

North Media

Continued strong underlying momentum

- Q2e: -8% organic with +5pp y-o-y EBIT margin
- We await news on recent misuse allegations
- Value range to DKK 50-80 (44-66) due to est. changes

Cost efficiencies continue to produce healthy margins

On 26 June, North Media lifted its EBIT (b.s.i) guidance by ~20% (5pp on margin) to DKK 200-230m (DKK 160-190m), and cut its revenue expectations by ~8% to DKK 990-1.040m (DKK 1.075-1.125m). The upgrade was due to faster costs adjustment in FK distribution (from the 2-to-1 weekly deliveries reduction that began in Q4'19) and overall positive developments in the rental market, where BoligPortalen (part of NM Online) faced tailwinds due to COVID-19. The new guidance is based on the continued re-opening of Danish society, which showed positive signs over the summer. For the upcoming Q2'20e, we forecast sales of DKK 243m (-16% y-o-y, -8% organic), projecting -10% growth in FK distribution and an EBITDA margin of 22% (+5pp y-o-y). We also anticipate an extraordinary dividend (ABGSCe: DKK 4/share).

2020e looks secure following recent guidance upgrade

In this report, we reiterate our 2020e sales forecast of DKK 1.12bn (-10% y-o-y, 2% organic) and raise EBIT by ~30% and ~15% for FK distribution and NM online respectively, which equates to a 5pp higher EBIT margin. We also lower our EBIT margin by 3pp and 2pp for 2021/22e. On 30 June, the Danish competition and consumer authority notified the state prosecutor for serious economic and international crime that FK distribution has misused its "market-leading" position in commercial off- and online leaflets, as print advertisement prices were bundled with the digital leaflets on minetilbud.dk. The firm has appealed the decision and denies the allegations; it could be years before we see a final decision.

Increase fair value range following recent upgrade

For 2022e, we forecast an EBITDA margin of 22% (vs. 25% for peers in the printing industry); the company trades at P/E 7x and EV/EBITDA of 1x (vs. 18x and 11x versus peers). As a result of our estimate changes, we increase our fair value range to DKK 50-80/share (prev. 44-66).

Lead analyst: Laurits Kjærgaard

DKKm	2018	2019	2020e	2021e	2022e
Sales	1,145	1,130	1,012	994	981
EBITDA	137	191	235	227	220
EBITDA margin (%)	12.0	16.9	23.2	22.8	22.4
EBIT adj	110	160	210	204	198
EBIT adj margin (%)	9.6	14.2	20.8	20.5	20.1
Pretax profit	89	266	200	204	198
EPS rep	3.77	11.02	8.36	8.84	8.58
EPS adj	3.50	4.41	8.71	8.29	8.04
Sales growth (%)	27.3	-1.3	-10.5	-1.7	-1.4
EPS growth (%)	151.8	192.2	-24.2	5.8	-3.0

Source: ABG Sundal Collier, Company data

Reason: Preview of results

Company sponsored research

Not rated

Estimate changes (%)	2020e	2021e	2022e
Sales	0.0%	0.0%	0.0%
EBIT (rep)	30.1%	17.1%	14.2%
EPS (rep)	33.9%	17.1%	14.2%

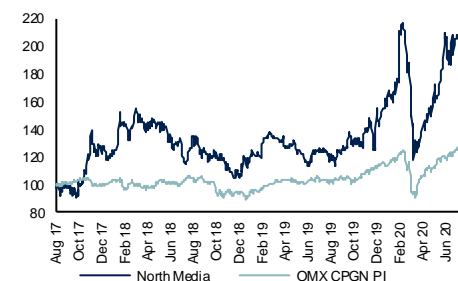
Source: ABG Sundal Collier

Share price (DKK)	05/08/2020	58.2
Media, Denmark		
NORTHM.COF/NORTHM:DC		

MCap (DKKm)	1,045
MCap (EURm)	140.3
Net debt (EURm)	-71
No. of shares (m)	18.0
Free float (%)	36.3
Av. daily volume (k)	21.6

Next event Q2 report: 20 Aug

Performance



	1m	3m	12m
Absolute (%)	1.0	33.8	70.2
OMX CPGN PI (%)	2.5	14.2	26.2

Source: FactSet

	2020e	2021e	2022e
P/E (x)	7.0	6.6	6.8
P/E adj (x)	6.7	7.0	7.2
P/BVPS (x)	1.27	1.06	0.91
EV/EBITDA (x)	2.1	1.4	0.7
EV/EBIT adj (x)	2.3	1.6	0.7
EV/sales (x)	0.49	0.32	0.15
ROE adj (%)	20.9	16.4	13.5
Dividend yield (%)	6.9	6.9	6.9
FCF yield (%)	16.5	15.8	15.3
Lease adj. FCF yld (%)	16.5	15.8	15.4
Net IB debt/EBITDA	-2.3	-3.1	-4.0
Lease adj. ND/EBITDA	-2.3	-3.1	-4.0

Please refer to important disclosures at the end of this report

This research product is commissioned and paid for by the company covered in this report. As such, this report is deemed to constitute an acceptable minor non-monetary benefit (i.e. not investment research) as defined in MiFID II.

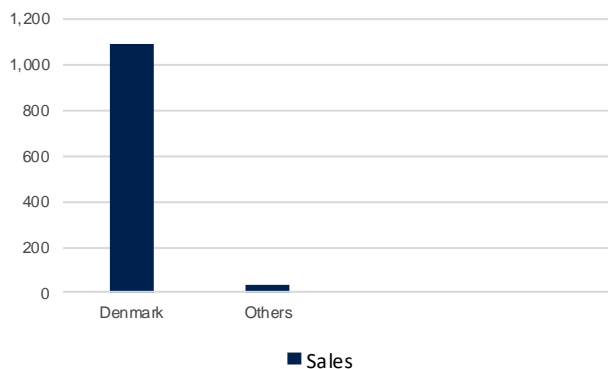
Opportunities

Offline media remains popular in Denmark, with ~75% of Danish households receiving it. Because the number of supermarkets is declining, the industry demands tailored marketing solutions, and North Media offers a strong distribution platform. We believe that the company can therefore leverage its position to increase prices. In addition to its strong offline position, North Media is also expanding its digital efforts, where good expansion opportunities exist.

Risks

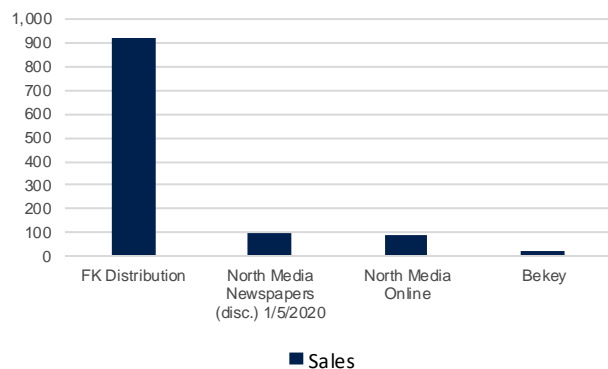
There are three main risks to the business: 1) the implementation of regulations against physical advertisements and/or an increased negative perception of offline advertisements, 2) increased penetration of online marketing from competitors and its market share versus print media, and 3) difficulties finding growth opportunities in the three smaller segments of the company.

