

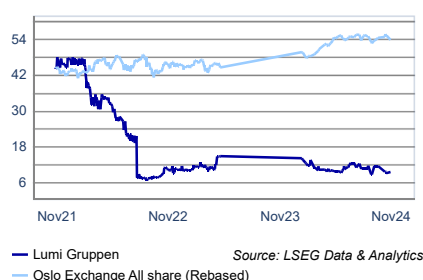
## Lumi Gruppen

Consumer Goods  
Norway

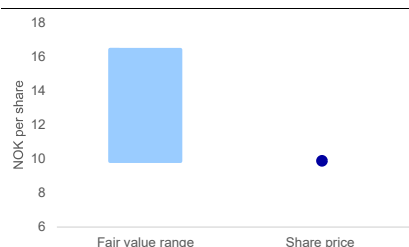
## KEY DATA

Stock country	Norway
Bloomberg	LUMI.NO
Reuters	LUMI.OL
Share price (close)	NOK 9.90
Free float	
Market cap. (bn)	EUR 0.05/NOK 0.57
Website	www.lumigruppen.no
Next report date	11 Feb 2025

## PERFORMANCE



## VALUATION APPROACH



## ESTIMATE CHANGES

Year	2024E	2025E	2026E
Sales	2%	7%	13%
EBIT (adj)	6%	8%	43%

Source: Nordea estimates

## Nordea IB &amp; Equity - Analysts

Sigurd Flaa  
AnalystJørgen Bruaset  
Managing Director

## Setting the stage for continued growth

Lumi Gruppen continues to see high demand for its ONH courses, reporting a 20% y/y revenue increase in signed contracts for the school year. The private candidate market is still challenging for Sonans, but we expect 2023/24 was the turning point. With a reduced cost base and initiatives to improve sustainable growth, we expect to see improvements in 2025/26. We see a positive trend in the overall case, with an increased fair value range of NOK 10-16 (NOK 7-12), which is based on different DCF scenarios and 2026 peer multiples.

## Improving sentiment

We expect ONH to continue its double-digit growth with the successful launch of a new bachelor's degree programme, along with continued structural undersupply from public institutions. Moving into the new campus in Adamstuen at the beginning of 2025 sets the stage for continued growth for ONH. We expect 2023/24 was the turning point for Sonans and estimate a ~3% y/y revenue increase for 2024/25.

## High earnings visibility for the 2024/25 school year

Based on the nature of Lumi Gruppen's business model, we argue that there is high revenue visibility for the 2024/25 school year. For the last three school years, we have seen high conviction in the updated company guidance once the autumn intake is finalised up until reported numbers at the end of the school year, with only a 2% deviation compared to Norwegian small-cap companies, with a 54% revenue deviation. We therefore argue that, after the trading update, Lumi Gruppen's revenue and balance sheet are de-risked for the 2024/25 school year, and any improvements in the underlying market will likely first materialise in the 2025/26 school year.

## Increased fair value range of NOK 10-16

Our fair value range rose to NOK 10-16 (7-12), based on DCF scenarios and 2026 peer multiples. Our different DCF scenarios demonstrate its sensitivity to a recovery in the private candidate market. Even so, only a modest recovery of pre-pandemic volumes would offer ample upside to our base-case assumptions. The share price is trading at the lower end of our fair value range, on par with 2026 peer multiples and below our DCF base-case scenario, implying that the market has not pencilled in any recovery in the private candidate market.

## SUMMARY TABLE - KEY FIGURES

NOKm	2020	2021	2022	2023	2024E	2025E	2026E
Total revenue	518	532	515	423	448	489	545
EBITDA (adj)	199	188	172	104	98	115	149
EBIT (adj)	153	133	117	49	53	65	98
EBIT (adj) margin	29.5%	25.0%	22.7%	11.7%	11.7%	13.3%	18.1%
EPS (adj, NOK)	2.05	2.32	1.89	0.19	0.19	0.39	0.89
EPS (adj) growth	n.a.	13.0%	-18.4%	-90.1%	2.3%	104.0%	127.4%
DPS (ord, NOK)	0.00	1.00	0.00	0.00	0.00	0.00	0.00
EV/Sales	n.a.	4.2	1.9	3.0	2.1	1.9	1.6
EV/EBIT (adj)	n.a.	17.0	8.5	25.7	17.9	14.1	8.9
P/E (adj)	n.a.	20.7	6.3	81.0	51.6	25.3	11.1
P/BV	n.a.	3.2	0.8	1.9	1.2	1.1	1.0
Dividend yield (ord)	n.a.	2.1%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF Yield bef A&D, lease	n.a.	5.4%	12.9%	2.8%	6.8%	10.3%	14.5%
Net debt	762	519	566	431	367	345	299
Net debt/EBITDA	4.5	3.1	4.0	4.8	3.9	3.0	2.0
ROIC after tax	12.2%	9.6%	8.0%	3.7%	4.5%	5.7%	8.6%

