ZEAL Network SE

Germany | Travel & Leisure | MCap EUR 1,039.5m

6 May 2026

UPDATE

Soft Q1 amid lack of jackpots and elevated spending - BUY

BUY (BUY)

Target price	**EUR 72.00** (72.00)
Current price	EUR 49.50
Up/downside	45.5%

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What's it all about?

ZEAL delivered a soft Q1 in a weak jackpot environment, with revenue broadly in line with our estimate. Profitability was softer due to elevated marketing, personnel and direct operating costs, but we view this as a function of the company's expansion phase and therefore temporary. With FY26 guidance reiterated, the year remains back-end loaded and dependent on a more supportive jackpot backdrop. At the same time, ZEAL continues to expand its portfolio, now launching a premium car raffle to reduce dependency on the jackpot environment and enhance mix. As investment intensity normalizes, we see scope for margins to expand to higher steady-state levels. We reiterate our BUY rating with unchanged PT of EUR 72.00, implying a ~31x 2027E P/E.

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Soft Q1 amid lack of jackpots and elevated spending - BUY

Revenue broadly in line. Amid the unfavorable lottery environment we highlighted in our Q1 preview, revenue came in slightly below our EUR 55m estimate at EUR 54.3m (+6% yoy). This was mainly driven by a lower-than-expected lottery gross margin of 17.8% (+0.8pp yoy), versus our estimate of 18.3%. Encouragingly, lottery billings increased by 1% yoy, as customer activity remained intact with MAUs up 5% yoy to 1.575m (mwb est. 1.515m), partly offset by 3% lower ABPU of EUR 56.7 (mwb est. EUR 58.50), reflecting the weak jackpot environment. Games revenue came in at EUR 3.9m (+14% yoy; mwb est. EUR 4.1m), with B2C portfolio expanding to more than 740 titles and a 34% yoy increase in MAUs to 35k, while ARPU declined 15% yoy to EUR 37.41 due to a lower share of high-roller players. The house raffle continued to support the mix, with the Mallorca house generating EUR 10.5m in billings and showing the best retention performance to date.

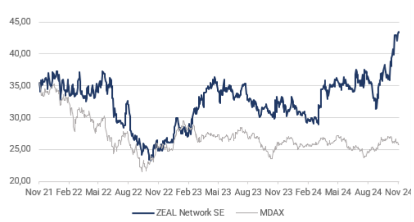
Softer on profitability. At the EBITDA level, the quarter was softer than our expectations, with EBITDA margin at 28.5%, below our c.30% estimate and down from 34.7% last year. The key drivers were higher marketing spend of EUR 17.6m (+13% yoy), personnel costs of EUR 10.1m (+21% yoy), and direct operating expenses (+19% yoy), the latter affected by higher payment processing, customer identification and Games developer costs. We would not overread the margin decline as a demand issue given the fact that ZEAL is in expansion phase. Positively, new registered customers rose to 274k (+11% yoy), although CPL increased to EUR 53.80 (+11% yoy), meaning ZEAL is still acquiring users in a weak jackpot environment, but at a higher cost. This also partly reflects higher acquisition costs for newer verticals.

Conclusion. With FY26 guidance reiterated, Q1 implies a back-end loaded trajectory, hinging on a more supportive jackpot environment. ZEAL will propose a dividend of EUR 1.40 per share (3.2% dividend yield) at the AGM on 20 May 2026. The company expanded its charity lottery portfolio after quarter-end with the launch of Traumautoverlosung on 14 April, adding a premium car raffle format and further broadening the proprietary product base.

-Continued-

ZEAL Network SE	2023	2024	2025	2026E	2027E	2028E
Sales	116.0	188.2	218.5	255.6	285.0	313.5
Growth yoy	10.3%	62.2%	16.1%	17.0%	11.5%	10.0%
EBITDA	32.9	61.8	68.8	75.9	86.1	97.8
EBIT	23.6	53.7	60.1	68.8	79.3	91.3
Net profit	12.8	58.4	41.7	41.7	48.4	56.1
Net debt (net cash)	-27.1	-10.4	-25.1	-52.8	-78.5	-114.3
Net debt/EBITDA	-0.8x	-0.2x	-0.4x	-0.7x	-0.9x	-1.2x
EPS reported	0.59	2.70	1.98	1.99	2.31	2.67
DPS	1.10	2.40	1.40	1.59	1.84	2.00
Dividend yield	2.2%	4.8%	2.8%	3.2%	3.7%	4.0%
Gross profit margin	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
EBITDA margin	28.4%	32.8%	31.5%	29.7%	30.2%	31.2%
EBIT margin	20.4%	28.5%	27.5%	26.9%	27.8%	29.1%
ROCE	7.9%	15.2%	18.1%	23.8%	25.6%	27.5%
EV/Sales	8.7x	5.5x	4.6x	3.9x	3.4x	3.0x
EV/EBITDA	30.8x	16.7x	14.7x	13.0x	11.2x	9.5x
EV/EBIT	42.8x	19.2x	16.9x	14.3x	12.1x	10.1x
PER	83.4x	18.4x	25.0x	24.9x	21.5x	18.5x

Source: Company data, mwb research



Source: Company data, mwb research

High/low 52 weeks	52.80 / 42.90
Price/Book Ratio	4.5x

Ticker / Symbols

ISIN	DE000ZEAL241
WKN	ZEAL24
Bloomberg	TIMA:GR

Changes in estimates

		Sales	EBIT	EPS
2026E	old	257.8	69.4	2.01
	Δ	-0.8%	-0.9%	-1.0%
2027E	old	286.1	79.6	2.32
	Δ	-0.4%	-0.4%	-0.5%
2028E	old	314.7	91.7	2.68
	Δ	-0.4%	-0.4%	-0.4%

Key share data

Number of shares: (in m pcs)	21.00
Book value per share: (in EUR)	10.98
Ø trading vol.: (12 months)	2,008

Major shareholders

Günther Group	36.3%
Working Capital	20.8%
Peters Marc	4.8%
Free Float	34.4%

Company description

Headquartered in Hamburg, ZEAL is an online lottery broker offering state lotteries, social lotteries, and slot machine games. The company primarily operates in Germany, with a small presence in Spain and the UK.

