

North Media

Unfolding of strong strategic initiatives

- Solid Q2 and softer landing in H2'21 anticipated
- FK Distribution initiatives seem to be materialising
- We raise our EPS estimates and FVR by ~2%

Return on securities on par with EBIT produces a solid Q2

North Media announced Q2 revenue of DKK 259m (6% vs. ABGSCe at DKK 245m) and EBIT of DKK 68m (12% vs. ABGSCe at DKK 60m). The return on securities was DKK 61m (vs. ABGSCe at DKK 31m), so Q2 saw strong EBT of DKK 128m (42% vs. ABGSCe at DKK 90m). Already last week (12/08), North Media upgraded its Q2 rev. guidance by 2% to DKK 1,015-1,035m (995-1,025m) and EBIT by 5% to DKK 250-265m (235-255m). The upgrade was driven by FK Distribution, whereas there was a slight positive revision in OFIR and negative revisions in BoligPortal and Bekey. Overall, the volume decline for FK Distribution is anticipated to be lower than initially expected, and management say there have been good developments in core businesses and momentum in strategic initiatives that should boost revenue and earnings by 2022. These include the launch of SaaS products in BoligPortal, building new customer groups in Ofir and Bekey's contracts in the stairwells segment.

FK Distribution continues to show strong performance

On 16 August, FK distribution signed an agreement with Salling Group to continue the distribution of leaflets for the largest retail chains in Denmark, a contract that will run until YE'24 and does not impact the company's medium-term 2022-23 financial ambitions. FK Distribution also sees the potential to expand its collaboration with Deutsche Post (in early '22e) where it now delivers to ~500k households. Driven by the momentum in FK Distribution, we lift our sales estimate by 2%; due to product mix, we lift our gross margin by 0.4pp for 2021-22e, which raises our EBIT by ~3% and EPS by ~2% due to lower net financial items.

FVR mid-point increased by +2.5% to DKK 106-159 (103-159)

We raise our FVR to DKK 106-159 (103-156), a mid-point increase of 2% driven by the estimate changes in this report. North Media will host a public management call tomorrow, 19 August at CET 15:30-16:30 in English, and we will host a management conference call for investors on Friday, 20 August at CET 11:00-12:00. Sign-up is required for both calls.

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DKKm	2019	2020	2021e	2022e	2023e
Sales	1,130	1,045	1,039	1,068	1,101
EBITDA	191	270	292	303	316
EBITDA margin (%)	16.9	25.9	28.1	28.4	28.7
EBIT adj	160	240	262	272	284
EBIT adj margin (%)	14.2	23.0	25.2	25.5	25.8
Pretax profit	266	388	296	309	324
EPS rep	11.33	17.22	12.87	13.44	14.08
EPS adj	6.23	10.42	11.18	11.63	12.14
Sales growth (%)	-1.3	-7.5	-0.7	2.8	3.1
EPS growth (%)	192.4	52.0	-25.3	4.5	4.7

Source: ABG Sundal Collier, Company data

Reason: Post-results comment

Company sponsored research

Not rated

Estimate changes (%)

	2021e	2022e	2023e
Sales	1.8%	1.7%	1.7%
EBIT (rep)	3.4%	3.4%	3.3%
EPS (rep)	2.0%	1.9%	1.8%

Source: ABG Sundal Collier

Share price (DKK)	17/08/2021	128.0
Fair value range (per share)		106-159

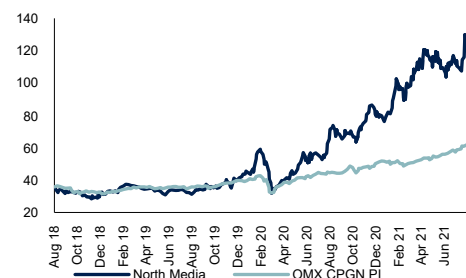
Media, Denmark
NORTHM.COF/NORTHM:DC

MCap (DKKm)	2,298
MCap (EURm)	309
Net debt (EURm)	-116

No. of shares (m)	18.0
Free float (%)	36
Av. daily volume (k)	22

Next event Q3 report: 03 Nov

Performance



	1m	3m	12m
Absolute (%)	11.3	12.5	101.1

Source: FactSet

	2021e	2022e	2023e
P/E (x)	9.9	9.5	9.1
P/E adj (x)	11.5	11.0	10.5
P/BVPS (x)	2.06	1.69	1.42
EV/EBITDA (x)	4.8	3.8	2.8
EV/EBIT adj (x)	5.4	4.2	3.1
EV/sales (x)	1.36	1.08	0.80
ROE adj (%)	20.1	16.9	14.6
Dividend yield (%)	3.9	3.9	3.9
FCF yield (%)	8.5	9.2	9.5
Lease adj. FCF yld (%)	8.5	9.2	9.5
Net IB debt/EBITDA	-3.0	-3.7	-4.4
Lease adj. ND/EBITDA	-3.0	-3.7	-4.4

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.

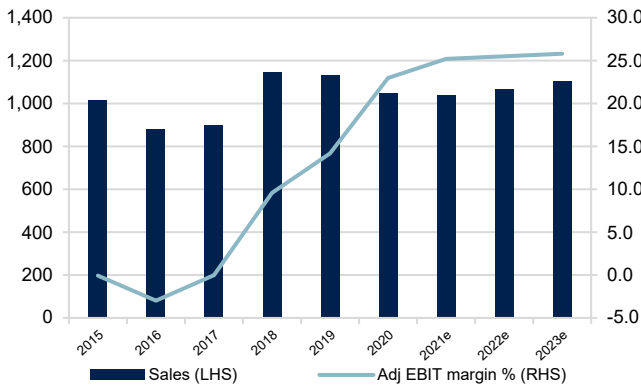
Company description

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 three segments: FK Distribution, North Media Online and BEKEY.

