

## INITIATING COVERAGE

31 March 2025

Norway

Commercial Services &amp; Supplies

Research analysts:

Hjalmar Jernström

# Lumi Gruppen

Share price: NOK13.5

Fair value range: NOK15.0–18.0

## Online focused fast grower with structural tailwinds

### Fast growth, structural tailwinds and predictable cash flow

We expect Norwegian education group Lumi Gruppen to report revenue CAGR(24–27e) of 8% underpinned by the online migration in Norwegian education, non-cyclical characteristics of its main operating segment, and structural tailwinds such as the prevailing demand gap in higher education (current applicant-to-spot ratio is 2.2x). With a market-leading online revenue share of 59% (2024), we argue that the group can benefit from the online migration, while showing greater scalability ahead, improving on group margins towards an EBIT margin(27e) of 18%.

### ONH set for strong, reliable growth while Sonans awaits market recovery

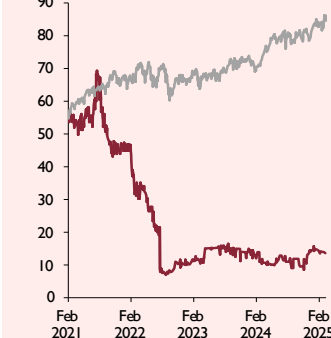
Oslo Nye Høyskole (ONH) is a private university college with a solid financial track record, with a revenue CAGR(15–24) of 18% and an average EBITDA margin (2016–24) of 28%. Short to medium-term, we argue that ONH will benefit from the inverse relationship between education enrolment and job vacancies, with the latter declining Q/Q for all quarters of 2024, while longer-term growth can be enabled by meeting the prevailing demand gap in Norwegian higher education. The other segment, Sonans, reported stabilising margins in 2024 and is facing a market indicating signs of normalisation, following a setback in the number of private candidate exams because of the pandemic. While not yet fully back to pre-pandemic margins, we see factors that support the potential to return margins close to pre-pandemic levels, although a few factors remain external.

## Upcoming events

- CMD: 09 Apr 2025
- Q2 Report: 14 Aug 2025

### Initiating coverage at a fair value range of NOK15–18/share

We initiate coverage with a fair value range of NOK15–18, implying a multiple of EV/EBIT(26e) of 12.5–14.5x. We expect free cash flow to improve, supported by a high ROI on capital expenditure and an anticipated margin expansion.

Changes in this report				Key figures (NOK)				Share price - 5Y			
	From	To	Chg	2024	2025e	2026e	2027e				
EPS adj. 2025e	n.a.	0.50	n.a.	449	482	522	568				
EPS adj. 2026e	n.a.	0.67	n.a.	100	123	136	150				
EPS adj. 2027e	n.a.	0.85	n.a.	53	76	89	103				
				0.25	0.50	0.67	0.85				
				0.37	0.50	0.67	0.85				
				0.00	0.00	0.00	0.00				
				7%	7%	8%	9%				
				+chg	33%	36%	27%				
				11.8%	15.8%	17.1%	18.1%				
				36.2	27.2	20.1	15.8				
				24.2	15.5	12.4	10.1				
				24.2	15.5	12.4	10.1				
				12.8	9.6	8.1	6.9				
				1.6	1.5	1.4	1.3				
				0.0%	0.0%	0.0%	0.0%				
				-0.9%	-1.9%	0.6%	0.2%				
				45.4%	48.6%	52.2%	56.6%				
				4.6%	6.4%	7.7%	9.1%				
				4.5%	5.7%	7.2%	8.5%				
				4.4	3.2	2.4	1.7				
Key facts											
No. shares (m)			58.0								
Market cap. (USDm)			75								
Market cap. (NOKm)			783								
Net IB Debt. (NOKm)			395								
Adjustments (NOKm)			0								
EV (2025e) (NOKm)			1,178								
Free float			46.4%								
Avg. daily vol. ('000)			3								
Risk			Medium Risk								
Fiscal year end			December								
Share price as of (CET)	28 Mar 2025	13:18									

### Equity story

#### Near term: 6–12m

Near term, we believe that the share price could be supported by growth in both Oslo Nye Høyskole (ONH) and Sonans. While we recognise that short-term growth is very predictable, with low historical deviations from group guidance owing to the nature of enrolment and programme lengths, we consider the reduced number of job vacancies a short- to medium-term growth driver for ONH. For Sonans, 2024 saw a return to growth in the underlying market, which we believe supports our 2025–26 estimates. If Sonans can capitalise on the market to drive revenue growth, we further contend that the full scalability can become visible, supporting margin expansion.

#### Long term: 5Y+

Long term, we see company-specific and structural growth factors that can support sustainable growth in both Oslo Nye Høyskole (ONH) and Sonans. We consider efficient launches of new programmes in ONH a key driver for growth and argue that accreditation has the potential to speed up the process, while maintaining high ROI capital expenditure can underpin maintained solid profitability. For Sonans, we see long-term growth drivers such as structural growth in enrolment into higher education, while the high share of online facilitates scaling, with the potential to expand margins.

#### Key risks:

- Investments in new courses and programmes may have a lower yield than expected, if the course is not perceived well or if the course receives fewer-than-expected applications
- School attendance has historically been tied to macroeconomic variables
- Lumi Gruppen provides educational services in Norway. The group operates with two segments, Oslo Nye Høyskole, a private university college, and Sonans, a market leader within high school private candidate exam preparation courses.

### Company description

Lumi Gruppen operates in the educational business through two operating segments – Oslo Nye Høyskole and Sonans. Oslo Nye Høyskole is a private university college with part of the offering within psychology, political science and business, along with a recently added vocational school. Sonans is a market leader in post-secondary school exam preparation courses, assisting former high school students in either completing their university diploma or achieving improved exam results to qualify for higher education. The group has about 8,500 students, 10 campuses and an online revenue share of 60%.

#### Key industry drivers

- Enrolment in higher education
- Applications-to-study spots gap in higher education
- Higher education inversely connected to job vacancies

#### Industry outlook

- Job vacancies declining Q/Q in all quarters in 2024, supporting enrolment
- Number of candidate exams from private schools growing in 2024, supporting the market for paid preparations

#### Largest shareholders

Hanover Investors	53.5%
Pareto Asset Management	6.5%
Handelsbanken Fonder	5.3%

#### Cyclicality

Cyclicality: No  
Not cyclical

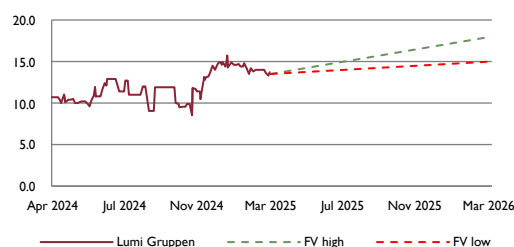
#### Key peers

Legacy Education, Bright Horizons, Grand Canyon Education, AcadeMedia

#### Valuation and methodology

We apply an EBIT-based multiple valuation, comparing Lumi Gruppen to peers in the market for private education. Importantly, as most of next 12-month revenue is highly predictable for sector companies, we value the group with a t+2 multiple, meaning EV/EBIT(26e).

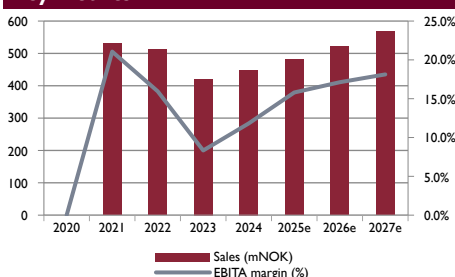
#### Fair value range 12m



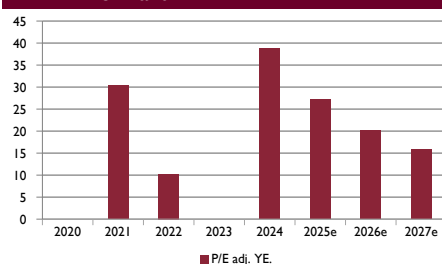
The upper end of our fair value range is derived using an EV/EBIT(26e) of 14x. This is more relevant if the private candidate exam market makes a substantial recovery towards pre-pandemic levels, as it enforces the growth prospects for Sonans.

The lower end of our fair value range is merited using an EV/EBIT(26e) of 12x. This is more relevant if the private candidate exam is muted or declines.

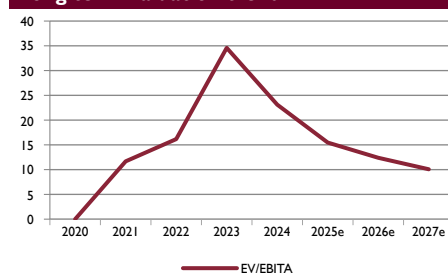
#### Key metrics



#### PE 12m forward



#### Long term valuation trend



Source: Carnegie Research & company data

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## Investment case

### Lumi Gruppen – online focused fast grower with structural tailwinds

Lumi Gruppen is a private education group in the market for higher education and private candidate exam preparation courses in Norway. The group reports through its segments Oslo Nye Høyskole (ONH), a private university college, and Sonans Utdanning, offering private candidate exam preparation courses. The group had about 8,500 students in H2(24), with an online revenue share of 60% and a total of 10 campuses. In 2023 ONH became the largest segment and in 2024 the segment was 59% of group revenue.

The group has reported a pro-forma revenue CAGR(08–24) of 9%, outgrowing private and public competitors, highlighted by ONH's revenue CAGR(15–24) being 2% higher than its closest peer and 16% higher than higher education enrolment growth. The growth has been achieved by focusing on online migration (2024 online share of 59%, +2,600bps from 2021 compared to current Norwegian online market share of 10%) and identifying and utilising the supply and demand mismatches in higher education (applicant-to-spot-ratios of 2x in many subjects).

In addition, we find that Lumi Gruppen's private university college ONH has a cash flow-efficient growth strategy with capital expenditures for course development totalling NOK25m, equalling 2.9% of 2021–24 revenue and 20% of incremental revenue. With group free cash flow in 2024 of 6% (adj. for leases and est. acquisition) and dividend restrictions from current financing agreements, we see strong cash flow ahead to support maintained growth investments.

Further, ONH anticipates institutional accreditation during 2026, which we estimate would substantially shorten the time-to-market for new programmes (from 18–24 months down to a few months), allowing ONH to more quickly capture market demand trends within higher education. Accreditation could further allow ONH to identify overlaps in its existing course offering to efficiently set up new longer-term programmes, adding to the predictability of revenue and cash flow growth. Lastly, we consider the political environment for the private education market in Norway stable, with agreed-upon admission rules allowing for post-graduation grade improvement, along with what we perceive as solid political backing for the private education segment.

### Demand gap, online focus and high ROI combine to favourable outlooks

We see indications that Sonans is progressing towards a stable post-pandemic state, and when that is achieved, we argue that the group is positioned to accelerate growth. We argue that the 2021–24 capex ROI was solid, with ONH spending NOK25m on course development capex in 2021–24, generating NOK125m in revenue growth. Reinvesting group cash flow at solid ROI, and utilising both the prevailing demand gaps and the ongoing online migration, we argue that, long term, Lumi Gruppen can keep capturing market share in the online education market.

### ONH – steady growth, non-cyclical with solid margins

Oslo Nye Høyskole (ONH) has reported strong growth with a revenue CAGR(15–24) of 18%, firmly outgrowing the number of higher education students, which according to the Norwegian Ministry of Education and Research grew at about 2%, as well as the enrolment in higher online studies, which grew at a CAGR(15–24) of 13%. Further, average ONH EBITDA margin(16–24) was an impressive 28%. In 2024, ONH became the largest segment with 59% of 2024 group revenue.

With only one year of Y/Y revenue decline since ONH's founding in 2008 and when comparing to wider economic indicators, we see no apparent cyclicity in ONH's revenue. In addition, ONH reported a CAGR(19–22) of 17.4% compared to the longer-term track record of CAGR(15–22) of 18.3%. Based on this, it is our view that the pandemic largely did not affect the revenue growth of ONH.

Further, as we discuss in the Market section, our research shows that historical periods of economic activity slowdown have no apparent negative impact on the Norwegian market for higher education. However, we note an apparent negative short-term correlation between higher education enrolment and job vacancies, supporting growth for the market ahead, driven by the Q/Q reduction in Norwegian job vacancies during all quarters of 2024.

In addition, higher education enrolment has grown structurally at about 2x population growth (2010–24) with enrolment in private institutions growing faster at about 5x, according to data from Statistisk sentralbyrå and Norwegian Ministry of Education and Research. Also, students enrolled online in higher education grew at a CAGR(10–24) of 12%. Importantly, when summarising the growth of market leaders in the wider higher education segment, there is no apparent post-pandemic shift back towards campus studies, suggesting that the pandemic mainly sped up an already ongoing conversion.