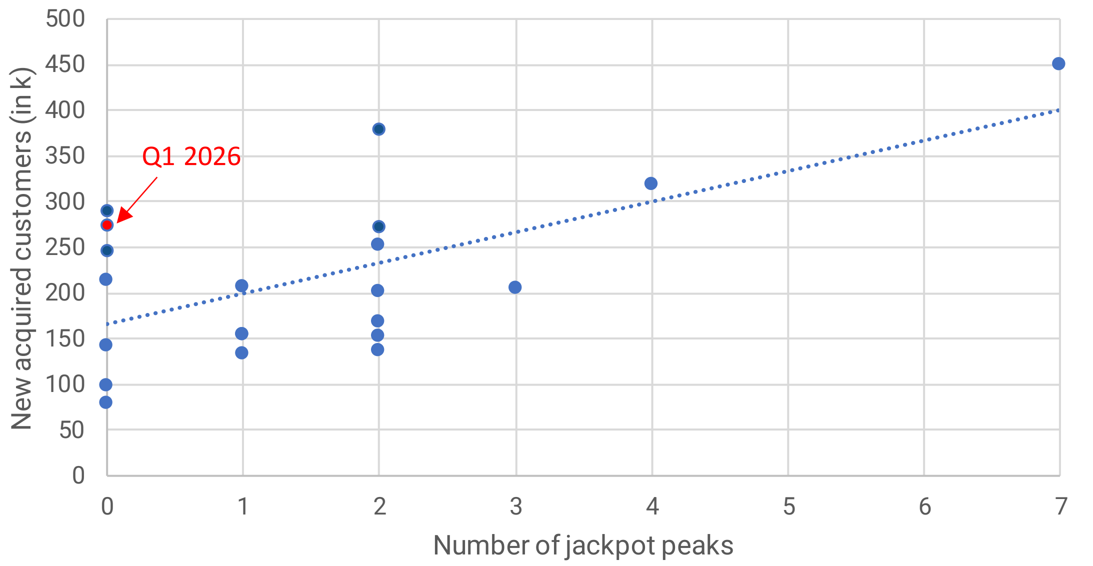
As we highlighted in our preview, we view this spending as both temporary and economically rational, supporting customer acquisition, enhancing mix, and reducing reliance on jackpot-driven dynamics. As investment intensity normalizes, we see scope for margins to expand to higher steady-state levels. We reiterate our BUY rating with unchanged PT of EUR 72.00, implying a ~31x 2027E P/E.

The following table displays the quarterly performance of **ZEAL Network SE:**

P&L data	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026
Sales	40.6	44.2	67.3	51.1	50.4	61.1	55.8	54.3
yoy growth in %	44.3%	41.7%	124.1%	41.6%	24.1%	38.3%	-17.1%	6.2%
Gross profit	40.6	44.2	67.3	51.1	50.4	61.1	55.8	54.3
Gross margin in %	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
EBITDA	10.7	14.9	26.9	17.7	17.6	18.7	14.7	15.5
EBITDA margin in %	26.3%	33.6%	40.0%	34.7%	35.0%	30.7%	26.4%	28.5%
EBIT	8.6	12.7	24.8	15.6	15.5	16.6	12.5	13.1
EBIT margin in %	21.2%	28.8%	36.8%	30.5%	30.8%	27.1%	22.3%	24.2%
EBT	8.6	11.8	23.0	13.9	14.4	15.7	11.9	12.2
taxes paid	-7.9	4.4	8.5	4.2	4.7	1.3	4.0	3.9
tax rate in %	-91.9%	37.4%	37.0%	29.9%	32.5%	8.4%	33.6%	31.8%
net profit	15.8	7.4	15.2	9.8	9.7	14.3	7.8	8.3
yoy growth in %	1,305.1%	63.3%	360.4%	-53.4%	-38.8%	94.8%	-48.2%	-15.5%
EPS	**0.71**	**0.32**	**0.70**	**0.47**	**0.46**	**0.68**	**0.37**	**0.39**

Source: Company data; mwb research

Number of peaks & new acquired customers

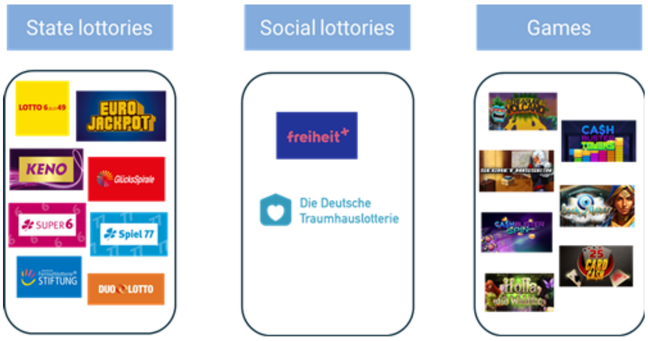


Source: Company data; mwb research

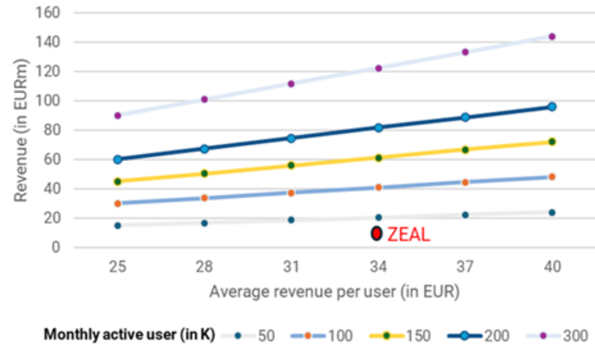
mwb research

Investment case in six charts

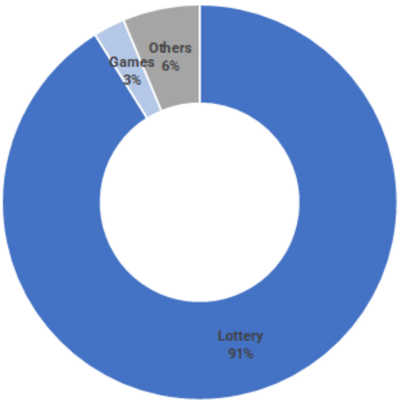
Products & Services



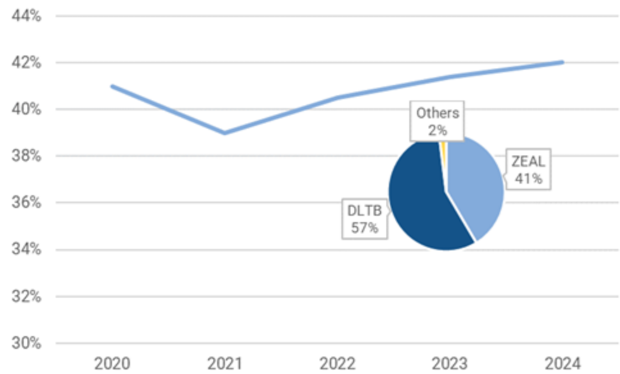
Games - What If?