Risks

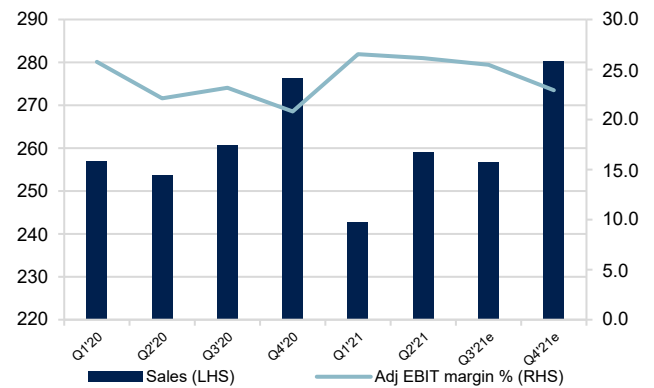
There are three main risks to the business: 1) the implementation of regulations against physical advertisements and/or an increased negative perception of offline advertisements, 2) increased penetration of online marketing from competitors and its market share versus print media, and 3) difficulties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

Annual sales & adj. EBIT margin, DKKm



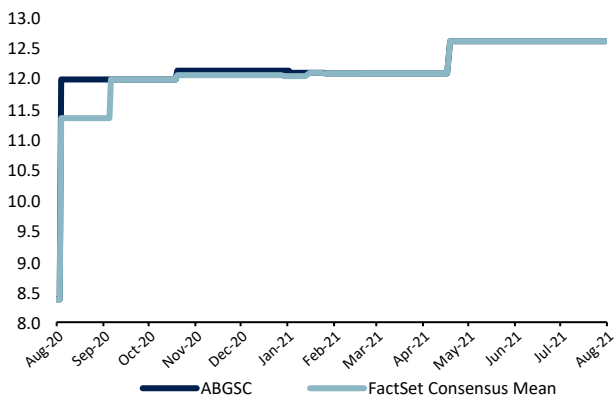
Source: ABG Sundal Collier, Company data

Quarterly sales and adj. EBIT margin



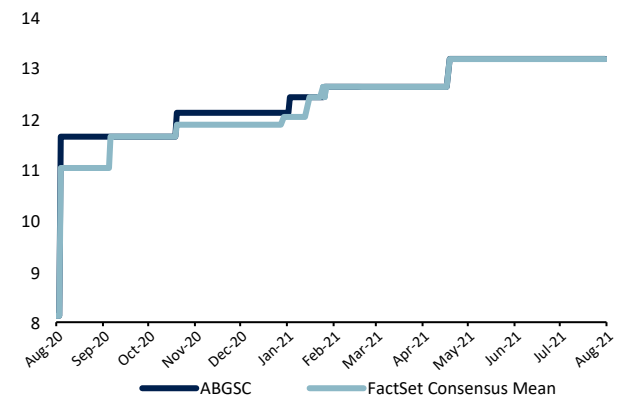
Source: ABG Sundal Collier, Company data

EPS estimate changes, 2021e, DKK



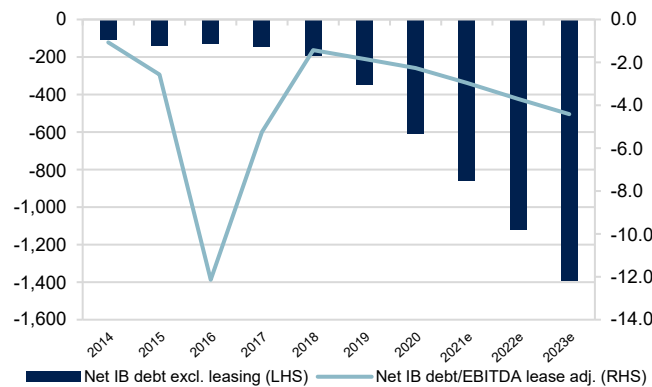
Source: ABG Sundal Collier, FactSet

EPS estimate changes, 2022e, DKK



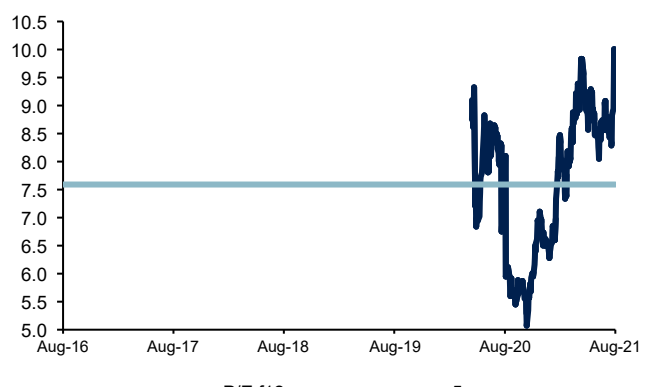
Source: ABG Sundal Collier, FactSet

Lease adj. net debt and ND/EBITDA



Source: ABG Sundal Collier, Company data

12-month forward-looking P/E



Source: ABG Sundal Collier, Company data

Estimates changes

Q2 deviation table

Deviation table		ABGSCe							
DKKm	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q2'21e	Dev.	
Revenue	257	254	261	276	243	259	245	6%	
Gross profit	155	151	154	162	149	157	148	6%	
EBITDA	73	65	68	67	72	74	68	10%	
EBIT (bsi.)	66	56	60	58	64	68	60	12%	
EBIT	66	56	60	58	64	68	60	12%	
Return on securities	-45	102	42	56	1	61	31	98%	
EBT	20	156	101	111	64	128	90	42%	
Profit	16	120	80	88	52	98	69	42%	
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Sales growth (total)	-3%	-12%	0%	-12%	-6%	2%	-4%	6%p	
Gross profit margin	60%	60%	59%	59%	61%	60%	61%	0%p	
EBITDA margin	28%	26%	26%	24%	29%	29%	28%	1%p	
EBIT (bsi.) margin	26%	22%	23%	21%	27%	26%	25%	1%p	
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Segments (Revenue)									
FK Distribution	223	221	228	241	209	223	210	6%	
NM Online	24	26	27	27	28	25	29	-13%	
Bekey	8	6	6	9	6	12	6	106%	
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Segments (EBIT bsi.)									
FK Distribution	64	54	59	48	62	62	55	12%	
NM Online	4	7	6	6	7	8	7	11%	
Bekey	-1	-2	-2	-2	-2	-2	-2	-6%	
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Segments (EBIT bsi. margin)									
FK Distribution	29%	24%	26%	20%	29%	28%	26%	1%p	
NM Online	18%	27%	22%	21%	24%	31%	24%	7%p	
Bekey	-18%	-31%	-35%	-17%	-25%	-13%	-29%	16%p	