Geographical breakdown, sales, DKKm



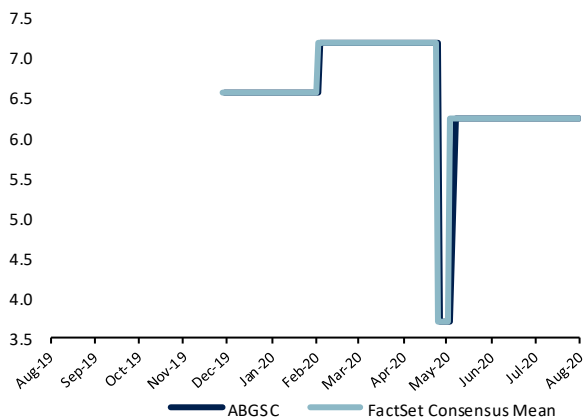
Source: ABG Sundal Collier, Company data

Business area breakdown, sales, DKKm



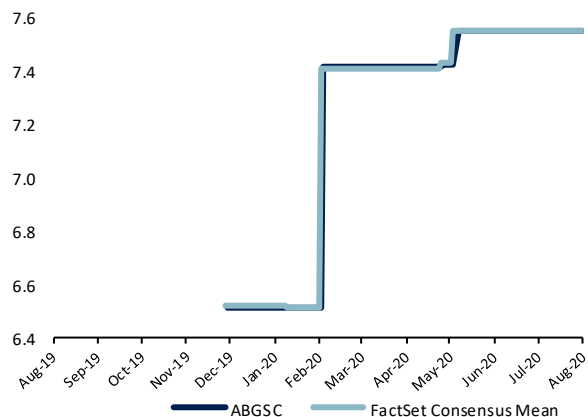
Source: ABG Sundal Collier, Company data

EPS estimate changes, 2020e, DKK



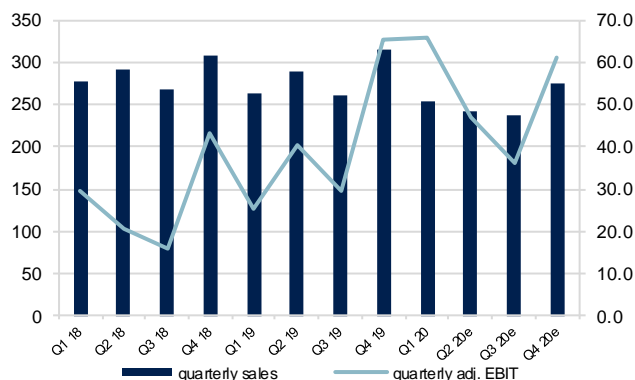
Source: ABG Sundal Collier, FactSet

EPS estimate changes, 2021e, DKK



Source: ABG Sundal Collier, FactSet

Quarterly sales and adj. EBIT, DKKm



Source: ABG Sundal Collier, Company data

Company description

North Media's history dates back to 1965, when the distribution of unaddressed printed advertisements and newspapers was its main activity. The company has since diversified its product offering to include advertisement-funded internet distribution activities. North Media is the only media company listed on the OMX Copenhagen Stock Exchange. It operates four segments: FK Distribution, North Media Newspapers, North Media Online and BEKEY.

Estimate considerations

Estimate changes in this report

Estimate Revisions	New estimates			Old estimates			Change		
	2020e	2021e	2022e	2020e	2021e	2022e	2020e	2021e	2022e
Revenue	1012	994	981	1012	994	981	0%	0%	0%
Gross profit	571	558	548	529	539	543	8%	4%	1%
EBITDA	235	227	220	186	197	195	26%	15%	13%
EBIT (bsi.)	210	204	198	162	174	173	30%	17%	14%
EBIT	210	204	198	162	174	173	30%	17%	14%
EBT	200	204	198	152	174	173	32%	17%	14%
EPS	-24%	6%	-3%	-43%	21%	0%	19%p	-15%p	-2%p
Sales growth	-10%	-2%	-1%	-10%	-2%	-1%	0%p	0%p	0%p
Gross profit margin	56%	56%	56%	52%	54%	55%	4%p	2%p	1%p
EBITDA margin	23%	23%	22%	18%	20%	20%	5%p	3%p	2%p
EBIT margin	21%	20%	20%	16%	17%	18%	5%p	3%p	2%p

Segments (Revenue)

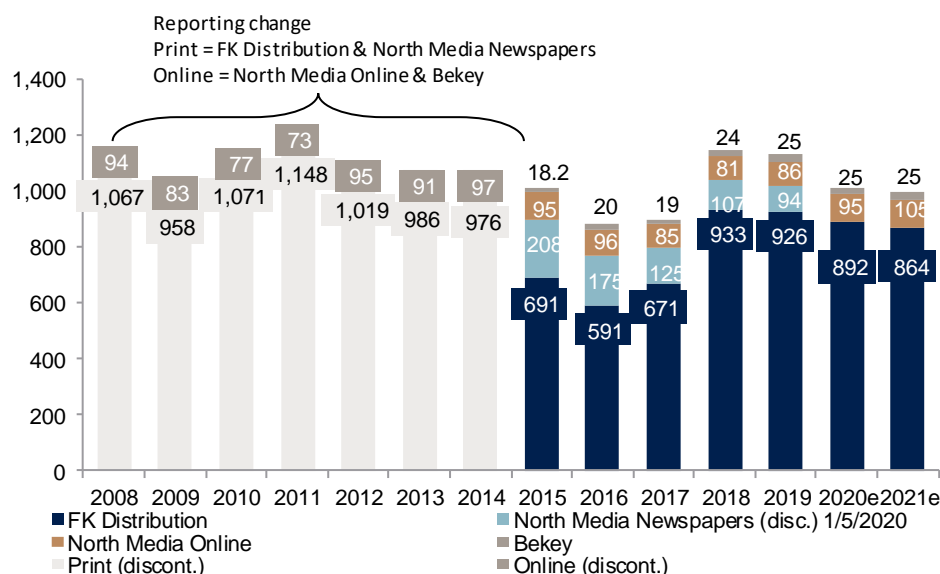
FK Distribution	907	879	853	907	879	853	0%	0%	0%
NM Online	95	105	115	95	105	115	0%	0%	0%
Bekey	28	28	29	28	28	29	0%	0%	0%

Segments (EBIT bsi.)

FK Distribution	219	212	205	172	175	171	28%	21%	20%
NM Online	9	11	13	8	10	11	15%	12%	17%
Bekey	-10	-10	-11	-10	-10	-11	0%	0%	0%

Source: ABG Sundal Collier, company data

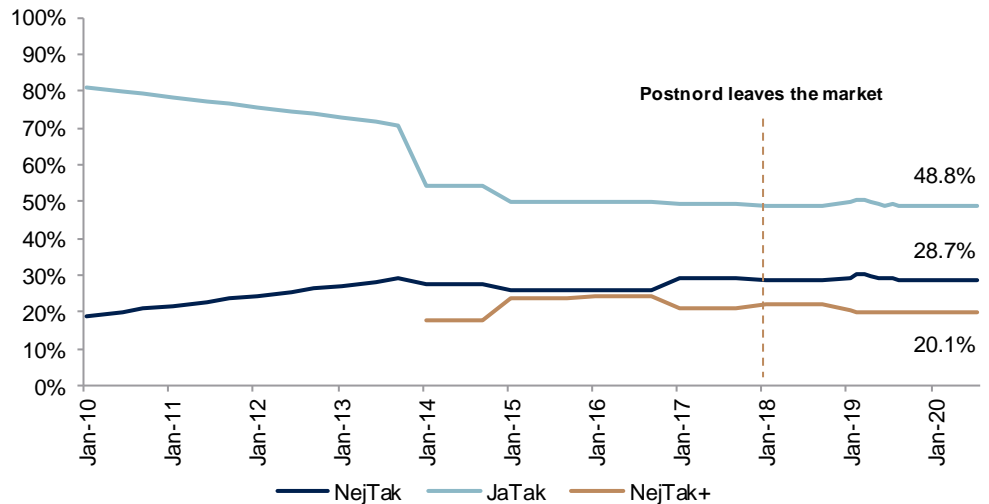
Revenue split by segments



Source: ABG Sundal Collier, company data

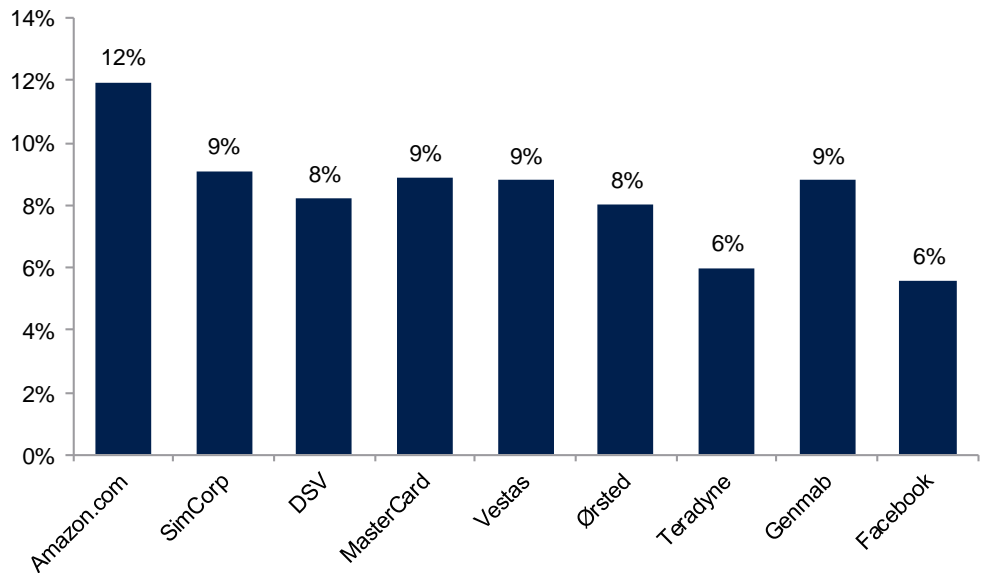
We track the type of subscribers on a monthly basis, where we see 'no thanks' subscribers (i.e. refusals) flat at ~29% for 2020 YTD. We believe that supermarkets have performed particularly well during the COVID-19 lockdowns, as has advertising capacity.