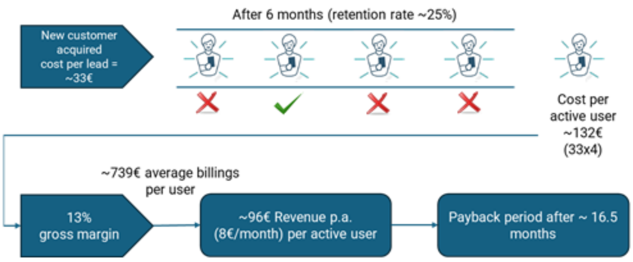
Segmental breakdown in %



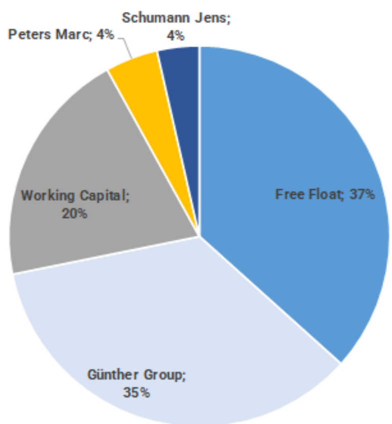
Market share and competitors



Payback period based on Q1-24 financials



Major Shareholders



Source: Company data, mwb research

SWOT analysis

Strengths

- Comprehensive product portfolio
- High customer loyalty and satisfaction
- No1. online broker for lotteries in Germany
- Recurring revenue with no jackpot risks
- Attractive dividend policy
- Platform scalability

Weaknesses

- Dependence on state lotteries and state permission
- Reliance on the German market

Opportunities

- Games (Instant win games)
- Social lotteries (Traumhausverlosung)
- Expansion into Spain

Threats

- Better cooperation of the DLTB

Valuation

DCF Model

The DCF model results in a **fair value of EUR 72.70 per share**:

Top-line growth: We expect ZEAL Network SE to grow revenues at a CAGR of 6.7% between 2026E and 2033E. The long-term growth rate is set at 2.0%.

ROCE. Returns on capital are developing from 23.8% in 2026E to 27.1% in 2033E.

WACC. Starting point is a historical equity beta of 0.95. Unlevering and correcting for mean reversion yields an asset beta of 0.88. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 9.0%. With pre-tax cost of borrowing at 5.0%, a tax rate of 32.0% and target debt/equity of 0.5 this results in a long-term WACC of 7.2%.

DCF (EURm) (except per share data and beta)	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	Terminal value
NOPAT	43.9	50.6	58.2	66.8	76.4	78.7	80.2	81.8	
Depreciation & amortization	7.1	6.8	6.5	6.3	6.0	1.2	1.3	1.4	
Change in working capital	-1.0	-0.1	7.7	8.4	9.3	2.0	2.1	2.1	
Chg. in long-term provisions	7.4	1.8	1.7	1.9	2.1	0.5	0.5	0.5	
Capex	-1.0	-1.1	-1.3	-1.4	-1.5	-1.5	-1.6	-1.6	
Cash flow	56.4	57.9	72.9	82.0	92.3	80.8	82.5	84.1	1,663.9
Present value	53.9	51.6	60.5	63.5	66.7	54.4	51.8	49.3	980.2
WACC	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%

DCF per share derived from	
Total present value	1,431.9
Mid-year adj. total present value	1,482.8
Net debt / cash at start of year	-25.1
Financial assets	18.8
Provisions and off b/s debt	na
Equity value	1,526.7
No. of shares outstanding	21.0
Discounted cash flow / share	**72.70**
upside/(downside)	**46.9%**
Share price	**49.50**

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2026E-2033E)	6.7%
Terminal value growth (2033E - infinity)	2.0%
Terminal year ROCE	27.1%
Terminal year WACC	7.2%

Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	32.0%
Equity beta	0.95
Unlevered beta (industry or company)	0.88
Target debt / equity	0.5
Relevered beta	1.17
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	9.0%

Sensitivity analysis DCF

Change in WACC (%-points)	Long term growth 1.0%	1.5%	2.0%	2.5%	3.0%
2.0%	49.5	51.3	53.5	55.9	58.8
1.0%	55.9	58.5	61.5	65.1	69.3
0.0%	64.4	68.2	72.7	78.1	84.9
-1.0%	76.3	82.1	89.3	98.4	110.4
-2.0%	93.9	103.6	116.3	133.8	159.5

Share of present value	
2026E-2029E	16.0%
2030E-2033E	15.5%
terminal value	68.5%

Source: mwb research

mwb research

FCF Yield Model

Due to the fact that companies rarely bear sufficient resemblance to peers in terms of geographical exposure, size or competitive strength and in order to adjust for the pitfalls of weak long-term visibility, an Adjusted Free Cash Flow analysis (Adjusted FCF) has been conducted.

The adjusted Free Cash Flow Yield results in a fair value between EUR 39.71 per share based on 2026E and EUR 75.84 per share on 2030E estimates.

The main driver of this model is the level of return available to a controlling investor, influenced by the cost of that investors' capital (opportunity costs) and the purchase price – in this case the enterprise value of the company. Here, the adjusted FCF yield is used as a proxy for the required return and is defined as EBITDA less minority interest, taxes and investments required to maintain existing assets (maintenance capex).

