

North Media

Still waiting for paper demand to recover

- Q2e: revenues down ~6% y-o-y, ~17% EBIT margin
- Paper prices down >26%, but too early for demand recovery
- '23e EPS up 19% on Q2 investment gain; FVR 59-98 (58-96)

Q2e: ~6% y-o-y revenue decline, ~17% EBIT margin

We forecast Q2 revenues of DKK 243m or a ~6% y-o-y decline (note tougher Q2 comps and easier in Q3 and Q4), weighed down by our forecast of a 9% y-o-y decline in the Last Mile segment (84% of '22 group revenues). We forecast Q2 EBIT of DKK 41m or a ~17% EBIT margin (vs. 20-26% in Q2s in '20-'22), with the lower margin vs. previous years driven by declining revenues combined with insufficient cuts in more fixed-nature costs (e.g. administration). However, we expect a portfolio gain of DKK 64m in Q2e to more than compensate, thus lifting Q2e diluted EPS to DKK 4.3 (vs. DKK -2.6 in Q2'22).

Focus is on paper demand, BoligPortal, and costs

We expect a largely neutral Q2 report with few surprises, but we note a narrowing of the wide '23 guidance could materialise (the company should now have more visibility into H2). We think three aspects will be the Q2 focus: 1) Signs of a recovery of paper demand. Paper prices are down >26% since the peak, but still above normalised levels. We argue it is too early to expect material changes in demand. 2) We look to BoligPortal (9% of '22 group revenues) for further growth and margin improvement from Q1. Listings are at an ATH, and our estimates remain at the higher end of guidance. 3) Costs. Group EBIT margins will inevitably contract in '23, but we expect the cost cuts seen in Q4/Q1 to continue in Q2, thus supporting our '23 EBIT estimate 7% above the guidance mid-point.

Portfolio gain lifts '23e EPS 19%; FVR 59-98 (58-96)

Ahead of Q2 we lift '23e group revenues by ~1%, while '23e EBIT remains almost unchanged on higher cost estimates in Last Mile. We raise '23e EPS by 19% from the Q2e DKK 64m investment gain, which drives the adjustment of our FVR to DKK 59-98 (58-96) through a higher net cash position (DKK 872m at YE'23e or DKK 46/share).

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DKKm	2021	2022	2023e	2024e	2025e
Sales	1,034	995	953	943	932
EBITDA	292	219	181	200	205
EBITDA margin (%)	28.3	22.0	18.9	21.2	22.0
EBIT adj.	244	192	153	173	179
EBIT adj. margin (%)	23.6	19.2	16.0	18.4	19.2
Pretax profit	347	1	343	220	230
EPS	14.71	0.11	14.15	9.04	9.46
EPS adj.	10.33	15.61	6.25	7.03	7.33
Sales growth (%)	-1.1	-3.7	-4.2	-1.0	-1.3
EPS growth (%)	-11.7	-99.2	12,565.5	-36.1	4.6

Source: ABG Sundal Collier, Company Data

Reason: Preview of results

Commissioned research

Not rated

Media

Estimate changes (%)

	2023e	2024e	2025e
Sales	0.9	0.8	0.8
EBIT	-0.2	1.0	0.5
EPS	19.2	2.4	2.0

Source: ABG Sundal Collier

NORTHM-DK/NORTHM-DK

Share price (DKK)	25/7/2023	63.30
Fair value range		59.0-98.0

MCap (DKKm)	1,273
MCap (EURm)	171
No. of shares (m)	20.1
Free float (%)	33.7
Av. daily volume (k)	1

Next event Q2 Report 16 August 2023

Performance



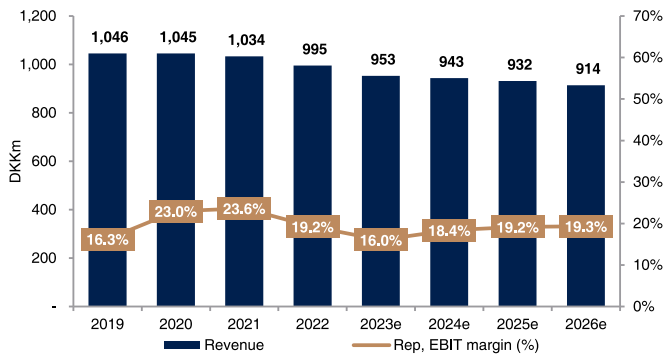
Disclosures and analyst certifications are located on pages 11-12 of this report.

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

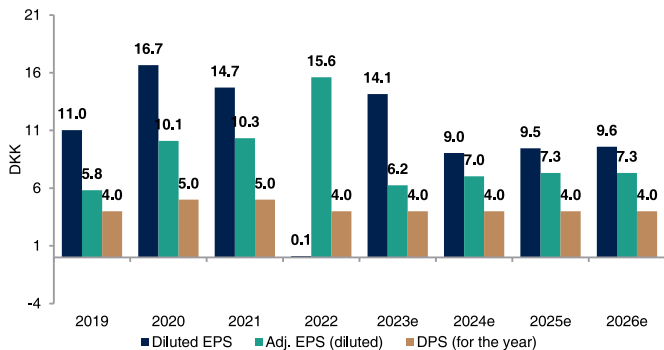
North Media is the only media company listed on the OMX Copenhagen Stock Exchange. While the company started as a distributor of unaddressed printed advertisements and newspapers in 1965, the company is today considered both a value and a growth company. The company's Last Mile segment (84% of '22 revenues) is its cash cow, but it is operating in an industry with structurally declining volumes. Its Digital Services segments (16% of '22 revenues) consists of BoligPortal (home rentals platform), Ofir (job portal), and BeKey (digital access solutions).