No increase in subscription cancellations during Q2



Source: ABG Sundal Collier, FK.dk

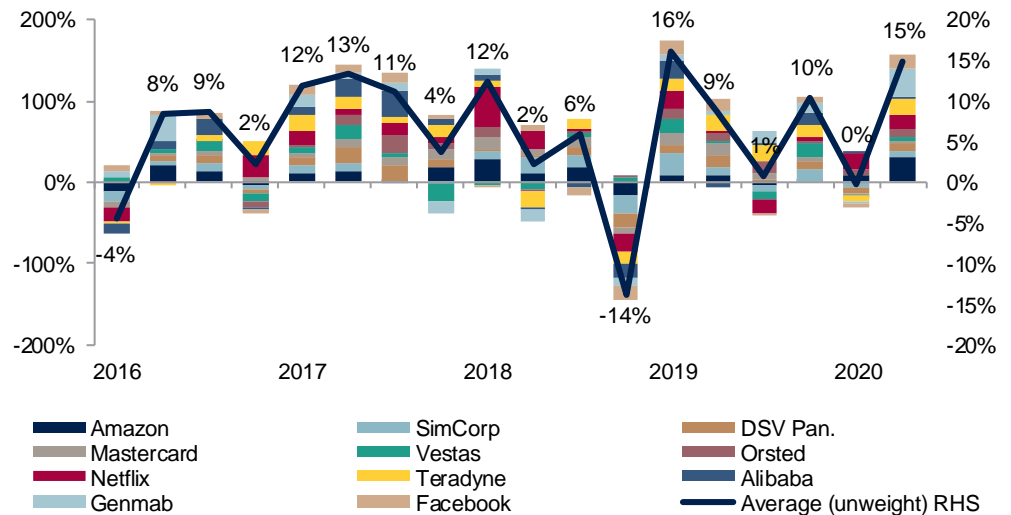
Portfolio composition in Q4'19 of NM's DKK ~470m portfolio



Source: ABG Sundal Collier, company data

Stock portfolio -11% in Q1, we forecast Q2e +12% and 0% for H2'20e

We forecast that NM's DKK 470m portfolio will expand by +15% during Q2 (-11% in Q1) with an announced ~11% growth during April. Amazon, Genmab and Facebook have been up ~30% during the quarter.



Source: ABG Sundal Collier, Factset

Annual estimates

Profit / Loss	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY
Revenues	1,139	1,212	1,105	1,077	1,074	1,012	881	899	1,145	1,130	1,012	994	981
Direct expenses	-400	-427	-375	-394	-334	-317	-282	-280	-331	-300	-248	-242	-237
Direct staff cost	-203	-205	-199	-196	-207	-199	-181	-210	-261	-241	-192	-194	-196
Gross profit	536	580	530	488	533	497	418	410	553	589	571	558	548
Staff cost	-267	-263	-279	-271	-279	-292	-267	-262	-270	-272	-234	-228	-223
Other cost	-119	-124	-125	-136	-157	-157	-144	-124	-151	-133	-109	-110	-111
Other operating income	6.8	7.4	7.0	12.2	6.2	7.9	4.3	4.4	5.5	7.3	6.1	6.0	5.9
Distribution & Admin. costs (incl. depr.)	-379	-380	-397	-394	-430	-441	-407	-381	-415	-398	-336	-331	-328
- of sales (%)	33.3%	31.4%	35.9%	36.6%	40.0%	43.6%	46.2%	42.4%	36.3%	35.3%	33.2%	33.3%	33.4%
EBITDA	156	200	134	94	103	56	11	28	137	191	235	227	220
- margin (%)	13.7%	16.5%	12.1%	8.7%	9.6%	5.5%	1.2%	3.2%	12.0%	16.9%	23.2%	22.8%	22.4%
Amortisation and depreciation	-46	-33	-33	-36	-48	-56	-37	-29	-28	-30	-24	-23	-22
- of sales (%)	4.1%	2.7%	3.0%	3.3%	4.5%	5.6%	4.2%	3.2%	2.4%	2.7%	2.4%	2.3%	2.3%
EBIT b. special items	110	167	101	58	55	-1	-26	0	110	160	210	204	198
Special items, net	-28	0	-7	-20	-8	-19	-41	0	-16	2	0	0	0
EBIT	82	167	93	38	48	-20	-67	0	94	162	210	204	198
- margin (%)	7.2%	13.7%	8.5%	3.5%	4.4%	-2.0%	-7.6%	-0.1%	8.2%	14.3%	20.8%	20.5%	20.1%
Share of profit/loss in associates	17	-1	-2	-2	-1	0	25	-2	1	-5	-5	-5	-5
Return on securities	0	0	0	0	0	13	-6	35	5	122	0	10	10
Net financial income	4	-4	5	-8	-7	-8	-21	-3	-27	-12	-5	-5	-5
financial income	10	7	16	3	18	1	0	5	0	1	0	0	0
financial expenses	-5	-11	-11	-12	-25	-8	-21	-8	-27	-12	-5	-5	-5
Pre-tax profit	103	162	97	27	40	-15	-70	29	73	268	200	204	198
- margin (%)	9.0%	13.4%	8.8%	2.5%	3.7%	-1.5%	-7.9%	3.2%	6.4%	23.7%	19.8%	20.5%	20.1%
Tax for the year	-15	-41	-21	-11	-17	3	6	-1	-17	-62	-44	-45	-43
Net profit for the year (ex. disc.)	88	121	76	16	23	-12	-64	28	56	205	156	159	154

Segments

Revenue

FK Distribution						691	591	671	933	926	892	864	839
North Media Newspapers (disc.) 1/5/2020						208	175	125	107	94			
North Media Online						95	96	85	81	86	95	105	115
Bekey						18	20	19	24	25	25	25	27
Print (discont.)	1,071	1,148	1,019	986	976								
Online (discont.)	77	73	95	91	97								

EBIT Margin (%)

FK Distribution						8%	6%	5%	14%	19%	25%	25%	24%
North Media Newspapers (disc.) 1/5/2020						-15%	-44%	-14%	-18%	-9%			
North Media Online						-13%	-12%	-6%	-5%	13%	10%	10%	11%
Bekey						-107%	-106%	-87%	-47%	-42%	-42%	-42%	-40%
Print (discont.)	15%	19%	14%	7%	6%								
Online (discont.)	-100%	-78%	-46%	-46%	-17%								

