10.1	9.0	64.5	47.6	1.5	1.9	3.7
Stroeer SE & Co KgaA	2293	4062	12.2	10.7	6.3	5.8	1.9	1.8	13.0	11.0	5.5	6.1	4.4
Hemnet Group	1828	1868	26.3	20.2	23.9	18.8	12.4	10.0	33.9	25.6	0.9	1.2	17.2
Alma Media (Inderes)	1256	1383	16.4	14.6	13.8	12.1	4.2	4.0	20.4	17.9	3.1	3.1	4.9
Average		4255	97.7	30.6	13.7	12.2	5.9	5.3	24.5	23.6	2.7	3.0	9.8
Median		1868	17.7	16.1	13.4	12.6	2.7	2.5	23.4	21.7	1.6	1.9	4.4
Diff-% to median			-7%	-9%	3%	-4%	57%	55%	-13%	-17%	97%	69%	12%

Source: Refinitiv / Inderes

Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue	305	76.3	80.0	75.1	81.2	313	79.2	83.7	79.5	86.0	328	341	350	358
Alma Career	111	27.0	27.8	26.2	26.3	107.2	26.7	27.0	26.5	26.8	107	111.2	114	117
Alma Marketplaces	85.4	22.9	25.1	24.4	25.9	98.3	26.9	29.2	28.4	30.0	114	122	127	131
Alma News Media	109	26.4	27.1	24.5	29.0	107	25.8	27.5	24.7	29.2	107	108	109	110
EBITDA	90.6	19.1	23.3	26.0	22.6	91.0	21.0	24.5	28.2	26.5	100	111	117	122
Depreciation	-17.6	-4.1	-4.1	-4.5	-4.9	-17.6	-4.4	-4.6	-4.6	-4.6	-18.2	-19.3	-19.1	-18.7
EBIT (excl. NRI)	73.6	16.1	19.4	21.9	19.5	76.9	17.2	21.1	23.7	22.1	84.1	92.4	98.2	103
EBIT	73.0	15.0	19.2	21.5	17.7	73.4	16.6	19.9	23.6	21.9	82.0	91.9	97.7	103
Alma Career	45.0	10.4	11.1	11.1	10.6	43.1	9.8	11.3	11.5	11.0	43.6	46.5	49.2	51.0
Alma Marketplaces	26.4	5.4	7.1	8.7	6.7	27.8	7.0	7.4	10.5	9.0	33.8	40.7	43.7	46.9
Alma News Media	13.5	2.4	3.8	3.9	3.7	13.7	2.8	4.6	4.4	5.4	17.1	18.0	18.3	18.8
Unallocated	-12.0	-3.1	-2.8	-2.1	-3.2	-11.2	-3.0	-3.4	-2.6	-3.3	-12.3	-12.8	-13.0	-13.3
NRIs	0.0	0.0	0.0	0.0	-0.1	-0.1	0.0	0.0	-0.2	-0.2	-0.3	-0.5	-0.5	-0.5
Net financial items	-5.3	-1.4	-1.7	-2.8	-1.9	-7.7	-2.3	-2.0	-1.6	-1.6	-7.4	-5.2	-4.0	-3.2
PTP	68.5	13.6	18.1	18.8	16.5	67.0	14.4	18.5	22.0	20.3	75.1	87.3	94.4	100
Taxes	-12.1	-2.8	-3.6	-3.7	-4.4	-14.4	-3.2	-3.2	-4.6	-4.3	-15.3	-17.3	-18.8	-19.9
Minority interest	-0.1	-0.1	0.0	-0.1	-0.1	-0.3	0.0	-0.1	-0.1	-0.1	-0.3	-0.4	-0.4	-0.4
Net earnings	56.2	10.8	14.5	15.0	12.0	52.3	11.1	15.2	17.2	16.0	59.5	69.6	75.2	80.0
EPS (adj.)	0.66	0.15	0.18	0.19	0.17	0.68	0.14	0.20	0.21	0.20	0.75	0.85	0.92	0.98
EPS (rep.)	0.68	0.13	0.18	0.18	0.15	0.64	0.14	0.18	0.21	0.19	0.72	0.85	0.92	0.97