Annual revenue and margins



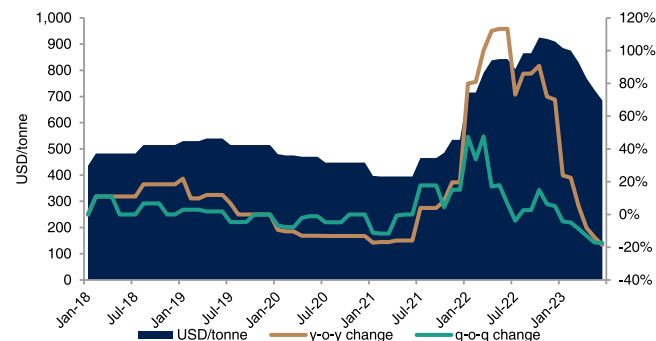
Source: ABG Sundal Collier, company data

Annual EPS and DPS



Source: ABG Sundal Collier, company data

Newsprint prices (USD/tonne)

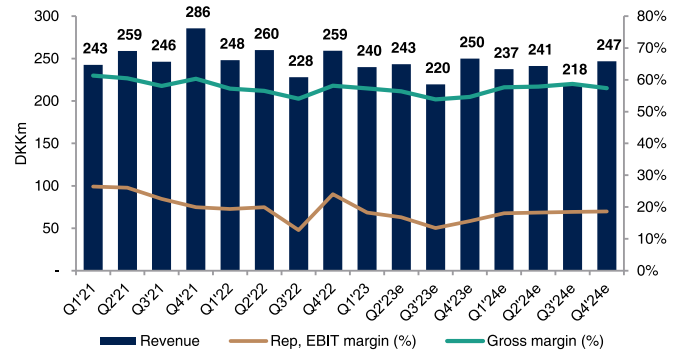


Source: ABG Sundal Collier, RISI

Risks

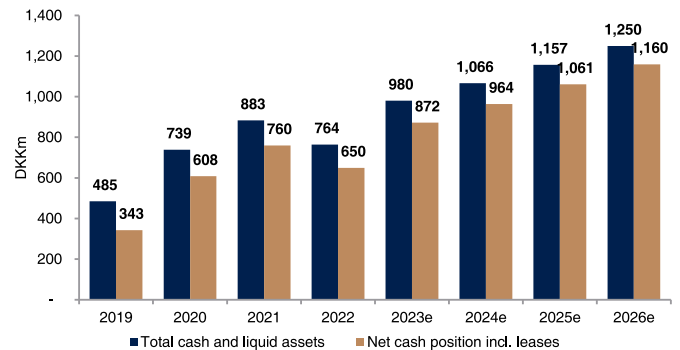
There are three main risks to the company: 1) the implementation of regulations or bans against physical advertisements and newspapers on the back of environmental concerns, which in the worst case could put the Last Mile segment almost completely out of business, 2) stiff competition facing the Digital Services segments, and 3) difficulties in finding new growth opportunities in the Digital Services segments.

Quarterly revenue and margins



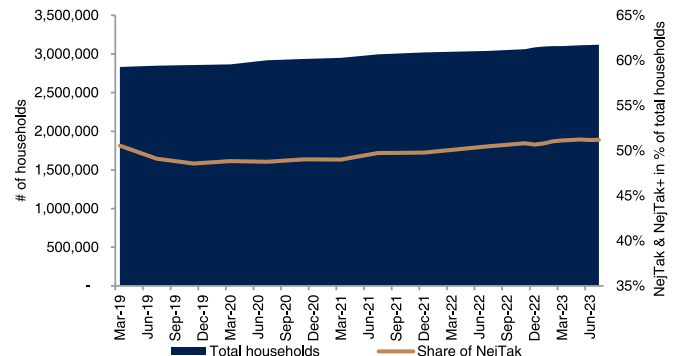
Source: ABG Sundal Collier, company data

Cash and net cash position



Source: ABG Sundal Collier, company data

No. of Danish households and share of NejTak



Source: ABG Sundal Collier, FK Distribution

Guidance vs. ABGSCe (DKKm)

		Group				Last Mile				Bolgiportal				Ofir				Bekey			
		Revenue		EBIT		Revenue		EBIT		Revenue		EBIT		Revenue		EBIT		Revenue		EBIT	
		Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
FY'21 guidance	AR'20	985	1,025	230	255	840	870	210	230	93	97	31	33	24	27	1	2	28	31	-7	-5
	Q1'21	995	1,025	235	255	850	870	215	230	93	97	31	33	24	27	1	2	28	31	-7	-5
	Q2'21	1,015	1,035	250	265	865	880	235	245	90	94	29	31	31	34	3	5	26	30	-7	-6
	Q3'21	1,020	1,035	255	265	875	885	240	245	85	87	26	28	34	36	4	5	26	27	-7	-7
	Realised	1034		244		889		249		85		27		36		6		24		-29	
FY'22 guidance	AR'21	1,010	1,045	190	220	850	870	190	210	93	99	18	22	42	46	5	7	25	30	-14	-12
	Q1'22	1,010	1,045	190	220	850	870	190	210	93	99	18	22	42	46	5	7	25	30	-14	-12
	Q2'22	1,015	1,040	195	220	851	866	192	208	94	98	21	25	43	46	5	7	27	30	-14	-12
	Q3'22	995	1,010	190	200	837	846	188	192	93	95	23	25	40	42	3	5	25	27	-14	-13
	Actual	995		192		837		185		94		24		40		3		25		-14	
FY'23 guidance	AR'22	920	975	125	160	760	800	135	160	102	108	25	30	36	40	-4	-1	22	27	-21	-19
	Q1'23	920	975	125	160	760	800	135	160	102	108	25	30	36	40	-4	-1	22	27	-21	-19
	Q2'23																				
	Q3'23																				
	ABGSCe	953		153		785		149		108		29		37		-2		24		-20	
	Actual																				