### Sonans – growth and margin upside if exam market recovers

Sonans Utdanning is the market leader in Norwegian high school private candidate exam preparation courses, with a market share we estimate at 47%. It has a history of strong revenue growth (CAGR(10–21) of 11%) combined with solid margins (average adjusted EBITDA margins(10–21) of 27%). We note that starting in 2021, the pandemic brought a decline in the number of private candidate exams awarded, down 13% from 2020–21 to 2022–23. Sonans offers both on-campus and online spots, with a 2021 on-campus student share of 58%. The institution was thus hit harder than online-only competitors and along with the market setback, Sonans' revenue fell 45% over 2021–2023. Following the revenue setback, Sonans' EBIT margin dropped to 1% in 2023.

To achieve persistent growth closer to pre-pandemic levels, which saw a CAGR(10–21) of 11%, we find that Sonans is reliant on a wider recovery in the market for private candidate exams. Further, while the 2023 EBIT margin of 9.6% was an improvement (+850bps Y/Y), margins are still low compared to 2021 and 2022 levels of 25% and 18%, respectively. We estimate that solid and sustained growth close to pre-pandemic levels are required to reach operating margins closer to Sonans' current target levels of more than 20%. While we see support for future growth in Sonans, and the prospects for double-digit margins even without a market recovery, a few factors key to achieving pre-pandemic growth and profitability levels remain external. In addition, the market development short to medium term is difficult to predict. Although the market for private candidate exams is indicating a normalisation following a post-Covid drawback in tests during 2022–23, with tests up 2% Y/Y in 2024 after two-year average annual growth of -11%, we argue that the short- to medium-term market development has a few uncertainties.

In the market section, we show that the accumulated revenue of paid exam preparation providers is connected to the number of tests taken, which makes intuitive sense as more students taking the exams increases the share potentially seeking paid support. This is supportive for Sonans, as 2024 indicated a normalisation following cuts in the number of tests during 2022–23, with the number of taken up 2% Y/Y following a two-year annual average of -11%. In the 2016–23 cohort, 14% of upper secondary school students did not receive a diploma, creating a group who would need to complete their studies to be granted access into higher education. We believe that a recovery in the market for private tests could facilitate growth for Sonans, with margins scaling from current levels.

In addition, the average requirements for enrolment into higher education have increased, supporting the growth prospects for the private candidate exam market, as it incentivises grade improvement for students to obtain their first-choice study spot.

### Education business – growth, stickiness and predictable cash flow

Enrolment in higher education grew at a CAGR(10–24) of 2%, compared to population growth of about 1% during the same period. Higher education also follows the privatisation trend in the

wider education market, with private higher education enrolment growing at CAGR(10–24) of 5%. Online enrolment, which makes up about 10% of students enrolled into higher education in 2024, is a growth segment of the education market, importantly growing post-pandemic, suggesting no substantial shift back towards campus education preferences after the solid online growth in 2021–22.

Historically, job vacancies have impacted the growth in higher education enrolment, where increasing job vacancies typically reduces unemployment, making alternatives such as education less attractive, while also reducing the need to learn new skills. Long-term structural growth drivers for higher education enrolment include demand among Norwegian employers for higher qualifications and specialisation. Many companies seek skills to cover the skill gaps in sectors such as technology, according to the Confederation of Norwegian Enterprise.

The private higher education market has significant short-term predictability, based on our estimated share of Norwegian students enrolled in 2–3-year degrees, which indicates 75–80% of the wider market and about 50% of ONH students. The average length of enrolment in the private higher education market gives visibility, making both revenue and cash flow relatively predictable.

### **Demand gap to drive continuous growth**

There are not enough places in higher education institutions in Norway to provide applicants with their first choice of further studies. Key subjects for ONH such as psychology and business administration have gaps totalling 4.2x and 2.6x, respectively. This facilitates new programme development, as institutions can use this public data to detect unmet demand as a basis for future investments.

### **Vocational college a lucrative segment**

ONH's recently established vocational college focuses on online-only IT programmes. We argue that this is a lucrative niche of the overall vocational market, with online vocational IT admission growing at a CAGR(14–24) of 19%.

### **High scalability enabled through online focus and cost reductions**

With a market-leading share of online group revenue – 59% in 2024 – we argue that both of Lumi Gruppen's segments are highly scalable. This is reinforced by the long-term financial track record of both ONH and Sonans achieving strong scaling historically. With a market-leading online share of revenue, Lumi Gruppen may benefit from growth, increasing margins ahead.

### **M&A to add additional growth**

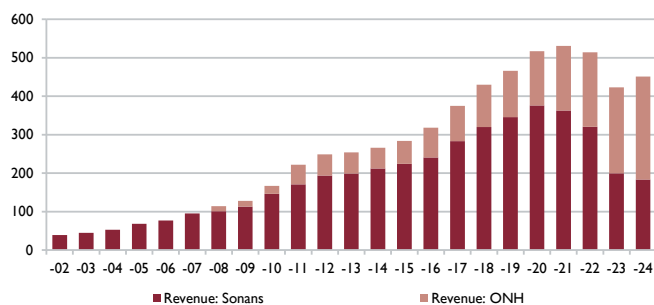
We anticipate M&A to be a possibility for driving growth for Lumi Gruppen ahead. While not specified by the group, we argue that potential targets may include acquisition of market shares (buying peers) or acquiring targets to obtain technology to facilitate operations (platforms, learning tools).



## Lumi Gruppen in brief

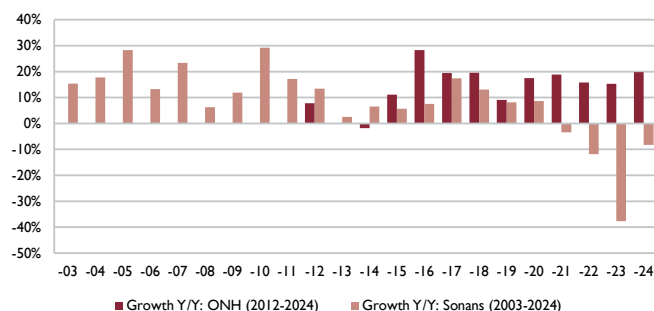
Lumi Gruppen is a private education group in the market for higher education and private candidate exam preparation courses in Norway. Lumi Gruppen reports through its segments Oslo Nye Høyskole (ONH), a private university college, and Sonans, which offers private candidate exam preparation courses. The group had about 8,500 students in H2(24), with an online revenue share of 60% and 10 campuses. In 2023, ONH became the largest segment and in 2024 accounted for 59% of group revenue.

Revenue: group



Source: Lumi Gruppen, Carnegie Research

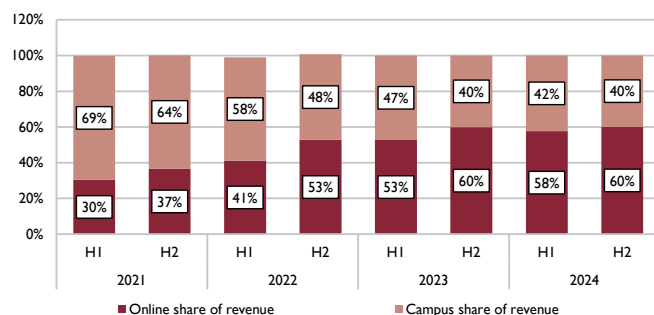
Revenue growth per operating segment



Source: Lumi Gruppen, Carnegie Research

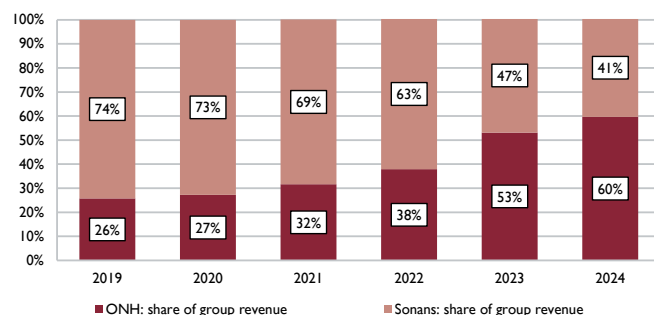
The group has a long track record of growth, reporting group pro forma revenue CAGR(02–24) of 12%, far exceeding the growth in the Norwegian population, the number of students enrolled in higher education (1–2% average annual growth respectively), and the number of students enrolled in growth segments such as private education providers or online-based providers.

Revenue split: online and campus



Source: Lumi Gruppen, Carnegie Research

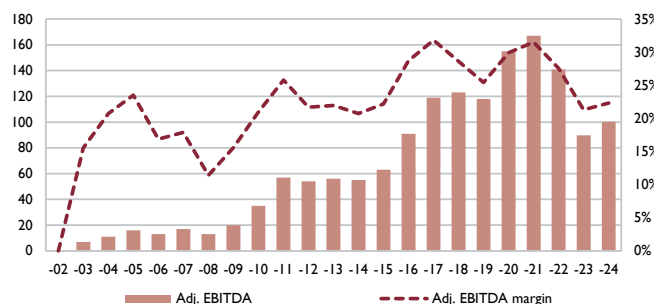
Revenue: segment split



Source: Lumi Gruppen, Carnegie Research

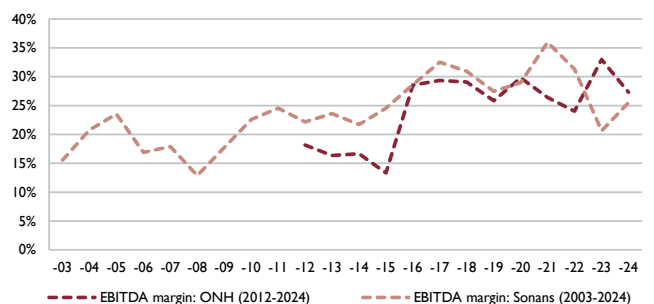
The group has reported solid EBITDA-margins of an average of 25% for 2010–24. Following strategic shifts in 2014–16, both ONH and Sonans reported increasing margins along with solid growth.

Adj. EBITDA: group



Source: Lumi Gruppen, Carnegie Research

EBITDA margin per operating segment



Source: Lumi Gruppen, Carnegie Research

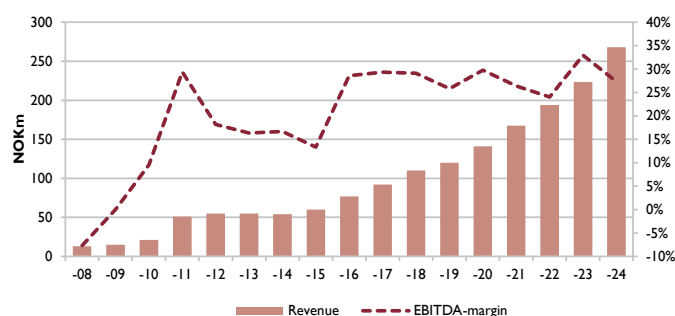


## Oslo Nye Høyskole – stable track record and good prospects

ONH is Lumi Gruppen's largest segment, with 60% of H2(24) revenue and a CAGR(15–24) of 18%. ONH has gained market share by firmly outgrowing the larger further education market which has a CAGR(15–24) of 2%, as well as the online segment of higher education, where enrolment has grown at CAGR(15–24) of 11%. In addition, following the impact of a strategical review in 2016, ONH has reported strong and robust EBITDA margins. In 2024, the integration of ONF (a vocational school) in the ONH segment impacted margins, as ONF was loss-making upon integration. Lumi Gruppen targets margin expansion in the vocational school towards a long-term EBIT margin of more than 25%.

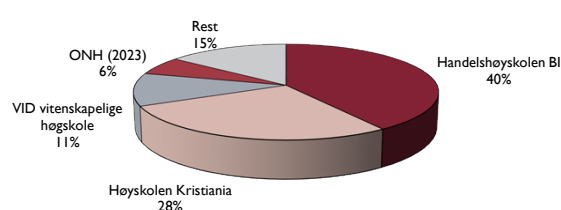
The private college offers one-year courses, bachelor's degrees, master's degrees and one-year programmes, with a large share of students in psychology, health, social sciences and business and administration. ONH was acquired by Sonans Gruppen in 2019. The job market in Norway has been historically strong, which typically impacts higher education enrolment negatively. While we see some headwinds from this short term, the job market has become worse during 2024, and we argue that ONH's growth has been impressive considering this.

ONH: revenue and adjusted EBITDA margin



Source: Lumi Gruppen, Carnegie Research

ONH share of private higher education market



Source: DBH, Lumi Gruppen, Carnegie Research

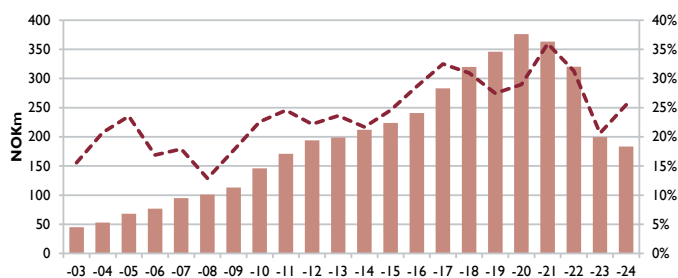
We believe that ONH's revenue growth was largely unaffected by the pandemic, at a CAGR(19–22) of 17.4% compared to its longer-term track record of CAGR(15–22) of 18.3%. We also see that overall slowdown in economic activity has no apparent negative impact on the Norwegian market for higher education, with a CAGR(10–24) of 2%, making ONH's revenue non-cyclical and seemingly resilient to large economic downturns.