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	-1.3 %	1.3 %	2.3 %	2.2 %	4.3 %	2.5 %	3.8 %	4.7 %	5.8 %	5.9 %	5.1 %	3.9 %	2.6 %	2.4 %
Adjusted EBIT growth-%	0.3 %	-5.2 %	0.4 %	6.7 %	16.3 %	4.5 %	6.7 %	8.8 %	8.3 %	13.4 %	9.4 %	9.9 %	6.3 %	5.3 %
EBITDA-%	29.7 %	25.0 %	29.1 %	34.6 %	27.8 %	29.1 %	26.5 %	29.2 %	35.4 %	30.9 %	30.5 %	32.6 %	33.4 %	33.9 %
Adjusted EBIT-%	24.1 %	21.1 %	24.2 %	29.1 %	24.0 %	24.6 %	21.7 %	25.1 %	29.8 %	25.7 %	25.6 %	27.1 %	28.1 %	28.9 %
Net earnings-%	18.4 %	14.2 %	18.1 %	19.9 %	14.7 %	16.7 %	14.0 %	18.1 %	21.7 %	18.6 %	18.1 %	20.4 %	21.5 %	22.3 %

Source: Inderes

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	437	445	461	460	460
Goodwill	298	309	309	309	309
Intangible assets	88	88	103	104	105
Tangible assets	41	39	39	37	36
Associated companies	4.4	5.7	5.7	5.7	5.7
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	5.9	3.6	3.6	3.6	3.6
Deferred tax assets	0.2	0.4	0.4	0.4	0.4
Current assets	90.3	81.1	71.3	74.1	94.7
Inventories	0.6	0.7	0.7	0.7	0.7
Other current assets	3.9	1.7	1.7	1.7	1.7
Receivables	33	36	36	38	39
Cash and equivalents	52	43	33	34	54
Balance sheet total	528	526	533	535	555

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	223	235	257	288	323
Share capital	45	45	45	45	45
Retained earnings	148	162	184	215	250
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	7.7	7.7	7.7	7.7	7.7
Other equity	20	18	18	18	18
Minorities	3	2	2	2	2
Non-current liabilities	216	196	166	142	125
Deferred tax liabilities	17	18	18	18	18
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	192	175	145	122	105
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	7.0	2.9	2.9	2.9	2.9
Current liabilities	89	95	110	105	106
Interest bearing debt	7	10	20	12	10
Payables	80	82	87	90	93
Other current liabilities	2.5	3	3.0	3.0	3.0
Balance sheet total	528	526	533	535	555