Source: Company data and Nordea estimates

# Improving market outlook

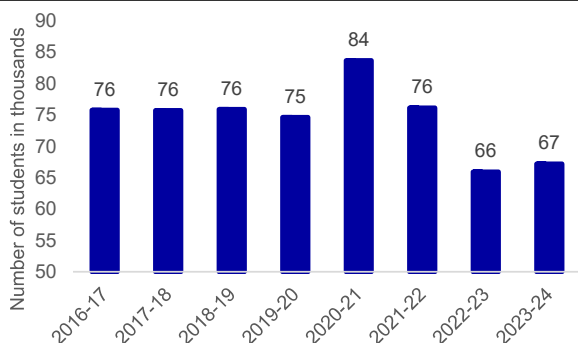
Historically, there has been stable growth in demand for higher education, combined with structural undersupply. In other words, the number of higher education applicants per admission place exceeds the number of available spots. Hence, we argue that Lumi Gruppen operates in an attractive market, even with a soft outlook for the private candidate market, with private institutions stepping in where public institutions fail to fill the gaps. Moreover, from the nature of Lumi's business, there is a high degree of confidence in the company's revenue guidance for the school year.

The 2022/23 school year marked the turning point for private candidate exams

After the record year of private candidate exams in 2020/21 from the COVID-19 pandemic, the number of private candidate exams has steadily declined. After the recent data from UDIR, it seems that the 2022/23 school year was the turning point in terms of number of exams. Although the number of private candidate exams and the percentage of high school students failing their courses are at historical lows, we see the trend has flattened.

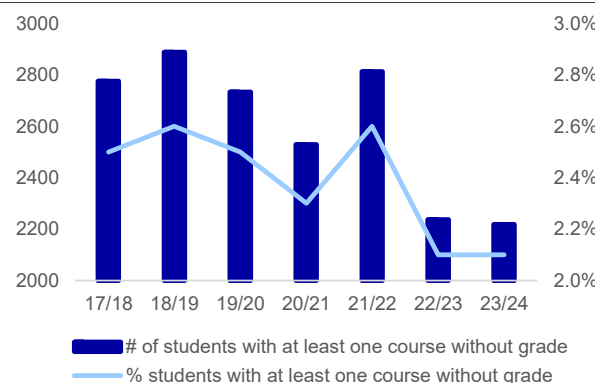
The Norwegian labour market is still strong with a low unemployment rate. We argue that this lowers the incentive to obtain a high school diploma or higher education. We see some positive signs with the increase in loans for higher education/high school (basislån) from Lånekassen; this was risen by 10% from the 2023/24 school year to the 2024/25 school year. We also argue that the new rules governing admission to higher education also give stability for students and for Lumi Gruppen going forward.

**PRIVATE CANDIDATE EXAMS UP SINCE 2022/23, NORWAY**



Source: UDIR and Nordea

**NUMBER OF HIGH SCHOOL STUDENTS WHO DO NOT FINISH, NORWAY**

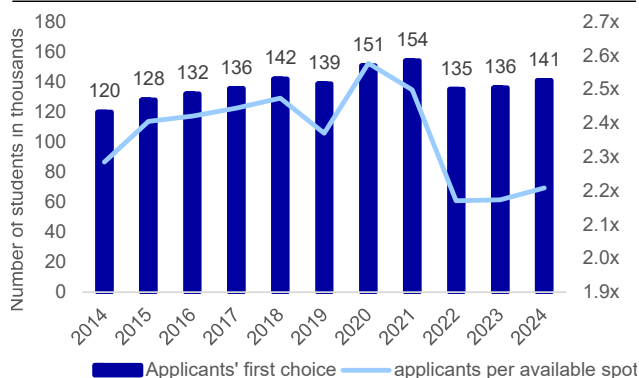


Source: UDIR and Nordea

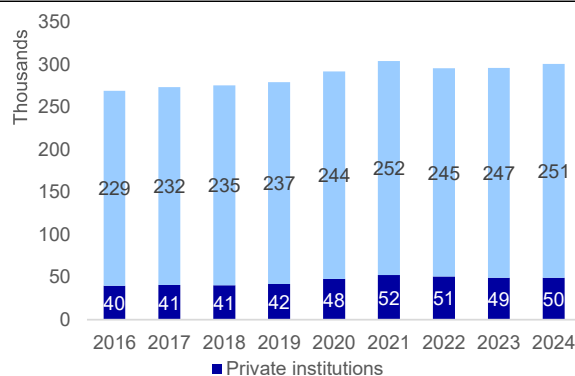
A structural undersupply in the higher education market remains. According to the Database for Statistics on Higher Education (DBH), ~300,000 students were registered in Norway in 2024. Oslo New University College (Oslo Nye Høyskole, ONH) currently has only a small market share, amounting to ~1% of the total market.

Furthermore, according to the Norwegian Universities and Colleges Admission Service (Samordna opptak), the number of higher education applicants for public institutions (and a few private) was ~141,000 in 2024, down 8.5% from the record high in 2021 caused by the COVID-19 pandemic. Since 2014, the total number of applicants has seen a 1.6% CAGR, and we see a steady increase in demand.

Looking more closely at the numbers, we see structural undersupply in the market. The number of applicants per available spot has been consistently greater than 2.0x over the last ten years. Hence, we argue that private education providers can step in when public institutions fail to fill the gap, and ONH is well positioned for this.