Source: ABG Sundal Collier, company data

Quarterly estimates

Profit / Loss	2018				2019e				2020e			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2e	Q3e	Q4e
Revenues	278	291	268	308	264	289	262	315	255	243	238	276
Direct expenses	-79	-85	-82	-85	-74	-75	-72	-80	-63	-62	-63	-60
Direct staff cost	-64	-67	-63	-67	-59	-63	-58	-61	-37	-48	-53	-54
Gross profit	134	139	123	156	131	151	132	175	154	133	122	163
Staff cost	-68	-69	-66	-67	-64	-71	-67	-71	-54	-56	-59	-65
Other cost	-32	-44	-36	-40	-36	-34	-30	-33	-29	-25	-22	-32
Other operating income	1.2	1.3	1.5	1.5	1.7	1.7	1.8	2.1	1.5	1.5	1.5	1.5
Distribution & Admin. costs (incl. depr.)	-98	-112	-100	-106	-98	-103	-95	-102	-82	-79	-79	-96
- of sales (%)	35.3%	38.3%	37.4%	34.3%	37.2%	35.7%	36.4%	32.3%	32.0%	32.6%	33.4%	34.7%
EBITDA	36	28	23	50	33	48	37	73	73	53	42	67
- margin (%)	13.0%	9.5%	8.5%	16.4%	12.5%	16.6%	14.1%	23.1%	28.5%	21.9%	17.7%	24.2%
Amortisation and depreciation	-7	-7	-7	-7	-8	-8	-8	-7	-7	-6	-6	-6
- of sales (%)	2.4%	2.4%	2.6%	2.3%	2.9%	2.6%	2.9%	2.4%	2.7%	2.5%	2.5%	2.0%
EBIT b. special items	30	21	16	43	25	40	29	65	66	47	36	61
Special items, net	-4	-14	0	2	3	0	0	-1	-1	0	0	1
EBIT	26	7	16	45	28	40	29	64	65	47	36	62
- margin (%)	9.2%	2.5%	5.9%	14.7%	10.6%	13.9%	11.2%	20.4%	25.5%	19.4%	15.2%	22.5%
Share of profit/loss in associates	0	0	1	1	0	0	0	-5	0	-2	-1	-2
Return on securities	15	16	10	-36	58	19	2	43	-45	45	0	0
Net financial income	-2	-2	-17	-6	1	-2	-8	-3	-1	-1	-5	2
financial income	0	0	0	0	2	0	0	-1	0	0	0	0
financial expenses	-2	-2	-17	-7	-1	-2	-8	-1	-1	-1	-1	-1
Pre-tax profit	39	22	9	3	86	58	24	100	19	88	30	63
- margin (%)	14.1%	7.4%	3.4%	1.1%	32.7%	19.9%	9.1%	31.7%	7.4%	36.3%	12.8%	22.8%
Tax for the year	-9	-6	-2	-1	-19	-13	-5	-25	-4	-20	-7	-14
Net profit for the year (ex. disc.)	30	16	7	3	67	45	19	75	15	68	24	49
Segments												
Revenue												
FK Distribution	227	238	215	254	215	238	214	259	223	214	207	247
North Media Newspapers (disc.) 1/5/2020	27	28	23	29	22	25	21	27				
North Media Online	19	21	22	20	21	22	23	22	24	24	25	22
Bekey	5	5	8	5	7	5	5	10	8	5	5	7
Print (discont.)												
Online (discont.)												
EBIT Margin (%)												
FK Distribution	17%	12%	10%	20%	14%	18%	16%	25%	29%	16%	15%	36%
North Media Newspapers (disc.) 1/5/2020	-14%	-11%	-6%	-1%	-13%	-1%	-16%	-6%				
North Media Online	-15%	-5%	1%	-2%	6%	6%	6%	14%	18%	8%	4%	10%
Bekey	-37%	-73%	-13%	-67%	-27%	-78%	-54%	-22%	-18%	-54%	-54%	-52%
Print (discont.)												
Online (discont.)												

Source: ABG Sundal Collier, company data

Valuation considerations

DCF sensitivity

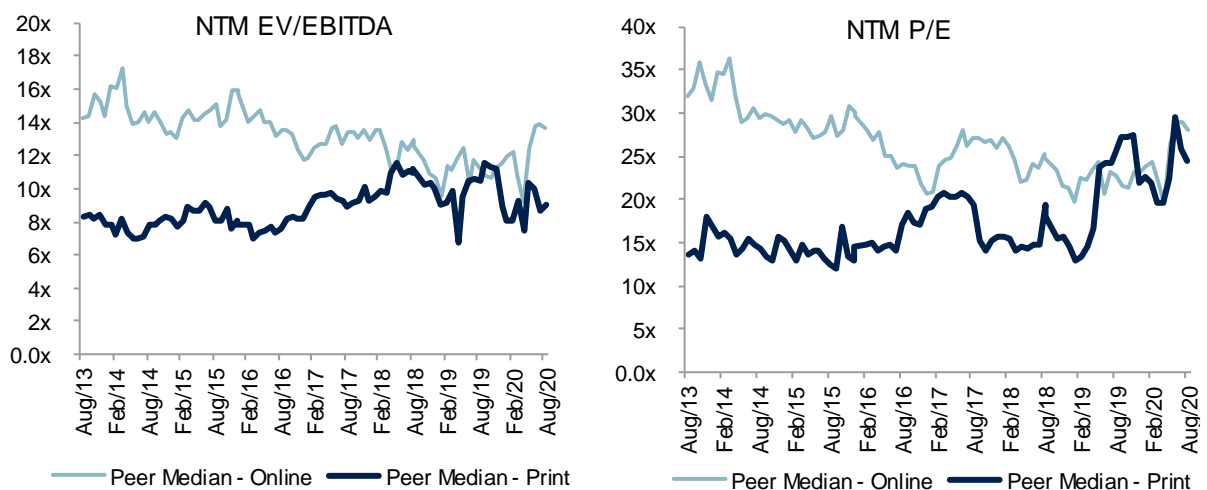
		EV/Sales			EV/EBITDA			EV/EBIT		
	WACC	EBITDA margin			EBITDA margin			EBITDA margin		
		-10.0%	10.0%	30.0%	-10.0%	10.0%	30.0%	-10.0%	10.0%	30.0%
2020e	9%	.52x	.53x	.55x	2.2x	2.3x	2.4x	2.5x	2.6x	2.7x
	10%	.51x	.52x	.54x	2.2x	2.3x	2.3x	2.4x	2.5x	2.6x
	11%	.49x	.51x	.53x	2.1x	2.2x	2.3x	2.4x	2.5x	2.5x
	12%	.48x	.50x	.52x	2.1x	2.2x	2.2x	2.3x	2.4x	2.5x
	13%	.47x	.49x	.50x	2.0x	2.1x	2.2x	2.3x	2.3x	2.4x
2021e	9%	.53x	.54x	.56x	2.3x	2.4x	2.5x	2.6x	2.7x	2.8x
	10%	.51x	.53x	.55x	2.3x	2.3x	2.4x	2.5x	2.6x	2.7x
	11%	.50x	.52x	.54x	2.2x	2.3x	2.4x	2.5x	2.5x	2.6x
	12%	.49x	.51x	.52x	2.2x	2.2x	2.3x	2.4x	2.5x	2.6x
	13%	.48x	.49x	.51x	2.1x	2.2x	2.2x	2.3x	2.4x	2.5x
2022e	9%	.53x	.55x	.57x	2.4x	2.5x	2.5x	2.6x	2.7x	2.8x
	10%	.52x	.54x	.56x	2.3x	2.4x	2.5x	2.6x	2.7x	2.8x
	11%	.51x	.53x	.54x	2.3x	2.4x	2.4x	2.5x	2.6x	2.7x
	12%	.50x	.52x	.53x	2.2x	2.3x	2.4x	2.5x	2.6x	2.6x
	13%	.49x	.50x	.52x	2.2x	2.2x	2.3x	2.4x	2.5x	2.6x

Valuation sensitivity

	WACC	LT Sales growth			Valuation range	Value range: DKK 50-80	WACC	EBITDA margin (%)		
		-100%	-50%	0%				-10.0%	10.0%	30.0%
9%		54.9	60.2	95.3	80		59.1	60.2	61.3	
10%		54.4	59.5	90.4	59		58.4	59.5	60.5	
11%		53.9	58.8	86.4	50		57.8	58.8	59.7	
12%		53.4	58.1	83.0			57.1	58.1	59.0	
13%		52.9	57.2	79.2			56.4	57.2	58.1	

Source: ABG Sundal Collier, company data

Industry NTM EV/EBITDA (left) and NTM P/E (right)