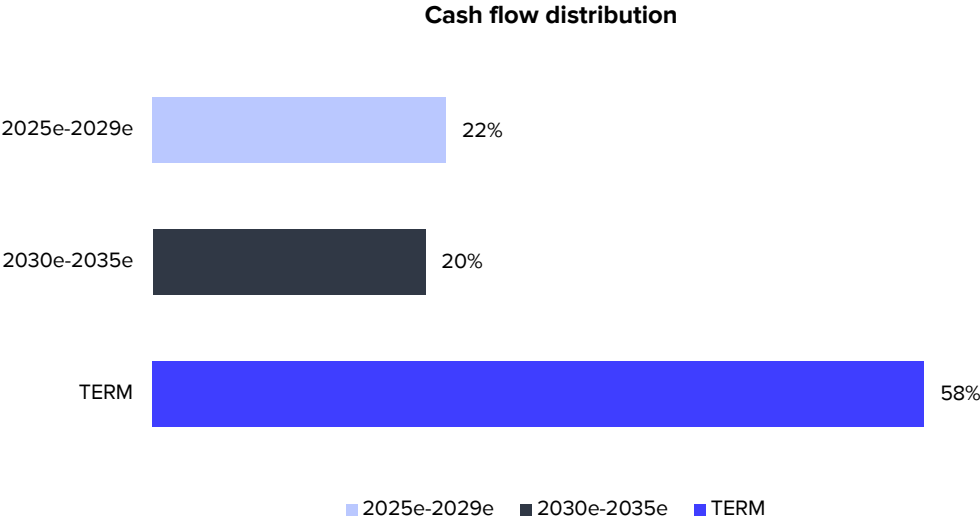
DCF calculation

DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	2.5 %	5.1 %	3.9 %	2.6 %	2.4 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %
EBIT-%	23.5 %	25.0 %	26.9 %	27.9 %	28.7 %	28.0 %	27.5 %	27.0 %	27.0 %	26.5 %	26.0 %	26.0 %	26.0 %
EBIT (operating profit)	73.4	82.0	91.9	97.7	103	103	104	104	107	107	108	111	
+ Depreciation	17.6	18.2	19.3	19.1	18.7	18.9	19.3	20.0	20.4	20.7	20.7	20.7	
- Paid taxes	-14.0	-15.3	-17.3	-18.8	-19.9	-20.0	-20.2	-20.5	-21.1	-21.3	-21.5	-22.1	
- Tax, financial expenses	-1.7	-1.5	-1.0	-0.8	-0.6	-0.6	-0.5	-0.4	-0.3	-0.2	-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	2.4	5.0	2.0	1.3	1.3	1.4	1.4	1.4	1.5	1.5	1.6	1.6	
Operating cash flow	77.6	88.3	94.8	98.6	102	102	104	105	107	108	109	111	
+ Change in other long-term liabilities	-4.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-24	-35	-18.5	-18.5	-19.0	-19.5	-20.3	-20.4	-20.5	-20.6	-20.7	-21.0	
Free operating cash flow	50	54	76.3	80.1	83.2	83.0	83.2	84.4	86.8	87.5	87.9	89.8	
+/- 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	50	54	76.3	80.1	83.2	83.0	83.2	84.4	86.8	87.5	87.9	89.8	1777
Discounted FCFF		53	69.8	68.1	65.6	60.8	56.6	53.3	50.9	47.7	44.5	42.2	835
Sum of FCFF present value		1447	1394	1325	1257	1191	1130	1074	1020	969	922	877	835
Enterprise value DCF		1447											
- Interest bearing debt		-186											
+ Cash and cash equivalents		43											
-Minorities		-4											
-Dividend/capital return		-38											
Equity value DCF		1272											
Equity value DCF per share		15.5											