**NUMBER OF HIGHER EDUCATION APPLICANTS, NORWAY**

Source: Samordna opptak and Nordea

**STUDENT SPLIT PER TYPE OF INSTITUTION, NORWAY**

Source: DBH and Nordea

**High earnings visibility for the 2024/25 school year**

From the nature of Lumi Gruppen's business model, we argue that there is high revenue visibility for the 2024/25 school year. When the autumn intake is finalised, the company has visibility over how many new contracts are signed and the duration (annual programmes, bachelor and masters), thereby de-risking the revenue and balance sheet.

Looking at previous guidance for the 2021/22, 2022/23 and 2023/24 school years, we see that the revenue guidance at the beginning of the school year is often met in terms of the reported revenue at the end of the school year. We therefore have a high level of confidence that the updated company guidance for the 2024/25 school year of NOK 280-285m for ONH and NOK 180-183m for Sonans will materialise.

**REVENUE GUIDANCE AND ACTUALS****School year 2023/24**

Segment	Guidance revenue	Actual revenue	change % from midpoint
ONH*	225-235m	235m	1%
Sonans	165-180m	178m	3%

**School year 2022/23**

Segment	Guidance revenue	Actual revenue	change %
ONH*	191m implied	195m	2%
Sonans	250m implied	255m	2%

**School year 2021/22**

Segment	Guidance revenue	Actual revenue	change %
ONH*	186m implied	182m	2%
Sonans	362m implied	349m	4%

\*Other income and grants not included

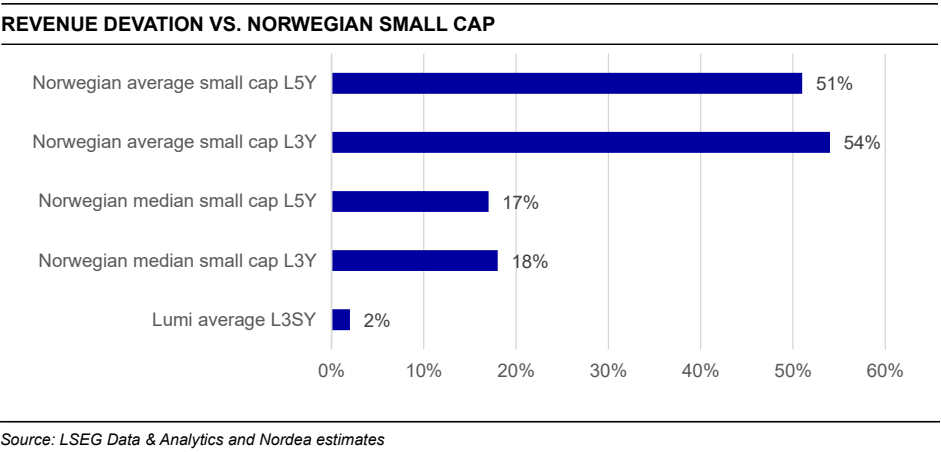
Source: Company data and Nordea

Lumi Gruppen has high revenue visibility for the school year when the intake is finalised

When we do a similar exercise for listed Norwegian companies with a market cap below GBP 500m, in which we look at revenue consensus estimates at the beginning of the calendar year (versus actual reported), we notice a 51% and 54% deviation in estimates versus reported for the last five and three years, respectively.

We see that Lumi Gruppen has superior revenue visibility, with only a 2% average deviation the last three school years from company guidance and implicit guidance. We also argue that when student intake is finalised in autumn, the uncertain revenue period for Lumi shifts from the upcoming school year to the next school year; e.g. the 2025/26 school year is now the uncertain period.

Lumi Gruppen has superior revenue visibility when student intake is finalised compared to Norwegian small caps



# Estimates

ONH continues to see high demand for its courses and saw a successful launch of a new Bachelor's programme in Human Resources and Management. We increase our revenue estimates for the 2024/25 school year to NOK 282m, in line with the updated guidance (previous guidance: NOK 255-265m). We expect continued strong demand for ONH courses going into the 2025/26 school year from the launch of new single subjects in ONF and more students in multi-year programmes. We believe the 2023/24 school year marked the turning point for Sonans and expect NOK 183m in revenue for the 2024/25 school year, in line with company guidance of NOK 180-183m. We expect continued improvements in revenue and profitability going into the 2025/26 school year from company initiatives to increase efficiency and promote sustainable growth. We continue to see a strong labour market and large growth potential for Sonans when the macroeconomic environment changes.