## Sonans – growth and margin upside if exam market recovers

Sonans Utdanning was founded in 1989 as private candidate high school in Stavanger, initially under the name Stavanger Private Gymnas. The company provides education in high school subjects for private candidates and is the market leader in high school private candidate exam preparation courses. Sonans' education offering mainly helps former high school students achieve better exam results or complete high school education to access higher education. We estimate Sonans' market share of the private candidate paid exam preparation market to be ~47%. Sonans has nine campuses in Norway.

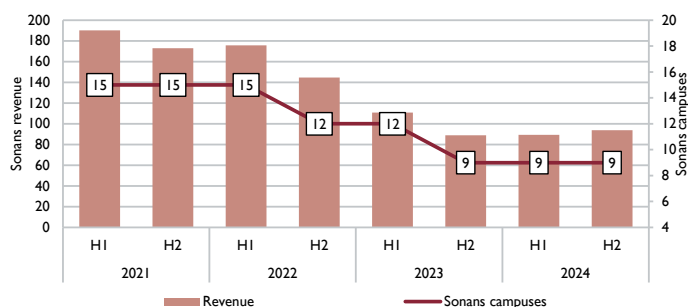
In 2021 Sonans reported its first revenue decline since its founding, with Y/Y declines of 3% in the market setback that followed the Covid-19 pandemic, and 12% in the subsequent reduction in private candidate exams. With a 2022 campus share of revenue equalling 52%, the subsequent campus closings reduced 2023 revenue even further.

Sonans: revenue and adjusted EBITDA margin



Source: Lumi Gruppen, Carnegie Research

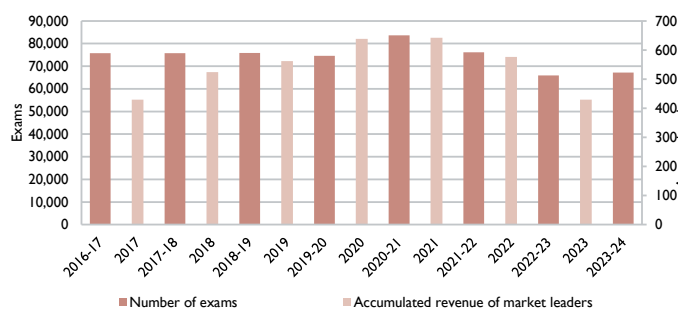
Sonans revenue and campuses



Source: Lumi Gruppen, Carnegie Research

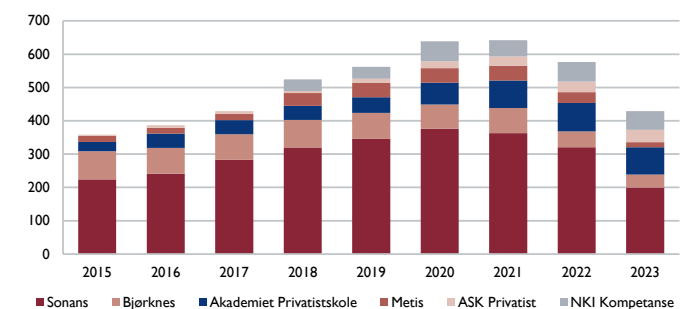
Below, we highlight that the Y/Y growth in number of private candidate exams appears to have a connection to the accumulated revenue of the largest six providers of exam preparation education. In our view these companies make up more than 90% of the market, suggesting that the revenue for exam preparation institutions is closely connected with the number of tests taken. The graph further illustrates that while a few smaller competitors have gained market share, the downturn has affected the market as a whole.

Number of exams and exam preparation revenue



Source: DBH, Proff.no, Carnegie Research

Revenue, exam preparation courses providers

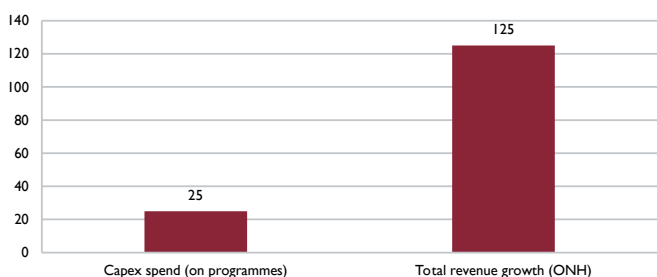


Source: Proff.no, Carnegie Research

## Solid ROI with limited risks

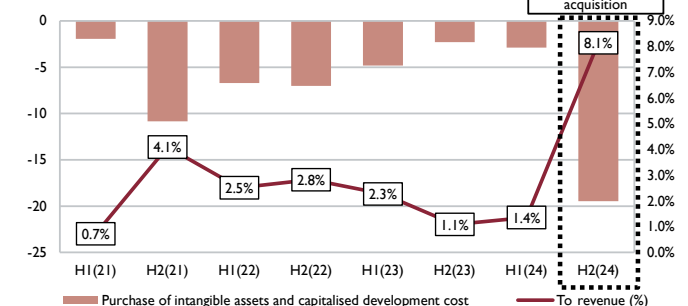
Below, we highlight ONH's accumulated capex spend of revenue growth in 2021–24. We argue that Lumi Gruppen's private college ONH has a cash flow-efficient growth strategy, with capex for course development totalling 2.9% of 2021–24 ONH revenue and 20% of incremental ONH revenue.

ONH: Capex spend on programmes and revenue growth 2021-2024



Source: Lumi Gruppen, Carnegie Research

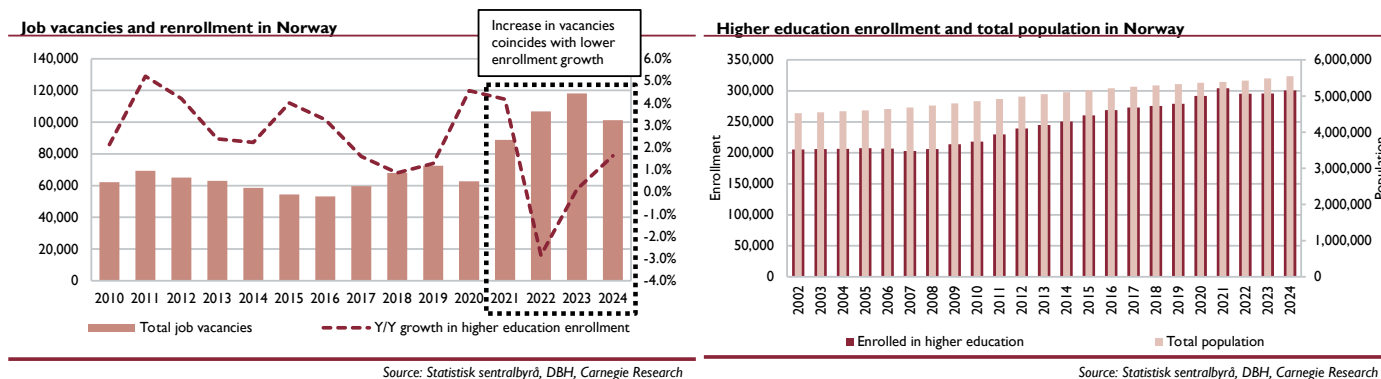
Purchase of intangible assets and capitalised development cost



Source: Lumi Gruppen, Carnegie Research

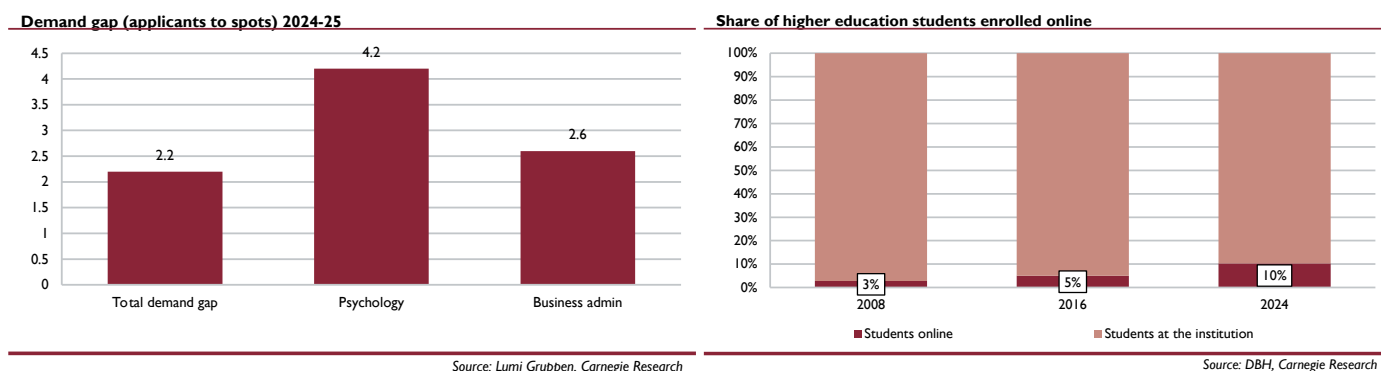
## Education in brief – steady and predictable growth

The Norwegian market for higher education grew at about 2% annually 2010–24. Norwegian total population growth has been about 1% annually for the same period, implying that total enrolment outgrows the population. Short-term, enrolment in higher education has an apparent inverse relation to job vacancies, where fewer job vacancies historically have positively affected higher education enrolment.



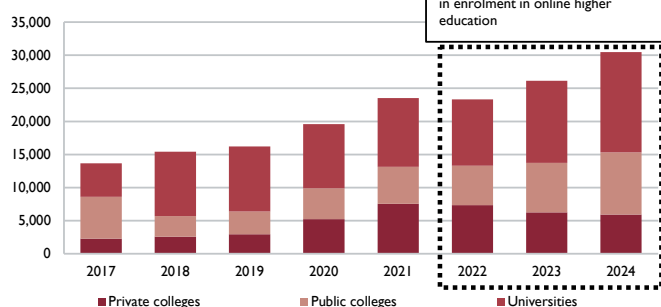
## Demand gap and growth prospects online

Norway currently has insufficient study places to meet the demand in higher education and considering all prospective students and their first-choice programmes, the gap is widening. For all subjects, the number of applicants getting a place in their first choice of higher education compared to total applicants was about 2.2x in 2024–25. For large ONH subjects such as psychology and business administration, the gap is 4.2x and 2.6x, respectively. This suggests a demand gap or a mismatch, where students are forced to accept subjects other than their first choice or consider other options. This gap has prevailed for at least the last 10 years, suggesting a structural problem that can act as a driver for market growth ahead.



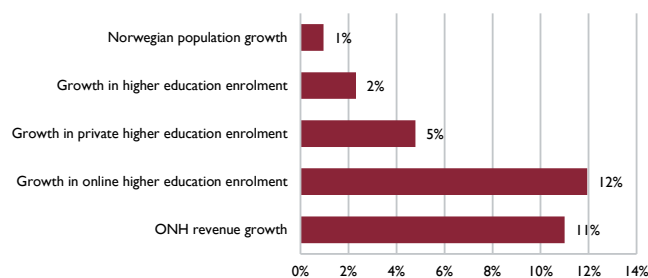
Below, we highlight the growth in enrolment for online higher education. The long-term growth rate in enrolment (2010–24) was about 12% annually. While the pandemic accelerated the growth, it is worth noting that the total number of spots has increased even post-pandemic in 2023–24. This suggests to us that the pandemic accelerated an existing trend, and that the shift in student preferences could persist, meaning that the number enrolled online in the pandemic was not inflated. We further illustrate the long-term growth rates (2010–24) for various demographics and study forms.

Student enrolled in higher education online



Source: DBH, Carnegie Research

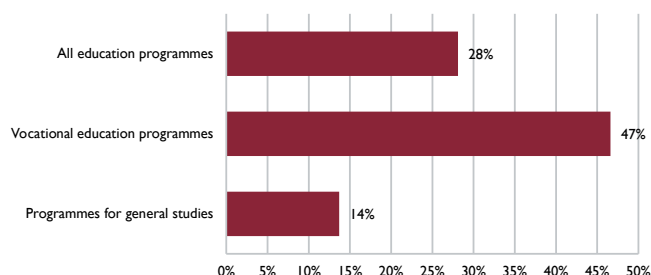
Growth in enrolment, demographics, ONH revenue 2010-2024



Source: DBH, Statistisk sentralbyrå, Lumi Gruppen, Carnegie

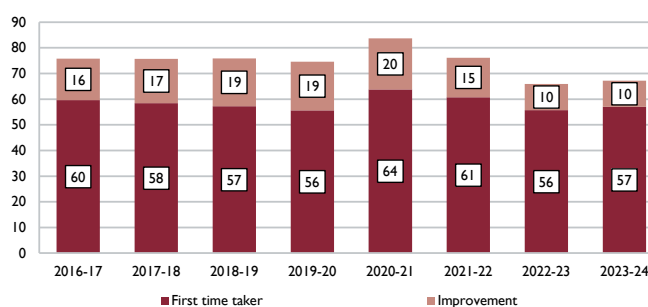
Below, we highlight the share of students in the 2017 cohort without a diploma in the subsequent five-year period. While the numbers for vocational schools may be affected by students getting jobs, the number of students not completing general studies is about 14%, according to DBH. To gain access to further education, students without a diploma or who want to improve their grades may take private candidate exams. Looking at data from the Norwegian Directorate of Education and Training, we note that these exams grew strongly in 2020–21, although the number has since dropped. In 2023–24, the total number of private candidate exams returned to Y/Y growth. The number of tests carried out is important to Sonans, as it provides education focusing on private candidate test preparation.