Source: ABG Sundal Collier, company data

Estimate revisions

Estimate revisions

DKKm	New estimates			Old estimates			Ests. change (%)		
	2023e	2024e	2025e	2023e	2024e	2025e	2023e	2024e	2025e
Revenue	953	943	932	945	936	925	0.9%	0.8%	0.8%
Y/Y revenue growth (%)	-4.2%	-1.0%	-1.3%	-5.1%	-0.9%	-1.2%	0.8pp	-0.1pp	0.0pp
Cost of services	-424	-397	-381	-416	-394	-377	-1.8%	-1.0%	-0.9%
Gross profit	530	546	551	529	542	547	0.1%	0.7%	0.6%
Gross margin (%)	55.6%	57.9%	59.1%	56.0%	57.9%	59.2%	-0.4pp	-0.1pp	-0.1pp
Other income and costs	-355	-352	-352	-354	-350	-349	-0.1%	-0.6%	-0.7%
Other operating income	6	6	6	6	6	6	0.9%	0.8%	0.8%
Rep. EBITDA	181	200	205	180	198	204	0.1%	0.8%	0.5%
Adj. EBITDA	181	200	205	180	198	204	0.1%	0.8%	0.5%
Adj. EBITDA margin (%)	18.9%	21.2%	22.0%	19.1%	21.2%	22.1%	-0.1pp	0.0pp	-0.1pp
D&A and impairments	-28	-27	-26	-27	-27	-26	-1.9%	0.4%	-0.8%
Rep. EBIT	153	173	179	153	172	178	-0.2%	1.0%	0.5%
Adj. EBIT	153	173	179	153	172	178	-0.2%	1.0%	0.5%
Adj. EBIT margin (%)	16.0%	18.4%	19.2%	16.2%	18.3%	19.2%	-0.2pp	0.0pp	-0.1pp
Share of profit/loss in associates	5	7	8	5	7	8	0.0%	0.0%	0.0%
Return on securities	192	49	52	136	45	48	40.7%	7.5%	7.5%
Net financials	-7	-9	-8	-7	-9	-8	0.0%	-0.1%	-0.1%
Rep. pre-tax profit	343	220	230	288	215	226	19.2%	2.4%	2.0%
Adj. pre-tax profit	151	171	178	152	169	177	-0.2%	1.0%	0.5%
Adj. pre-tax margin (%)	15.9%	18.1%	19.1%	16.1%	18.1%	19.2%	-0.2pp	0.0pp	-0.1pp
Tax on profit/loss for the period	-75	-48	-50	-63	-47	-49	-19.2%	-2.4%	-2.0%
Rep. net profit to equ. hol.	268	172	180	225	168	176	19.2%	2.4%	2.0%
Adj. net profit to equ. hol.	118	134	139	119	132	139	-0.2%	1.0%	0.5%
Adj. net profit margin to equ. hol. (%)	12.4%	14.2%	15.0%	12.6%	14.1%	15.0%	-0.1pp	0.0pp	0.0pp
Diluted EPS	14.15	9.04	9.46	11.87	8.83	9.28	19.2%	2.4%	2.0%
Adj. EPS	6.25	7.03	7.33	6.26	6.96	7.29	-0.2%	1.0%	0.5%
Last Mile									
Revenue	785	755	720	777	748	713	1.1%	1.0%	1.0%
Y/Y revenue growth (%)	-6.2%	-3.7%	-4.6%	-7.2%	-3.7%	-4.6%	1.0pp	0.0pp	0.0pp
EBIT	149	153	146	151	151	144	-1.3%	1.0%	1.0%
EBIT margin (%)	19.0%	20.2%	20.2%	19.5%	20.2%	20.2%	-0.5pp	0.0pp	0.0pp
BoligPortal									
Revenue	108	123	141	107	123	140	0.7%	0.3%	0.3%
Y/Y revenue growth (%)	14.7%	14.6%	14.0%	13.9%	15.0%	14.0%	0.8pp	-0.4pp	0.0pp
EBIT	29	32	41	27	32	41	6.6%	2.3%	0.3%
EBIT margin (%)	27.0%	26.2%	29.0%	25.5%	25.7%	29.0%	1.5pp	0.5pp	0.0pp
Ofir									
Revenue	37	39	42	37	39	43	-1.3%	-1.3%	-1.3%
Y/Y revenue growth (%)	-8.4%	5.4%	9.0%	-7.2%	5.4%	9.0%	-1.2pp	0.0pp	0.0pp
EBIT	-2	2	5	-2	3	6	2.6%	-15.4%	-8.3%
EBIT margin (%)	-6.6%	6.0%	13.0%	-6.7%	7.0%	14.0%	0.1pp	-1.0pp	-1.0pp
BeKey									
Revenue	24	26	28	24	26	29	-0.8%	-1.0%	-1.0%
Y/Y revenue growth (%)	-3.1%	7.8%	9.0%	-2.4%	8.0%	9.0%	-0.7pp	-0.2pp	0.0pp
EBIT	-20	-12	-11	-20	-11	-10	-0.8%	-1.8%	-2.3%
EBIT margin (%)	-82.3%	-44.4%	-37.7%	-81.0%	-43.2%	-36.5%	-1.3pp	-1.2pp	-1.2pp

Source: ABG Sundal Collier, company data

Valuation

We set a one-year fwd. FVR of DKK 59-98/share (58-96) and estimate a net cash position at YE'23e of DKK 872m, equivalent to DKK 46/share.

DCF valuation yields DKK 98/share

Our DCF relies on the following assumptions:

- ABGSC '23-'26 estimates.
- WACC of 8.7%.
- Last Mile revenue CAGR '23e-'35e of -7%.
- Last Mile EBITDA margin relatively stable, averaging 18% from '23e-'35e.
- Last Mile terminal growth rate of -5%.
- Digital Services growth rate declining towards 2% annually from '31e.
- Digital Services EBITDA margin of 20% from '31e.
- Digital Services terminal growth rate of 2%.
- Group revenue CAGR '23e-'35e of -3%.
- Group average EBITDA margin of 20% from '23e-'35e.
- Capex as a % of revenue converging to 3% in '35e.
- NWC as a % of revenue converging to 3% in '35e.
- Tax rate of 22%.

This values North Media at a '24e adjusted EV/EBIT of 5.9x and a '24e adjusted P/E of 14.1x.