## ANNUAL ESTIMATES FOR LUMI GRUPPEN AND SEGMENTS

P&L - group	School year			Calendar year			
	SY 23/24	SY24/25	SY/25/26	2023	2024E	2025E	2026E
<b>Revenue</b>	<b>423</b>	<b>465</b>	<b>515</b>	<b>423</b>	<b>448</b>	<b>489</b>	<b>545</b>
Growth	-8.1 %	9.9 %	10.8 %	-17.8 %	6.1 %	9.1 %	11.5 %
Adj. EBITDA	97	107	130	104	98	115	149
Adj. EBITDA %	23.0 %	23.1 %	25.3 %	24.6 %	21.9 %	23.5 %	27.3 %
<b>Adj. EBIT</b>	<b>48</b>	<b>58</b>	<b>80</b>	<b>50</b>	<b>53</b>	<b>65</b>	<b>98</b>
Adj. EBIT %	11.4 %	12.5 %	15.5 %	11.7 %	11.7 %	13.3 %	18.1 %
<b>Adj. Net income</b>	<b>3</b>	<b>16</b>	<b>35</b>	<b>8</b>	<b>12</b>	<b>23</b>	<b>52</b>
<b>Segments</b>							
<b>Sonans</b>	<b>SY 23/24</b>	<b>SY24/25</b>	<b>SY/25/26</b>	<b>2023</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
<b>Total operating income</b>	<b>178</b>	<b>183</b>	<b>193</b>	<b>200</b>	<b>181</b>	<b>187</b>	<b>199</b>
Growth y/y (%)	-37.7 %	2.6 %	5.2 %	-37.6 %	-9.3 %	3.1 %	6.8 %
Adj. EBITDA	44	38	47	42	44	41	53
Margin (%)	24.4 %	20.7 %	24.7 %	21.2 %	24.3 %	21.9 %	26.7 %
<b>Adj. EBIT</b>	<b>11</b>	<b>8</b>	<b>17</b>	<b>3</b>	<b>14</b>	<b>10</b>	<b>22</b>
EBIT Margin (%)	6.1 %	4.1 %	8.6 %	1.7 %	7.6 %	5.6 %	11.2 %
<b>Oslo Nye Høyskole</b>	<b>SY 23/24</b>	<b>SY24/25</b>	<b>SY/25/26</b>	<b>2023</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
<b>Total operating income</b>	<b>246</b>	<b>282</b>	<b>322</b>	<b>224</b>	<b>267</b>	<b>302</b>	<b>346</b>
Growth y/y (%)	20.7 %	14.6 %	14.4 %	15.2 %	19.6 %	13.1 %	14.4 %
Adj. EBITDA	69	85	99	74	73	90	112
Margin (%)	28.2 %	30.3 %	30.6 %	33.0 %	27.2 %	29.7 %	32.2 %
<b>Adj. EBIT</b>	<b>55</b>	<b>70</b>	<b>83</b>	<b>61</b>	<b>58</b>	<b>75</b>	<b>96</b>
EBIT Margin (%)	22.4 %	25.0 %	25.9 %	27.3 %	21.6 %	24.7 %	27.8 %
<b>HQ/eliminations</b>	<b>SY 23/24</b>	<b>SY24/25</b>	<b>SY/25/26</b>	<b>2023</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
<b>Adj. EBIT</b>	<b>-29</b>	<b>-20</b>	<b>-20</b>	<b>-28</b>	<b>-23</b>	<b>-20</b>	<b>-20</b>

Source: Company data and Nordea estimates

# Valuation

We derive a fair value range for Lumi Gruppen of NOK 10-16 per share based on a DCF sensitivity analysis and 2026 peer multiples. At the bottom of the range, our peer multiples implicitly show no recovery in the private candidate market. At the top of our range, we have our Sonans recovery scenario, which showcases what an 80% recovery to pre-pandemic student levels for Sonans would be valued. The share is trading at the lower end of our fair value range, implying that no recovery in the private candidate is pencilled in for the share price.

## Sensitivity analysis of Sonans in our DCF

For our DCF analysis, we look at three different scenarios for Lumi Gruppen, as the valuation is highly sensitive to the development of the private candidate market. We assume that ONH's contribution to the valuation is static and only look at the sensitivity of Sonans' contribution to the valuation. In our scenarios, Sonans' sensitivity would affect 2027 and thereafter.

We assume that the average price per student for Sonans would increase by 2% per year after our explicit 2024-26 forecast period. Sonans had ~7,500 students in 2018, and we use this as our pre-recovery number, as the number of campuses is more comparable to 2024 (nine). Therefore, our three different scenarios are divided into 1) a base-case scenario, with no recovery in student volumes with ~4,500 students; 2) a recovery scenario to ~6,000 students; and 3) a blue-sky scenario, with recovery to 100% of the pre-COVID-19 level with ~7,500 students.

We derive a fair value range of NOK 13-16 in our DCF scenarios

We also note that in our blue-sky scenario, there would be a need for additional upfront investments in campuses, products and marketing to support such rapid growth. We argue that the blue-sky scenario seems particularly unrealistic, considering the current weak macro outlook. Using the base-case scenario and recovery scenario, we derive a DCF-based fair value range of NOK 13-16 per share.

Our DCF assumptions

We utilise the same assumption in our DCF model for the three different scenarios. We use a terminal growth rate of 2.3% and discount the cash flows back on a WACC of 10%. We also are using a tax rate of 22%.

We derive a fair value range of NOK 13-16 per share from our DCF

## DCF VALUE FOR THE THREE SCENARIOS

Lumi Gruppen valuation - summary				Valuation assumption	
Scenario	Base	Recovery	Blue sky	WACC	10.0 %
NPV FCFF - 2029E	307	336	374	Tax	22.0 %
Terminal value	790	985	1,244	Terminal growth rate	2.3 %
<b>Enterprise Value (NOKm)</b>	<b>1,097</b>	<b>1,321</b>	<b>1,618</b>		
NIBD end 2024E	367	367	367		
<b>Equity value NOKm</b>	<b>730</b>	<b>954</b>	<b>1251</b>		
Shares outstanding (fully diluted)	58	58	58		
<b>Fair value per share (NOK)</b>	<b>13</b>	<b>16</b>	<b>22</b>		