Share of 2017 cohort not completing upper secondary by 2023



Source: DBH, Carnegie Research

Number of written private candidate exams, Norway

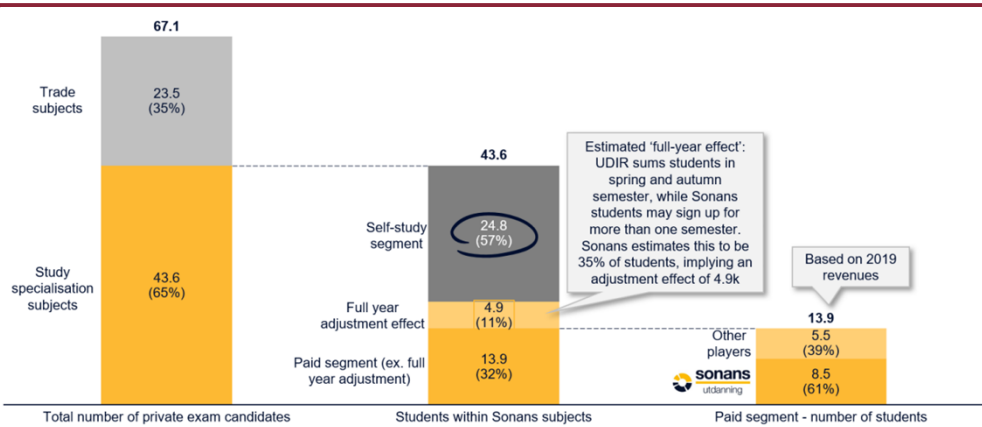


Source: Utdanningsdirektoratet, Carnegie Research

Below, we highlight some assumptions from Lumi Gruppen regarding market position, share of private candidates studying on their own, and Sonans' market share. This suggests that Sonans' future growth is dependent on several factors. First, the number of students taking exams in both specialisation subjects and trade subjects, resulting from high-school grades, programme requirements, and the general propensity for higher studies.

Growth is also a result of the share of students preparing on their own compared to the paid segment. In addition, growth is dependent on Sonans' ability to defend or gain market shares in the paid segment. We estimate a current market share for Sonans of 47%, making it the dominant provider in the niche industry (we illustrate market shares in greater detail in the segment Private candidate exam preparation market).

2019 Lumi Gruppen estimates of market division, private candidate exam market

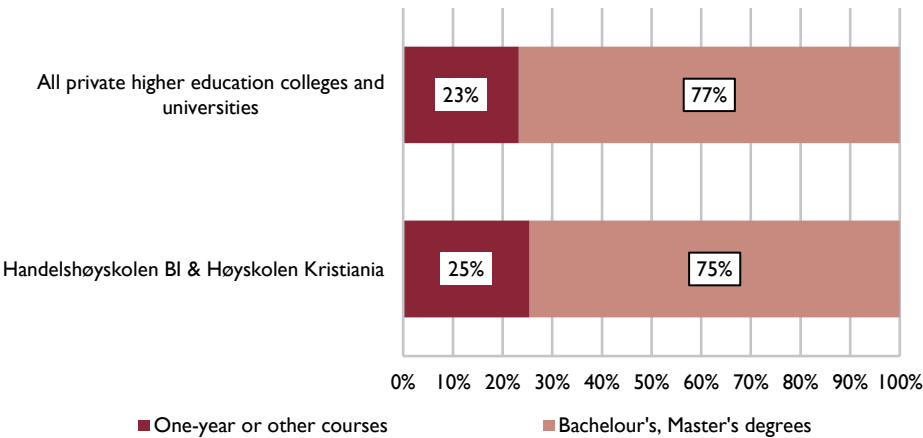


Source: Lumi Gruppen

Predictable, recurring revenue

Below, we highlight our estimates for the share of students enrolled in longer programmes (typically bachelor's or master's programmes) in 2023 in the largest peers in private higher education, along with our estimates of the division for the wider private market for higher education. With a large share of students enrolled in longer programmes, the revenue becomes predictable, creating visibility in revenue and cash flow. Lumi Gruppen receives no direct public funding, generating its revenue mainly from tuition fees paid by students.

Composition of courses, private providers



Source: DBH, Carnegie Research

## Business model

Online focus reduces dependency on market fluctuations

Through its two segments ONH and Sonans, Lumi Gruppen operates a private Norwegian college and offers exam preparation courses for former students wanting to obtain their diploma or improve existing grades. The core of the offering is online, with 60% of H2(24) revenue generated online, compared to about 10% of students in higher education enrolled in online education.

Historically, Lumi Gruppen has achieved growth through launching new courses and adding campuses. Cost-efficient launches of well-received courses will be key to driving growth ahead, especially in ONH, with a business model based on reducing the demand gap through launching of courses. Below, we highlight the financial objectives for the operating segments and the group. In addition to leverage targets, we highlight the covenants in the financials section.

### Financial targets from 2026-2027 onwards

	Sonans	ONH	ONF
Revenue/growth	>10% annually	~5% annually	More than NOK30m in four years
Adjusted EBIT margin	>25%	~15%	>25%

Source: Lumi Gruppen, Carnegie Research

We project that a more online-focused business model offers greater scalability, facilitating margin expansion. In addition, having a smaller share of fixed costs relating to campuses means that the group is less vulnerable to potential future restrictions to mobility or rapidly shifting student preferences towards online studies.

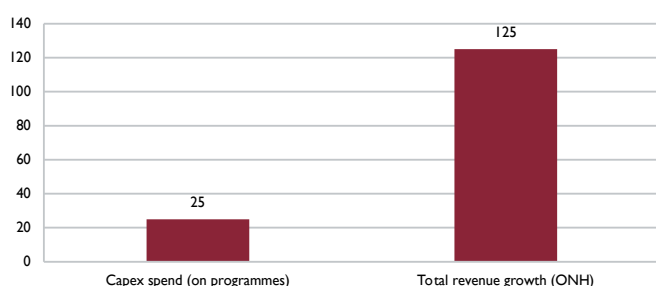
## High near-term revenue visibility

Following the conclusion of the semester student intake (late summer to early autumn), Lumi Gruppen has more than 90% revenue visibility over the following semester year, a dynamic that stems from the length of the average student enrolment creating predictability. Lumi Gruppen's historical guidance has deviated less than 2% on average from actual revenue, which we argue is solid considering the fast historical growth. For this reason, we argue that revenue in t+2 has greater uncertainty, which should be considered for valuation matters.

## Investing for continued efficient course generation

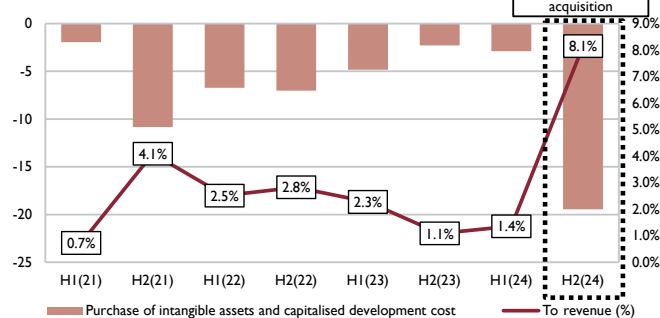
Lumi Gruppen expects capex equal to 2–3% of revenue annually, to cover new course generation as well as other investments in the business. Average investments in intangible assets and capitalised development costs – typically, investments relating to new course development – equalled 2–3% in 2021–23 before increasing to 5% in 2024.

ONH: Capex spend on programmes and revenue growth 2021-2024



Source: Lumi Gruppen, Carnegie Research

Purchase of intangible assets and capitalised development cost



Source: Lumi Gruppen, Carnegie Research

We argue that new programmes can be constructed by using available data on demand gaps, as they serve as indicators of student preferences. While we see an inherent risk that new courses are not perceived as well as anticipated, we believe that data on current higher education demand

gap is a solid indicator of at least short-term future demand, limiting the risk of lower-than-expected application numbers. Considering the reported capex to incremental revenue ratio of 20%, and our estimates of an additional 2.5 new employees per additional programme, we argue that, the downside in terms of capital is largely limited to those expenses and investments.

An important part of accelerating growth will be the institutional accreditation that Lumi Gruppen anticipates in 2026. Accreditation would shorten time-to-market for new programmes, as Lumi Gruppen can create programmes without the requirement for the individual course or programme to go through the NOKUT (this is further explained in the NOKUT accreditation segment).



## History

Lumi Gruppen is made up of the two operating segments ONH, a private university college, and Sonans, offering private candidate exam preparation courses. Recent history includes the strategic shift for Sonans in 2014, initiating an online growth focus to support the campus operations. Having a few changes in ownership since, the current structure of the group was formed with the 2019 acquisition of ONH (then named Bjørknes Høyeskole). ONH had already achieved success through the 2015 decision to target psychology as a core subject, with subsequent frequent course and programme launches. In 2021, then-owner EMK Capital sold a large share of the group in a listing on Euronext Oslo. In 2023, ONH overtook Sonans as the larger of the two operating segments and was about 59% of 2024 revenue. Sonans was founded in 1989 and ONH in 2007.

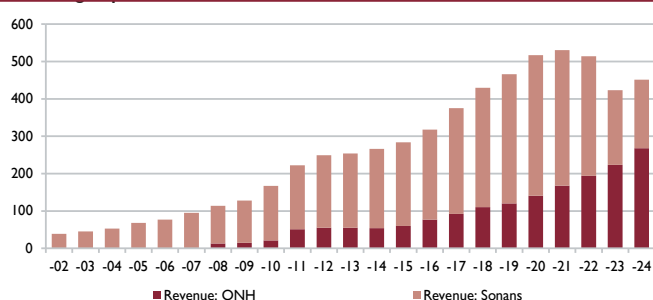
## Early history

Sonans Utdanning was founded in 1989 in Stavanger, Norway, as a private candidate high school, at a time when the Nordics and wider Europe were going through a phase of privatisation underpinned by policy shifts, economic pressure on loss-making institutions, and a shift among parents towards preferring to tailor aspects of the education. After operating for a long time as a high school, the first clear shift towards creating the group in its current form came in 2014, as Sonans implemented a growth strategy with a wider subject offering. Although a provider of both online and campus-based education, Sonans put additional resources into strengthening the online offering around this time. In 2016, the group delivered accelerating growth through the establishment of new sales and marketing teams and reported record student intake.

In 2017, UK-based private equity firm EMK Capital acquired Sonans from the previous owner, Swedish private equity firm Procuritas. In the following years, the group launched several new initiatives including campuses in Sandvika and Fredrikstad, along with Hamar, Bodø and Lillestrøm. In 2019, Sonans acquired Bjørknes Høyeskole – later renamed Oslo Nye Høyskole (ONH).

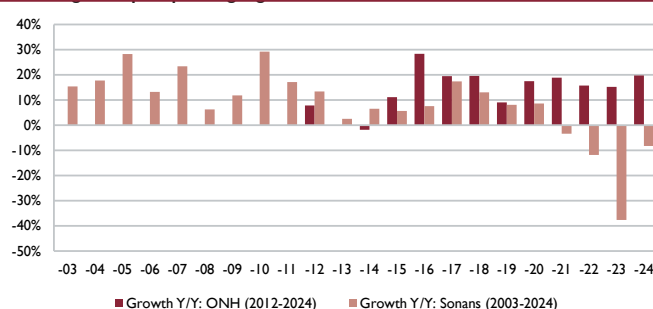
ONH was founded as independent university Bjørknes Høyeskole in 2007. In 2011, it acquired Helsehøyskolen, a private high school in Oslo that had been in the market since 1992. In 2013, the ONH group sought to expand its operations and submitted the initial application to NOKUT, the Norwegian Agency for Quality Assurance in Education. NOKUT provides accreditation for individual schools and courses, and NOKUT-accredited institutions can establish new courses without NOKUT pre-approval.

Revenue: group



Source: Lumi Gruppen, Carnegie Research

Revenue growth per operating segment



Source: Lumi Gruppen, Carnegie Research

In 2015, ONH established psychology as a focus area for continued growth, and the subject has since grown to become a dominant part of its offering. In 2018, the school added new study programmes: Clinical Environmental Therapy, Mental Health in Kindergarten and Schools, and Nutrition for Children. In 2019, the school received approval for a new Bachelor's degree and a Master's degree, both in psychology.