Source: ABG Sundal Collier, Factset

Consensus estimates and multiples on peers

	Market cap (EurM)	P/E				EV/EBITDA				EV/EBIT			
		2019	2020e	2021e	2022e	2019	2020e	2021e	2022e	2019	2020e	2021e	2022e
Online													
Alphabet	1,006,259	30.2x	33.4x	26.3x	21.6x	13.8x	15.1x	11.8x	9.7x	23.6x	27.2x	19.9x	15.9x
Facebook	717,792	39.2x	31.5x	24.5x	20.2x	13.4x	16.3x	13.0x	10.4x	22.1x	24.4x	18.1x	14.6x
Amazon	1,558,713	135.2x	102.3x	75.5x	53.5x	20.5x	28.6x	23.0x	17.7x	60.8x	77.4x	55.7x	38.0x
eBay	39,592	20.0x	15.8x	14.3x	13.3x	9.3x	10.6x	9.7x	8.5x	11.3x	12.7x	11.3x	10.1x
Median	862,026	34.7x	32.4x	25.4x	20.9x	13.6x	15.7x	12.4x	10.1x	22.9x	25.8x	19.0x	15.2x
Print													
Alma Media	606	14.4x	23.9x	19.6x	17.7x	8.8x	10.0x	8.4x	7.6x	11.7x	13.6x	11.1x	9.9x
Schibsted	76,310	53.5x	70.3x	46.2x	33.1x	16.4x	23.2x	17.8x	14.6x	30.2x	36.3x	25.3x	20.3x
Adevinta	106,167					32.6x	55.3x	40.2x	32.1x	52.9x	76.9x	49.5x	37.9x
Sanoma Wsoy	1,570	17.8x	16.8x	15.5x	14.3x	8.0x	6.2x	5.7x	5.4x	21.0x	16.4x	13.0x	12.0x
Daily Mail & Gen	1,364	17.0x	54.8x	22.3x	17.4x	8.7x	10.9x	7.7x	5.8x	11.6x	18.3x	11.2x	8.3x
New York Timers	7,613	49.9x	77.8x	50.7x	35.3x	21.1x	43.0x	26.7x	21.0x	28.1x	64.1x	32.8x	32.6x
Median	4,592	17.8x	54.8x	22.3x	17.7x	12.6x	17.1x	13.1x	11.1x	24.6x	27.3x	19.1x	16.1x
North Media	97	3.4x	7.0x	6.6x	6.8x	1.6x	2.1x	1.4x	0.7x	1.6x	2.1x	1.4x	0.7x
- diff. to online		-90%	-78%	-74%	-67%	-88%	-87%	-89%	-93%	-93%	-92%	-93%	-95%
- diff. to Print		-81%	-87%	-70%	-62%	-87%	-88%	-89%	-94%	-93%	-92%	-93%	-96%

	Market cap (EurM)	Sales growth (%)			EBITDA margin (%)			EBIT margin (%)		
		2020e	2021e	2022e	2020e	2021e	2022e	2020e	2021e	2022e
Online										
Alphabet	1,006,259	6.6%	20.1%	16.5%	34.2%	35.3%	35.0%	19.0%	20.9%	21.5%
Facebook	717,792	13.1%	23.0%	20.4%	50.2%	49.9%	49.8%	33.6%	35.8%	35.5%
Amazon	1,558,713	30.7%	17.4%	16.2%	14.4%	15.0%	16.3%	5.3%	6.2%	7.6%
eBay	39,592	-0.7%	6.9%	6.5%	37.0%	36.7%	38.1%	31.1%	31.4%	32.0%
Median	862,026	9.9%	18.8%	16.3%	35.6%	36.0%	36.5%	25.0%	26.2%	26.8%
Print										
Alma Media	606	-25.9%	4.5%	3.3%	23.7%	26.5%	27.2%	17.4%	20.0%	21.0%
Schibsted	76,310	3.3%	7.6%	8.8%	17.4%	20.8%	22.8%	11.1%	14.6%	16.4%
Adevinta	106,167	-4.7%	15.9%	13.9%	25.5%	29.9%	32.6%	18.3%	24.3%	27.6%
Sanoma Wsoy	1,570	13.7%	8.2%	0.8%	28.5%	28.0%	29.2%	10.9%	12.2%	13.1%
Daily Mail & Gen	1,364	-13.6%	4.4%	4.1%	8.8%	11.7%	14.2%	5.2%	8.0%	9.8%
New York Timers	7,613	-3.0%	7.9%	5.2%	9.7%	14.2%	16.7%	6.5%	11.6%	10.8%
Median	4,592	-3.8%	7.7%	4.7%	20.6%	23.6%	25.0%	11.0%	13.4%	14.8%
North Media	97	-10.5%	-1.7%	-1.4%	23.2%	22.8%	22.4%	20.8%	20.5%	20.1%
- diff. to online	0.0%	-20.3%	-20.5%	-17.7%	-12.4%	-13.2%	-14.1%	-4.2%	-5.7%	-6.6%
- diff. to Print	-2.1%	-6.7%	-9.5%	-6.0%	2.7%	-0.8%	-2.6%	9.8%	7.1%	5.4%

Source: ABG Sundal Collier, Factset

North Media

Income Statement (DKKkm)	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020e	Q3 2020e	Q4 2020e
Sales	264	289	262	315	255	243	238	276
COGS	-133	-138	-130	-141	-101	-110	-116	-113
Gross profit	131	151	132	175	154	133	122	163
Other operating items	-98	-103	-95	-102	-82	-79	-79	-95
EBITDA	33	48	37	73	72	53	42	67
Depreciation and amortisation	-8	-8	-8	-8	-6	-6	-6	-6
EBITA	25	40	29	65	66	47	36	61
EO items	0	0	0	0	0	0	0	0
Impairment and PPA amortisation	0	0	0	0	0	0	0	0
EBIT	25	40	29	65	66	47	36	61
Net financial items	1	-2	-8	-3	-1	-1	-1	-1
Pretax profit	86	58	24	100	19	88	34	59
Tax	-19	-13	-5	-25	-4	-20	-7	-14
Net profit	67	45	19	75	15	68	27	46
Minority interest	0	0	0	0	0	0	0	0
Net profit discontinued	0	0	0	0	-3	-3	-3	-3
Net profit to shareholders	67	45	19	75	12	65	24	42
EPS	0	0	0	0	0	0	0	0
EPS Adj	0	0	0	0	0	0	0	0
Total extraordinary items after tax	3	0	0	-1	-1	0	0	1
Tax rate (%)	22.1	22.0	22.3	25.3	19.1	22.5	20.2	23.2
Gross margin (%)	49.7	52.2	50.6	55.3	60.5	54.5	51.1	59.0
EBITDA margin (%)	12.5	16.6	14.1	23.1	28.2	21.9	17.8	24.4
EBITA margin (%)	9.6	13.9	11.2	20.7	25.8	19.4	15.2	22.2
EBIT margin (%)	9.6	13.9	11.2	20.7	25.8	19.4	15.2	22.2
Pretax margin (%)	10.8	13.4	8.2	19.5	25.0	18.9	14.6	22.1
Net margin (%)	3.6	9.0	6.1	11.5	23.5	10.7	11.8	17.1
Growth rates Y/Y	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020e	Q3 2020e	Q4 2020e
Sales growth (%)	-5.1	-0.9	-2.1	2.4	-3.4	-15.9	-9.3	-12.5
EBITDA growth (%)	-9.4	72.3	132.7	27.1	118.6	11.3	14.0	-7.4
EBIT growth (%)	-14.8	93.8	84.9	50.5	160.1	17.1	22.7	-6.1
Net profit growth (%)	122.1	184.2	156.9	2,663.0	-77.4	52.3	46.7	-38.9
EPS growth (%)	122.1	184.2	156.9	2,663.0	-77.4	52.3	46.7	-38.9
Adj earnings numbers	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020e	Q3 2020e	Q4 2020e
EBITDA Adj	33	48	37	73	72	53	42	67
EBITDA Adj margin (%)	12.5	16.6	14.1	23.1	28.2	21.9	17.8	24.4
EBITA Adj	25	40	29	65	66	47	36	61
EBITA Adj margin (%)	9.6	13.9	11.2	20.7	25.8	19.4	15.2	22.2
EBIT Adj	25	40	29	65	66	47	36	61
EBIT Adj margin (%)	9.6	13.9	11.2	20.7	25.8	19.4	15.2	22.2
Pretax profit Adj	84	58	24	101	20	88	34	58
Net profit Adj	65	45	19	76	16	68	27	45
Net profit to shareholders Adj	65	45	19	76	16	68	27	45
Net Adj margin (%)	2.5	9.0	6.1	11.9	23.9	10.7	11.8	16.8