Source: Company data and Nordea estimates

## Peer valuation

### PEER GROUP TABLE

Company	Share price (Local)	P/E (adj.)			EV/EBITDA (adj.)			EV/EBIT (adj.)			
		2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E	
European education and coursing											
AcadeMedia AB	62.2	8.8x	6.4x	5.6x	10.9x	6.4x	3.5x	16.2x	9.1x	7.4x	
M2i SA	4.0	7.4x	6.7x	5.6x	4.8x	3.6x	2.4x	7.0x	5.2x	3.4x	
Alfio Bardolla Training Group SpA	3	-	-	-	2.4x	1.6x	0.8x	3.9x	2.6x	1.2x	
Mean		8.1x	6.6x	5.6x	6.0x	3.8x	2.2x	9.1x	5.6x	4.0x	
Median		8.1x	6.6x	5.6x	4.8x	3.6x	2.4x	7.0x	5.2x	3.4x	
Nordic consulting											
Afry AB	158	13.9x	11.6x	9.5x	8.2x	7.2x	6.2x	12.0x	10.2x	8.6x	
Bouvet ASA	75	19.8x	17.9x	15.2x	11.9x	10.8x	9.4x	14.7x	13.1x	11.0x	
Multiconsult ASA	189	12.5x	13.1x	12.5x	7.1x	7.0x	6.7x	10.3x	10.3x	9.7x	
Netcompany Group A/S	342	28.4x	21.1x	17.3x	15.4x	13.1x	11.5x	20.6x	17.1x	14.4x	
Norconsult ASA	39	17.3x	15.8x	14.7x	9.1x	7.4x	7.3x	14.3x	11.1x	10.8x	
Sweco AB (publ)	162	26.7x	22.2x	20.1x	15.5x	13.5x	12.2x	20.6x	17.3x	15.5x	
Mean		19.8x	17.0x	14.9x	11.2x	9.8x	8.9x	15.4x	13.2x	11.7x	
Median		18.6x	16.8x	15.0x	10.5x	9.1x	8.3x	14.5x	12.1x	10.9x	
Nordic business services											
Bravida Holding AB	78	14.5x	11.5x	10.5x	7.9x	6.9x	5.8x	11.1x	9.1x	7.6x	
Coor Service Management Holding	35	11.1x	8.4x	7.2x	6.1x	5.3x	4.8x	10.2x	8.4x	7.4x	
Loomis AB	327	11.2x	9.6x	8.6x	-	-	-	-	-	-	
Zalaris ASA	68	15.2x	13.9x	12.0x	8.1x	6.7x	5.9x	12.0x	10.7x	9.3x	
Mean		13.0x	10.8x	9.6x	7.4x	6.3x	5.5x	11.1x	9.4x	8.1x	
Median		12.8x	10.5x	9.6x	7.9x	6.7x	5.8x	11.1x	9.1x	7.6x	
Overall mean											
		15.6x	13.2x	11.6x	9.0x	7.4x	6.4x	12.8x	10.3x	8.9x	
Overall median											
		14.2x	12.4x	11.3x	8.1x	6.9x	6.1x	12.0x	10.2x	8.9x	
Lumi (NDA)											
		10	51.6x	25.3x	11.1x	9.6x	8.0x	5.9x	17.9x	14.1x	8.9x
Lumi (NDA) - Implied share price		3	5	10	9	9	11	7	7	10	

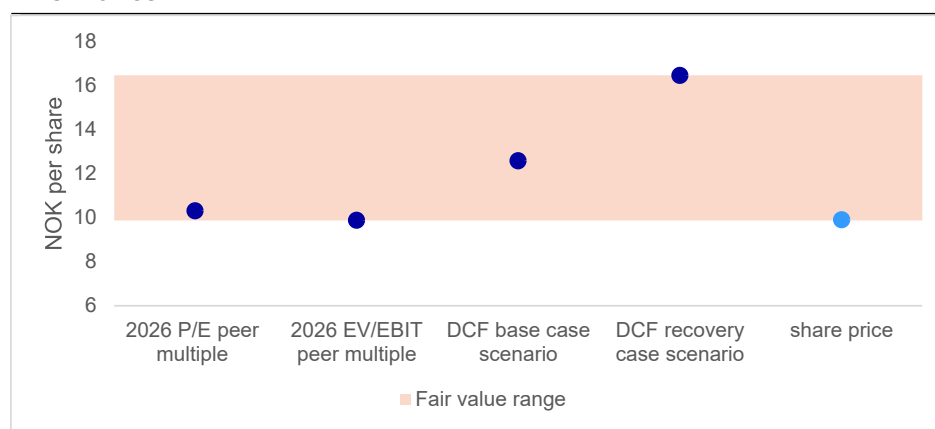
Source: LSEG Data & Analytics and Nordea estimates

We estimate a fair value of NOK 10 when using only peer multiples

Considering the nature of Lumi Gruppen's business, we argue for using 2026 multiples, as H1 2025 revenue is locked in (see "Improving market outlook" chapter about revenue visibility). When valuating Lumi Gruppen on 2026E P/E and EV/EBIT multiples, we derive a fair value of NOK 10 per share, same as the current share price. Cross-referencing our DCF base-case scenario to our multiples implicitly means no recovery in the private candidate market.