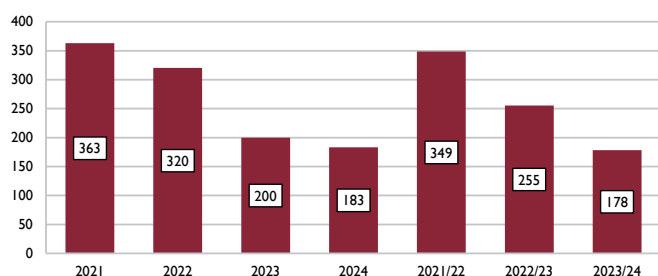
Later in 2019, Sonans Gruppen acquired Bjørknes Høyskole for an undisclosed price. The newly created group marked an expansion by Sonans Gruppen into the wider field of higher education, enabling a stronger market position. Two years later, the group would report a group revenue share of Bjørknes Nye Høyskole of about 27%.

## Recent history

In 2021, owner EMK Capital announced that Lumi Gruppen would sell a large share of the holding in the group in a listing on Euronext Oslo. The offering at the time represented a pre-money equity value of NOK1.5bn. As of March 2025, Hanover Investors is the largest shareholder, with 53.5% of the capital.

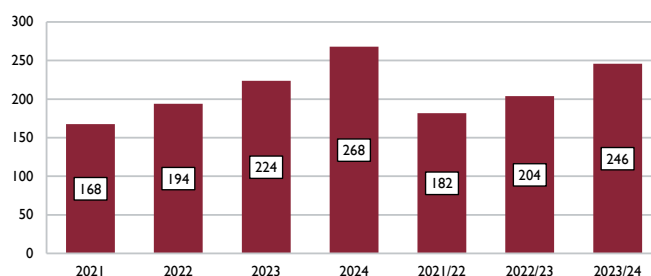
Lumi Gruppen has reported solid historical growth, with a CAGR(02–24) of 12%, and 2022 being the first year of Y/Y decline in group pro forma revenue during the period 2002–24. In 2020 and 2021, the group reported revenue growth of 11% and 3%, respectively. We highlight the semester year (school year) and financial year revenue below, where the large share of student enrolment in the fall gives the semester year revenue more relevance in valuating performance.

**Sonans: Calendar year and semester year revenue**



Source: Lumi Gruppen, Carnegie Research

**ONH: Calendar year and semester year revenue**

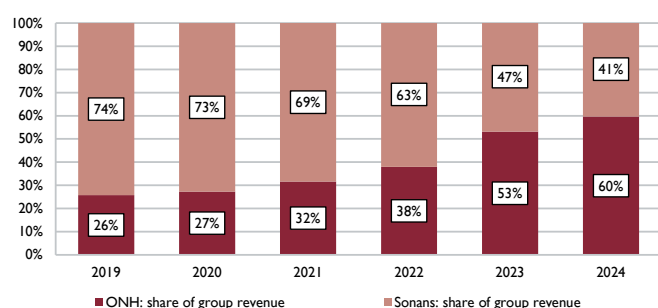


Source: Lumi Gruppen, Carnegie Research

Below, we highlight how campus and online revenue has shifted for the group in 2021–24. In H2(22), the share of online revenue became bigger than campus, with a total share of 53%. By H2(24) this number was 60%.

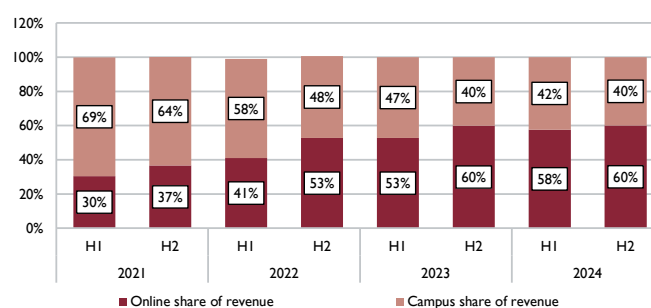
The education market largely migrated from campus to online in Norway during the pandemic, with varying effects on the operating segments. ONH reported CAGR(19–22) of 17.4% vs its longer-term CAGR(15–22) of 18.3%. Based on this, it is our view that the pandemic had little impact on ONH's revenue growth.

**Revenue: segment split**



Source: Lumi Gruppen, Carnegie Research

**Revenue split: online and campus**



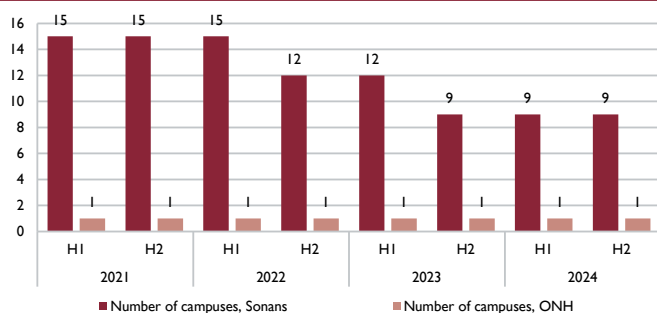
Source: Lumi Gruppen, Carnegie Research

While the market for private candidate exam tests was -21% from 2021–23, Sonans was affected more heavily due to its strategic focus on online and campus combinations. Although an omnichannel setup is beneficial for attracting students preferring campus or hybrid studies, the Covid-19 restrictions caused Sonans to be more heavily impacted than peers (Sonans revenue -

45% 2021–23 compared to number of tests -21% and accumulated revenue of market leaders -34%). Sonans reduced the number of campuses from 15 to nine during this period.

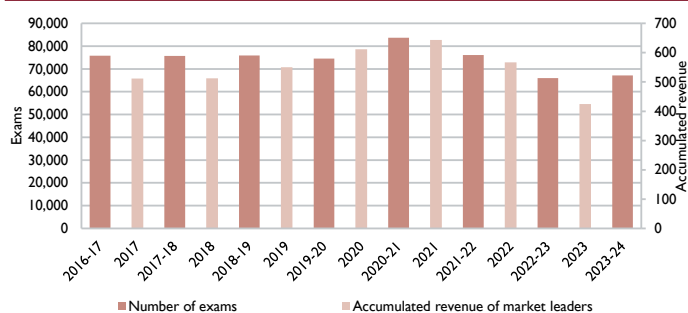
Below, we show the number of campuses in the group. While the 2022–23 closures reduced the number of campuses, Sonans still has nine campuses and a strategy of providing an omnichannel offering. We also highlight the apparent connection between the number of private candidate exams and the revenue of the leading test preparation providers, of which we estimate that Sonans has a share of 47%.

Number of campuses



Source: Lumi Gruppen, Carnegie Research

Number of exams and exam preparation revenue

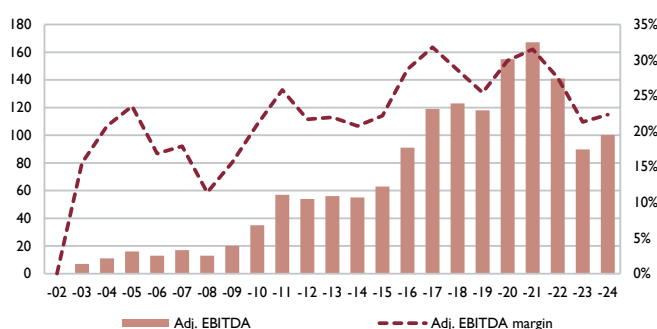


Source: DBH, Proff.no, Carnegie Research

## Profit and margin history

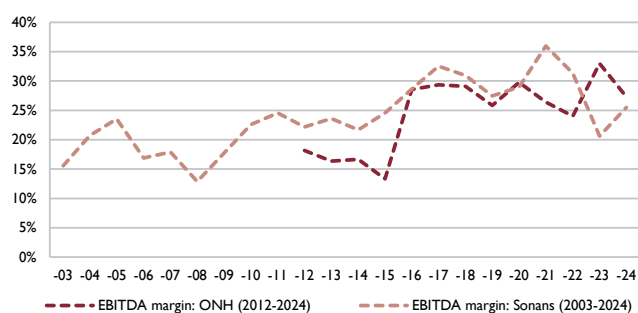
Below, we highlight adjusted group pro-forma EBITDA. For 2010–20, the group reported an average adjusted EBITDA margin of 25%. Starting in 2020, the Covid-19-pandemic caused the group's campus structure to be over-extended. In connection with the Q3(22) report, the company launched cost-reducing measures and implemented a new business-model with a greater online focus. The cost-saving measures announced in the Q3(22) report amounted to NOK61m.

Adj. EBITDA: group



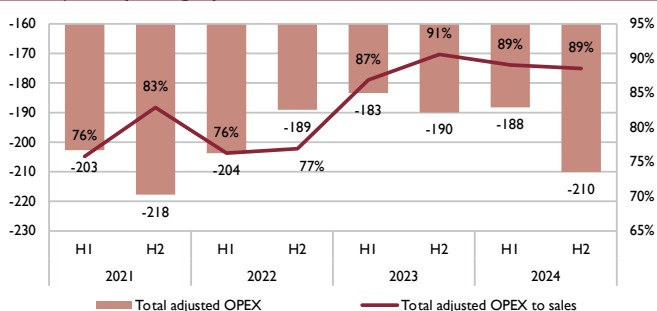
Source: Lumi Gruppen, Carnegie Research

EBITDA margin per operating segment



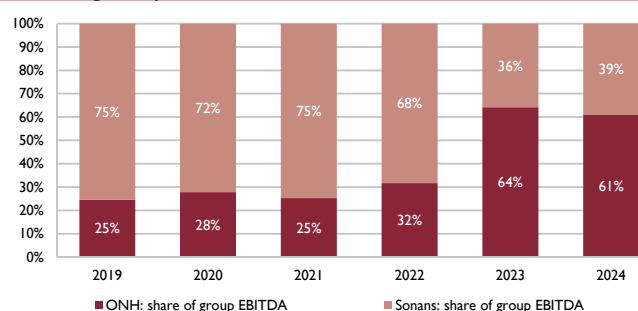
Source: Lumi Gruppen, Carnegie Research

Total adjusted operating expenses



Source: Lumi Gruppen, Carnegie Research

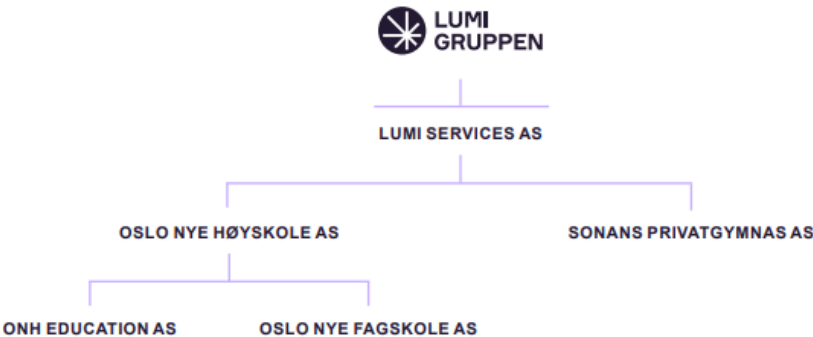
EBITDA: segment split



Source: Lumi Gruppen, Carnegie Research

# Operating segments – history and operations

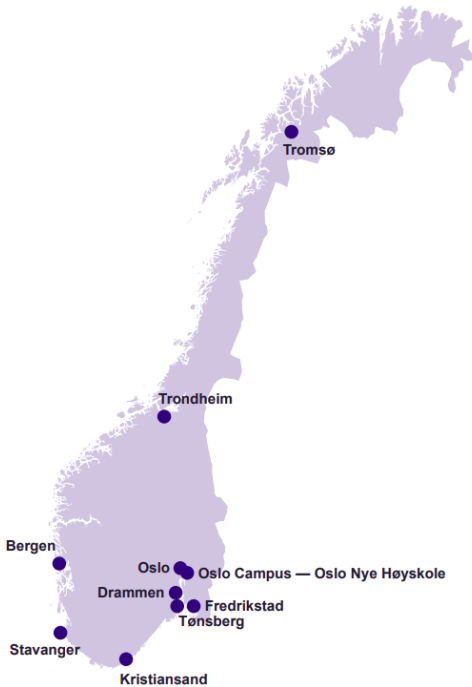
## Group overview



Source: Lumi Gruppen

Below, we highlight the group’s current campus offering totalling 10 campuses, of which nine are Sonans and one ONH. Sonans had 15 campuses before the pandemic but has since adjusted the number. We believe that having an omnichannel offering brings a competitive differentiation that benefits ONH and Sonans, although it leaves the group vulnerable to periods of rapid changes in student preferences or externally enforced mobility restrictions, such as during the Covid-19 pandemic.

## Overview of campuses



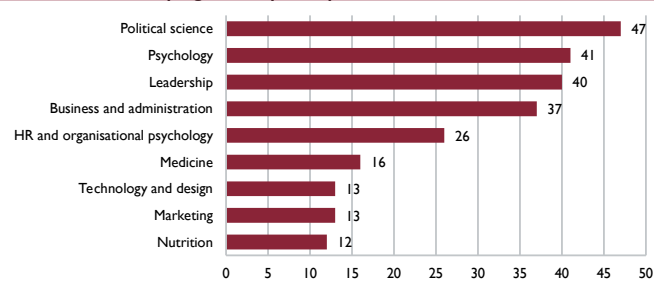
Source: Lumi Gruppen

Oslo Nye Høyskole (ONH)

ONH’s offering in higher education includes Bachelor’s and Master’s programmes, along with one-year programmes and shorter-term courses. The school’s offering is tilted towards psychology, health, social sciences and business and administration. As ONH is a private college, it charges tuition fees to finance operations and has no direct government grants, which is key as such public grants restrict tuition fees, and limit the possibility to operate for profit. ONH courses are held on campus and online, with 76% of 2023 revenue generated online. The college was established in 2007 and acquired by Lumi Gruppen (then known as Sonans Gruppen) in 2019.