Source: ABG Sundal Collier, company data

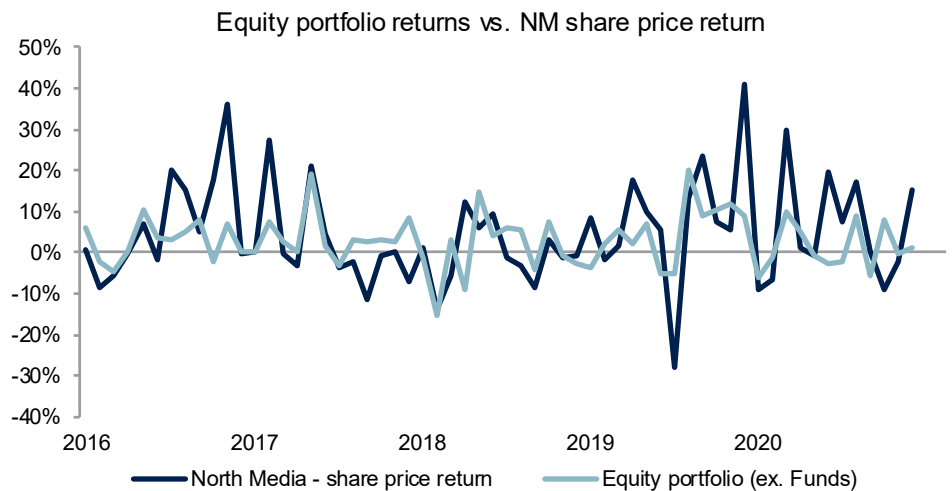
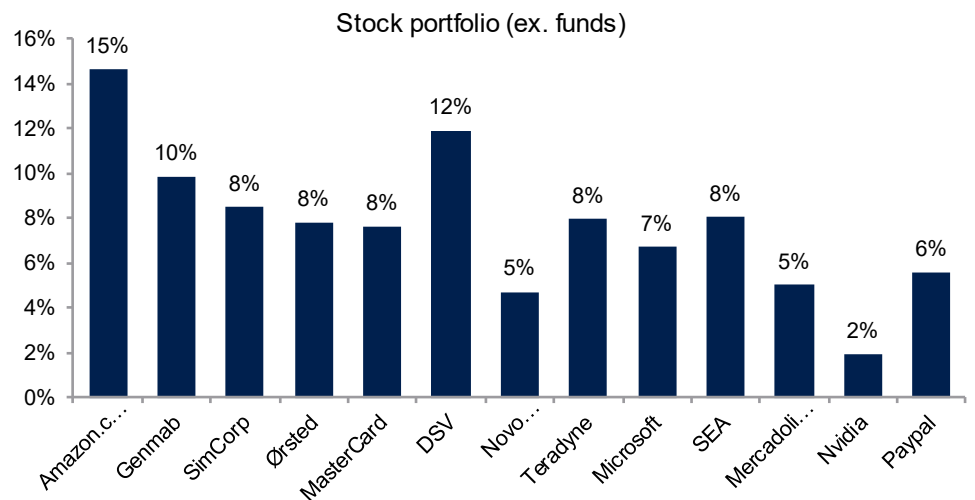
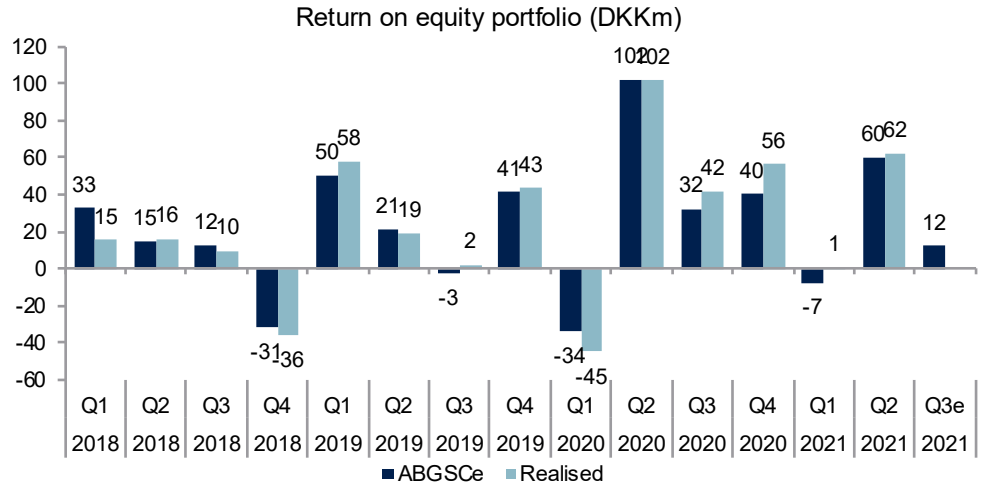
Estimate revisions in this report

Estimate Revisions	New estimates			Old estimates			Revision		
	2021e	2022e	2023e	2021e	2022e	2023e	2021e	2022e	2023e
DKKm									
Revenue	1039	1068	1101	1020	1049	1082	2%	2%	2%
Gross profit	633	653	676	618	638	660	2%	2%	2%
EBITDA	292	303	316	283	294	306	3%	3%	3%
EBIT (bsi.)	262	272	284	253	263	275	3%	3%	3%
EBIT	262	272	284	253	263	275	3%	3%	3%
EBT	296	309	324	290	303	318	2%	2%	2%
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Sales growth	-1%	3%	3%	-2%	3%	3%	2%p	0%p	0%p
Gross profit margin	61%	61%	61%	61%	61%	61%	0.4%p	0.4%p	0.4%p
EBITDA margin	28%	28%	29%	28%	28%	28%	0.4%p	0.4%p	0.4%p
EBIT margin	25%	26%	26%	25%	25%	25%	0.4%p	0.4%p	0.4%p
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Segments (Revenue)									
Last Mile	886	886	886	868	868	868	2.1%	2.1%	2.1%
Digital Services	155	183	217	155	183	217	0.0%	0.0%	0.0%
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Segments (EBIT)									
Last Mile	235	225	210	226	216	201	3.8%	4.1%	4.5%
Digital Services	27	47	74	27	47	74	0.0%	0.0%	0.0%
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Segments (Revenue)									
FK Distribution	886	886	886	868	868	868	2.1%	2.1%	2.1%
NM Online	124	149	179	124	149	179	0.0%	0.0%	0.0%
Bekey	31	34	38	31	34	38	0.0%	0.0%	0.0%
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Segments (EBIT bsi.)									
FK Distribution	235	225	210	226	216	201	3.8%	4.1%	4.5%
NM Online	33	47	64	33	47	64	0.0%	0.0%	0.0%
Bekey	-7	1	9	-7	1	9	0.0%	0.0%	0.0%