### Our estimated valuation range: NOK 10-16 per share

#### VALUATION SUMMARY



Source: LSEG Data & Analytics and Nordea estimates

We derive a fair value range of NOK 10-16 per share

# Reported numbers and forecasts

## INCOME STATEMENT

NOKm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
<b>Total revenue</b>	<b>n.a.</b>	<b>n.a.</b>	<b>429</b>	<b>465</b>	<b>518</b>	<b>532</b>	<b>515</b>	<b>423</b>	<b>448</b>	<b>489</b>	<b>545</b>
Revenue growth	n.a.	n.a.	n.a.	8.2%	11.6%	2.6%	-3.3%	-17.8%	6.1%	9.1%	11.5%
of which organic	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
of which FX	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBITDA	0	0	157	154	169	167	141	90	95	115	149
Depreciation and impairments PPE	0	0	-39	-39	-39	-41	-55	-49	-39	-43	-43
of which leased assets	0	0	-39	-39	-39	-41	-55	-44	-33	-37	-37
EBITA	0	0	118	115	130	126	86	41	56	72	105
Amortisation and impairments	0	0	-9	-9	-7	-14	-4	-276	-7	-7	-7
EBIT	n.a.	n.a.	110	106	123	112	82	-235	49	65	98
of which associates	0	0	0	0	0	0	0	0	0	0	0
Associates excluded from EBIT	0	0	0	0	0	0	0	0	0	0	0
Net financials	0	0	-39	-41	-50	-36	-29	-39	-38	-36	-32
of which lease interest	0	0	0	0	0	0	0	0	0	0	0
Changes in value, net	0	0	0	0	0	0	0	0	0	0	0
<b>Pre-tax profit</b>	<b>0</b>	<b>0</b>	<b>71</b>	<b>65</b>	<b>73</b>	<b>75</b>	<b>52</b>	<b>-274</b>	<b>11</b>	<b>29</b>	<b>66</b>
Reported taxes	0	0	-18	-14	-20	-16	-11	-2	-2	-6	-15
Net profit from continued operations	0	0	53	50	52	59	41	-276	8	23	52
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	0	0	0	0	0	0	0	0	0	0	0
Net profit to equity	0	0	53	50	52	59	41	-276	8	23	52
<b>EPS, NOK</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>1.45</b>	<b>1.63</b>	<b>1.13</b>	<b>-5.00</b>	<b>0.15</b>	<b>0.39</b>	<b>0.89</b>
DPS, NOK	0.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00
of which ordinary	0.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00
of which extraordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

## Profit margin in percent

EBITDA	n.a.	n.a.	36.6%	33.0%	32.5%	31.4%	27.4%	21.2%	21.1%	23.5%	27.3%
EBITA	n.a.	n.a.	27.6%	24.7%	25.0%	23.7%	16.6%	9.6%	12.5%	14.7%	19.3%
EBIT	n.a.	n.a.	25.6%	22.8%	23.7%	21.0%	15.9%	-55.6%	11.0%	13.3%	18.1%

## Adjusted earnings

EBITDA (adj)	0	0	163	161	199	188	172	104	98	115	149
EBITA (adj)	0	0	124	122	160	147	117	55	60	72	105
EBIT (adj)	0	0	116	113	153	133	117	49	53	65	98
EPS (adj, NOK)	n.a.	n.a.	n.a.	n.a.	2.05	2.32	1.89	0.19	0.19	0.39	0.89

## Adjusted profit margins in percent

EBITDA (adj)	n.a.	n.a.	38.0%	34.6%	38.3%	35.4%	33.4%	24.6%	21.9%	23.5%	27.3%
EBITA (adj)	n.a.	n.a.	28.9%	26.2%	30.8%	27.7%	22.7%	13.0%	13.3%	14.7%	19.3%
EBIT (adj)	n.a.	n.a.	26.9%	24.4%	29.5%	25.0%	22.7%	11.7%	11.7%	13.3%	18.1%

## Performance metrics

CAGR last 5 years											
Net revenue	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-0.3%	-0.7%	-1.2%	0.5%
EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	-10.6%	-9.2%	-7.4%	-2.3%
EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-14.2%	-11.9%	-2.5%	
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-23.0%	-11.4%
DPS	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Average last 5 years											
Average EBIT margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	21.6%	7.6%	5.3%	3.0%	2.4%
Average EBITDA margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	32.0%	29.4%	27.1%	25.2%	24.3%

## VALUATION RATIOS - ADJUSTED EARNINGS

NOKm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
P/E (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	20.7	6.3	81.0	51.6	25.3	11.1
EV/EBITDA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	12.0	5.8	12.2	9.6	8.0	5.9
EV/EBITA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	15.3	8.5	23.1	15.8	12.8	8.3
EV/EBIT (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	17.0	8.5	25.7	17.9	14.1	8.9

## VALUATION RATIOS - REPORTED EARNINGS

NOKm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
P/E	n.a.	n.a.	n.a.	n.a.	n.a.	29.4	10.5	n.m.	67.7	25.3	11.1
EV/Sales	n.a.	n.a.	n.a.	n.a.	n.a.	4.24	1.94	3.01	2.10	1.88	1.60
EV/EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	13.5	7.1	14.2	9.9	8.0	5.9
EV/EBITA	n.a.	n.a.	n.a.	n.a.	n.a.	17.9	11.6	31.3	16.8	12.8	8.3
EV/EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	20.2	12.2	n.m.	19.2	14.1	8.9
Dividend yield (ord.)	n.a.	n.a.	n.a.	n.a.	n.a.	2.1%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield	n.a.	n.a.	n.a.	n.a.	n.a.	3.7%	12.9%	2.8%	6.8%	10.3%	14.5%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	n.a.	n.a.	5.4%	12.9%	2.8%	6.8%	10.3%	14.5%
Payout ratio	n.a.	n.a.	n.a.	n.a.	0.0%	43.2%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: Company data and Nordea estimates