FCF yield in EURm	2026E	2027E	2028E	2029E	2030E
EBITDA	**75.9**	**86.1**	**97.8**	**111.0**	**125.9**
- Maintenance capex	0.8	0.8	0.9	1.0	1.1
- Minorities	2.9	3.3	3.8	4.4	5.1
- tax expenses	21.0	24.3	28.2	32.5	37.3
= Adjusted FCF	**51.3**	**57.6**	**64.9**	**73.1**	**82.4**
Actual Market Cap	**1,073.2**	**1,073.2**	**1,073.2**	**1,073.2**	**1,073.2**
+ Net debt (cash)	-52.8	-78.5	-114.3	-156.5	-207.5
+ Pension provisions	0.0	0.0	0.0	0.0	0.0
+ Off B/S financing	0.0	0.0	0.0	0.0	0.0
- Financial assets	18.8	18.8	18.8	18.8	18.8
- Acc. dividend payments	29.4	62.8	101.5	143.6	188.8
EV Reconciliations	-101.0	-160.1	-234.6	-318.9	-415.1
= Actual EV'	**972.2**	**913.2**	**838.6**	**754.4**	**658.1**
Adjusted FCF yield	**5.3%**	**6.3%**	**7.7%**	**9.7%**	**12.5%**
base hurdle rate	7.0%	7.0%	7.0%	7.0%	7.0%
ESG adjustment	0.0%	0.0%	0.0%	0.0%	0.0%
adjusted hurdle rate	7.0%	7.0%	7.0%	7.0%	7.0%
Fair EV	**732.8**	**822.6**	**926.8**	**1,044.5**	**1,177.4**
- *EV Reconciliations*	-101.0	-160.1	-234.6	-318.9	-415.1
Fair Market Cap	**833.8**	**982.6**	**1,161.4**	**1,363.4**	**1,592.6**
No. of shares (million)	21.0	21.0	21.0	21.0	21.0
Fair value per share in EUR	**39.71**	**46.79**	**55.30**	**64.92**	**75.84**
Premium (-) / discount (+)	**-19.8%**	**-5.5%**	**11.7%**	**31.2%**	**53.2%**

Sensitivity analysis FV						
	5.0%	53.7	62.5	73.0	84.8	98.3
	6.0%	45.5	53.3	62.7	73.2	85.2
Adjusted hurdle rate	**7.0%**	**39.7**	**46.8**	**55.3**	**64.9**	**75.8**
	8.0%	35.3	41.9	49.8	58.7	68.8
	9.0%	32.0	38.1	45.5	53.9	63.4

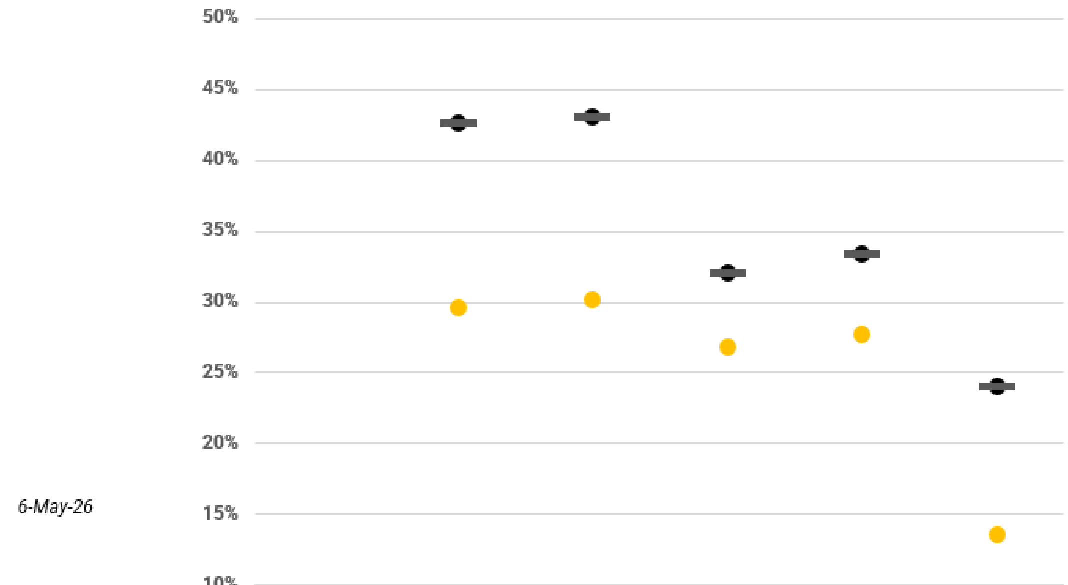
Source: Company data; mwb research

Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 7.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments might be applicable. A high score indicates high awareness for environmental, social or governance issues and thus might lower the overall risk an investment in the company might carry. A low score on the contrary might increase the risk of an investment and might therefore trigger a higher required hurdle rate.**

Peer group analysis

A peer group or comparable company ("comps") analysis is a methodology that calculates a company's relative value — how much it should be worth based on how it compares to other similar companies. Given that **ZEAL Network SE** differs quite significantly in terms of size, focus, financial health and growth trajectory, we regard our peer group analysis merely as a support for other valuation methods. The peer group of ZEAL Network SE consists of the stocks displayed in the chart below. As of 6 May 2026 the median market cap of the peer group was EUR 294.4m, compared to EUR 1,039.5m for ZEAL Network SE. In the period under review, the peer group was more profitable than ZEAL Network SE. The expectations for sales growth are higher for the peer group than for ZEAL Network SE.

Peer Group – Key data



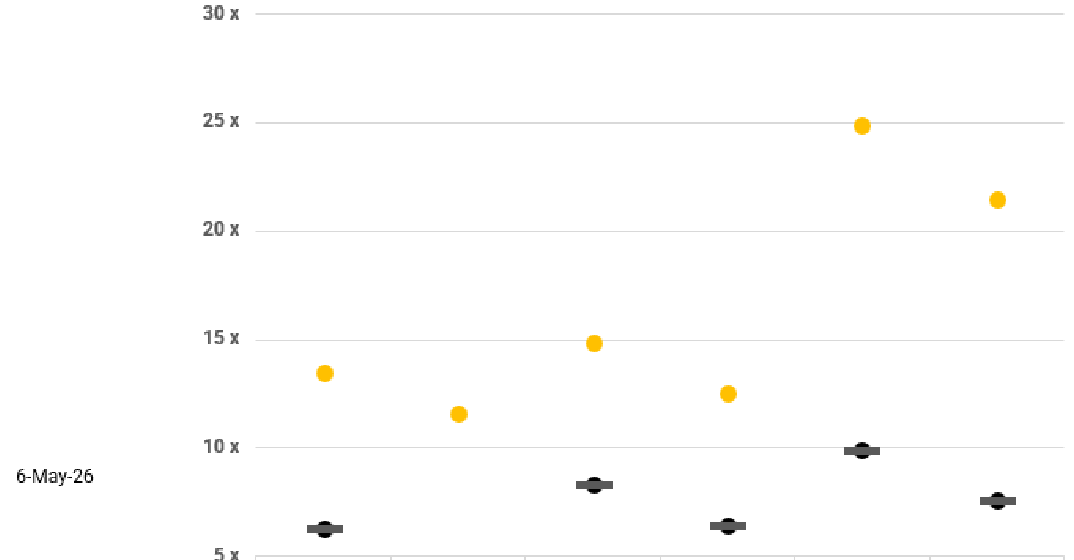
	Market Cap (EURm)	EBITDA margin 2026	EBITDA margin 2027	EBIT margin 2026	EBIT margin 2027	Sales CAGR 2025-2028
● Jumbo Interactive Limited	294	42,7%	43,1%	32,2%	33,5%	24,1%
● ZEAL Network SE	1.073	29,7%	30,2%	26,9%	27,8%	13,6%
– Peer Group Median	294	42,7%	43,1%	32,2%	33,5%	24,1%