DCF valuation

DCF model														Terminal value		
		ABGSC estimates					Extrapolated							DKKm		
DKKm		2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2035e	2036e
Group revenues		953	943	932	914	894	871	844	813	778	746	717	692	669	Revenues	669
Group revenue growth		-4%	-1%	-1%	-2%	-2%	-3%	-3%	-4%	-4%	-4%	-4%	-4%	-3%	Group revenue growth	-2%
Last Mile		785	755	720	681	640	598	556	515	473	435	401	369	339	Last Mile	339
Last Mile revenue growth		-6%	-4%	-5%	-6%	-6%	-7%	-7%	-8%	-8%	-8%	-8%	-8%	-8%	Last Mile revenue growth	-5%
Digital Services		168	188	211	234	255	273	288	299	305	311	317	323	330	Digital Services	330
Digital Services revenue growth		6%	12%	12%	11%	9%	7%	5%	4%	2%	2%	2%	2%	2%	Digital Services revenue growth	2%
EBITDA		181	200	205	203	192	181	170	158	147	142	138	134	130	EBITDA	130
Group EBITDA margin		19%	21%	22%	22%	21%	21%	20%	19%	19%	19%	19%	19%	19%	Group EBITDA margin	20%
Last Mile		163	166	158	143	128	114	100	87	76	70	64	59	54	Last Mile	54
Last Mile EBITDA margin		21%	22%	22%	21%	20%	19%	18%	17%	16%	16%	16%	16%	16%	Last Mile EBITDA margin	16%
Digital Services		12	28	41	54	59	62	65	66	67	68	70	71	73	Digital Services	74
Dig. Services EBITDA margin		7%	15%	19%	23%	23%	23%	23%	22%	22%	22%	22%	22%	22%	Dig. Services EBITDA margin	22%
Other op. Income		6	6	6	6	5	5	5	5	4	4	4	4	3	Other op. Income	3
Other op. income of rev.		1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	Other op. income of rev.	1%
D&A		-28	-27	-26	-26	-26	-25	-25	-24	-23	-22	-21	-21	-20	D&A	-20
D&A in % of revenues		-3%	-3%	-3%	-3%	-3%	-3%	-3%	-3%	-3%	-3%	-3%	-3%	-3%	D&A in % of revenues	-3%
EBIT		153	173	179	177	166	156	145	135	124	120	116	113	110	EBIT	110
Group EBIT margin		16%	18%	19%	19%	19%	18%	17%	17%	16%	16%	16%	16%	16%	Group EBIT margin	17%
Tax on EBIT		-34	-38	-39	-39	-37	-34	-32	-30	-27	-26	-26	-25	-24	Tax on EBIT	-24
NOPAT		119	135	139	138	130	121	113	105	97	94	91	88	86	NOPAT	85
D&A		28	27	26	26	26	25	25	24	23	22	21	21	20	D&A	20
Net working capital		-6	-4	-2	0	-3	-6	-8	-11	-13	-15	-17	-18	-20	Net working capital	-20
Net working capital in % of rev.		-1%	0%	0%	0%	0%	-1%	-1%	-1%	-2%	-2%	-2%	-3%	-3%	Net working capital in % of rev.	-3%
Delta net working capital		3	2	2	2	3	3	3	2	2	2	2	2	2	Delta net working capital	0
Other non-cash adjustments		-21	-23	-23	-24	-23	-23	-22	-21	-20	-19	-19	-18	-17	Other non-cash adjustments	-17
Capex		-36	-26	-29	-29	-28	-27	-26	-25	-24	-23	-22	-21	-20	Capex	-20
Capex in % of revenues		-4%	-3%	-3%	-3%	-3%	-3%	-3%	-3%	-3%	-3%	-3%	-3%	-3%	Capex in % of revenues	-3%
Acquisitions and disposals		0	0	0	0	0	0	0	0	0	0	0	0	0	Acquisitions and disposals	0
Free cash flow		92	115	115	114	107	100	93	85	78	74	74	72	70	Free cash flow	68
Discounted free cash flow		92	106	98	89	77	66	56	48	40	36	32	29	26	Terminal value	667
Valuation summary		Assumptions														Growth rates and margins 2023e-2035e
PV DCF		Tax rate on EBIT														Group revenue CAGR
PV TV		Terminal growth (Last Mile)														Last Mile revenue CAGR
EV		Terminal growth (Dig. Services)														Dig. Services revenue CAGR
Net debt		Last Mile growth rate 2031e-2035e														Group avg. EBITDA margin
Associates and other		Dig. Services growth rate 2031e-2035e														Last Mile avg. EBITDA margin
Equity value		Last Mile EBITDA margin 2031e-2035e														Dig. Services avg. EBITDA margin
Dividends		Dig. Services EBITDA margin 2031e-2035e														
Equity value (1Y from today)		Cost of equity														
Number of shares (m)		After-tax cost of debt														
1Y forward share price		Equity beta														
		WACC														

Source: ABG Sundal Collier

DCF sensitivities to LM growth rate and WACC

1Y fwd. share price sensitivity		Last Mile growth rate 2031e-2035e				
WACC	2.0%	-3.0%	-8.0%	-13.0%	-18.0%	
	6.7%	120	113	108	104	101
	7.7%	112	107	102	99	97
	8.7%	106	101	98	95	93
	9.7%	101	97	94	92	90
	10.7%	97	94	91	89	87

Source: ABG Sundal Collier

DCF sensitivities to DS growth rate and WACC

1Y fwd. share price sensitivity		Dig. Services growth rate 2031e-2035e				
WACC	8.0%	5.0%	2.0%	-1.0%	-4.0%	
	6.7%	116	112	108	105	102
	7.7%	109	105	102	100	97
	8.7%	103	100	98	95	94
	9.7%	99	96	94	92	90
	10.7%	95	93	91	89	88

Source: ABG Sundal Collier

Scenario of no cash flows post-'24e yields DKK 59/share

We note the differing views about North Media's future earnings potential, much of which (in our view) can be explained by the possibility of several customers substituting their physical leaflets with digital alternatives, as well as the risk of a regulatory shift to JaTak or a complete ban of printed matter in Denmark.

Fair share price given assumption of no cash flows post-'24e

Lower bound of FVR - assuming zero free cash flow post-'24		ABGSCe	
	Total	Per share	
2023e	92	5	
2024e	106	6	
Net cash position	872	46	
Last Mile sites (assuming disposal at YE'24 carrying amount) + other	103	5	
Equity value (YE'23)	1173	62	
Dividends	74	4	
1Y forward fair share price	1131	59	