**BALANCE SHEET**

NOKm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
Intangible assets	0	0	823	903	884	975	985	716	719	721	725
of which R&D	0	0	1	2	2	0	0	0	0	0	0
of which other intangibles	0	0	1	0	0	18	28	29	32	34	38
of which goodwill	0	0	822	900	881	957	957	687	687	687	687
Tangible assets	0	0	11	13	203	149	134	192	139	141	143
of which leased assets	0	0	3	1	184	137	124	185	129	129	129
Shares associates	0	0	0	1	0	2	2	2	2	2	2
Interest bearing assets	0	0	0	0	0	0	0	0	0	0	0
Deferred tax assets	0	0	0	0	0	3	10	9	9	9	9
Other non-IB non-current assets	0	0	0	0	0	0	0	0	0	0	0
Other non-current assets	0	0	13	15	2	0	0	0	26	26	26
Total non-current assets	0	0	847	932	1,088	1,129	1,131	919	894	898	905
Inventory	0	0	0	0	0	0	0	0	0	0	0
Accounts receivable	0	0	45	76	37	63	24	31	33	36	40
Short-term leased assets	0	0	0	0	0	0	0	0	0	0	0
Other current assets	0	0	0	0	3	21	5	0	0	0	0
Cash and bank	0	0	29	35	18	64	29	68	58	65	70
Total current assets	0	0	75	111	58	147	58	99	91	101	111
Assets held for sale	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Total assets</b>	<b>0</b>	<b>0</b>	<b>921</b>	<b>1,043</b>	<b>1,145</b>	<b>1,276</b>	<b>1,190</b>	<b>1,018</b>	<b>985</b>	<b>1,000</b>	<b>1,015</b>
Shareholders equity	0	0	250	231	225	545	538	450	487	509	558
Of which preferred stocks	0	0	0	0	0	0	0	0	0	0	0
Of which equity part of hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Minority interest	0	0	0	0	0	0	0	0	0	0	0
Total Equity	0	0	250	231	225	545	538	450	487	509	558
Deferred tax	0	0	1	1	0	0	0	0	0	0	0
Long term interest bearing debt	0	0	561	674	596	437	419	257	242	227	186
Pension provisions	0	0	0	1	6	2	0	0	0	0	0
Other long-term provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term liabilities	0	0	3	4	0	0	0	0	0	0	0
Non-current lease debt	0	0	0	0	184	99	100	155	126	126	126
Convertible debt	0	0	0	0	0	0	0	0	0	0	0
Shareholder debt	0	0	0	0	0	0	0	0	0	0	0
Hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Total non-current liabilities	0	0	566	680	785	539	519	412	369	354	313
Short-term provisions	0	0	16	19	16	18	16	16	17	18	20
Accounts payable	0	0	6	11	6	2	5	8	9	10	11
Current lease debt	0	0	0	0	0	46	38	45	41	41	41
Other current liabilities	0	0	53	101	113	125	36	45	48	54	57
Short term interest bearing debt	0	0	30	0	0	0	38	41	15	15	15
Total current liabilities	0	0	106	132	135	192	134	155	129	138	144
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
<b>Total liabilities and equity</b>	<b>0</b>	<b>0</b>	<b>921</b>	<b>1,043</b>	<b>1,145</b>	<b>1,276</b>	<b>1,190</b>	<b>1,018</b>	<b>985</b>	<b>1,000</b>	<b>1,015</b>
<b>Balance sheet and debt metrics</b>											
Net debt	0	0	562	639	762	519	566	431	367	345	299
of which lease debt	0	0	0	0	184	146	138	200	167	167	167
Working capital	0	0	-14	-36	-79	-44	-12	-22	-23	-27	-27
Invested capital	0	0	833	895	1,008	1,085	1,120	897	871	871	877
Capital employed	0	0	841	905	1,005	1,128	1,132	949	912	918	927
ROE	n.m.	n.m.	42.4%	21.0%	23.0%	15.3%	7.6%	-55.9%	1.8%	4.6%	9.7%
ROIC	n.m.	n.m.	21.1%	10.0%	12.2%	9.6%	8.0%	3.7%	4.5%	5.7%	8.6%
ROCE	n.m.	n.m.	27.7%	13.0%	16.0%	12.5%	10.3%	4.7%	5.6%	7.2%	10.8%
Net debt/EBITDA	n.m.	n.m.	3.6	4.2	4.5	3.1	4.0	4.8	3.9	3.0	2.0
Interest coverage	n.a.	n.a.	2.8	2.6	2.5	3.0	2.8	-6.0	1.3	1.8	3.0
Equity ratio	n.m.	n.m.	27.1%	22.2%	19.6%	42.7%	45.2%	44.2%	49.5%	50.9%	55.0%
Net gearing	n.m.	n.m.	224.6%	276.3%	338.6%	95.3%	105.2%	95.7%	75.3%	67.8%	53.5%