Source: FactSet, mwb research

Comparable company analysis operates under the assumption that similar companies will have similar valuation multiples. We use the following multiples: EV/EBITDA 2026, EV/EBITDA 2027, EV/EBIT 2026, EV/EBIT 2027, P/E 2026 and P/E 2027.

Applying these to ZEAL Network SE results in a range of fair values from EUR 17.60 to EUR 29.77.

Peer Group – Multiples and valuation



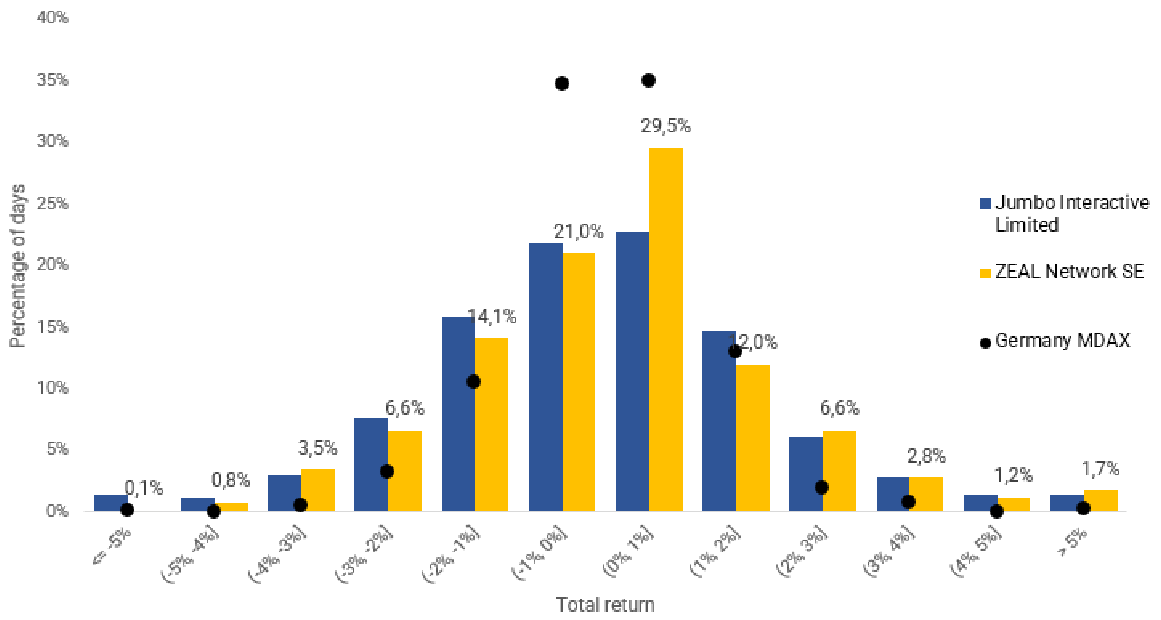
	EV/EBITDA 2026	EV/EBITDA 2027	EV/EBIT 2026	EV/EBIT 2027	P/E 2026	P/E 2027
● Jumbo Interactive Limited	6,3x	5,0x	8,3x	6,4x	9,9x	7,6x
● ZEAL Network SE	13,4x	11,6x	14,8x	12,5x	24,9x	21,5x
– Peer Group Median	6,3x	5,0x	8,3x	6,4x	9,9x	7,6x
Fair Value (EUR)	25,19	22,94	29,77	26,78	19,67	17,60

Source: FactSet, mwb research

Risk

The chart displays the **distribution of daily returns of ZEAL Network SE** over the last 3 years, compared to the same distribution for Jumbo Interactive Limited. We have also included the distribution for the index Germany MDAX. The distribution gives a better understanding of risk than measures like volatility, which assume that log returns are normally distributed. In reality, they are skewed (down moves are larger) and have fat tails (large moves occur more often than predicted). Also, volatility treats up and down moves the same, while investors are more worried about down moves. For ZEAL Network SE, the worst day during the past 3 years was 04/04/2025 with a share price decline of -8.6%. The best day was 21/03/2024 when the share price increased by 10.7%.

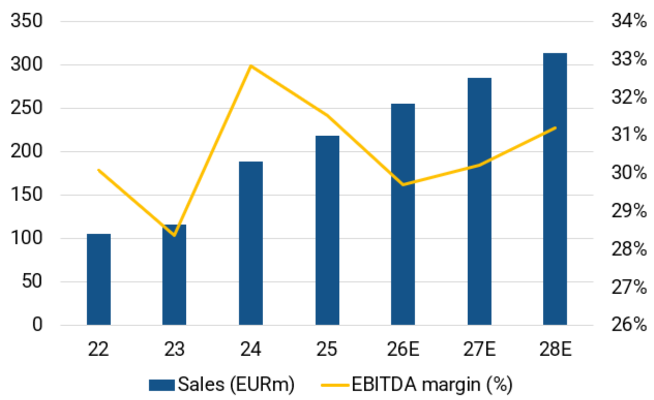
Risk – Daily Returns Distribution (trailing 3 years)