Source: ABG Sundal Collier

Quarterly numbers and estimates

P&L	2021				2022				2023e				2024e			
DKKm	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23e	Q3'23e	Q4'23e	Q1'24e	Q2'24e	Q3'24e	Q4'24e
Revenue	243	259	246	286	248	260	228	259	240	243	220	250	237	241	218	247
Y/Y revenue growth (%)	-5.5%	2.1%	-5.4%	4.0%	2.3%	0.4%	-7.5%	-9.3%	-3.3%	-6.4%	-3.6%	-3.5%	-1.1%	-0.9%	-0.8%	-1.3%
Cost of services	-94	-102	-103	-113	-106	-113	-105	-108	-103	-106	-101	-113	-101	-102	-90	-105
Gross profit	149	157	143	172	142	147	123	151	138	137	118	137	137	140	128	142
Gross margin (%)	61.3%	60.4%	58.0%	60.3%	57.2%	56.5%	54.1%	58.2%	57.3%	56.4%	53.8%	54.6%	57.7%	57.9%	58.7%	57.4%
Other income and costs	-79	-83	-82	-89	-88	-89	-89	-86	-89	-91	-84	-92	-89	-90	-83	-90
Other operating income	1	1	1	1	1	1	1	5	2	1	1	2	1	1	1	2
Rep. EBITDA	71	74	63	84	55	59	36	69	50	48	36	46	50	51	46	53
Adj. EBITDA	71	74	63	84	55	59	36	69	50	48	36	46	50	51	46	53
Adj. EBITDA margin (%)	29.4%	28.7%	25.4%	29.4%	22.2%	22.7%	15.7%	26.7%	21.0%	19.7%	16.4%	18.5%	20.9%	21.1%	21.3%	21.4%
D&A and impairments	-7	-7	-7	-27	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-6	-7
Rep. EBIT	64	68	56	57	48	52	29	62	44	41	29	39	43	44	40	46
Adj. EBIT	64	68	56	57	48	52	29	62	44	41	29	39	43	44	40	46
Adj. EBIT margin (%)	26.5%	26.1%	22.6%	20.0%	19.4%	20.0%	12.8%	24.0%	18.3%	16.8%	13.4%	15.6%	18.0%	18.3%	18.5%	18.6%
Share of profit/loss in associates	0	1	2	2	2	2	2	2	1	1	1	1	2	2	2	2
Return on securities	1	61	15	26	-95	-116	-19	35	104	64	12	12	12	12	12	12
Net financials	-1	-2	-1	-1	-1	0	0	-2	0	-2	-2	-2	-2	-2	-2	-2
Rep. pre-tax profit	65	128	71	84	-46	-62	12	97	149	104	40	50	54	56	52	58
Adj. pre-tax profit	64	66	56	57	49	54	31	62	45	40	29	38	42	44	40	45
Adj. pre-tax margin (%)	26.4%	25.6%	22.9%	20.1%	19.9%	20.6%	13.6%	23.9%	18.8%	16.4%	13.0%	15.2%	17.8%	18.0%	18.2%	18.4%
Tax on profit/loss for the period	-12	-29	-15	-17	10	14	-2	-21	-33	-23	-9	-11	-12	-12	-11	-13
Rep. net profit to equ. hol.	53	98	56	67	-35	-48	10	76	116	82	31	39	42	44	41	45
Adj. net profit to equ. hol.	52	51	44	46	38	41	25	48	35	31	22	30	33	34	31	36
Adj. net profit margin to equ. hol. (%)	21.5%	19.7%	18.0%	16.0%	15.4%	15.9%	11.0%	18.6%	14.7%	12.8%	10.2%	11.9%	13.9%	14.1%	14.3%	14.4%
Diluted EPS	2.90	5.30	3.00	3.59	-1.90	-2.60	0.52	4.00	6.14	4.29	1.65	2.05	2.23	2.29	2.14	2.38
Adj. EPS	2.82	2.71	2.39	2.48	2.06	2.24	1.30	2.55	1.86	1.64	1.17	1.57	1.74	1.79	1.64	1.87
Operating cash flow	27	39	60	30	37	56	30	68	57	22	20	29	42	36	28	35
Free cash flow	22	36	57	16	30	53	26	56	53	12	11	15	36	30	22	26
Cash and liquid assets	676	771	840	883	735	671	677	764	856	932	953	980	953	994	1028	1066
Last Mile																
Revenue	209	223	210	248	208	219	189	221	198	200	178	209	191	193	171	200
Y/Y revenue growth (%)	-7%	0%	-8%	4%	-1%	-2%	-10%	-11%	-5%	-9%	-6%	-6%	-4%	-4%	-4%	-4%
EBIT	62	62	51	74	48	50	30	58	41	40	29	39	39	39	35	40
EBIT margin (%)	29%	28%	24%	30%	23%	23%	16%	26%	21%	20%	16%	19%	20%	20%	20%	20%
BoligPortal																
Revenue	20	22	22	21	23	24	24	23	27	27	28	26	30	31	32	30
Y/Y revenue growth (%)	6%	1%	1%	4%	11%	9%	11%	12%	17%	15%	14%	14%	14%	15%	15%	15%
EBIT	6	8	7	7	5	6	6	7	8	8	7	6	8	8	8	8
EBIT margin (%)	28%	35%	31%	32%	23%	26%	25%	29%	31%	30%	24%	23%	25%	26%	26%	28%
Ofir																
Revenue	8	9	9	10	11	11	9	9	9	10	9	9	10	10	9	9
Y/Y revenue growth (%)	65%	102%	71%	58%	47%	20%	3%	-16%	-16%	-10%	-4%	-1%	3%	5%	6%	8%
EBIT	1	2	1	1	2	1	0	-1	0	-1	-1	-1	1	1	1	1
EBIT margin (%)	14%	21%	13%	13%	13%	13%	2%	-6%	-3%	-9%	-8%	-6%	6%	6%	6%	6%
BeKey																
Revenue	6	6	6	7	7	7	6	6	6	6	5	6	6	7	6	7
Y/Y revenue growth (%)	-24%	-10%	5%	-27%	12%	20%	-8%	-6%	-11%	-4%	-1%	4%	7%	8%	8%	8%
EBIT	-2	-2	-2	-23	-4	-3	-3	-4	-4	-6	-5	-5	-3	-3	-2	-3
EBIT margin (%)	-25%	-36%	-40%	-360%	-62%	-51%	-58%	-57%	-68%	-97%	-87%	-77%	-52%	-42%	-42%	-42%

