



The case: hard assets, real cash flow and a major NAV disconnect


North Media at a glance

Physical distribution and digital platforms


Offerings	Om North Media
<p>86% Last Mile</p>  <p><i>Distributes printed advertising materials and local newspapers in Denmark and Sweden through an automated network</i></p>	<ul style="list-style-type: none"> North Media is Scandinavia's largest distributor of printed advertising materials. FK Distribution and SDR account for the majority of group revenue and deliver more than 1.1bn advertising leaflets and local newspapers annually to ~6.5m households.
<p>14% Digital Services</p>  <p><i>BoligPortal, Dayli and Bekey operate digital platforms within rentals, digital offers and keyless access that support the Group's online growth</i></p>	<ul style="list-style-type: none"> BoligPortal is Denmark's leading marketplace for rental homes, with ~600k monthly users and close to a ~30% EBIT margin. Dayli (formerly MineTilbud) distributes digital offers to 1.5m registered users and generates more than 130m reads per year. Bekey provides keyless access solutions with +14m doorways in its network and +1.4m door openings made by distribution customers in 2024.

Why North Media is compelling


Five investment highlights

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Large discount

Trading at ~68% discount to NAV – the market is still barely paying for the operating business, while hard assets (listed stocks, cash and real estate) sit visible on the balance sheet.
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Solid cash flow

Core operations still generate dependable cash that can fund dividends and potential buybacks, without relying on heroic growth assumptions.
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Margin growth

2026 is framed as a year of improving underlying profitability: cost discipline and operating leverage in the core, while SDR remains a drag during the ongoing transformation.
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A solid moat

Last Mile remains a scale business with high barriers and entrenched routes, while BoligPortal is a strong Danish rental marketplace with sticky usage and multiple revenue streams.
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Clear triggers

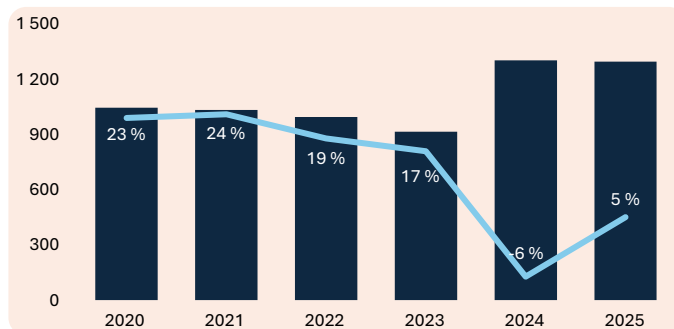
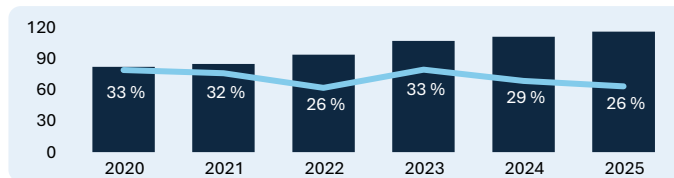
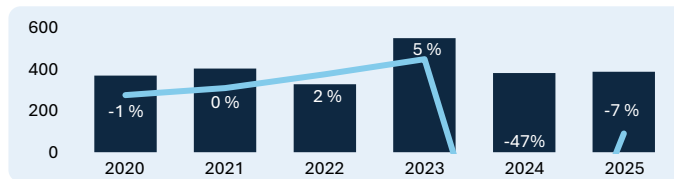
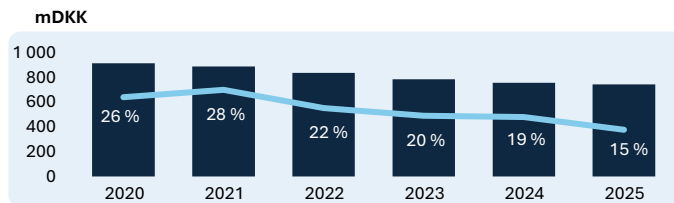
Capital returns remain the key catalyst: at a large NAV discount, buybacks are highly NAV accretive, and clearer capital allocation and governance visibility can move the stock quickly.