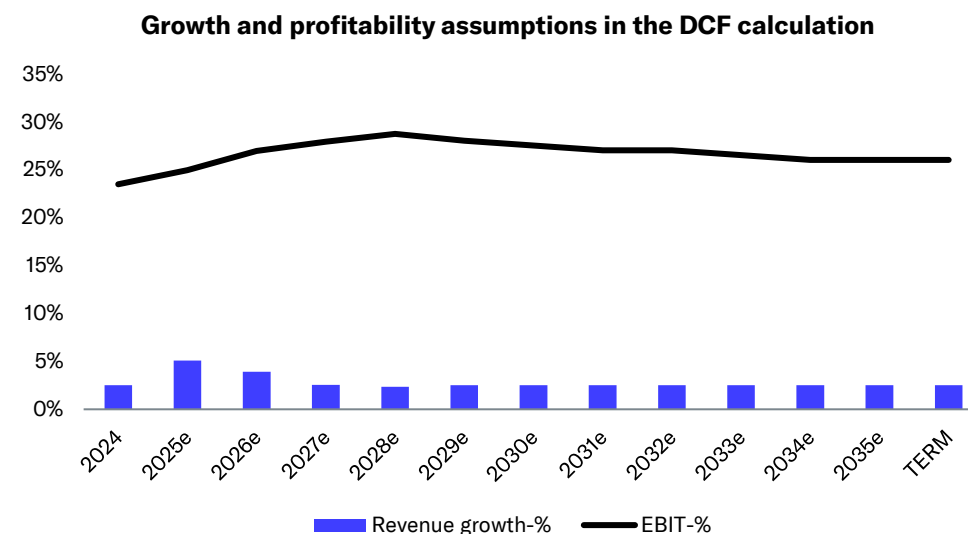
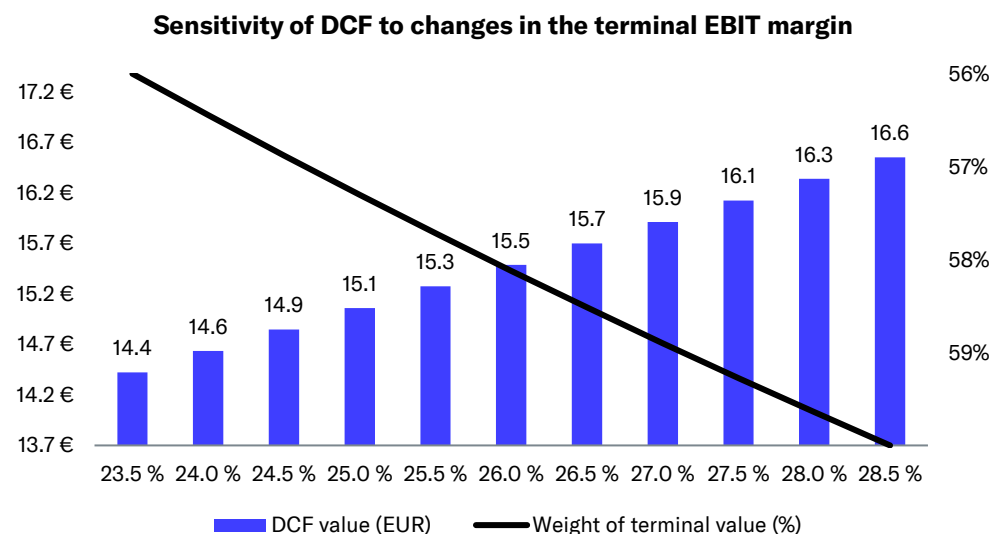
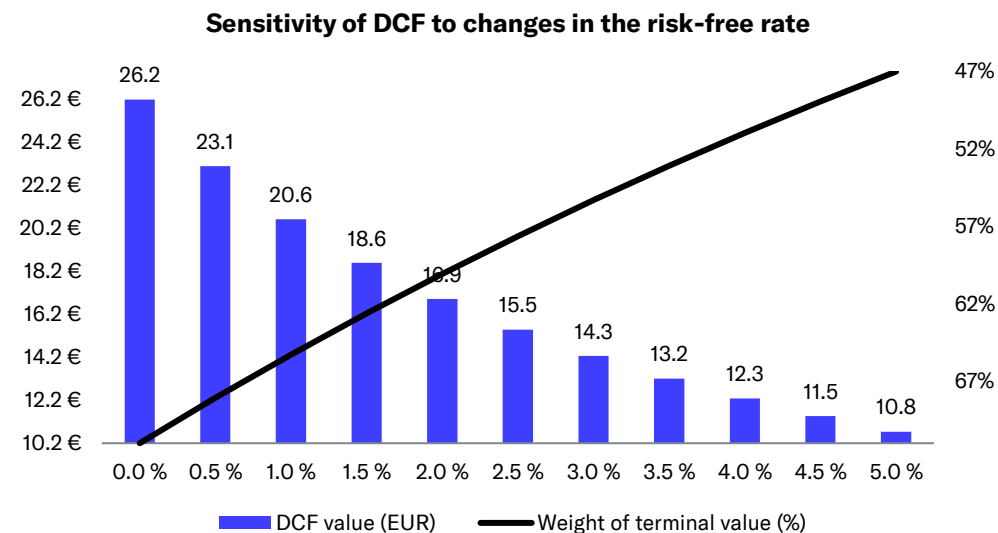
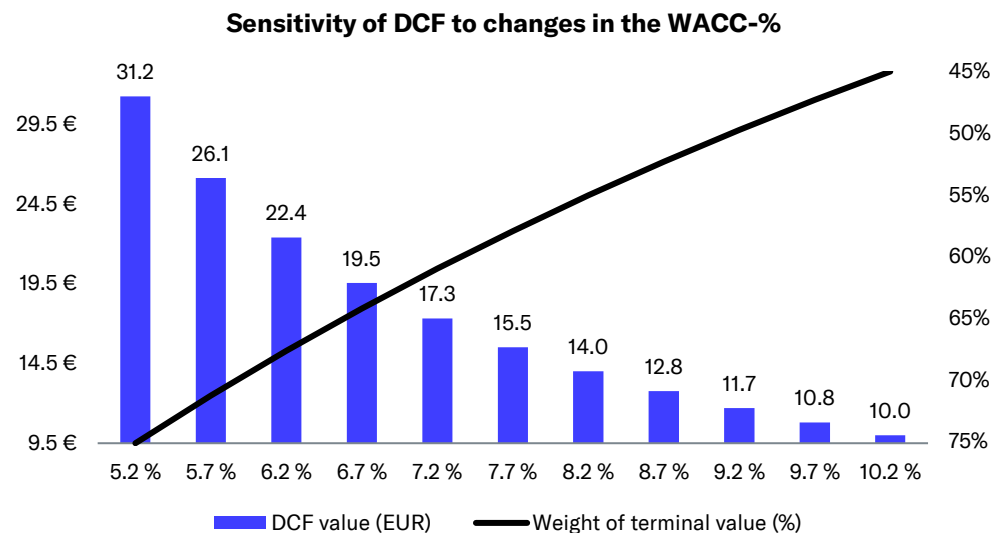
WACC