Source: ABG Sundal Collier, Company data

North Media

Income Statement (DKKkm)	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Sales	1,077	1,074	1,012	881	899	1,145	1,130	1,012	994	981
COGS	-589	-540	-516	-463	-490	-592	-541	-441	-436	-433
Gross profit	488	533	497	418	410	553	589	571	558	548
Other operating items	-394	-430	-441	-407	-381	-415	-398	-336	-331	-328
EBITDA	94	103	56	11	28	137	191	235	227	220
Depreciation and amortisation	-36	-48	-56	-37	-29	-28	-30	-24	-23	-22
Of which leasing depreciation	0	0	0	0	0	0	0	0	0	0
EBITA	58	55	-1	-26	-0	110	160	210	204	198
EO items	0	0	0	0	0	0	0	0	0	0
Impairment and PPA amortisation	0	0	0	0	0	0	0	0	0	0
EBIT	58	55	-1	-26	-0	110	160	210	204	198
Net financial items	-8	-7	-8	-21	-3	-27	-12	-5	-5	-5
Pretax profit	47	47	4	-29	29	89	266	200	204	198
Tax	-11	-17	3	6	-1	-17	-62	-44	-45	-43
Net profit	36	30	8	-23	28	72	204	156	159	154
Minority interest	0	0	0	0	0	0	0	0	0	0
Net profit discontinued	0	0	0	0	0	0	0	-6	0	0
Net profit to shareholders	36	30	8	-23	28	72	204	150	159	154
EPS	1.88	1.59	0.40	-1.19	1.50	3.77	11.02	8.36	8.84	8.58
<i>EPS Adj</i>	<i>1.88</i>	<i>1.59</i>	<i>-0.28</i>	<i>-0.87</i>	<i>-0.33</i>	<i>3.50</i>	<i>4.41</i>	<i>8.71</i>	<i>8.29</i>	<i>8.04</i>
Total extraordinary items after tax	0	0	13	-6	35	5	122	0	10	10
Leasing payments	0	0	0	0	0	0	0	0	0	0
<i>Tax rate (%)</i>	<i>23.7</i>	<i>35.9</i>	<i>78.6</i>	<i>21.0</i>	<i>2.1</i>	<i>19.5</i>	<i>23.4</i>	<i>22.0</i>	<i>22.0</i>	<i>22.0</i>
<i>Gross margin (%)</i>	<i>45.3</i>	<i>49.7</i>	<i>49.1</i>	<i>47.4</i>	<i>45.6</i>	<i>48.3</i>	<i>52.1</i>	<i>56.5</i>	<i>56.2</i>	<i>55.9</i>
<i>EBITDA margin (%)</i>	<i>8.7</i>	<i>9.6</i>	<i>5.5</i>	<i>1.2</i>	<i>3.2</i>	<i>12.0</i>	<i>16.9</i>	<i>23.2</i>	<i>22.8</i>	<i>22.4</i>
<i>EBITA margin (%)</i>	<i>5.3</i>	<i>5.1</i>	<i>-0.1</i>	<i>-3.0</i>	<i>-0.0</i>	<i>9.6</i>	<i>14.2</i>	<i>20.8</i>	<i>20.5</i>	<i>20.1</i>
<i>EBIT margin (%)</i>	<i>5.3</i>	<i>5.1</i>	<i>-0.1</i>	<i>-3.0</i>	<i>-0.0</i>	<i>9.6</i>	<i>14.2</i>	<i>20.8</i>	<i>20.5</i>	<i>20.1</i>
<i>Pretax margin (%)</i>	<i>4.6</i>	<i>4.5</i>	<i>0.4</i>	<i>-6.0</i>	<i>3.5</i>	<i>7.7</i>	<i>24.0</i>	<i>20.3</i>	<i>21.0</i>	<i>20.6</i>
<i>Net margin (%)</i>	<i>3.5</i>	<i>2.9</i>	<i>0.8</i>	<i>-5.3</i>	<i>3.4</i>	<i>6.2</i>	<i>18.5</i>	<i>15.9</i>	<i>16.5</i>	<i>16.2</i>
Growth rates Y/Y	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
<i>Sales growth (%)</i>	<i>-2.5</i>	<i>-0.3</i>	<i>-5.7</i>	<i>-13.0</i>	<i>2.1</i>	<i>27.3</i>	<i>-1.3</i>	<i>-10.5</i>	<i>-1.7</i>	<i>-1.4</i>
<i>EBITDA growth (%)</i>	<i>-30.0</i>	<i>10.5</i>	<i>-46.2</i>	<i>-80.4</i>	<i>160.6</i>	<i>383.1</i>	<i>38.9</i>	<i>23.2</i>	<i>-3.4</i>	<i>-3.1</i>
<i>EBIT growth (%)</i>	<i>-42.7</i>	<i>-4.2</i>	<i>-101.3</i>	<i>-3,657.1</i>	<i>99.6</i>	<i>109,800.0</i>	<i>46.1</i>	<i>31.2</i>	<i>-3.3</i>	<i>-2.9</i>
<i>Net profit growth (%)</i>	<i>-57.0</i>	<i>-15.4</i>	<i>-75.2</i>	<i>-401.3</i>	<i>225.7</i>	<i>151.8</i>	<i>184.8</i>	<i>-23.2</i>	<i>1.6</i>	<i>-3.0</i>
<i>EPS growth (%)</i>	<i>-57.0</i>	<i>-15.4</i>	<i>-75.2</i>	<i>-401.3</i>	<i>225.7</i>	<i>151.8</i>	<i>192.2</i>	<i>-24.2</i>	<i>5.8</i>	<i>-3.0</i>
Profitability	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
<i>ROE (%)</i>	<i>7.1</i>	<i>5.8</i>	<i>1.4</i>	<i>-4.6</i>	<i>5.9</i>	<i>13.8</i>	<i>33.7</i>	<i>20.1</i>	<i>17.5</i>	<i>14.4</i>
<i>ROE Adj (%)</i>	<i>7.1</i>	<i>5.8</i>	<i>-1.0</i>	<i>-3.3</i>	<i>-1.3</i>	<i>12.8</i>	<i>13.5</i>	<i>20.9</i>	<i>16.4</i>	<i>13.5</i>
<i>ROCE (%)</i>	<i>8.8</i>	<i>10.7</i>	<i>1.9</i>	<i>-1.2</i>	<i>6.0</i>	<i>17.8</i>	<i>37.7</i>	<i>23.3</i>	<i>20.1</i>	<i>16.9</i>
<i>ROCE Adj(%)</i>	<i>8.8</i>	<i>10.7</i>	<i>-0.1</i>	<i>-0.2</i>	<i>0.3</i>	<i>17.0</i>	<i>21.2</i>	<i>23.3</i>	<i>19.1</i>	<i>16.0</i>
<i>ROIC (%)</i>	<i>8.7</i>	<i>7.0</i>	<i>-0.3</i>	<i>-5.5</i>	<i>-0.0</i>	<i>25.0</i>	<i>35.8</i>	<i>50.2</i>	<i>51.9</i>	<i>53.2</i>
<i>ROIC Adj (%)</i>	<i>8.7</i>	<i>7.0</i>	<i>-0.3</i>	<i>-5.5</i>	<i>-0.0</i>	<i>25.0</i>	<i>35.8</i>	<i>50.2</i>	<i>51.9</i>	<i>53.2</i>
Adj earnings numbers	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
EBITDA Adj	94	103	56	11	28	137	191	235	227	220
<i>EBITDA Adj margin (%)</i>	<i>8.7</i>	<i>9.6</i>	<i>5.5</i>	<i>1.2</i>	<i>3.2</i>	<i>12.0</i>	<i>16.9</i>	<i>23.2</i>	<i>22.8</i>	<i>22.4</i>
EBITDA lease Adj	94	103	56	11	28	137	191	235	227	220
<i>EBITDA lease Adj margin (%)</i>	<i>8.7</i>	<i>9.6</i>	<i>5.5</i>	<i>1.2</i>	<i>3.2</i>	<i>12.0</i>	<i>16.9</i>	<i>23.2</i>	<i>22.8</i>	<i>22.4</i>
EBITA Adj	58	55	-1	-26	-0	110	160	210	204	198
<i>EBITA Adj margin (%)</i>	<i>5.3</i>	<i>5.1</i>	<i>-0.1</i>	<i>-3.0</i>	<i>-0.0</i>	<i>9.6</i>	<i>14.2</i>	<i>20.8</i>	<i>20.5</i>	<i>20.1</i>
EBIT Adj	58	55	-1	-26	-0	110	160	210	204	198
<i>EBIT Adj margin (%)</i>	<i>5.3</i>	<i>5.1</i>	<i>-0.1</i>	<i>-3.0</i>	<i>-0.0</i>	<i>9.6</i>	<i>14.2</i>	<i>20.8</i>	<i>20.5</i>	<i>20.1</i>
Pretax profit Adj	47	47	-9	-22	-6	84	144	200	194	188
Net profit Adj	36	30	-5	-16	-6	66	82	156	149	144
Net profit to shareholders Adj	36	30	-5	-16	-6	66	82	156	149	144
Net Adj margin (%)	3.5	2.9	-0.5	-4.6	-0.4	5.7	7.6	15.9	15.5	15.2