Historic performance by business area – 2024 distorted by SDR impairment

Business area

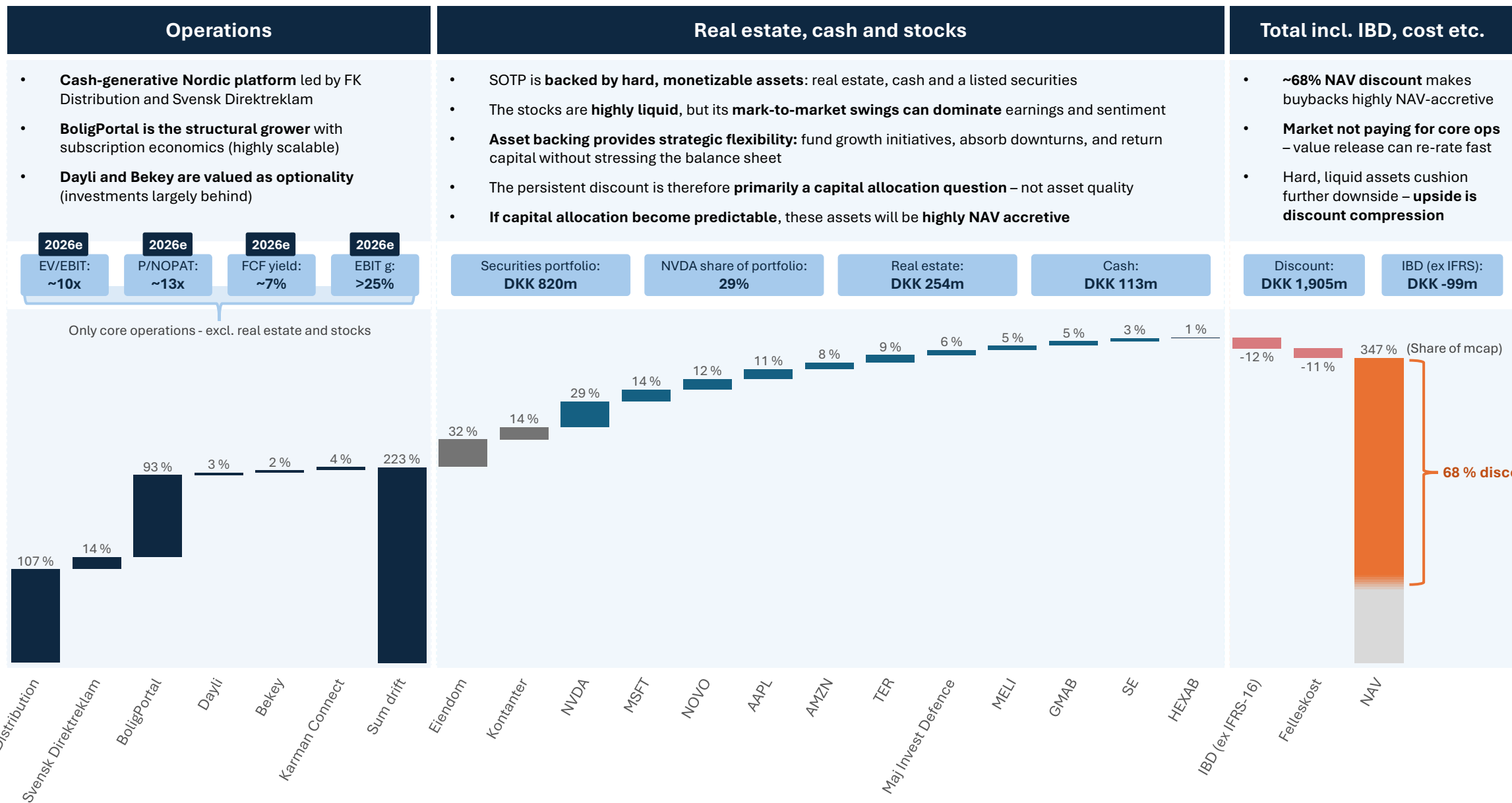
Historical revenue and EBIT margin

Comments



- FY25 profitability stepped down further as printed advertising volumes softened, while cost inflation and mix shifts pressured the cost base.
- Even with lower volumes, FK remains a cash-generative engine that can fund capital returns and balance sheet flexibility.
- FY24 was dominated by the impairment: around DKK 155m was written down
- FY25 shows the drag is still real: transformation is moving in the right direction, but slower than expected and with a larger volume decline than assumed.
- Management still frames automation and a new operating model as the path to break-even, but without committing to a near-term timing.
- BoligPortal remains the structural grower: high-margin subscription economics, but FY25 margin is down vs prior years as the platform invests and mix evolves.
- Growth is increasingly supported by multiple revenue streams (partnerships and data/insights), not only core listings.
- Still a high-quality profit contributor in the group, with scalable economics once investment intensity normalises.
- FY24 group margin turned negative primarily because the SDR impairment flowed through EBIT, distorting the consolidated picture.
- FY25 EBIT margin rebounds as impairments drop out, but the underlying story is still “cash engine plus turnaround drag” (FK steady, SDR still negative).
- **Takeaway: the headline P&L looks cleaner in FY25, but the market will likely wait for clearer evidence of SDR progress and capital allocation follow-through.**