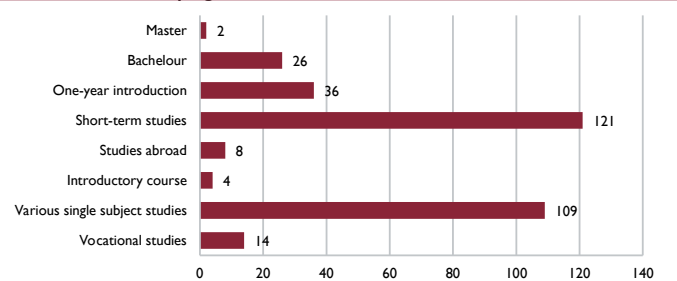
Below, we show the programmes available via ONH as of February 2025. The current offering is tilted towards social sciences, psychology and healthcare. We also show the offering divided by education form; although some courses are included in more than one education form, the figure outlines ONH’s current offering. ONH has offered Master’s degrees since 2021.

Available course and programmes per dicipline ONH



Source: Lumi Gruppen, Carnegie Research

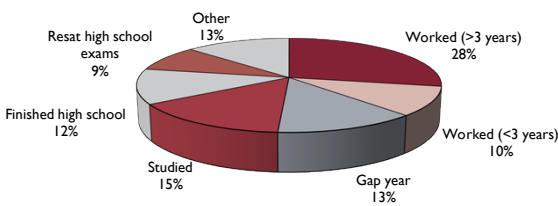
Number of courses or programmes included in education form



Source: Lumi Gruppen, Carnegie Research

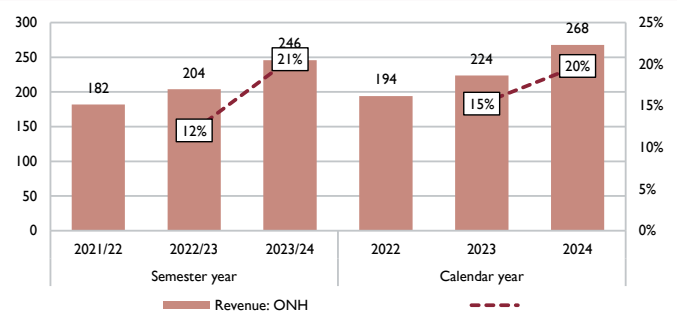
The charts below show the backgrounds of students attending ONH in 2019, with about 40% having a recent background of employment, and 12% coming directly from high school. For comparisons with educational institutions reporting revenue and student intake on a semester-year basis, we show ONH’s calendar and semester year revenue for 2022–24.

ONH student background (2019)



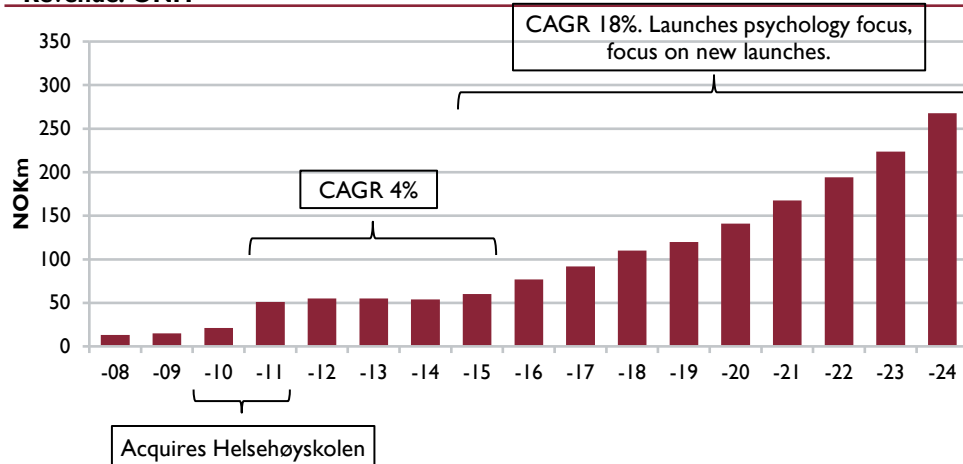
Source: Lumi Gruppen, Carnegie Research

ONH: Semester year and calendar year revenue



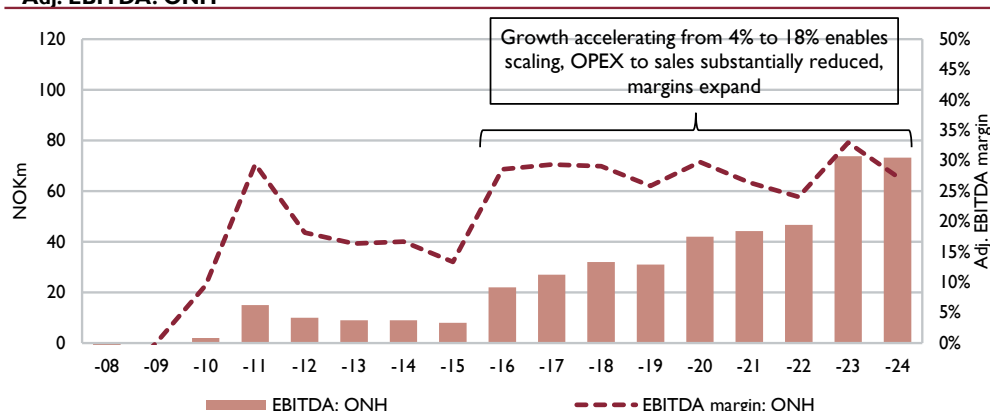
Source: Lumi Gruppen, Carnegie Research

Below, we highlight the revenue growth of ONH. The school has reported a revenue CAGR(08–24) of 21%, and of 17% since ONH was acquired by Lumi Gruppen in 2019. The 2010–11 growth came from the Helsehøyskolen acquisition, and the CAGR(11–15) was 4%. In 2015–24, ONH achieved a revenue CAGR of 18% following the introduction of a growth strategy based on course launches in subjects with large demand mismatches, including the successful step into psychology.

**Revenue: ONH**

Source: Lumi Gruppen, Carnegie Research

ONH has reported an average adjusted EBITDA margin since 2008 of 21%, and 28% since the 2019 acquisition when ONH was included in Lumi Gruppen. Following the growth acceleration initiated in 2016, ONH has reported average EBITDA(16–24) margin of 29%.

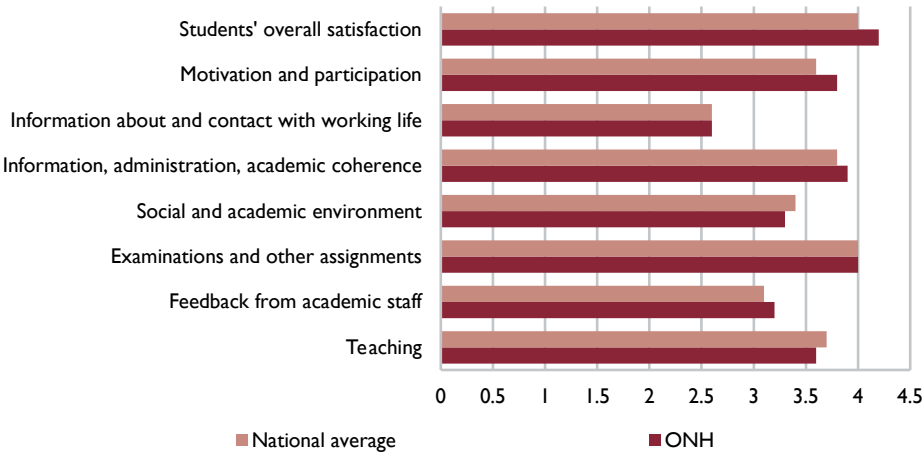
**Adj. EBITDA: ONH**

Source: Lumi Gruppen, Carnegie Research

**Solid rankings**

Below, we highlight the data from student programme evaluations by Studiebarometret, part of NOKUT. We argue that while all scores are important, assessing items such as study environment is perhaps most telling, as the online focus is a key element of the strategic differentiation of ONH. We argue that scoring only slightly below the national average on environment (3.3 vs 3.4) is indicative of the social and academic environment being in line with the national environment, which is still mostly campus-based. And the overall score is 4.2, above national average of 4.0.

2024 student evaluation data for Bachelor of Applied Psychology

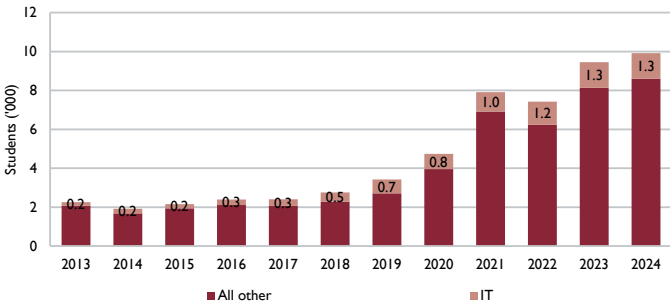


Source: Studiebarometret, Carnegie Research

Strong prospects in vocational school

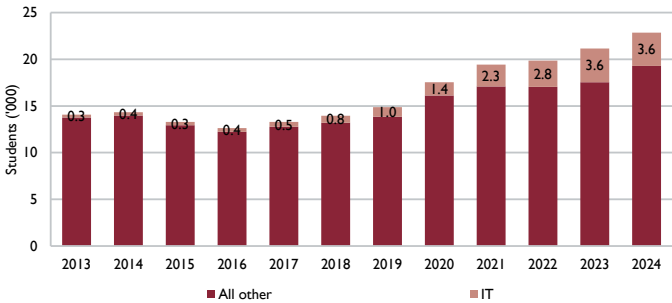
As of Q1(24), ONH includes a higher vocational college, Oslo Nye Fagskole. This is only a small share of the current revenue, but we believe the market prospects for the vocational school are solid. ONH focuses on vocational IT education, and below we highlight the student enrolment in IT vocational schools. We argue that this is a lucrative niche of the overall vocational market, with a CAGR(14–24) of 19% for online vocational IT admissions.

Online: vocational school students and IT share



Source: DBH, Carnegie Research

Campus and hybrid: Vocational school students and IT share



Source: DBH, Carnegie Research

Sonans Utdanning

Sonans Utdanning is a market leader in high school private candidate exam preparation courses, mainly to help former high school students achieve better exam results or complete high school education to access higher education. Sonans has nine campuses in Norway. Sonans Utdanning was founded in 1989 as private candidate high school in Stavanger, initially under the name Stavanger Private Gymnas.

Private candidate exams

Private candidate exams offer students in Norway the opportunity to obtain a passing grade in upper secondary school subjects or to improve an already achieved grade in these subjects. The tests are required to obtain a passing grade in any subject, meaning that all external candidates must take them to complete or improve upper secondary school grades. The exams are arranged by the county municipality and are held twice each year, with registration deadlines on 1 February and 15 September.



The candidate pays a fee to the municipality for the exam (2025 fees are NOK1,356 for subjects previously not passed and NOK2,713 for attempts to improve grades). The exams can be in written form, oral, or both. If the candidate achieves a passing grade, they obtain a certificate of competence along with the grade to confirm they passed. These certificates can then be used in e.g. applications to further studies.

### Private candidate exam preparation

To prepare for private candidate exams, students can study on their own or attend commissioned private schools that offer classes or online learning. Utdanningsdirektoratet is the Norwegian government agency responsible for ensuring the quality of education by developing the national curriculum and administering national tests and exams. For students about to take private candidate exams, this agency can provide the curriculum and competence objectives for the subject in question along with exam guides and previous exam papers.

For students who want additional assistance, Sonans is the market leader among providers of commissioned exam preparation, providing a range of online and campus-based exam preparation courses. Campus courses are typically six hours per week over a 12-week semester. Sonans believes the offering differentiates itself from others available by being more exam-oriented, with individual counselling and student guidance, study technique tips, and individual feedback, thus more of a one-stop-shop compared to competitors.

#### Education forms offered through Sonans

	Campus	Live	Online
<b>Campus/online:</b>	Physical premises, fixed-schedule with teacher	Online, fixed-schedule with teacher, daytime or nighttime	Online self-studies at desired pace, support from teacher
<b>Offering</b>	Classrooms, study rooms at physical campuses, webinars	Pre-recorded replayable lectures	Pre-recorded video lectures, self-tests and voluntary hand-in assignments
<b>Additional material</b>	Study technique classes, events, counseling, private candidate test exams and preparation	Study technique classes, digital group sessions, private candidate test exams and preparation	Study technique classes, digital group sessions, private candidate test exams and preparation

Source: Lumi Gruppen, Carnegie Research

Below we highlight some of the courses offered via Sonans along with exams, education type, and current pricing (as at March 2025).