Source: ABG Sundal Collier, Company data

North Media

Cash Flow Statement (DKK m)	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
EBITDA	94	103	56	11	28	137	191	235	227	220
Net financial items	-8	-7	-8	-21	-3	-27	-12	-5	-5	-5
Paid tax	-11	-17	3	6	-1	-17	-62	-44	-45	-43
Non-cash items	-8	7	-19	7	-14	0	0	0	0	0
Cash flow before change in WC	66	87	33	3	11	93	117	186	177	171
Change in WC	44	-1	-2	-13	5	4	2	5	1	0
Operating cash flow	80	84	35	-14	23	105	130	190	178	172
CAPEX tangible fixed assets	-26	-26	-10	-7	-31	-26	-12	-12	-12	-12
CAPEX intangible fixed assets	0	0	0	0	0	0	1	0	0	0
Acquisitions and disposals	-67	-24	-10	23	-11	-9	2	-5	0	0
Free cash flow	-12	34	14	2	-19	70	121	173	166	160
Dividend paid	11	4	2	0	0	28	28	5	5	5
Share issues and buybacks	0	0	0	0	0	0	1	0	0	0
Lease liability amortisation	0	0	0	0	0	0	1	0	0	1
Other non cash items	-51	35	35	-16	50	-49	-7	2	10	10
Decrease in net IB debt	-32	56	32	-11	17	47	155	179	180	175
Balance Sheet (DKK m)	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Goodwill	98	72	62	39	39	39	39	39	39	39
Other intangible assets	84	68	53	16	16	14	14	10	9	7
Tangible fixed assets	301	292	275	267	259	247	250	239	230	221
Right-of-use asset	0	0	0	0	0	0	0	0	0	-1
Total other fixed assets	110	93	67	63	89	95	86	81	76	71
Fixed assets	593	526	458	385	403	396	389	369	353	337
Inventories	0	0	11	6	6	4	5	4	4	4
Receivables	131	115	93	103	95	99	89	84	83	82
Other current assets	0	0	0	0	0	0	0	0	0	0
Cash and liquid assets	198	248	289	271	281	327	485	664	844	1,019
Total assets	922	889	850	766	785	825	968	1,121	1,283	1,441
Shareholders equity	508	527	521	460	497	539	671	826	989	1,148
Minority	16	5	1	0	0	0	0	0	0	0
Total equity	523	532	522	460	498	539	671	826	989	1,148
Long-term debt	138	132	139	132	125	127	123	123	123	123
Pension debt	0	0	0	0	0	0	0	0	0	0
Convertible debt	0	0	0	0	0	0	0	0	0	0
Leasing liability	0	0	0	0	0	0	0	0	0	0
Total other long-term liabilities	70	51	27	18	11	5	19	19	19	19
Short-term debt	6	6	7	7	7	5	11	11	11	11
Accounts payable	83	61	56	47	54	51	42	42	41	40
Other current liabilities	103	107	99	102	91	100	102	101	101	101
Total liabilities and equity	922	889	850	766	785	825	968	1,121	1,283	1,441
Net IB debt	-54	-110	-143	-132	-149	-196	-351	-530	-710	-885
Net IB debt excl. pension debt	-54	-110	-143	-132	-149	-196	-351	-530	-710	-885
Net IB debt excl. leasing	-54	-110	-143	-132	-149	-196	-351	-530	-710	-885
Capital invested	539	473	406	346	359	347	339	314	298	281
Working capital	-54	-53	-51	-39	-44	-48	-50	-55	-55	-56
EV breakdown	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Market cap. diluted (m)	na	356	265	248	663	648	821	1,045	1,045	1,045
Net IB debt Adj	-54	-110	-143	-132	-149	-196	-351	-530	-710	-885
Market value of minority	0	0	0	0	0	0	0	0	0	0
Reversal of shares and participations	-92	-78	-55	-51	-21	-35	-26	-21	-17	-12
Reversal of conv. debt assumed equity	0	0	0	0	0	0	0	0	0	0
EV	na	168	67	65	493	417	444	493	318	148
Capital efficiency	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Total assets turnover (%)	120.6	118.6	116.4	109.0	116.0	142.2	126.0	96.9	82.7	72.0
Working capital/sales (%)	-3.0	-5.0	-5.2	-5.1	-4.6	-4.0	-4.3	-5.2	-5.5	-5.7
Financial risk and debt service	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Net debt/equity	-0.10	-0.21	-0.27	-0.29	-0.30	-0.36	-0.52	-0.64	-0.72	-0.77
Net debt/market cap	na	-0.31	-0.48	-0.51	-0.33	-0.28	-0.51	-0.51	-0.68	-0.85
Equity ratio (%)	56.8	59.9	61.4	60.1	63.4	65.3	69.4	73.7	77.1	79.6
Net IB debt adj./equity	-0.10	-0.21	-0.27	-0.29	-0.30	-0.36	-0.52	-0.64	-0.72	-0.77
Current ratio	1.72	2.09	2.42	2.45	2.53	2.77	3.74	4.90	6.10	7.27
EBITDA/net interest	11.14	15.43	7.13	0.53	8.88	5.08	16.43	46.43	45.63	44.83
Net IB debt/EBITDA	-0.58	-1.07	-2.57	-12.14	-5.25	-1.43	-1.84	-2.26	-3.13	-4.03
Net IB debt/EBITDA lease Adj	-0.58	-1.07	-2.57	-12.14	-5.25	-1.43	-1.84	-2.26	-3.13	-4.03
Interest cover	5.21	2.96	-0.02	-1.24	0.58	4.05	13.19	39.60	38.97	38.36