Source: Company data and Nordea estimates

**CASH FLOW STATEMENT**

NOKm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
<b>EBITDA (adj) for associates</b>	<b>0</b>	<b>0</b>	<b>157</b>	<b>154</b>	<b>169</b>	<b>167</b>	<b>141</b>	<b>90</b>	<b>95</b>	<b>115</b>	<b>149</b>
Paid taxes	0	0	-18	-14	-20	-16	-11	-2	-2	-6	-15
Net financials	0	0	-39	-41	-50	-36	-29	-39	-38	-36	-32
Change in provisions	0	0	0	4	2	-1	-4	0	1	2	2
Change in other LT non-IB	0	0	0	-2	10	-1	-8	1	n.a.	0	0
Cash flow to/from associates	0	0	0	0	0	0	0	0	0	0	0
Dividends paid to minorities	0	0	0	0	0	0	0	0	0	0	0
Other adj to reconcile to cash flow	0	0	30	27	63	3	17	-26	1	-2	-2
<b>Funds from operations (FFO)</b>	<b>0</b>	<b>0</b>	<b>131</b>	<b>127</b>	<b>172</b>	<b>115</b>	<b>105</b>	<b>23</b>	<b>56</b>	<b>72</b>	<b>102</b>
Change in NWC	0	0	-1	19	31	-3	-32	10	1	4	0
<b>Cash flow from operations (CFO)</b>	<b>0</b>	<b>0</b>	<b>129</b>	<b>146</b>	<b>203</b>	<b>112</b>	<b>73</b>	<b>33</b>	<b>57</b>	<b>76</b>	<b>102</b>
Capital expenditure	0	0	-13	-13	-13	-18	-18	-10	-18	-17	-19
<b>Free cash flow before A&amp;D</b>	<b>0</b>	<b>0</b>	<b>116</b>	<b>133</b>	<b>190</b>	<b>94</b>	<b>55</b>	<b>23</b>	<b>39</b>	<b>59</b>	<b>83</b>
Proceeds from sale of assets	0	0	14	-1	-2	0	0	0	0	0	0
Acquisitions	0	0	0	-204	0	-30	0	0	0	0	0
Free cash flow	0	0	130	-72	188	64	55	23	39	59	83
Free cash flow bef A&D, lease adj	0	0	77	133	190	94	55	23	39	59	83
Dividends paid	0	0	0	0	0	0	-36	0	0	0	0
Equity issues / buybacks	0	0	-2	44	0	200	0	200	28	0	0
Net change in debt	0	0	-64	99	-120	-160	19	-158	-41	-15	-41
Other financing adjustments	0	0	0	0	0	0	-73	-27	-36	-37	-37
Other non-cash adjustments	0	0	-8	-64	-85	-58	0	0	0	0	0
Change in cash	0	0	56	6	-17	46	-34	39	-10	7	5
<b>Cash flow metrics</b>											
Capex/D&A	n.m.	n.m.	27.4%	28.2%	29.2%	32.7%	30.1%	3.1%	39.4%	34.4%	37.9%
Capex/Sales	n.a.	n.a.	3.0%	2.9%	2.6%	3.4%	3.5%	2.4%	4.0%	3.5%	3.5%
<b>Key information</b>											
Share price year end (/current)	n.a.	n.a.	n.a.	n.a.	n.a.	48	12	15	10	10	10
Market cap.	n.a.	n.a.	n.a.	n.a.	n.a.	1,737	431	840	575	575	575
Enterprise value	n.a.	n.a.	n.a.	n.a.	n.a.	2,257	996	1,271	942	919	873
Diluted no. of shares, year-end (m)	0.0	0.0	0.0	0.0	36.2	36.2	36.2	55.2	58.0	58.0	58.0

Source: Company data and Nordea estimates

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Nordea has been lead or co-lead manager in a public disclosed offer of financial instruments issued by Lumi Gruppen over the previous 12 months.

**Issuer Review**

*This report has not been reviewed by the Issuer prior to publication.*

**Completion Date**

19 Nov 2024, 00:26 CET

Nordea Bank Abp	Nordea Bank Abp, filial i Sverige	Nordea Danmark, Filial af Nordea Bank Abp, Finland	Nordea Bank Abp, filial i Norge
<b>Nordea IB &amp; Equity Division, Equity Research</b> Visiting address: Aleksis Kiven katu 7, Helsinki FI-00020 Nordea Finland  Tel: +358 9 1651 Fax: +358 9 165 59710  Reg.no. 2858394-9 Satamaradankatu 5 Helsinki	<b>Nordea IB &amp; Equity Division, Equity Research</b> Visiting address: Smålandsgatan 17 SE-105 71 Stockholm Sweden  Tel: +46 8 614 7000 Fax: +46 8 534 911 60	<b>Nordea IB &amp; Equity Division, Equity Research</b> Visiting address: Grønlandsvej 10 DK-2300 Copenhagen S Denmark  Tel: +45 3333 3333 Fax: +45 3333 1520	<b>Nordea IB &amp; Equity Division, Equity Research</b> Visiting address: Essendropsgate 7 N-0107 Oslo Norway  Tel: +47 2248 5000 Fax: +47 2256 8650