#### Selected exam preparation courses, forms and price points

Course type	Exam preparation	Form	Price range
Single subject	Math R1+R2	Capus/Live/Online	NOK21990-30490
Single subject	Biology 1/2	Capus/Live/Online	NOK11490-17990
Single subject	English 1/2	Capus/Live/Online	NOK11490-11990
Single subject	Physics 1/2	Capus/Live/Online	NOK15990-17990
Single subject	Norwegian written and oral	Capus/Live/Online	NOK12990-26990
Single subject	Psychology 1/2	Capus/Live/Online	NOK11490-14490
Trade subjects	Child and youth care	Live	NOK19990
Trade subjects	Electrical and computer technology	Live	NOK20890
Trade subjects	Medicine	Capus/Live/Online	NOK44990-66490
Trade subjects	Engineering	Capus/Live/Online	NOK32990-47990

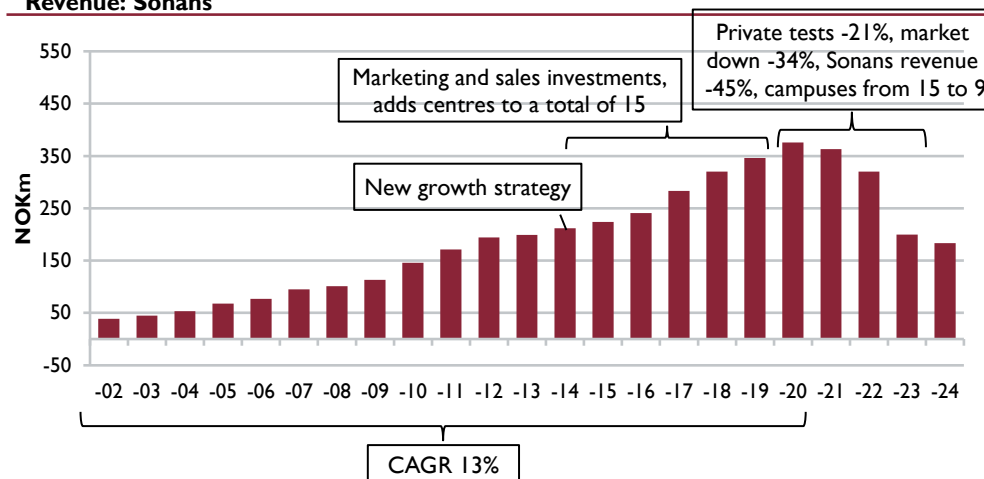
Source: Lumi Gruppen, Carnegie Research

### Financial history

Sonans has a long history of fast and robust growth before the pandemic, with revenue CAGR(02–20) of 13%, and 2021 being the first year of Y/Y revenue decline. Our assessment is that the growth was driven by the structural growth in high school admissions, a widening demand gap, and increasing admissions requirements (in turn driving the propensity to improve grades), as well as Sonans gaining market share. We also argue that the favourable financing conditions in

connection with perceived price inelastic characteristics of the offering has given Sonans strong pricing power. Below, we highlight a few phases, with new growth strategy implemented in 2014.

#### Revenue: Sonans

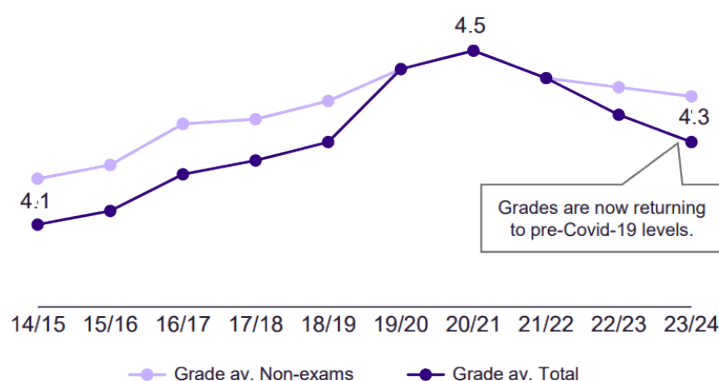


Source: Lumi Gruppen, Carnegie Research

Starting in 2021, the group was hurt by a market setback, where we estimate a total 34% revenue decline for the paid segment providers in 2021–23.

First, average upper secondary school grades increased during the pandemic, as many centralised written examinations in upper secondary school were cancelled in 2020–22, and the assessment practices changed as teachers had to rely on continuous assessment methods to determine the final grade. Below, we highlight the impact of this. As shown, centralised tests typically have a negative impact on overall grades, suggesting that average grades were inflated during the pandemic, reducing the need to study for grade improvements, impacting the market for Sonans.

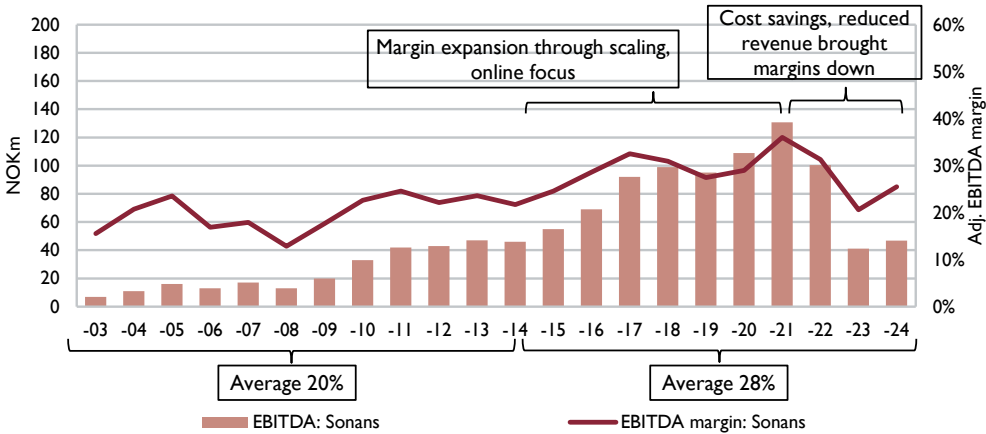
#### Average grades for upper secondary schools in Norway with and without centralised examinations



Source: Lumi gruppen

After launching the enhanced online focus and new growth strategy, Sonans reported stronger EBITDA margins from 2014 to 2024, going from the earlier average of 20% (2003–14) to a substantially higher average of 28% (2014–24).

Adj. EBITDA: Sonans



Source: Lumi Gruppen, Carnegie Research

## The Norwegian education system

### Education levels

In Norway, students typically attend education for 13 years, aged 6–19. Year 1–10 is made up of primary school (first to seventh grade, ages 6–13) and lower secondary school (eighth to tenth grade, ages 13–16). The first 10 years are mandatory and free of charge. During ages 16–19, students typically attend three years of upper secondary school. Until reaching the age of 24, all youth in Norway are allowed to attend upper secondary school after completing lower secondary school. While upper secondary school is not mandatory, about 98% of 16-year-olds of any cohort enrol in upper secondary school in the same year that they complete compulsory education, according to Statistics Norway. Further, 93% of all 16–18-year-olds were enrolled in upper secondary education in the 2018–19 academic year, according to Statistics Norway.

### Higher studies and forms of institutions

After completing upper secondary school, there are options for further studies that for example can be categorised in universities (Universiteter), specialised universities (Vitenskapelige høyskoler) and university colleges (Høyskoler). Further practical categorisations include private or public status, which in turn typically dictate aspects such as tuition fees. In addition, vocational schools are institutions that focus on teaching specific vocational or technical skills related to a particular trade or industry.

- Universities provide Bachelor's and Master's degrees, with a heavy focus on facilitating research and various academic work. Among the most well-known universities in Norway are University of Oslo and University of Bergen. Universities can be both private and public.
- Specialised universities. Specialised universities are institutions focusing on narrow subjects such as business, music or architecture. The Norwegian School of Economics is a public specialised university in Bergen, but specialised universities can also be private, e.g. BI Norwegian Business School.
- Lastly, Norway has university colleges, focusing mainly on regional education in fields such as nursing, teaching, engineering and business. Colleges are typically less focused on academic work and research than universities, with a narrower subject focus and closer ties to various industries.

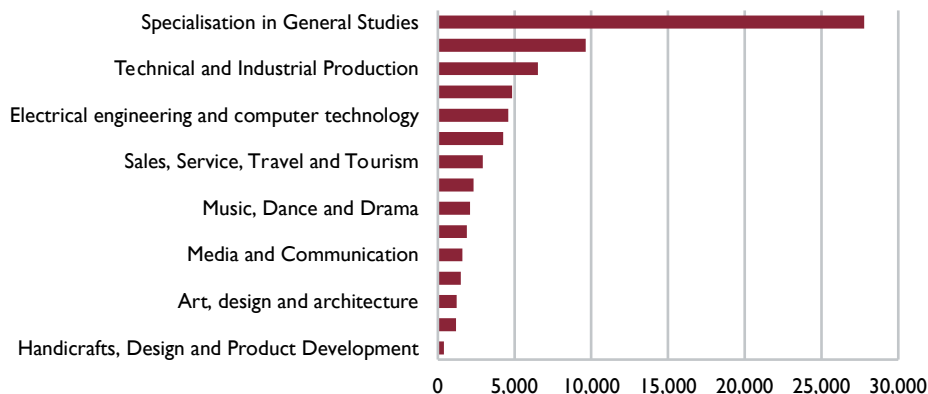
All higher education institutions in Norway must be accredited by NOKUT, the Norwegian quality assurance agency, to grant formal degrees such as Bachelor's and Master's degrees, as well as diplomas. NOKUT approves institutions and study programmes, and monitors the quality of the education provided.

### Upper secondary school

Upper secondary school (commonly known as videregående skole in Norway) typically lasts for three years, but trade orientations may last for four years to allow for apprenticeships. The school typically has two tracks, an academic track to prepare for higher education studies, and a trade track that prepares the student for particular trade, such as in healthcare, construction or IT. Upon completing a vocational track, students receive a trade certificate (called fagbrev in Norway).

In 2018–19, there were 415 upper secondary schools in Norway with an average of 454 students per school, according to Utdanningsdirektoratet. In addition, 23% of these schools were private. The division between first-year students' programme selection from 2021 is illustrated below. Just over half of the students started a general study programme, with the second most popular being healthcare, childhood and youth development.

### Number of students per orientation, upper secondary school Norway



Source: The Norwegian Directorate for Education and Training, Carnegie Research

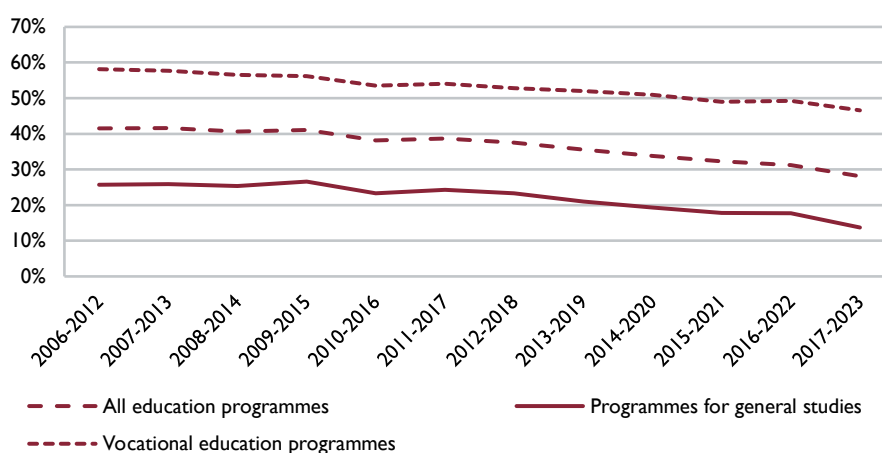
### Grade system and upper secondary education completion

In Norwegian upper secondary schools, the grading system uses a numerical scale of 1–6, where 2–6 are passing grades with 6 being the highest, and 1 not being a passing grade indicating insufficient competence. Students in Norwegian upper secondary schools receive both a term grade, reflecting overall performance over the year, and exam grades reflecting the score obtained in final tests assigned by the school authority. The continuous assessment and final exams both affect final grades.

### 9% of general studies are not completed in upper secondary school

Below, we highlight the development of the share of students that have finished upper secondary education (USE) within five years of initiating studies (equal to two years after the standard time of three years). For general studies, the share of students not completing their upper secondary education (USE) within the five years ending in 2023 was 9%.

### Percentage not completing USE within five years



Source: Statistisk sentralbyrå, Carnegie Research

### General Study Competence

General Study Competence (Generell studiekompetanse, GENS) is a requirement to apply for higher education in most universities and colleges in Norway. GENS can be obtained through four ways.

- Completing the three-year academic programme in upper secondary school qualifies students for further studies, providing them with a diploma and GENS.
- Vocational students do not receive GENS by default. Following either two years of vocational training or an apprenticeship, vocational students can take a supplementary year course to obtain GENS.
- The 23/5 rule dictates ways that adults can obtain GENS. People over the age of 23 can obtain GENS if they have at least five years of work experience and have also completed some core subjects, e.g. Norwegian, English, mathematics, natural sciences, social studies, and history. These subjects can be completed through private education providers.
- Special arrangements exist through some vocational programmes that can provide the student with GENS if they add academic subjects alongside their trade education.