Source: ABG Sundal Collier, Company data

North Media

Valuation and Ratios (DKKm)	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Shares outstanding adj.	19	19	19	19	19	19	18	18	18	18
Fully diluted shares Adj	19	19	19	19	19	19	18	18	18	18
EPS	1.88	1.59	0.40	-1.19	1.50	3.77	11.02	8.36	8.84	8.58
Dividend per share Adj	0.6	0.2	0.1	0	0	1.5	2.0	4.0	4.0	4.0
EPS Adj	1.88	1.59	-0.28	-0.87	-0.33	3.50	4.41	8.71	8.29	8.04
BVPS	26.78	27.81	27.47	24.29	26.24	28.42	36.37	45.99	55.09	63.92
BVPS Adj	17.46	20.64	24.06	22.18	23.33	25.70	33.64	43.27	52.43	61.34
Net IB debt / share	-2.9	-5.8	-7.5	-7.0	-7.9	-10.3	-19.0	-29.5	-39.6	-49.3
Share price	na	18.80	14.00	13.10	35.00	34.20	44.50	58.20	58.20	58.20
Market cap. (m)	na	356	265	248	663	648	821	1,045	1,045	1,045
Valuation	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
P/E	na	11.8	35.4	-11.0	23.4	9.1	4.0	7.0	6.6	6.8
EV/sales	na	0.16	0.07	0.07	0.55	0.36	0.39	0.49	0.32	0.15
EV/EBITDA	na	1.6	1.2	6.0	17.4	3.0	2.3	2.1	1.4	0.7
EV/EBITA	na	3.0	-96.1	-2.5	-4,932.3	3.8	2.8	2.3	1.6	0.7
EV/EBIT	na	3.0	-96.1	-2.5	-4,932.3	3.8	2.8	2.3	1.6	0.7
Dividend yield (%)	na	1.1	0.8	0	0	4.4	4.5	6.9	6.9	6.9
FCF yield (%)	na	9.5	5.4	0.9	-2.8	10.8	14.7	16.5	15.8	15.3
Lease adj. FCF yield (%)	na	9.5	5.4	0.9	-2.8	10.8	14.8	16.5	15.8	15.4
P/BVPS	na	0.68	0.51	0.54	1.33	1.20	1.22	1.27	1.06	0.91
P/BVPS Adj	na	0.91	0.58	0.59	1.50	1.33	1.32	1.35	1.11	0.95
P/E Adj	na	11.8	-49.1	-15.1	-105.3	9.8	10.1	6.7	7.0	7.2
EV/EBITDA Adj	na	1.6	1.2	6.0	17.4	3.0	2.3	2.1	1.4	0.7
EV/EBITA Adj	na	3.0	-96.1	-2.5	-4,932.3	3.8	2.8	2.3	1.6	0.7
EV/EBIT Adj	na	3.0	-96.1	-2.5	-4,932.3	3.8	2.8	2.3	1.6	0.7
EV/cap. employed	na	0.3	0.1	0.1	0.8	0.6	0.6	0.5	0.3	0.1
Investment ratios	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Capex/sales	2.4	2.4	1.0	0.7	3.5	2.2	1.0	1.2	1.2	1.2
Capex/depreciation	70.8	53.7	18.3	17.7	109.8	93.5	37.0	50.9	52.4	54.2
Capex tangibles/tangible fixed assets	8.5	8.9	3.7	2.5	12.1	10.4	4.9	5.2	5.3	5.5
Capex intangibles/definite intangibles	0	0	0	0	0	0	-8.9	0	0	0
Depreciation on intangibles/definite inta	9.3	25.8	1,028.0	1,555.6	49.7	33.9	15.2	14.0	15.4	17.2
Depreciation on tangibles/tangibles	9.5	10.8	11.1	8.7	7.9	9.4	11.4	9.6	9.6	9.5

Source: ABG Sundal Collier, Company data

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ABGSC Research Department

Joint Global Head of Research

John Olaisen +47 22 01 61 87
 Christer Linde +46 8 566 286 90

Strategy

Christer Linde, Quant/Technical +46 8 566 286 90
 Derek Laliberte +46 8 566 286 78
 Bengt Jonassen +47 22 01 60 98

Capital Goods

Anders Idborg +46 8 566 286 74
 Olof Cederholm +46 8 566 286 22
 Karl Bokvist +46 8 566 286 33
 Oskar Vikström +46 8 566 286 63

Chemicals

Martin Melbye +47 22 01 61 37
 Bengt Jonassen +47 22 01 60 98
 Petter Nyström +47 22 01 61 35

Construction & Real Estate

Tobias Kaj +46 8 566 286 21
 Bengt Jonassen +47 22 01 60 98
 Daniel Vårdal Haugland +47 22 01 61 75
 Staffan Bülow +46 8 566 286 39
 Laurits Louis Kjaergaard +45 35 46 30 12

Consumer Goods

Petter Nyström +47 22 01 61 35
 Fredrik Ivarsson +46 8 566 286 95

Credit Research

Rikard Magnus Braaten +47 22 01 60 86
 Andreas Johannessen +47 22 01 60 31
 Haakon Amundsen +47 22 01 60 25
 Glenn Kringhaug +47 22 01 61 62
 Karl Fredrik Schjøtt-Pedersen +47 22 01 61 65
 Ludvig Kapanen +46 8 566 286 91

Financials

Magnus Andersson +46 8 566 294 69
 Mads Thinggaard +45 35 46 30 18
 Patrik Brattelius +46 8 566 286 64
 Jan Erik Gjerland +47 22 01 61 16
 Jonas Bru Lien +47 22 01 61 71

Food & Beverages

Fredrik Ivarsson +46 8 566 286 95
 Petter Nyström +47 22 01 61 35

Healthcare

Rickard Anderkrans +46 8 566 286 73
 Viktor Sundberg +46 8 566 286 41
 Victor Forssell +46 8 566 286 92
 Jannick Lindegaard Denholt +45 35 46 30 13
 Benjamin Silverstone +45 35 46 30 11

Investment Companies

Derek Laliberte +46 8 566 286 78

IT

Aksel Øverland Engebakken +47 22 01 61 11
 Daniel Thorsson +46 8 566 286 82
 Simon Granath +46 8 566 286 32
 Jesper Birch-Jensen +46 8 566 286 13

Media

Aksel Øverland Engebakken +47 22 01 61 11
 Derek Laliberte +46 8 566 286 78

Metals & Mining

Martin Melbye +47 22 01 61 37
 Bengt Jonassen +47 22 01 60 98

Oil & Gas

John Olaisen +47 22 01 61 87
 Karl Fredrik Schjøtt-Pedersen +47 22 01 61 65
 Eirik Thune Øritsland +47 22 01 61 40

Oil Service

John Olaisen +47 22 01 61 87
 Haakon Amundsen +47 22 01 60 25
 Lukas Daul +47 22 01 61 39
 Karl Fredrik Schjøtt-Pedersen +47 22 01 61 65
 Eirik Thune Øritsland +47 22 01 61 40

Online Gaming

Aksel Øverland Engebakken +47 22 01 61 11
 Erik Moberg +46 8 566 286 87
 Stefan Knutsson +46 8 566 286 37
 Jesper Birch-Jensen +46 8 566 286 13

Pulp & Paper

Martin Melbye +47 22 01 61 37
 Øystein Elton Lodgaard +47 22 01 60 26

Renewable Energy

Casper Blom +45 35 46 30 15
 Petter Nyström +47 22 01 61 35

Retail

Fredrik Ivarsson +46 8 566 286 95
 Johan Brown +46 8 566 286 51
 Petter Nyström +47 22 01 61 35

Seafood

Martin Kaland +47 22 01 60 67

Services

Victor Forssell +46 8 566 286 92
 Stefan Knutsson +46 8 566 286 37

Shipping & Transport

Dennis Anghelopoulos +47 22 01 60 37
 Casper Blom +45 35 46 30 15
 Lukas Daul +47 22 01 61 39

Telecom Operators + Telecom equipment

Peter Kurt Nielsen +44 207 905 5631

Utilities

Petter Nyström +47 22 01 61 35
 Oskar Vikström +46 8 566 286 63

Small Caps/Others

Daniel Thorsson +46 8 566 286 82
 Laurits Louis Kjaergaard +45 35 46 30 12
 Edvard Hagman +45 35 46 30 31

Norway

Pb. 1444 Vika
 NO-0115 OSLO
 Norway
 Tel: +47 22 01 60 00
 Fax: +47 22 01 60 60

Sweden

Regeringsgatan 25, 8th floor
 SE-111 53 STOCKHOLM
 Sweden
 Tel: +46 8 566 286 00
 Fax: +46 8 566 286 01

Denmark

Forbindelsesvej 12,
 DK-2100 COPENHAGEN
 Denmark
 Tel: +45 35 46 61 00
 Fax: +45 35 46 61 10

United Kingdom

10 Paternoster Row, 5th fl
 LONDON EC4M 7EJ
 UK
 Tel: +44 20 7905 5600
 Fax: +44 20 7905 5601

USA

850 Third Avenue, Suite 9-C
 NEW YORK, NY 10022
 USA
 Tel: +1 212 605 3800
 Fax: +1 212 605 3801

Germany

Schillerstrasse 2, 5. OG
 DE-60313 FRANKFURT
 Germany
 Tel +49 69 96 86 96 0
 Fax +49 69 96 86 96 99

Singapore

10 Collyer Quay
 Ocean Financial Center
 #40-07, Singapore 049315
 Tel +65 6808 6082