Source: ABG Sundal Collier, company data

Equity portfolio performance

Updated forecast on equity portfolio



Source: ABG Sundal Collier, Factset

Full-year estimates

Profit / Loss	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY
Revenues	1,212	1,105	1,077	1,074	1,012	881	899	1,145	1,130	1,045	1,039	1,068	1,101
Direct expenses	-427	-375	-394	-334	-317	-282	-280	-331	-300	-245	-231	-237	-243
Direct staff cost	-205	-199	-196	-207	-199	-181	-210	-261	-241	-180	-174	-178	-182
Gross profit	580	530	488	533	497	418	410	553	589	620	633	653	676
Staff cost	-263	-279	-271	-279	-292	-267	-262	-270	-272	-226	-222	-226	-231
Other cost	-124	-125	-136	-157	-157	-144	-124	-151	-133	-132	-126	-130	-135
Other operating income	7.4	7.0	12.2	6.2	7.9	4.3	4.4	5.5	7.3	8.1	6.2	6.4	6.6
Distribution & Admin. costs (incl. depr.)	-380	-397	-394	-430	-441	-407	-381	-415	-398	-349	-342	-350	-360
- of sales (%)	31.4%	35.9%	36.6%	40.0%	43.6%	46.2%	42.4%	36.3%	35.3%	33.4%	32.9%	32.8%	32.7%
EBITDA	200	134	94	103	56	11	28	137	191	270	292	303	316
- margin (%)	16.5%	12.1%	8.7%	9.6%	5.5%	1.2%	3.2%	12.0%	16.9%	25.9%	28.1%	28.4%	28.7%
Amortisation and depreciation	-33	-33	-36	-48	-56	-37	-29	-28	-30	-30	-30	-31	-32
- of sales (%)	2.7%	3.0%	3.3%	4.5%	5.6%	4.2%	3.2%	2.4%	2.7%	2.9%	2.9%	2.9%	2.9%
EBIT b. special items	167	101	58	55	-1	-26	0	110	160	240	262	272	284
Special items, net	0	-7	-20	-8	-19	-41	0	-16	2	0	0	0	0
EBIT	167	93	38	48	-20	-67	0	94	162	240	262	272	284
- margin (%)	13.7%	8.5%	3.5%	4.4%	-2.0%	-7.6%	-0.1%	8.2%	14.3%	23.0%	25.2%	25.5%	25.8%
Share of profit/loss in associates	-1	-2	-2	-1	0	25	-2	1	-5	-1	-1	-1	-1
Return on securities	0	0	0	0	13	-6	35	5	122	154	40	43	46
Net financial income	-4	5	-8	-7	-8	-21	-3	-27	-12	-6	-5	-5	-6
financial income	7	16	3	18	1	0	5	0	1	0	0	0	0
financial expenses	-11	-11	-12	-25	-8	-21	-8	-27	-12	-6	-5	-5	-6
Pre-tax profit	162	97	27	40	-15	-70	29	73	268	388	296	309	324
- margin (%)	13.4%	8.8%	2.5%	3.7%	-1.5%	-7.9%	3.2%	6.4%	23.7%	37.1%	28.5%	29.0%	29.4%
Tax for the year	-41	-21	-11	-17	3	6	-1	-17	-62	-85	-65	-68	-71
Net profit for the year (ex. disc.)	121	76	16	23	-12	-64	28	56	205	303	231	241	253
Segments													
Revenue													
Last Mile					691	591	671	933	926	914	886	886	886
Digital Services					113	116	104	105	111	132	152	181	215
EBIT													
Last Mile					56	35	37	135	172	234	235	225	210
Digital Services					-32	-33	-22	-15	0	16	27	47	74
EBIT margin %													
Last Mile					8%	6%	5%	14%	19%	26%	27%	25%	24%
Digital Services					-28%	-28%	-21%	-15%	0%	12%	17%	26%	34%

Source: ABG Sundal Collier, company data

Quarterly estimates

Profit / Loss	2019				2020e				2021e			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3e	Q4e
Revenues	264	289	262	315	257	254	261	276	243	259	257	280
Direct expenses	-74	-75	-72	-80	-59	-57	-61	-68	-52	-59	-57	-63
Direct staff cost	-59	-63	-58	-61	-44	-46	-45	-46	-41	-44	-43	-46
Gross profit	131	151	132	175	155	151	154	162	149	157	157	171
Staff cost	-64	-71	-67	-71	-55	-57	-56	-58	-52	-56	-55	-60
Other cost	-36	-34	-30	-33	-30	-31	-32	-39	-26	-28	-30	-42
Other operating income	1.7	1.7	1.8	2.1	3.5	1.9	1.3	1.4	1.3	1.3	1.5	2.1
Distribution & Admin. costs (incl. depr.)	-98	-103	-95	-102	-81	-86	-87	-95	-78	-82	-83	-99
- of sales (%)	37.2%	35.7%	36.4%	32.3%	31.7%	33.9%	33.3%	34.5%	31.9%	31.7%	32.4%	35.3%
EBITDA	33	48	37	73	73	65	68	67	72	75	73	72
- margin (%)	12.5%	16.6%	14.1%	23.1%	28.5%	25.6%	25.9%	24.2%	29.5%	28.8%	28.6%	25.8%
Amortisation and depreciation	-8	-8	-8	-7	-7	-9	-7	-7	-7	-7	-8	-8
- of sales (%)	2.9%	2.6%	2.9%	2.4%	2.7%	3.5%	2.7%	2.6%	2.9%	2.6%	3.1%	2.9%
EBIT b. special items	25	40	29	65	66	56	60	58	64	68	65	64
Special items, net	3	0	0	-1	0	0	0	0	0	0	0	0
EBIT	28	40	29	64	66	56	60	58	64	68	65	64
- margin (%)	10.6%	13.9%	11.2%	20.4%	25.8%	22.1%	23.2%	20.8%	26.5%	26.1%	25.5%	22.9%
Share of profit/loss in associates	0	0	0	-5	0	-1	0	-1	0	1	0	-2
Return on securities	58	19	2	43	-45	102	42	56	1	61	12	-34
Net financial income	1	-2	-8	-3	-2	-2	-1	-1	-1	-2	-1	-1
financial income	2	0	0	-1	0	0	0	0	0	0	0	0
financial expenses	-1	-2	-8	-1	-2	-2	-1	-1	-1	-2	-2	0
Pre-tax profit	86	58	24	100	20	156	101	111	64	128	76	28
- margin (%)	32.7%	19.9%	9.1%	31.7%	7.7%	61.4%	38.8%	40.3%	26.4%	49.3%	29.8%	9.9%
Tax for the year	-19	-13	-5	-25	-4	-36	-21	-24	-12	-29	-18	-6
Net profit for the year (ex. disc.)	67	45	19	75	16	120	80	88	52	98	59	21
Segments												
Revenue												
Last Mile	215	238	214	259	223	221	228	241	209	223	217	238
Digital Services	27	26	28	32	32	32	33	35	34	37	40	42
EBIT												
Last Mile	29.8	43.8	33.6	65.2	63.6	53.9	59.0	47.8	61.5	62.1	56.7	54.8
Digital Services	-0.6	-2.3	-1.4	2.8	2.9	5.1	4.0	4.2	5.3	7.7	8.7	5.0
EBIT margin %												
Last Mile	14%	18%	16%	25%	29%	24%	26%	20%	29%	28%	26%	23%
Digital Services	-2%	-9%	-5%	9%	9%	16%	12%	12%	16%	21%	22%	12%