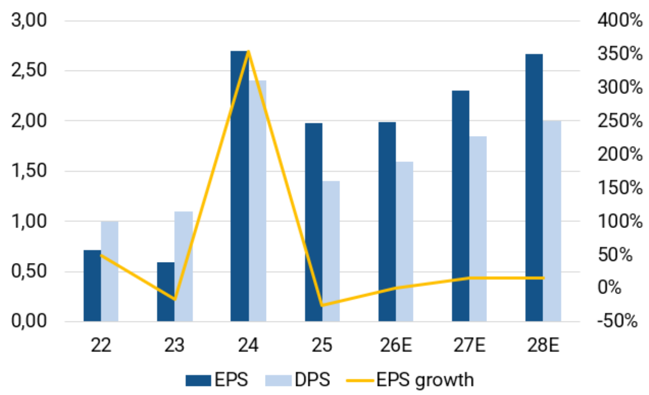
Source: FactSet, mwb research

Financials in six charts

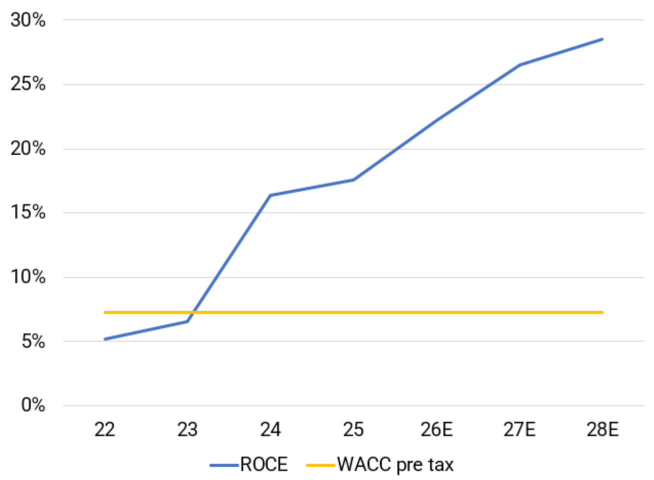
Sales vs. EBITDA margin development



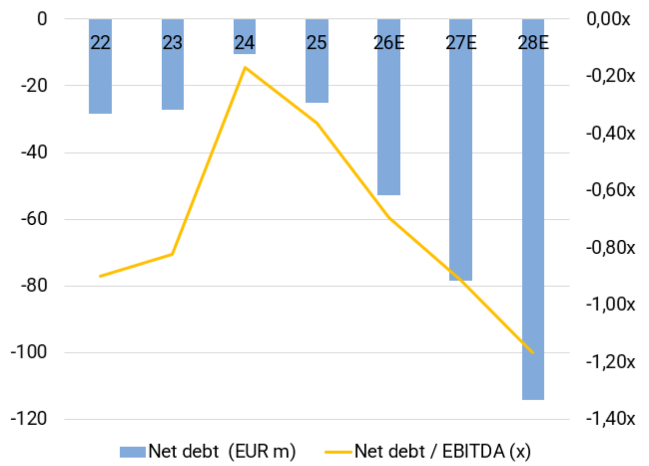
EPS, DPS in EUR & yoy EPS growth



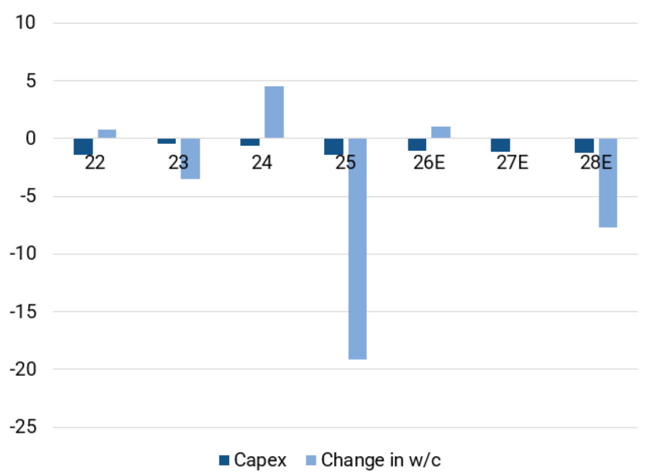
ROCE vs. WACC (pre tax)



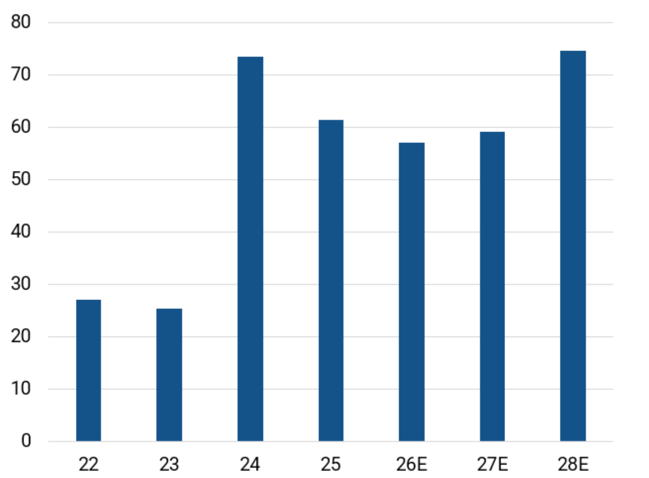
Net debt and net debt/EBITDA



Capex & chgn in w/c requirements in EURm



Free Cash Flow in EURm



Source: Company data; mwb research

mwb research

Financials

Profit and loss (EURm)	2023	2024	2025	2026E	2027E	2028E
Net sales	**116.0**	**188.2**	**218.5**	**255.6**	**285.0**	**313.5**
Sales growth	10.3%	62.2%	16.1%	17.0%	11.5%	10.0%
Change in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	**116.0**	**188.2**	**218.5**	**255.6**	**285.0**	**313.5**
Material expenses	0.0	0.0	0.0	0.0	0.0	0.0
Gross profit	**116.0**	**188.2**	**218.5**	**255.6**	**285.0**	**313.5**
Other operating income	1.4	3.1	1.7	3.1	3.4	3.8
Personnel expenses	22.6	31.5	38.5	44.7	51.3	56.4
Other operating expenses	62.0	98.0	112.8	138.0	151.0	163.0
EBITDA	**32.9**	**61.8**	**68.8**	**75.9**	**86.1**	**97.8**
Depreciation	1.6	0.8	0.7	0.8	0.8	0.9
EBITA	31.3	61.0	68.1	75.1	85.2	96.9
Amortisation of goodwill and intangible assets	7.7	7.4	8.0	6.4	6.0	5.6
EBIT	**23.6**	**53.7**	**60.1**	**68.8**	**79.3**	**91.3**
Financial result	-1.3	-3.2	-4.5	-3.2	-3.2	-3.2
Recurring pretax income from continuing operations	22.3	50.5	55.6	65.6	76.1	88.1
Extraordinary income/loss	0.0	-0.2	0.2	0.0	0.0	0.0
Earnings before taxes	22.3	50.3	55.9	65.6	76.1	88.1
Taxes	8.6	-9.2	14.1	21.0	24.3	28.2
Net income from continuing operations	13.7	59.4	41.7	44.6	51.7	59.9
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	**13.7**	**59.4**	**41.7**	**44.6**	**51.7**	**59.9**
Minority interest	-0.9	-1.0	-0.0	-2.9	-3.3	-3.8
Net profit (reported)	12.8	58.4	41.7	41.7	48.4	56.1
Average number of shares	21.66	21.66	21.00	21.00	21.00	21.00
EPS reported	**0.59**	**2.70**	**1.98**	**1.99**	**2.31**	**2.67**