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

Summary

Income statement	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	309	305	313	328	341	EPS (reported)	0.88	0.68	0.64	0.72	0.85
EBITDA	97.2	90.6	91.0	100.2	111.2	EPS (adj.)	0.72	0.66	0.68	0.75	0.85
EBIT	80.0	73.0	73.4	82.0	91.9	OCF / share	1.06	0.85	0.95	1.08	1.16
PTP	86.9	68.5	67.0	75.1	87.3	OFCF / share	0.89	0.49	0.61	0.66	0.93
Net Income	72.4	56.2	52.3	59.5	69.6	Book value / share	2.49	2.68	2.83	3.10	3.48
Extraordinary items	6.6	-0.6	-3.5	-2.1	-0.5	Dividend / share	0.44	0.45	0.46	0.47	0.48
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	495.2	527.7	526.1	532.6	534.5	Revenue growth-%	12%	-1%	3%	5%	4%
Equity capital	205.9	222.8	234.9	256.6	287.6	EBITDA growth-%	32%	-7%	0%	10%	11%
Goodwill	294.4	298.0	309.0	309.0	309.0	EBIT (adj.) growth-%	20%	0%	4%	9%	10%
Net debt	143.7	146.5	143.2	132.7	99.0	EPS (adj.) growth-%	24%	-9%	4%	10%	14%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	31.5 %	29.7 %	29.1 %	30.5 %	32.6 %
EBITDA	97.2	90.6	91.0	100.2	111.2	EBIT (adj.)-%	23.8 %	24.1 %	24.6 %	25.6 %	27.1 %
Change in working capital	5.0	-7.9	2.4	5.0	2.0	EBIT-%	25.9 %	23.9 %	23.5 %	25.0 %	26.9 %
Operating cash flow	87.0	69.8	77.6	88.3	94.8	ROE-%	39.3 %	26.5 %	23.1 %	24.4 %	25.8 %
CAPEX	-17.5	-26.2	-23.7	-34.5	-18.5	ROI-%	20.6 %	18.4 %	17.7 %	19.6 %	22.0 %
Free cash flow	73.1	40.4	49.8	53.8	76.3	Equity ratio	45.8 %	46.3 %	48.6 %	52.5 %	58.7 %
Valuation multiples	2022	2023	2024	2025e	2026e	Gearing	69.8 %	65.8 %	61.0 %	51.7 %	34.4 %
EV/S	3.0	3.0	3.3	4.2	4.0						
EV/EBITDA	9.5	10.2	11.3	13.8	12.1						
EV/EBIT (adj.)	12.5	12.6	13.4	16.4	14.6						
P/E (adj.)	13.1	14.6	16.2	20.4	17.9						
P/B	3.8	3.6	3.9	4.9	4.4						
Dividend-%	4.7 %	4.7 %	4.2 %	3.1 %	3.1 %						

Source: Inderes

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Reduce	The 12-month risk-adjusted expected shareholder return of the share is weak
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 €



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