Source: ABG Sundal Collier, company data

Valuation considerations

Valuation sensitivity with front-loaded FCF in stage 1 DCF

Sensitivity	Low	Mid	High	Share of FCF
PV FCF, stg. 1, 3y	389	541	754	38%
PV FCF, stg. 2, 3-10y	509	708	986	49%
PV FCF, stg. 3, 10y+	132	183	255	13%
EV	1029	1432	1,995	100%
Net debt/cash (+/-)	863	863	863	
- Stock portfolio (ex. costs)	567	567	567	
- RE portfolio (ex. debt/costs)	127	127	127	
Dividend	5	5	5	
Equity value	1,897	2,299	2,862	
Time adj.	1.07	1.07	1.07	
Total no. Shares (m)	20	20	20	
NM owned shares (m)	2.1	2.1	2.1	
No. Shares (m)	18.0	18.0	18.0	
Share value	106	124	159	

Source: ABG Sundal Collier, company data

DCF sensitivity

	EV/Sales				EV/EBITDA				EV/EBIT										
	EBITDA margin				EBITDA margin				EBITDA margin										
	5.0%	10.0%	15.0%		5.0%	10.0%	15.0%		5.0%	10.0%	15.0%								
2021e	WACC	8%	1.21x	1.61x	2.01x	8%	4.7x	6.2x	7.8x	8%	5.2x	7.0x	8.7x						
		9%	1.15x	1.47x	1.80x	9%	4.5x	5.7x	6.9x	9%	5.0x	6.4x	7.8x						
		10%	1.11x	1.37x	1.63x	10%	4.3x	5.3x	6.3x	10%	4.8x	6.0x	7.1x						
		11%	1.06x	1.28x	1.50x	11%	4.1x	5.0x	5.8x	11%	4.6x	5.6x	6.5x						
		12%	1.02x	1.21x	1.39x	12%	4.0x	4.7x	5.4x	12%	4.4x	5.3x	6.1x						
2022e	WACC	8%	1.21x	1.62x	2.02x	8%	4.3x	5.8x	7.2x	8%	4.8x	6.4x	8.0x						
		9%	1.16x	1.48x	1.81x	9%	4.1x	5.3x	6.4x	9%	4.6x	5.9x	7.2x						
		10%	1.11x	1.38x	1.64x	10%	4.0x	4.9x	5.8x	10%	4.4x	5.5x	6.5x						
		11%	1.07x	1.29x	1.51x	11%	3.8x	4.6x	5.4x	11%	4.2x	5.1x	6.0x						
		12%	1.03x	1.22x	1.40x	12%	3.7x	4.3x	5.0x	12%	4.1x	4.8x	5.6x						
2023e	WACC	8%	1.18x	1.57x	1.97x	8%	4.2x	5.5x	6.9x	8%	4.6x	6.2x	7.7x						
		9%	1.13x	1.44x	1.76x	9%	4.0x	5.1x	6.2x	9%	4.4x	5.7x	6.9x						
		10%	1.08x	1.34x	1.60x	10%	3.8x	4.7x	5.6x	10%	4.2x	5.3x	6.3x						
		11%	1.04x	1.26x	1.47x	11%	3.7x	4.4x	5.2x	11%	4.1x	4.9x	5.8x						
		12%	1.00x	1.18x	1.36x	12%	3.5x	4.2x	4.8x	12%	3.9x	4.6x	5.3x						
	Valuation sensitivity																		
	WACC	LT Sales growth			<table border="1"> <thead> <tr> <th colspan="2">Valuation range</th> </tr> </thead> <tbody> <tr> <td>High</td> <td>159</td> </tr> <tr> <td>Mid</td> <td>124</td> </tr> <tr> <td>Low</td> <td>106</td> </tr> </tbody> </table>				Valuation range		High	159	Mid	124	Low	106	EBITDA margin (%)		
		Valuation range																	
		High	159																
		Mid	124																
Low		106																	
-5%	2%	7%	5.0%	10.0%	15.0%														
8%	122	142	162	8%	117	142	167												
9%	117	134	150	9%	114	134	154												
10%	113	127	141	10%	111	127	144												
11%	109	122	134	11%	108	122	135												
12%	106	117	128	12%	105	117	129												

Source: ABG Sundal Collier, company data

Peer estimates and valuation

	Market cap (EurM)	P/E				EV/EBITDA				EV/EBIT			
		2019	2020e	2021e	2022e	2019	2020e	2021e	2022e	2019	2020e	2021e	2022e
Online													
Alphabet	1,563,489	46.9x	39.4x	26.7x	24.7x	13.8x	15.6x	15.7x	13.2x	23.6x	25.8x	23.2x	19.8x
Facebook	902,699	49.5x	31.6x	24.3x	21.1x	13.4x	15.5x	13.5x	11.1x	22.1x	21.9x	18.3x	15.1x
Amazon	1,669,569	143.9x	79.2x	60.7x	46.1x	20.5x	28.4x	21.1x	16.7x	60.8x	71.1x	47.2x	34.1x
eBay	39,302	20.4x	16.9x	14.7x	12.7x	9.3x	10.4x	10.4x	9.5x	11.3x	12.4x	12.1x	10.9x
Median	1,233,094	48.2x	35.5x	25.5x	22.9x	13.6x	15.6x	14.6x	12.2x	22.9x	23.8x	20.8x	17.4x
Print													
Alma Media	832	19.8x	28.1x	20.0x	17.1x	8.8x	12.1x	14.9x	12.9x	11.7x	16.1x	19.1x	16.2x
Schibsted	90,140	65.4x	79.3x	54.4x	40.2x	16.4x	40.1x	37.0x	33.6x	30.2x	68.0x	53.4x	43.1x
Adevinta	99,078					32.6x	61.6x	28.4x	18.0x	52.9x	92.4x	34.9x	22.1x
Sanoma Wsoy	2,260	25.6x	22.3x	20.0x	18.2x	8.0x	6.5x	8.5x	7.8x	21.0x	21.7x	19.3x	17.1x
Daily Mail & Gen	1,866	23.2x	33.9x	36.7x	27.7x	8.7x	10.7x	10.5x	8.9x	11.6x	15.7x	15.2x	12.2x
New York Timers	7,487	48.8x	46.2x	47.7x	37.1x	21.1x	33.5x	25.9x	20.7x	28.1x	44.5x	33.0x	25.4x
Median	4,874	25.6x	33.9x	36.7x	27.7x	12.6x	22.8x	20.4x	15.5x	24.6x	33.1x	26.1x	19.6x
North Media	306	5.6x	5.5x	11.5x	11.0x	1.6x	1.7x	5.4x	4.2x	1.3x	1.5x	4.8x	3.8x
- diff. to online		-88%	-84%	-55%	-52%	-88%	-89%	-63%	-65%	-94%	-94%	-77%	-78%
- diff. to Print		-78%	-84%	-69%	-60%	-88%	-93%	-74%	-73%	-95%	-96%	-81%	-81%