Profit and loss (common size)	2023	2024	2025	2026E	2027E	2028E
Net sales	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Change in finished goods and work-in-process	0%	0%	0%	0%	0%	0%
Total sales	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Material expenses	0%	0%	0%	0%	0%	0%
Gross profit	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Other operating income	1%	2%	1%	1%	1%	1%
Personnel expenses	19%	17%	18%	18%	18%	18%
Other operating expenses	53%	52%	52%	54%	53%	52%
EBITDA	**28%**	**33%**	**32%**	**30%**	**30%**	**31%**
Depreciation	1%	0%	0%	0%	0%	0%
EBITA	27%	32%	31%	29%	30%	31%
Amortisation of goodwill and intangible assets	7%	4%	4%	2%	2%	2%
EBIT	**20%**	**29%**	**28%**	**27%**	**28%**	**29%**
Financial result	-1%	-2%	-2%	-1%	-1%	-1%
Recurring pretax income from continuing operations	19%	27%	25%	26%	27%	28%
Extraordinary income/loss	0%	-0%	0%	0%	0%	0%
Earnings before taxes	19%	27%	26%	26%	27%	28%
Taxes	7%	-5%	6%	8%	9%	9%
Net income from continuing operations	12%	32%	19%	17%	18%	19%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	**12%**	**32%**	**19%**	**17%**	**18%**	**19%**
Minority interest	-1%	-1%	-0%	-1%	-1%	-1%
Net profit (reported)	**11%**	**31%**	**19%**	**16%**	**17%**	**18%**

Source: Company data; mwb research

Balance sheet (EURm)	2023	2024	2025	2026E	2027E	2028E
Intangible assets (exl. Goodwill)	**120.7**	**113.3**	**105.8**	**99.5**	**93.5**	**87.9**
Goodwill	158.6	158.6	158.6	158.6	158.6	158.6
Property, plant and equipment	3.6	3.1	3.1	3.3	3.6	4.0
Financial assets	18.2	17.7	18.8	18.8	18.8	18.8
FIXED ASSETS	**301.0**	**292.7**	**286.3**	**280.2**	**274.6**	**269.3**
Inventories	0.0	3.2	6.8	3.0	0.0	0.0
Accounts receivable	2.6	6.8	3.7	9.1	10.1	11.2
Other current assets	30.5	38.2	35.1	35.1	35.1	35.1
Liquid assets	57.7	114.9	118.6	80.8	106.5	142.3
Deferred taxes	1.0	0.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	1.7	1.7	3.8	3.8	4.3	4.7
CURRENT ASSETS	**93.6**	**164.8**	**168.0**	**131.8**	**156.0**	**193.2**
TOTAL ASSETS	**394.7**	**457.5**	**454.3**	**412.0**	**430.5**	**462.5**
SHAREHOLDERS EQUITY	**259.2**	**238.5**	**230.5**	**245.7**	**264.0**	**285.2**
MINORITY INTEREST	5.6	0.0	0.0	0.0	0.0	0.0
Long-term debt	23.5	93.0	82.2	18.0	18.0	18.0
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	4.9	10.8	7.9	15.3	17.1	18.8
Non-current liabilities	**28.4**	**103.8**	**90.1**	**33.3**	**35.1**	**36.8**
short-term liabilities to banks	7.2	11.5	11.3	10.0	10.0	10.0
Accounts payable	3.6	12.2	17.6	15.0	4.0	4.0
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	46.5	64.1	78.6	81.8	91.2	100.3
Deferred taxes	44.2	27.5	26.2	26.2	26.2	26.2
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	**101.5**	**115.3**	**133.6**	**133.0**	**131.4**	**140.5**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**394.7**	**457.5**	**454.3**	**412.0**	**430.5**	**462.5**

Balance sheet (common size)	2023	2024	2025	2026E	2027E	2028E
Intangible assets (excl. Goodwill)	**31%**	**25%**	**23%**	**24%**	**22%**	**19%**
Goodwill	40%	35%	35%	38%	37%	34%
Property, plant and equipment	1%	1%	1%	1%	1%	1%
Financial assets	5%	4%	4%	5%	4%	4%
FIXED ASSETS	**76%**	**64%**	**63%**	**68%**	**64%**	**58%**
Inventories	0%	1%	1%	1%	0%	0%
Accounts receivable	1%	1%	1%	2%	2%	2%
Other current assets	8%	8%	8%	9%	8%	8%
Liquid assets	15%	25%	26%	20%	25%	31%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	0%	0%	1%	1%	1%	1%
CURRENT ASSETS	**24%**	**36%**	**37%**	**32%**	**36%**	**42%**
TOTAL ASSETS	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
SHAREHOLDERS EQUITY	**66%**	**52%**	**51%**	**60%**	**61%**	**62%**
MINORITY INTEREST	1%	0%	0%	0%	0%	0%
Long-term debt	6%	20%	18%	4%	4%	4%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	1%	2%	2%	4%	4%	4%
Non-current liabilities	**7%**	**23%**	**20%**	**8%**	**8%**	**8%**
short-term liabilities to banks	2%	3%	2%	2%	2%	2%
Accounts payable	1%	3%	4%	4%	1%	1%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	12%	14%	17%	20%	21%	22%
Deferred taxes	11%	6%	6%	6%	6%	6%
Deferred income	0%	0%	0%	0%	0%	0%
Current liabilities	**26%**	**25%**	**29%**	**32%**	**31%**	**30%**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: Company data; mwb research