Source: ABG Sundal Collier, company data

Annual numbers and estimates

P&L DKKmn	2021	2022	2023e	2024e	2025e	2026e
Revenue	1034	995	953	943	932	914
Y/Y revenue growth (%)	-1.1%	-3.7%	-4.2%	-1.0%	-1.3%	-1.8%
Cost of services	-413	-432	-424	-397	-381	-360
Gross profit	621	563	530	546	551	554
Gross margin (%)	60.0%	56.6%	55.6%	57.9%	59.1%	60.6%
Other income and costs	-333	-353	-355	-352	-352	-357
Other operating income	5	9	6	6	6	6
Rep. EBITDA	292	219	181	200	205	203
Adj. EBITDA	292	219	181	200	205	203
Adj. EBITDA margin (%)	28.3%	22.0%	18.9%	21.2%	22.0%	22.2%
D&A and impairments	-48	-28	-28	-27	-26	-26
Rep. EBIT	244	192	153	173	179	177
Adj. EBIT	244	192	153	173	179	177
Adj. EBIT margin (%)	23.6%	19.2%	16.0%	18.4%	19.2%	19.3%
Share of profit/loss in associates	4	7	5	7	8	9
Return on securities	103	-194	192	49	52	55
Net financials	-5	-3	-7	-9	-8	-8
Rep. pre-tax profit	347	1	343	220	230	233
Adj. pre-tax profit	244	196	151	171	178	178
Adj. pre-tax margin (%)	23.6%	19.7%	15.9%	18.1%	19.1%	19.5%
Tax on profit/loss for the period	-73	1	-75	-48	-50	-51
Rep. net profit to equ. hol.	274	2	268	172	180	182
Adj. net profit to equ. hol.	192	293	118	134	139	139
Adj. net profit margin to equ. hol. (%)	18.6%	29.5%	12.4%	14.2%	15.0%	15.2%
Diluted EPS	14.71	0.11	14.15	9.04	9.46	9.59
Adj. EPS	10.33	15.61	6.25	7.03	7.33	7.33
Operating cash flow	156	191	128	141	144	142
Free cash flow	130	165	92	115	115	114
Cash and liquid assets	883	764	980	1066	1157	1250
Last Mile						
Revenue	889	837	785	755	720	681
Y/Y revenue growth (%)	-3%	-6%	-6%	-4%	-5%	-6%
EBIT	249	185	149	153	146	131
EBIT margin (%)	28%	22%	19%	20%	20%	19%
BoligPortal						
Revenue	85	94	108	123	141	158
Y/Y revenue growth (%)	3%	11%	15%	15%	14%	12%
EBIT	27	24	29	32	41	46
EBIT margin (%)	32%	26%	27%	26%	29%	30%
Ofir						
Revenue	36	40	37	39	42	45
Y/Y revenue growth (%)	72%	11%	-8%	5%	9%	8%
EBIT	6	3	-2	2	5	7
EBIT margin (%)	16%	7%	-7%	6%	13%	16%
BeKey						
Revenue	24	25	24	26	28	31
Y/Y revenue growth (%)	-16%	4%	-3%	8%	9%	8%
EBIT	-29	-14	-20	-12	-11	-5
EBIT margin (%)	-122%	-57%	-82%	-44%	-38%	-17%

Source: ABG Sundal Collier, company data

Income Statement (DKKm)	2016	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
Sales	-	-	-	1,046	1,045	1,034	995	953	943	932
COGS	-	-	-	-523	-426	-413	-432	-424	-397	-381
Gross profit	0	0	0	523	620	621	563	530	546	551
Other operating items	0	0	0	-330	-349	-328	-344	-349	-346	-346
EBITDA	0	0	0	193	270	292	219	181	200	205
Depreciation and amortisation	0	0	0	-27	-30	-48	-28	-28	-27	-26
of which leasing depreciation	-	-	-	0	0	0	0	0	0	0
EBITA	0	0	0	166	240	244	192	153	173	179
EO Items	-	-	-	0	0	0	0	0	0	0
Impairment and PPA amortisation	0	0	0	4	0	0	0	0	0	0
EBIT	-	-	-	170	240	244	192	153	173	179
Net financial items	0	0	0	-12	-6	-5	-3	-7	-9	-8
Pretax profit	0	0	0	276	388	347	1	343	220	230
Tax	0	0	0	-64	-85	-73	1	-75	-48	-50
Net profit	0	0	0	212	303	274	2	268	172	180
Minority interest	-	-	-	0	0	0	0	0	0	0
Net profit discontinued	-	-	-	-6	4	0	0	0	0	0
Net profit to shareholders	0	0	0	205	307	274	2	268	172	180
EPS	-	-	0.00	11.04	16.66	14.71	0.11	14.15	9.04	9.46
EPS adj.	-	-	0.00	5.83	10.10	10.33	15.61	6.25	7.03	7.33
Total extraordinary items after tax	0	0	0	94	121	81	-291	150	38	41
Leasing payments	0	0	0	0	0	0	0	0	0	0
<i>Tax rate (%)</i>	--	--	--	23.3	21.9	21.2	-50.0	21.8	21.8	21.8
<i>Gross margin (%)</i>	--	--	--	50.0	59.3	60.0	56.6	55.6	57.9	59.1
<i>EBITDA margin (%)</i>	--	--	--	18.5	25.9	28.3	22.0	18.9	21.2	22.0
<i>EBITA margin (%)</i>	--	--	--	15.9	23.0	23.6	19.2	16.0	18.4	19.2
<i>EBIT margin (%)</i>	--	--	--	16.3	23.0	23.6	19.2	16.0	18.4	19.2
<i>Pre-tax margin (%)</i>	--	--	--	26.4	37.1	33.6	0.1	36.0	23.3	24.7
<i>Net margin (%)</i>	--	--	--	20.2	29.0	26.5	0.2	28.1	18.2	19.3
Growth Rates y-o-y	-	-	-	-	-	-	-	-	-	-
<i>Sales growth (%)</i>	--	--	--	--	-0.0	-1.1	-3.7	-4.2	-1.0	-1.3
<i>EBITDA growth (%)</i>	--	--	--	--	40.0	8.1	-25.0	-17.6	10.6	2.6
<i>EBITA growth (%)</i>	--	--	--	--	44.8	1.7	-21.6	-20.1	13.3	3.1
<i>EBIT growth (%)</i>	--	--	--	--	41.3	1.7	-21.6	-20.1	13.3	3.1
<i>Net profit growth (%)</i>	--	--	--	--	43.3	-9.7	-99.2	12,670.3	-35.9	4.6
<i>EPS growth (%)</i>	--	--	--	--	50.9	-11.7	-99.2	12,565.5	-36.1	4.6
Profitability	-	-	-	-	-	-	-	-	-	-
<i>ROE (%)</i>	--	--	0.0	33.9	39.5	27.9	0.2	24.5	13.8	13.4
<i>ROE adj. (%)</i>	--	--	0.0	17.8	24.0	19.6	28.3	10.8	10.8	10.4
<i>ROCE (%)</i>	--	--	0.0	37.7	43.1	31.7	0.5	29.0	16.9	16.5
<i>ROCE adj. (%)</i>	--	--	0.0	20.7	26.1	22.4	17.3	13.2	13.3	12.9
<i>ROIC (%)</i>	--	--	--	38.3	62.6	65.2	86.3	35.8	41.6	42.0
<i>ROIC adj. (%)</i>	--	--	--	38.3	62.6	65.2	86.3	35.8	41.6	42.0
Adj. earnings numbers	-	-	-	-	-	-	-	-	-	-
<i>EBITDA adj.</i>	0	0	0	193	270	292	219	181	200	205
<i>EBITDA adj. margin (%)</i>	--	--	--	18.5	25.9	28.3	22.0	18.9	21.2	22.0
<i>EBITDA lease adj.</i>	0	0	0	193	270	292	219	181	200	205
<i>EBITDA lease adj. margin (%)</i>	--	--	--	18.5	25.9	28.3	22.0	18.9	21.2	22.0
<i>EBITA adj.</i>	0	0	0	166	240	244	192	153	173	179
<i>EBITA adj. margin (%)</i>	--	--	--	15.9	23.0	23.6	19.2	16.0	18.4	19.2
<i>EBIT adj.</i>	0	0	0	166	240	244	192	153	173	179
<i>EBIT adj. margin (%)</i>	--	--	--	15.9	23.0	23.6	19.2	16.0	18.4	19.2
<i>Pretax profit Adj.</i>	0	0	0	149	234	244	196	151	171	178
<i>Net profit Adj.</i>	0	0	0	114	182	192	293	118	134	139
<i>Net profit to shareholders adj.</i>	0	0	0	107	186	192	293	118	134	139
<i>Net adj. margin (%)</i>	--	--	--	10.9	17.4	18.6	29.5	12.4	14.2	15.0