	Market cap (EurM)	Sales growth (%)			EBITDA margin (%)			EBIT margin (%)		
		2020e	2021e	2022e	2020e	2021e	2022e	2020e	2021e	2022e
Online										
Alphabet	1,563,489	13%	29%	16%	37%	38%	39%	23%	26%	26%
Facebook	902,699	22%	34%	19%	54%	53%	52%	38%	39%	38%
Amazon	1,669,569	38%	27%	18%	15%	15%	16%	6%	7%	8%
eBay	39,302	-5%	17%	7%	37%	34%	34%	31%	29%	30%
Median	1,233,094	17%	28%	17%	37%	36%	37%	27%	28%	28%
Print										
Alma Media	832	-22%	10%	7%	26%	28%	29%	20%	22%	23%
Schibsted	90,140	-32%	10%	6%	16%	18%	19%	10%	13%	15%
Adevinta	99,078	-11%	102%	40%	27%	32%	35%	18%	26%	29%
Sanoma Wsoy	2,260	16%	15%	4%	42%	28%	29%	13%	12%	13%
Daily Mail & Gen	1,866	-14%	-6%	2%	11%	12%	13%	7%	8%	9%
New York Timers	7,487	-2%	9%	7%	14%	14%	16%	11%	11%	13%
Median	4,874	-12%	10%	6%	21%	23%	24%	12%	12%	14%
North Media	306	-7%	-1%	3%	26%	28%	28%	23%	25%	26%
- diff. to online	-100%	-25%p	-29%p	-14%p	-11%p	-8%p	-8%p	-4%p	-2%p	-2%p
- diff. to Print	-94%	5%p	-11%p	-3%p	5%p	5%p	5%p	11%p	13%p	12%p

Source: ABG Sundal Collier for North Media, Factset for other companies

North Media

Income Statement (DKKm)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021e	Q4 2021e
Sales	257	254	261	276	243	259	257	280
COGS	-102	-103	-106	-114	-94	-102	-100	-109
Gross profit	155	151	154	162	149	157	157	171
Other operating items	-81	-87	-86	-97	-77	-81	-84	-100
EBITDA	74	64	68	65	72	75	73	72
Depreciation and amortisation	-8	-8	-8	-8	-8	-8	-8	-7
EBITA	66	56	60	58	64	68	65	64
EO items	0	0	0	0	0	0	0	0
Impairment and PPA amortisation	0	0	0	0	0	0	0	0
EBIT	66	56	60	58	64	68	65	64
Net financial items	-2	-2	-1	-1	-1	-2	-2	-0
Pretax profit	20	156	101	111	64	128	76	28
Tax	-4	-36	-21	-24	-12	-29	-18	-6
Net profit	16	120	80	88	52	98	59	22
Minority interest	0	0	0	0	0	0	0	0
Net profit discontinued	-3	6	0	3	0	0	0	0
Net profit to shareholders	12	126	80	91	52	98	59	22
EPS	0	0	0	0	0	0	0	0
EPS Adj	0	0	0	0	0	0	0	0
Total extraordinary items after tax	0	0	0	0	0	0	0	0
Tax rate (%)	22.1	23.3	20.5	21.3	18.2	22.9	23.0	22.8
Gross margin (%)	60.1	59.5	59.2	58.6	61.4	60.5	61.0	61.1
EBITDA margin (%)	28.7	25.1	26.1	23.5	29.6	29.1	28.4	25.6
EBITA margin (%)	25.8	22.1	23.2	20.8	26.5	26.1	25.5	22.9
EBIT margin (%)	25.8	22.1	23.2	20.8	26.5	26.1	25.5	22.9
Pretax margin (%)	25.2	21.5	22.7	20.3	26.0	25.4	24.8	22.8
Net margin (%)	23.5	7.2	14.8	11.8	21.2	14.1	17.9	20.6
Growth rates Y/Y	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021e	Q4 2021e
Sales growth (%)	-2.7	-12.2	-0.5	-12.4	-5.5	2.1	-1.5	1.4
EBITDA growth (%)	124.2	32.9	83.6	-10.6	-2.4	18.2	7.3	10.1
EBIT growth (%)	161.7	39.2	105.4	-11.9	-2.7	20.7	8.3	11.8
Net profit growth (%)	-77.0	166.1	334.1	17.4	238.5	-17.7	-27.1	-75.3
EPS growth (%)	-77.0	166.1	334.1	17.4	238.5	-17.7	-27.1	-75.3
Adj earnings numbers	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021e	Q4 2021e
EBITDA Adj	74	64	68	65	72	75	73	72
EBITDA Adj margin (%)	28.7	25.1	26.1	23.5	29.6	29.1	28.4	25.6
EBITA Adj	66	56	60	58	64	68	65	64
EBITA Adj margin (%)	25.8	22.1	23.2	20.8	26.5	26.1	25.5	22.9
EBIT Adj	66	56	60	58	64	68	65	64
EBIT Adj margin (%)	25.8	22.1	23.2	20.8	26.5	26.1	25.5	22.9
Pretax profit Adj	20	156	101	111	64	128	76	28
Net profit Adj	16	120	80	88	52	98	59	22
Net profit to shareholders Adj	16	120	80	88	52	98	59	22
Net Adj margin (%)	23.5	7.2	14.8	11.8	21.2	14.1	17.9	20.6

