14 October 2024

Commissioned research: Lumi Gruppen - Higher student intake than expected

Marketing material commissioned by Lumi Gruppen

Lumi Gruppen announced a trading update today for the school year 2024-25. Oslo Nye Høyskole (ONH) continue their strong performance and the company increases their revenue guidance to NOK 280-285m for school year 2024-25 (NOK 255-265m from H1 report). This is above our expectation of NOK 262.5m for school year 2024/25. ONH has 21 percent growth in signed contracts compared to school year 2023-24 and expects to deliver EBIT margin in line with or ahead of school year 2023-24. The revenue guidance for Sonans has been narrowed down to NOK 180-183m (from NOK 180-185m from H1 report). This is in line with our expectations of NOK 180.4 for school year 2024/25. The company will implement measures to enhance margin performance and sustainable growth, where the company expects a gradual improvements to profitability. The lower end of the guidance leaves 4% upside to our estimates and the higher end of the guidance leaves 6% upside to our estimates.

SUMMARY TABLE - KEY FIGURES

NOKm	2021	2022	2023	2024E	2025E	2026E
Total revenue	532	515	423	438	456	483
EBITDA (adj)	188	172	104	95	110	119
EBIT (adj)	133	117	49	49	60	69
EBIT (adj) margin	25.0%	22.7%	11.7%	11.3%	13.2%	14.2%
EPS (adj, NOK)	2.32	1.89	0.19	0.11	0.29	0.45
EPS (adj) growth	13.0%	-18.4%	-90.1%	-39.2%	154.3%	56.6%
DPS (ord, NOK)	1.00	0.00	0.00	0.00	0.00	0.00
EV/Sales	4.2	1.9	3.0	2.5	2.4	2.2
EV/EBIT (adj)	17.0	8.5	25.6	22.0	17.9	15.4
P/E (adj)	20.7	6.3	81.0	n.m.	41.0	26.2
P/BV	3.2	0.8	1.9	1.4	1.4	1.3
Dividend yield (ord)	2.1%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF Yield bef A&D, lease adj	5.4%	12.9%	2.8%	5.1%	7.2%	8.5%
Net debt	519	566	427	397	385	363
Net debt/EBITDA	3.1	4.0	4.8	4.3	3.5	3.1
ROIC after tax	9.6%	8.0%	3.7%	4.2%	5.1%	5.8%

Source: Company data and Nordea estimates

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