Source: ABG Sundal Collier, Company Data

Cash Flow (DKKm)	2016	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
EBITDA	0	0	0	193	270	292	219	181	200	205
Net financial items	0	0	0	-12	-6	-5	-3	-7	-9	-8
Paid tax	-	-	-	-61	-82	-90	1	-43	-48	-50
Non-cash items	0	0	0	8	-1	2	0	0	0	0
Cash flow before change in WC	0	0	0	128	182	199	217	131	143	147
Change in working capital	0	0	0	2	35	-43	-26	-3	-2	-2

Cash Flow (DKKm)	2016	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
Operating cash flow	-	-	-	130	217	156	191	128	141	144
Capex tangible fixed assets	-	-	-	-9	-11	-18	-22	-33	-24	-27
Capex intangible fixed assets	-	-	-	-3	-4	-7	-1	-3	-2	-2
Acquisitions and Disposals	0	0	0	2	-2	-1	-6	-0	0	0
Free cash flow	0	0	0	120	200	130	163	92	115	115
Dividend paid	-	-	-	-55	-72	-91	-92	-74	-74	-74
Share issues and buybacks	0	0	0	-19	-29	7	10	5	0	0
Leasing liability amortisation	-	-	-	0	0	0	0	0	0	0
Other non-cash items	0	0	197	91	164	117	-191	197	52	56
Balance Sheet (DKKm)	2016	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
Goodwill	-	-	39	39	39	39	40	40	40	40
Other intangible assets	0	0	14	14	17	10	12	11	10	10
Tangible fixed assets	-	-	322	325	306	290	287	296	296	299
Right-of-use asset	-	-	0	0	0	0	0	0	0	0
Total other fixed assets	0	0	20	10	9	12	30	18	22	25
Fixed assets	0	0	396	389	371	351	369	365	368	374
Inventories	-	-	4	5	4	6	6	6	6	5
Receivables	-	-	99	89	76	75	72	70	69	68
Other current assets	-	-	0	0	0	6	0	0	0	0
Cash and liquid assets	-	-	327	485	739	883	764	980	1,066	1,157
Total assets	0	0	825	968	1,189	1,321	1,211	1,420	1,508	1,604
Shareholders equity	0	0	539	671	879	1,080	995	1,195	1,292	1,398
Minority	-	-	0	0	0	0	0	0	0	0
Total equity	0	0	539	671	879	1,080	995	1,195	1,292	1,398
Long-term debt	-	-	127	123	118	113	109	103	97	91
Pension debt	-	-	0	0	0	0	0	0	0	0
Convertible debt	-	-	0	0	0	0	0	0	0	0
Leasing liability	0	0	0	16	10	7	5	5	5	5
Total other long-term liabilities	0	0	5	10	11	0	0	2	2	2
Short-term debt	-	-	5	5	5	5	5	5	5	5
Accounts payable	-	-	44	35	34	45	31	30	29	29
Other current liabilities	0	0	107	109	132	71	66	81	79	76
Total liabilities and equity	0	0	825	968	1,189	1,321	1,211	1,420	1,508	1,604
Net IB debt	0	0	-202	-343	-608	-760	-650	-872	-964	-1,061
Net IB debt excl. pension debt	0	0	-202	-343	-608	-760	-650	-872	-964	-1,061
Net IB debt excl. leasing	0	0	-202	-359	-618	-767	-655	-876	-969	-1,065
Capital employed	0	0	670	814	1,012	1,205	1,114	1,307	1,398	1,498
Capital invested	0	0	337	328	271	320	346	323	328	337
Working capital	0	0	-48	-50	-87	-29	-19	-36	-34	-32
EV breakdown	-	-	-	-	-	-	-	-	-	-
Market cap. diluted (m)	0	0	1,203	1,171	1,158	1,177	1,196	1,203	1,203	1,203
Net IB debt adj.	0	0	-202	-343	-608	-760	-650	-872	-964	-1,061
Market value of minority	0	0	0	0	0	0	0	0	0	0
Reversal of shares and participations	0	0	-13	-7	-6	-8	-15	-13	-16	-20
Reversal of conv. debt assumed equity	-	-	-	-	-	-	-	-	-	-
EV	0	0	988	821	544	409	532	319	223	123
Total assets turnover (%)	--	--	0.0	116.6	96.9	82.4	78.6	72.4	64.4	59.9
Working capital/sales (%)	--	--	--	-4.7	-6.5	-5.6	-2.4	-2.9	-3.7	-3.5
Financial risk and debt service	-	-	-	-	-	-	-	-	-	-
Net debt/equity (%)	--	--	-37.5	-51.1	-69.2	-70.4	-65.3	-73.0	-74.6	-75.9
Net debt / market cap (%)	--	--	-16.8	-29.3	-53.4	-66.0	-55.5	-74.0	-81.8	-90.0
Equity ratio (%)	--	--	65.3	69.4	73.9	81.8	82.2	84.1	85.7	87.1
Net IB debt adj. / equity (%)	--	--	-37.5	-51.1	-69.2	-70.4	-65.3	-73.0	-74.6	-75.9
Current ratio	--	--	2.77	3.89	4.79	8.04	8.26	9.09	10.11	11.24
EBITDA/net interest	--	--	--	44.9	54.1	63.5	46.6	23.6	23.0	25.0
Net IB debt/EBITDA (x)	--	--	--	-1.8	-2.2	-2.6	-3.0	-4.8	-4.8	-5.2
Net IB debt/EBITDA lease adj. (x)	--	--	--	-1.9	-2.3	-2.6	-3.0	-4.9	-4.8	-5.2
Interest coverage	--	--	--	36.9	47.1	52.0	40.7	19.8	19.7	21.5