Source: ABG Sundal Collier, Company data

North Media

Income Statement (DKK m)	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Sales	1,074	1,012	881	899	1,145	1,130	1,045	1,039	1,068	1,101
COGS	-540	-516	-463	-490	-592	-541	-426	-405	-414	-425
Gross profit	533	497	418	410	553	589	620	633	653	676
Other operating items	-430	-441	-407	-381	-415	-398	-349	-342	-350	-360
EBITDA	103	56	11	28	137	191	270	292	303	316
Depreciation and amortisation	-48	-56	-37	-29	-28	-30	-30	-30	-31	-32
Of which leasing depreciation	0	0	0	0	0	0	0	0	0	0
EBITA	55	-1	-26	-0	110	160	240	262	272	284
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	55	-1	-26	-0	110	160	240	262	272	284
Net financial items	-7	-8	-21	-3	-27	-12	-6	-5	-5	-6
Pretax profit	47	4	-29	29	89	266	388	296	309	324
Tax	-17	3	6	-1	-17	-62	-85	-65	-68	-71
Net profit	30	8	-23	28	72	204	303	231	241	253
Minority interest	0	0	0	0	0	0	0	0	0	0
Net profit discontinued	0	0	0	0	0	0	6	0	0	0
Net profit to shareholders	30	8	-23	28	72	204	309	231	241	253
EPS	1.64	0.41	-1.22	1.54	3.87	11.33	17.22	12.87	13.44	14.08
EPS Adj	1.64	-0.05	-0.97	0.13	3.66	6.23	10.42	11.18	11.63	12.14
Total extraordinary items after tax	0	8	-5	26	4	92	116	30	32	35
Leasing payments	0	0	0	0	0	0	0	0	0	0
Tax rate (%)	35.9	78.6	21.0	2.1	19.5	23.4	21.9	21.9	21.9	21.9
Gross margin (%)	49.7	49.1	47.4	45.6	48.3	52.1	59.3	61.0	61.2	61.4
EBITDA margin (%)	9.6	5.5	1.2	3.2	12.0	16.9	25.9	28.1	28.4	28.7
EBITA margin (%)	5.1	-0.1	-3.0	-0.0	9.6	14.2	23.0	25.2	25.5	25.8
EBIT margin (%)	5.1	-0.1	-3.0	-0.0	9.6	14.2	23.0	25.2	25.5	25.8
Pretax margin (%)	4.5	0.4	-6.0	3.5	7.7	24.0	37.2	28.6	29.1	29.5
Net margin (%)	2.9	0.8	-5.3	3.4	6.2	18.5	29.1	22.3	22.7	23.1
Growth rates Y/Y	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Sales growth (%)	-0.3	-5.7	-13.0	2.1	27.3	-1.3	-7.5	-0.7	2.8	3.1
EBITDA growth (%)	10.5	-46.2	-80.4	160.6	383.1	38.9	41.9	7.9	3.9	4.2
EBIT growth (%)	-4.2	-101.3	-3,657.1	99.6	109,800.0	46.1	49.8	9.0	4.0	4.3
Net profit growth (%)	-15.4	-75.2	-401.3	225.7	151.8	184.8	48.8	-23.7	4.5	4.7
EPS growth (%)	-15.4	-75.2	-401.3	225.7	151.8	192.4	52.0	-25.3	4.5	4.7
Profitability	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
ROE (%)	5.8	1.4	-4.6	5.9	13.8	33.7	39.9	23.2	19.5	17.0
ROE Adj (%)	5.8	-0.2	-3.7	0.5	13.0	18.5	24.1	20.1	16.9	14.6
ROCE (%)	10.7	1.9	-1.2	6.0	17.8	37.7	43.5	26.8	23.1	20.4
ROCE Adj (%)	10.7	-0.1	-0.2	0.3	17.0	21.2	26.4	23.2	19.9	17.5
ROIC (%)	7.0	-0.3	-5.5	-0.0	25.0	35.8	60.2	73.8	81.0	89.3
ROIC Adj (%)	7.0	-0.3	-5.5	-0.0	25.0	35.8	60.2	73.8	81.0	89.3
Adj earnings numbers	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
EBITDA Adj	103	56	11	28	137	191	270	292	303	316
EBITDA Adj margin (%)	9.6	5.5	1.2	3.2	12.0	16.9	25.9	28.1	28.4	28.7
EBITDA lease Adj	103	56	11	28	137	191	270	292	303	316
EBITDA lease Adj margin (%)	9.6	5.5	1.2	3.2	12.0	16.9	25.9	28.1	28.4	28.7
EBITA Adj	55	-1	-26	-0	110	160	240	262	272	284
EBITA Adj margin (%)	5.1	-0.1	-3.0	-0.0	9.6	14.2	23.0	25.2	25.5	25.8
EBIT Adj	55	-1	-26	-0	110	160	240	262	272	284
EBIT Adj margin (%)	5.1	-0.1	-3.0	-0.0	9.6	14.2	23.0	25.2	25.5	25.8
Pretax profit Adj	47	-9	-22	-6	84	144	234	255	266	277
Net profit Adj	30	-1	-18	2	68	112	187	201	209	218
Net profit to shareholders Adj	30	-1	-18	2	68	112	187	201	209	218
Net Adj margin (%)	2.9	-0.1	-4.8	0.5	5.8	10.3	18.0	19.4	19.7	19.9