Cash flow statement (EURm)	2023	2024	2025	2026E	2027E	2028E
Net profit/loss	22.3	59.4	41.7	44.6	51.7	59.9
Depreciation of fixed assets (incl. leases)	1.6	0.8	0.7	0.8	0.8	0.9
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	7.7	7.4	8.0	6.4	6.0	5.6
Others	-9.3	11.2	-6.8	7.4	1.8	1.7
Cash flow from operations before changes in w/c	22.3	78.7	43.6	59.1	60.3	68.1
Increase/decrease in inventory	0.0	-3.2	-3.6	3.8	3.0	0.0
Increase/decrease in accounts receivable	-1.2	-4.1	3.1	-5.4	-1.0	-1.0
Increase/decrease in accounts payable	-0.2	8.5	5.4	-2.6	-11.0	0.0
Increase/decrease in other w/c positions	4.9	-5.8	14.2	3.2	9.0	8.7
Increase/decrease in working capital	3.5	-4.6	19.1	-1.0	-0.1	7.7
Cash flow from operating activities	**25.8**	**74.1**	**62.7**	**58.1**	**60.2**	**75.8**
CAPEX	-0.4	-0.6	-1.4	-1.0	-1.1	-1.3
Payments for acquisitions	0.0	-1.2	0.0	0.0	0.0	0.0
Financial investments	56.5	0.0	0.5	0.0	0.0	0.0
Income from asset disposals	0.0	1.9	5.0	0.0	0.0	0.0
Cash flow from investing activities	**56.1**	**0.2**	**4.2**	**-1.0**	**-1.1**	**-1.3**
Cash flow before financing	81.9	74.3	66.8	57.1	59.1	74.5
Increase/decrease in debt position	-4.7	73.9	-11.1	-65.5	0.0	0.0
Purchase of own shares	0.0	-25.0	0.0	0.0	0.0	0.0
Capital measures	0.1	0.0	0.0	0.0	0.0	0.0
Dividends paid	-78.0	-23.8	-50.6	-29.4	-33.4	-38.7
Others	-2.9	-42.1	-0.3	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.0	-0.0	0.0	0.0	0.0
Cash flow from financing activities	**-85.4**	**-17.0**	**-62.0**	**-94.9**	**-33.4**	**-38.7**
Increase/decrease in liquid assets	-3.5	57.2	4.8	-37.8	25.7	35.8
Liquid assets at end of period	**57.7**	**115.0**	**119.8**	**82.0**	**107.6**	**143.4**

Source: Company data; mwb research

Regional sales split (EURm)	2023	2024	2025	2026E	2027E	2028E
Domestic	110.7	179.5	208.3	243.8	271.8	299.0
Europe (ex domestic)	5.4	8.7	10.1	11.8	13.2	14.5
The Americas	0.0	0.0	0.0	0.0	0.0	0.0
Asia	0.0	0.0	0.0	0.0	0.0	0.0
Rest of World	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	**116.0**	**188.2**	**218.5**	**255.6**	**285.0**	**313.5**

Regional sales split (common size)	2023	2024	2025	2026E	2027E	2028E
Domestic	95.4%	95.4%	95.4%	95.4%	95.4%	95.4%
Europe (ex domestic)	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%
The Americas	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Asia	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rest of World	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total sales	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: Company data; mwb research

Ratios	2023	2024	2025	2026E	2027E	2028E
Per share data						
Earnings per share reported	0.59	2.70	1.98	1.99	2.31	2.67
Cash flow per share	1.19	3.42	2.99	2.73	2.83	3.57
Book value per share	11.97	11.01	10.98	11.70	12.57	13.58
Dividend per share	1.10	2.40	1.40	1.59	1.84	2.00
Valuation						
P/E	83.4x	18.4x	25.0x	24.9x	21.5x	18.5x
P/CF	41.5x	14.5x	16.6x	18.1x	17.5x	13.9x
P/BV	4.1x	4.5x	4.5x	4.2x	3.9x	3.6x
Dividend yield (%)	2.2%	4.8%	2.8%	3.2%	3.7%	4.0%
FCF yield (%)	2.4%	6.9%	6.0%	5.5%	5.7%	7.2%
EV/Sales	8.7x	5.5x	4.6x	3.9x	3.4x	3.0x
EV/EBITDA	30.8x	16.7x	14.7x	13.0x	11.2x	9.5x
EV/EBIT	42.8x	19.2x	16.9x	14.3x	12.1x	10.1x
Income statement (EURm)						
Sales	116.0	188.2	218.5	255.6	285.0	313.5
yoy chg in %	10.3%	62.2%	16.1%	17.0%	11.5%	10.0%
Gross profit	116.0	188.2	218.5	255.6	285.0	313.5
Gross margin in %	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
EBITDA	32.9	61.8	68.8	75.9	86.1	97.8
EBITDA margin in %	28.4%	32.8%	31.5%	29.7%	30.2%	31.2%
EBIT	23.6	53.7	60.1	68.8	79.3	91.3
EBIT margin in %	20.4%	28.5%	27.5%	26.9%	27.8%	29.1%
Net profit	12.8	58.4	41.7	41.7	48.4	56.1
Cash flow statement (EURm)						
CF from operations	25.8	74.1	62.7	58.1	60.2	75.8
Capex	-0.4	-0.6	-1.4	-1.0	-1.1	-1.3
Maintenance Capex	0.0	0.0	0.0	0.8	0.8	0.9
Free cash flow	25.4	73.6	61.3	57.1	59.1	74.5
Balance sheet (EURm)						
Intangible assets	279.3	271.9	264.4	258.1	252.1	246.5
Tangible assets	3.6	3.1	3.1	3.3	3.6	4.0
Shareholders' equity	259.2	238.5	230.5	245.7	264.0	285.2
Pension provisions	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities and provisions	35.6	115.3	101.4	43.3	45.1	46.8
Net financial debt	-27.1	-10.4	-25.1	-52.8	-78.5	-114.3
w/c requirements	-1.0	-2.2	-7.1	-2.9	6.1	7.2
Ratios						
ROE	5.3%	24.9%	18.1%	18.2%	19.6%	21.0%
ROCE	7.9%	15.2%	18.1%	23.8%	25.6%	27.5%
Net gearing	-10.4%	-4.4%	-10.9%	-21.5%	-29.7%	-40.1%
Net debt / EBITDA	-0.8x	-0.2x	-0.4x	-0.7x	-0.9x	-1.2x

Source: Company data; mwb research

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