Source: ABG Sundal Collier, Company Data

Share Data (DKKm)	2016	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
Actual shares outstanding	-	-	19	19	18	18	19	19	19	19
Actual shares outstanding (avg)	0	0	19	19	18	18	18	19	19	19

Share Data (DKKm)	2016	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
All additional shares	-	-	-	-1	-1	0	0	0	0	0
Issue month	-	-	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Assumed dil. of shares from conv.	-	-	-	0	0	0	0	0	0	0
As. dil. of shares from conv. (avg)	-	-	-	0	0	0	0	0	0	0
Conv. debt not assumed as equity	-	-	-	0	0	0	0	0	0	0
No. of warrants	-	-	-	0	0	0	0	0	0	0
Market value per warrant	-	-	-	0	0	0	0	0	0	0
Dilution from warrants	-	-	-	0	0	0	0	0	0	0
Issue factor	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Actual dividend per share	-	-	0.00	4.00	5.00	5.00	4.00	4.00	4.00	4.00
Reported earnings per share	-	-	-	11.00	16.90	15.00	0.10	14.45	9.24	9.66

Source: ABG Sundal Collier, Company Data

Valuation and Ratios (DKKm)	2016	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
Shares outstanding adj.	0	0	19	19	18	18	18	19	19	19
Diluted shares adj.	0	0	19	19	18	19	19	19	19	19
EPS	-	-	0.00	11.04	16.66	14.71	0.11	14.15	9.04	9.46
Dividend per share	-	-	0.00	4.00	5.00	5.00	4.00	4.00	4.00	4.00
EPS adj.	-	-	0.00	5.83	10.10	10.33	15.61	6.25	7.03	7.33
BVPS	-	-	0.00	36.09	47.77	58.06	52.95	63.03	67.97	73.51
BVPS adj.	-	-	0.00	33.22	44.72	55.41	50.20	60.33	65.33	70.90
Net IB debt/share	-	-	0.00	-18.44	-33.05	-40.87	-34.56	-45.99	-50.71	-55.79
Share price	63.30	63.30	63.30	63.30	63.30	63.30	63.30	63.30	63.30	63.30
Market cap. (m)	0	0	1,203	1,171	1,139	1,152	1,171	1,178	1,178	1,178
Valuation	-	-	-	-	-	-	-	-	-	-
P/E (x)	--	--	--	5.7	3.8	4.3	566.7	4.5	7.0	6.7
EV/sales (x)	--	--	--	0.79	0.52	0.40	0.53	0.33	0.24	0.13
EV/EBITDA (x)	--	--	--	4.2	2.0	1.4	2.4	1.8	1.1	0.6
EV/EBITA (x)	--	--	--	4.9	2.3	1.7	2.8	2.1	1.3	0.7
EV/EBIT (x)	--	--	--	4.8	2.3	1.7	2.8	2.1	1.3	0.7
Dividend yield (%)	0.0	0.0	0.0	6.3	7.9	7.9	6.3	6.3	6.3	6.3
FCF yield (%)	0.0	0.0	0.0	10.2	17.2	11.0	13.7	7.7	9.5	9.6
Le. adj. FCF yld. (%)	0.0	0.0	0.0	10.2	17.2	11.0	13.7	7.7	9.5	9.6
P/BVPS (x)	--	--	--	1.75	1.33	1.09	1.20	1.00	0.93	0.86
P/BVPS adj. (x)	63.30	63.30	2.41	1.86	1.37	1.11	1.23	1.02	0.94	0.87
P/E adj. (x)	--	--	--	10.9	6.3	6.1	4.1	10.1	9.0	8.6
EV/EBITDA adj. (x)	--	--	--	4.2	2.0	1.4	2.4	1.8	1.1	0.6
EV/EBITA adj. (x)	--	--	--	4.9	2.3	1.7	2.8	2.1	1.3	0.7
EV/EBIT adj. (x)	--	--	--	4.9	2.3	1.7	2.8	2.1	1.3	0.7
EV/CE (x)	--	--	1.5	1.0	0.5	0.3	0.5	0.2	0.2	0.1
Investment ratios	-	-	-	-	-	-	-	-	-	-
Capex/sales (%)	--	--	--	1.2	1.4	2.4	2.3	3.8	2.8	3.1
Capex/depreciation	--	--	--	0.4	0.5	0.5	0.8	1.3	1.0	1.1
Capex tangibles / tangible fixed assets	--	--	0.0	2.8	3.5	6.3	7.7	11.3	8.2	9.1
Capex intangibles / definite intangibles	--	--	0.0	98.4	51.8	478.6	15.0	55.5	37.1	37.0
Depreciation on intang / def. intang	--	--	0	55	28	957	69	61	54	48
Depreciation on tangibles / tangibles	--	--	0.00	7.87	9.26	11.88	8.69	8.43	8.08	7.95

Source: ABG Sundal Collier, Company Data

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