Source: ABG Sundal Collier, Company data

North Media

Cash Flow Statement (DKKkm)	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
EBITDA	103	56	11	28	137	191	270	292	303	316
Net financial items	-7	-8	-21	-3	-27	-12	-6	-5	-5	-6
Paid tax	-17	3	6	-1	-17	-62	-85	-65	-68	-71
Non-cash items	7	-19	7	-14	0	0	0	0	0	0
Cash flow before change in WC	87	33	3	11	93	117	180	222	230	239
Change in WC	-3	2	-18	12	12	14	15	-7	-1	-1
Operating cash flow	84	35	-14	23	105	130	195	214	229	238
CAPEX tangible fixed assets	-26	-10	-7	-31	-26	-12	-14	-16	-17	-17
CAPEX intangible fixed assets	0	0	0	0	0	0	0	0	0	0
Acquisitions and disposals	-24	-10	23	-11	-9	2	-4	-2	-2	-2
Free cash flow	34	14	2	-19	70	120	177	196	210	219
Dividend paid	4	2	0	0	28	28	72	5	5	5
Share issues and buybacks	0	0	0	0	0	0	0	0	0	0
Lease liability amortisation	0	0	0	0	0	0	0	0	0	0
Other non cash items	35	35	-16	50	-49	-4	-6	49	45	48
Balance Sheet (DKKkm)	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Goodwill	72	62	39	39	39	39	39	39	39	39
Other intangible assets	68	53	16	16	14	14	17	8	7	5
Tangible fixed assets	292	275	267	259	247	250	237	225	212	200
Right-of-use asset	0	0	0	0	0	0	0	0	0	0
Total other fixed assets	93	67	63	89	95	86	78	77	76	75
Fixed assets	526	458	385	403	396	389	371	349	334	318
Inventories	0	11	6	6	4	5	4	4	5	5
Receivables	115	93	103	95	99	89	76	82	84	87
Other current assets	0	0	0	0	0	0	0	0	0	0
Cash and liquid assets	248	289	271	281	327	485	739	989	1,249	1,521
Total assets	889	850	766	785	825	968	1,189	1,424	1,672	1,930
Shareholders equity	527	521	460	497	539	671	879	1,115	1,360	1,618
Minority	5	1	0	0	0	0	0	0	0	0
Total equity	532	522	460	498	539	671	879	1,115	1,360	1,618
Long-term debt	132	139	132	125	127	123	118	118	118	118
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	51	27	18	11	5	19	18	18	18	18
Short-term debt	6	7	7	7	5	11	8	8	8	8
Accounts payable	61	56	47	54	51	42	43	42	44	45
Other current liabilities	107	99	102	91	100	102	123	123	124	124
Total liabilities and equity	889	850	766	785	825	968	1,189	1,424	1,672	1,930
Net IB debt	-110	-143	-132	-149	-196	-351	-613	-863	-1,123	-1,394
Net IB debt excl. pension debt	-110	-143	-132	-149	-196	-351	-613	-863	-1,123	-1,394
Net IB debt excl. leasing	-110	-143	-132	-149	-196	-351	-613	-863	-1,123	-1,394
Capital invested	473	406	346	359	347	339	284	270	255	241
Working capital	-53	-51	-39	-44	-48	-50	-87	-80	-79	-78
EV breakdown	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Market cap. diluted (m)	329	245	229	612	598	757	1,433	2,298	2,298	2,298
Net IB debt Adj	-110	-143	-132	-149	-196	-351	-613	-863	-1,123	-1,394
Market value of minority	0	0	0	0	0	0	0	0	0	0
Reversal of shares and participations	-78	-55	-51	-21	-35	-26	-25	-24	-23	-22
Reversal of conv. debt assumed equity	0	0	0	0	0	0	0	0	0	0
EV	140	47	46	441	367	379	795	1,411	1,152	882
Capital efficiency	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Total assets turnover (%)	118.6	116.4	109.0	116.0	142.2	126.0	96.9	79.5	69.0	61.1
Working capital/sales (%)	-5.0	-5.2	-5.1	-4.6	-4.0	-4.3	-6.5	-8.0	-7.4	-7.1
Financial risk and debt service	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Net debt/equity	-0.21	-0.27	-0.29	-0.30	-0.36	-0.52	-0.70	-0.77	-0.83	-0.86
Net debt/market cap	-0.33	-0.52	-0.55	-0.36	-0.30	-0.56	-0.59	-0.38	-0.49	-0.61
Equity ratio (%)	59.9	61.4	60.1	63.4	65.3	69.4	73.9	78.2	81.4	83.8
Net IB debt adj./equity	-0.21	-0.27	-0.29	-0.30	-0.36	-0.52	-0.70	-0.77	-0.83	-0.86
Current ratio	2.09	2.42	2.45	2.53	2.77	3.74	4.69	6.18	7.62	9.10
EBITDA/net interest	15.43	7.13	0.53	8.88	5.08	16.43	49.16	56.18	56.78	57.38
Net IB debt/EBITDA	-1.07	-2.57	-12.14	-5.25	-1.43	-1.84	-2.27	-2.96	-3.70	-4.42
Net IB debt/EBITDA lease Adj	-1.07	-2.57	-12.14	-5.25	-1.43	-1.84	-2.27	-2.96	-3.70	-4.42
Interest cover	2.96	-0.02	-1.24	0.58	4.05	13.19	42.91	49.52	50.11	50.70

Source: ABG Sundal Collier, Company data

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Valuation and Ratios (DKKm)	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Shares outstanding adj.	18	18	18	18	18	18	18	18	18	18
Fully diluted shares Adj	18	18	18	18	18	18	18	18	18	18
EPS	1.64	0.41	-1.22	1.54	3.87	11.33	17.22	12.87	13.44	14.08
Dividend per share Adj	0.2	0.1	0	0	1.5	2.0	5.0	5.0	5.0	5.0
EPS Adj	1.64	-0.05	-0.97	0.13	3.66	6.23	10.42	11.18	11.63	12.14
BVPS	28.57	28.21	24.95	26.95	29.19	37.38	48.96	62.07	75.76	90.09
BVPS Adj	21.20	24.71	22.78	23.96	26.40	34.58	46.22	59.43	73.21	87.64
Net IB debt / share	-6.0	-7.7	-7.2	-8.1	-10.6	-19.5	-34.1	-48.0	-62.5	-77.7
Share price	17.80	13.26	12.41	33.14	32.39	42.14	79.80	128.00	128.00	128.00
Market cap. (m)	329	245	229	612	598	757	1,433	2,298	2,298	2,298
Valuation	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
P/E	10.9	32.6	-10.1	21.5	8.4	3.7	4.6	9.9	9.5	9.1
EV/sales	0.13	0.05	0.05	0.49	0.32	0.34	0.76	1.36	1.08	0.80
EV/EBITDA	1.4	0.8	4.2	15.5	2.7	2.0	2.9	4.8	3.8	2.8
EV/EBITA	2.5	-66.5	-1.7	-4,414.6	3.3	2.4	3.3	5.4	4.2	3.1
EV/EBIT	2.5	-66.5	-1.7	-4,414.6	3.3	2.4	3.3	5.4	4.2	3.1
Dividend yield (%)	1.2	0.8	0	0	4.8	4.7	6.3	3.9	3.9	3.9
FCF yield (%)	10.3	5.8	1.0	-3.1	11.7	15.8	12.3	8.5	9.2	9.5
Lease adj. FCF yield (%)	10.3	5.8	1.0	-3.1	11.7	15.8	12.3	8.5	9.2	9.5
P/BVPS	0.62	0.47	0.50	1.23	1.11	1.13	1.63	2.06	1.69	1.42
P/BVPS Adj	0.84	0.54	0.54	1.38	1.23	1.22	1.73	2.15	1.75	1.46
P/E Adj	10.9	-276.5	-12.8	257.5	8.8	6.8	7.7	11.5	11.0	10.5
EV/EBITDA Adj	1.4	0.8	4.2	15.5	2.7	2.0	2.9	4.8	3.8	2.8
EV/EBITA Adj	2.5	-66.5	-1.7	-4,414.6	3.3	2.4	3.3	5.4	4.2	3.1
EV/EBIT Adj	2.5	-66.5	-1.7	-4,414.6	3.3	2.4	3.3	5.4	4.2	3.1
EV/cap. employed	0.2	0.1	0.1	0.7	0.5	0.5	0.8	1.1	0.8	0.5
Investment ratios	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
Capex/sales	2.4	1.0	0.7	3.5	2.2	1.1	1.4	1.6	1.6	1.6
Capex/depreciation	53.7	18.3	17.7	109.8	93.5	40.3	47.4	54.3	54.3	54.3
Capex tangibles/tangible fixed assets	8.9	3.7	2.5	12.1	10.4	4.9	6.0	7.3	7.9	8.7
Capex intangibles/definite intangibles	0	0	0	0	0	0	0	0	0	0
Depreciation on intangibles/definite intai	25.8	1,028.0	1,555.6	49.7	33.9	15.2	16.8	20.0	25.9	36.4
Depreciation on tangibles/tangibles	10.8	11.1	8.7	7.9	9.4	11.4	12.0	12.6	13.7	15.0

Source: ABG Sundal Collier, Company data

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