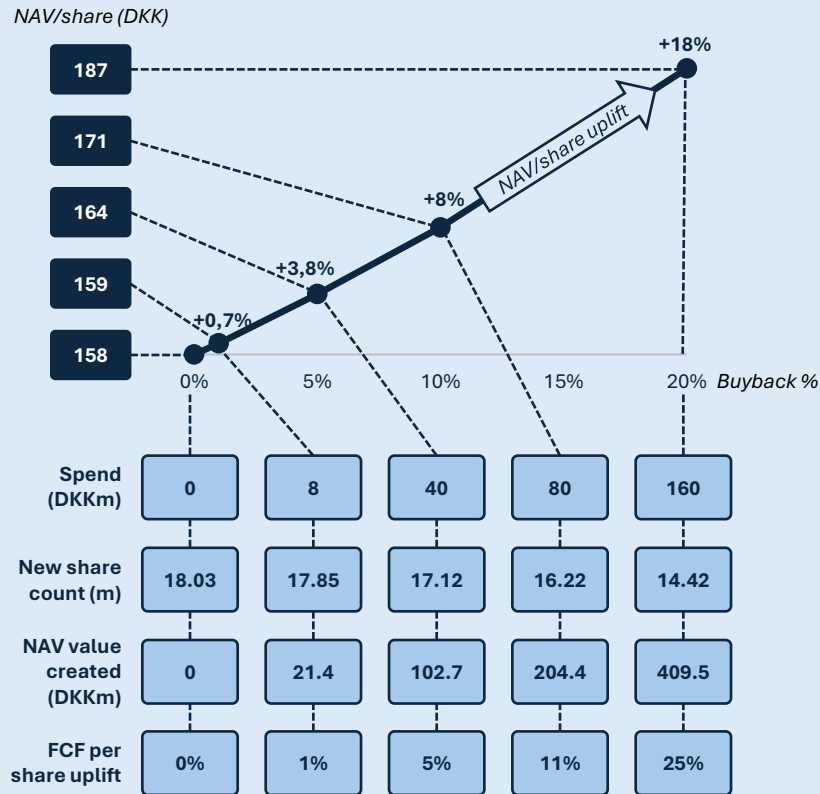
SOTP: deep value in plain sight



Buybacks can change the story – math wins, owners wins, the market follows..

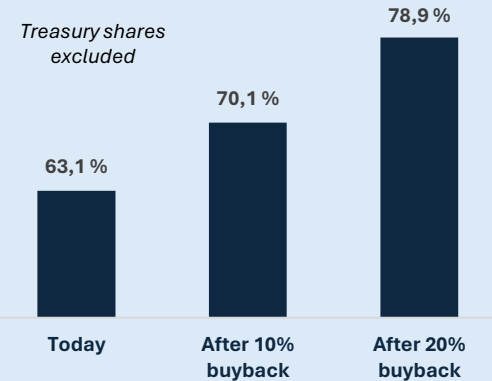
Buybacks convert discount into NAV/share growth

At today's price, each DKK spent buys back ~3.6 DKK of NAV



Buybacks are a strong incentive for owners

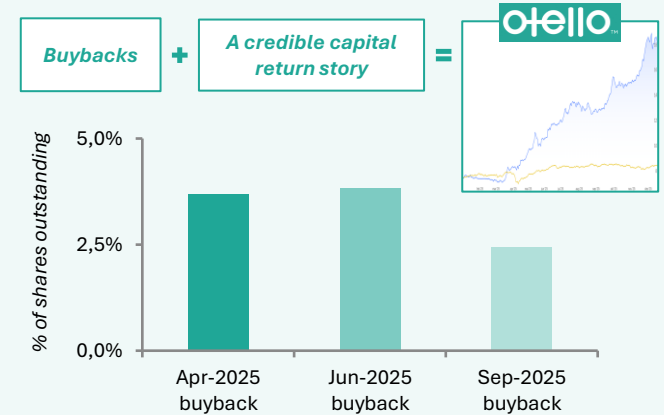
Bunck's stake grows with buybacks



- If he doesn't tender, a 20% buyback lifts it to ~79%
- That makes buybacks an obvious owner-friendly tool: **more influence**, and a **larger claim on the same NAV and future cash returns**
- A shrinking free float plus repeatable buybacks can also **help close the discount over time**, which **benefits the controlling owner** as much as minorities

Case study: Otello – proof-by-example

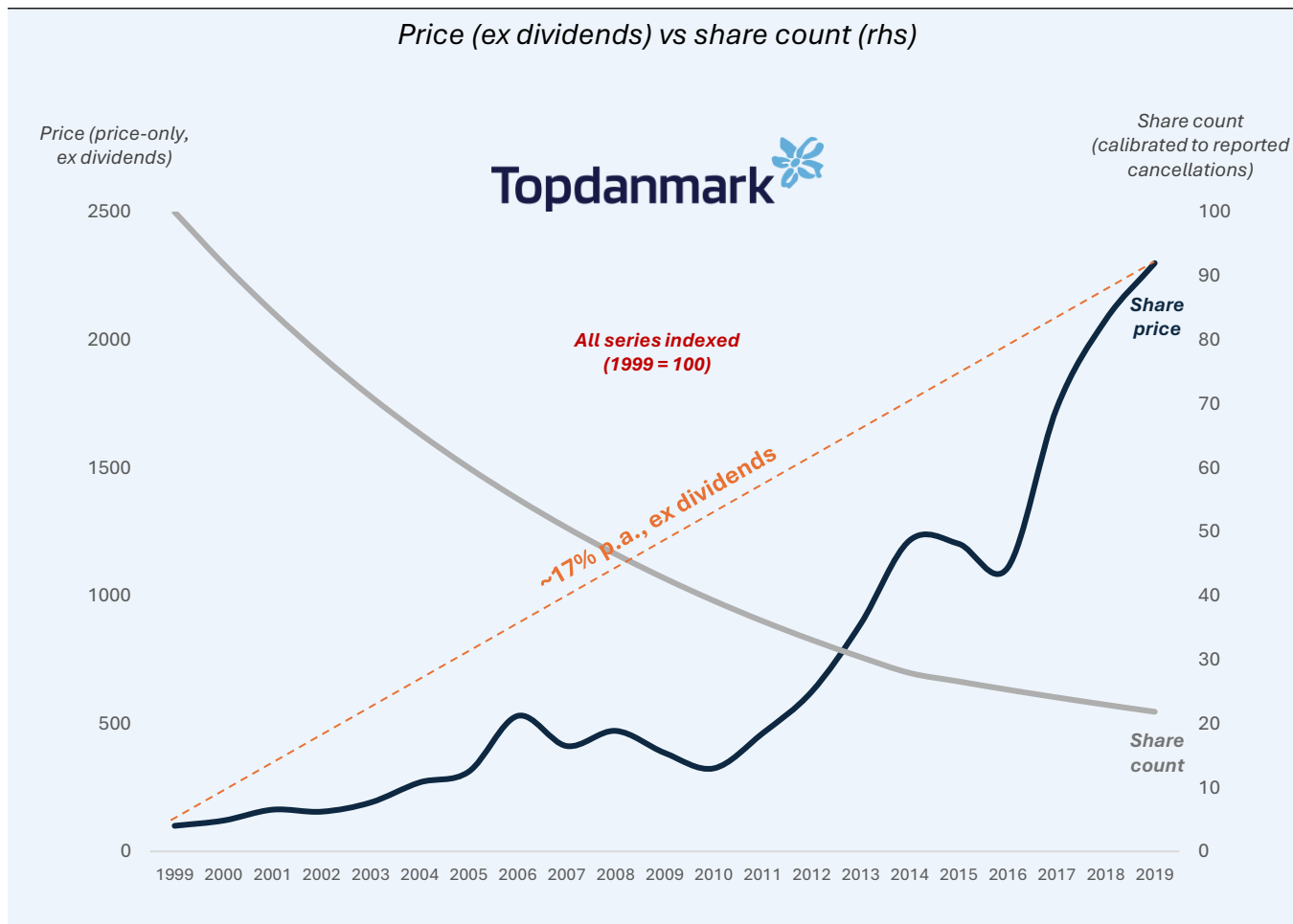
Meaningful buybacks can change the narrative



- Otello has **repurchased 7.36m shares across 3 programs** in 2025 (~10% of current shares outstanding)
- **Spent ~90m** at a weighted avg price of ~12 (vs ~18 today)
- Share buybacks have been large enough to move the story – **Share price is up ~138%** over the last 12 months
- The bigger point: **capital allocation credibility changed** – buybacks became the proof, and the market started to listen

Topdanmark: When buybacks do the heavy lifting, the re-rating follows

Share price ran far ahead of earnings as the float shrank



Key takeaways

Buybacks turned flat earnings into EPS growth



72% of the share count was cancelled (1998–2015)
That alone mechanically lifts ownership per share and future cash flow per share



Earnings were broadly flat over long stretches
The denominator collapsed, so per-share economics improved



The inflection is credibility + scale: buybacks became “too big to ignore”
Once the market trusted capital allocation, valuation started to move with it



This chart is ex dividends
The total shareholder return is ~20% p.a. if we include dividends



The template for NORTHM: discount + persistent buybacks = big payoff
You don't need heroic growth - you need disciplined repurchases

History matters: This “old” company keeps reinventing itself