### Higher Education Entrance Qualification

The General Study Competence is a requirement to apply for higher education in Norway. The admissions system is based on a points system based on grade point average (GPA) on a scale of 1–6 that is obtained in upper secondary education. In addition, advanced courses, foreign languages, age as well as specific courses for individual programmes, provide the applicant with bonus points that add to the GPA. Applicants can also be placed in a first-time applicant quota that gives recent graduates priority. The admissions rules will change in 2027, as discussed in the section on political considerations.

### Tuition, funding and Lånekassen

Public universities and university colleges are tuition-free for Norwegian and EEA/EU students, with only minor administrative fees. Living expenses and expenses required to study, such as housing, food and books, can be covered by the Norwegian State Educational Fund (Lånekassen), a government agency under the Ministry of Education and Research. The agency describes Lånekassen as hugely important in making education accessible, providing equal access to education in Norway. The financial support can be divided into two main parts.

- The basic loan (Grunnlån) is the standard student loan, totalling up to NOK138,000, paid in monthly instalments during the semester. The loans are interest-free during full-time studies.
- Up to 40% of the loan can be converted into a grant that the student does not have to pay back, assuming they pass their exams, do not live with their parents, and have an annual income below certain thresholds.

Most programmes at ONH follow approved competence plans and/or are approved by NOKUT, which means that students at Lumi Gruppen are eligible for financial support via Lånekassen.

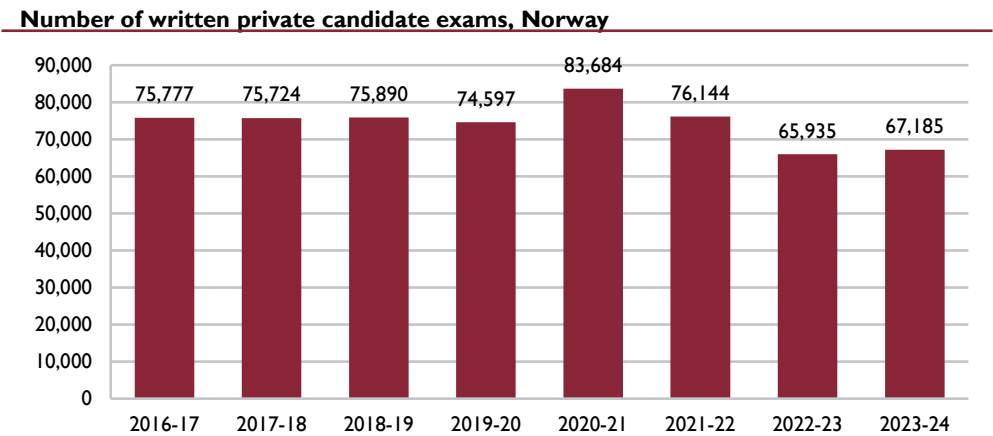
### Private candidate exams

Private candidate exams offer students the chance to improve their grades or qualify for higher education. Private candidate exam results can be converted to the same GPA that students can obtain through the traditional upper secondary completion. Below, we highlight a few key points of a private candidate exam.

- At any point, students may take a private candidate exam. If the student obtains a higher score than previously, the new score replaces the old, while a worse score will not. Consequently, the student's best score will always be used for application to further studies. Similar to the grade system applied in the conventional grading system, exams are graded on a scale of 1–6, where 1 is a failing grade.

- Private exams are held in the autumn and spring, with registration deadlines on 15 September and 1 February.
- Exams can be written, oral, or for certain subjects, practical.

Each subject’s curriculum is set by Utdanningsdirektoratet (the Norwegian Directorate for Education and Training). Below we highlight the number of private candidate exams taken every year.



Source: Utdanningsdirektoratet, Carnegie Research

**Private candidate exam preparation**

To prepare for exams, applicants can use various resources and tools, including include both free and paid, physical resources such as books and documents, and digital resources such as videos, lectures, and sessions. It is our perception is that paid resources offer benefits such as information more tailored to individual needs or specific exams, while we also believe that many students feel that they benefit from face-to-face interaction either on campus or online, which is a paid service.



## NOKUT accreditation

Accreditation to potentially accelerate growth

Early in 2024, ONH applied for NOKUT accreditation, which is mark of rules and regulations compliance issued by the Norwegian government agency for quality assurance in education (NOKUT). In addition to being a quality assurance measure, institutional accreditation would enable ONH to establish educational programmes without the usual 12–18-month supervision and auditing process for the individual course. This would, in our view, substantially improve the time-to-market for launching wider product offerings, allowing Lumi Gruppen to meet educational demand trends quicker and facilitate growth.

### Adding individual courses could also create programmes

In addition to enabling a shorter time-to-market, accreditation would enable ONH to quickly establish new, longer programmes such as Bachelor's or Master's degrees by way of existing courses. If Bachelor's programmes include courses that are already offered, we believe this overlap would allow ONH to more efficiently establish full programmes, which would be beneficial to the share of recurring revenue and the revenue visibility.

### NOKUT accreditation

Receiving NOKUT accreditation can bring several benefits to an institution, as presented below.

- Accreditation brings credibility and recognition, serving as a mark of quality for a programme or an institution.
- Accredited programmes can qualify for government support, such as student loan and grant schemes.
- Institution-level accreditation affords greater autonomy, as this can bring with it self-accreditation rights, meaning that new programmes can be established without prior NOKUT approval

### Accreditation of programmes and institutions

Colleges without self-accrediting rights may apply for study programme accreditation. To be granted accreditation, a NOKUT supported expert committee assesses the programme or institution. The assessment includes aspects such as academic quality, adequate academic qualification of staff, as well as support for students such as premises, access to guidance and digital tools. To receive institutional accreditation, NOKUT further looks at governance and quality development, and other aspects such as research integration into teaching.

Below, we highlight institutions that have received institutional accreditation. All universities have accreditation, meaning the right to establish programmes at all levels. Specialised universities can accredit study programmes at Bachelor's level in all subject areas. In the category University Colleges (in which ONH is currently included, without accreditation), accredited institutions may establish study programmes at all levels in their majors.

**Higher education institutions with accreditation****Universities (11/11 accredited)**

Nord University  
 Norwegian University of Life Sciences (NMBU)  
 OsloMet – Oslo Metropolitan University  
 Norwegian University of Science and Technology (NTNU)  
 University of Agder  
 University of Bergen  
 University of Inland Norway  
 University of Oslo  
 University of South-Eastern Norway  
 University of Stavanger  
 UiT The Arctic University of Norway

**Specialised universities (9/9 accredited)**

BI – Norwegian Business School  
 MF Norwegian School of Theology, Religion and Society  
 Molde University College – Specialized University in Logistics  
 NHH Norwegian School of Economics  
 Norwegian Academy of Music  
 Oslo National Academy of the Arts  
 The Norwegian School of Sport Sciences  
 The Oslo School of Architecture and Design  
 VID Specialized University

**University Colleges (14/24 accredited)**

Ansgar University College  
 Bergen School of Architecture  
 Fjellhaug International University College  
 Kristiania University College  
 Lovisenberg Diaconal University College  
 NLA University College  
 The Norwegian Defence University College (NDUC)  
 Norwegian Police University College  
 The Norwegian School of Leadership and Theology  
 Queen Maud University College of Early Childhood Education (QMUC)  
 Sámi University College  
 Volda University College  
 Western Norway University of Applied Sciences  
 Østfold University College

Source: NOKUT, Carnegie Research

## Lumi Gruppen accreditation a potential trigger

Lumi Gruppen has applied for NOKUT institutional accreditation, and the group has communicated its expectation that the institutional accreditation will be accepted sometime during 2026. We argue that NOKUT institutional accreditation would bring several benefits, where we highlight the key benefits below.

- NOKUT accreditation serves as a mark of quality and recognition for an institution
- Shorter time-to-market for new course and programmes, as Lumi Gruppen can create programmes without the requirement for the individual course or programme to go through NOKUT accreditation approval. This in turn allows Lumi Gruppen to more quickly capitalise on quick shifts in demand trends among potential students, which can become a competitive advantage.
- A shorter time-to-market could assist Lumi Gruppen in establishing new programmes, using the existing programmes and adding new courses to a base of already approved courses, thereby creating new longer-term programmes.

## Private college market

Student enrolment in higher education in Norway has a CAGR(10–24) of 2.4%, outgrowing the population that has increased annually by 0.9% for the same period. With the number of enrolled students increasing, the ratio of applications in relation to available slots has increased during 2010–24, creating a demand gap equal to an application to places ratio of 2.2x. For specific subjects – particularly ONH’s core subjects – the gap is wider, creating demand that we argue can drive growth for the higher education market and ONH. In addition, online-based enrolment has substantially outgrown total enrolment with a CAGR(10–24) of 12%, while still making up only about 10% of total Norwegian higher education enrolments and 60% of Lumi Gruppen’s total revenue.

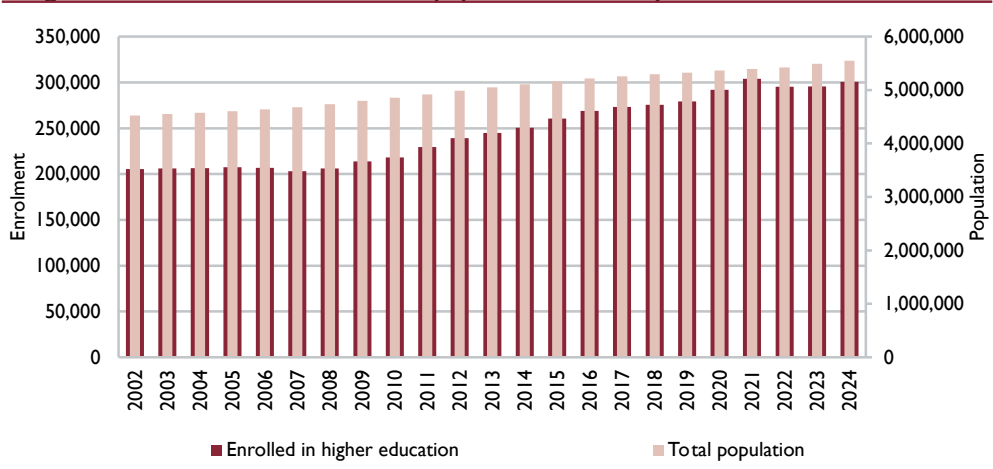
We estimate that the number of Norwegian job vacancies has had an inverse correlation with higher education enrolment since at least since 2010, suggesting that fewer job vacancies benefits the market for higher education. This makes intuitive sense, as individuals make a trade-off between education and work and fewer job vacancies can incentivise skill development through higher education enrolment. This is particularly interesting for the growth prospects of the higher education market, considering that job vacancies have been firmly decreasing during 2024. We also see potential for growth in the post-secondary vocational school segment that ONH has recently entered. Vocational school enrolment has outgrown both population and total higher education enrolment since 2012, with a CAGR(12–24) of 5% compared to population growth of about 1% annually and total student growth of about 2% for the period.

## Student enrolment outgrows population

About 300,000 students were enrolled in higher education in 2024, and over time the number of enrolled students has outgrown the wider population growth. Student enrolment CAGR(10–24) was about 2.4%, compared to population growth of 0.9% annually for the same period. We argue that drivers of this development include governmental incentives such as the 2021 initiative to facilitate online learning (Norway Ministry of Education, more info in Online a growth segment in higher education).

Other long-term drivers include the increasing requirements of higher education, as growth in Norway is more focused on high skill-requirement sectors such as health and engineering, creating a skill gap that increases the educational requirements of the workforce.

Higher education enrolment and total population in Norway

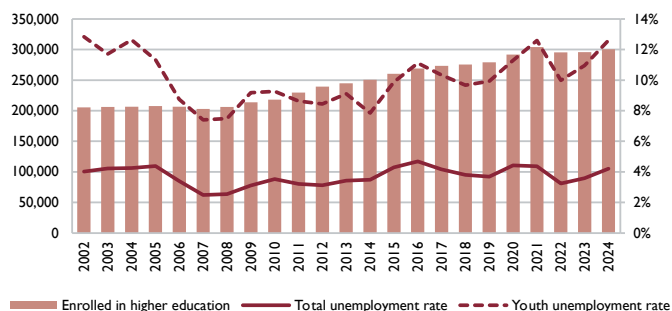


Source: Statistisk sentralbyrå, DBH, Carnegie Research

## Youth unemployment, job vacancies and enrolment

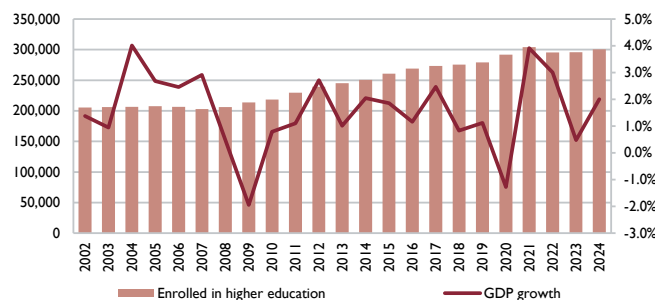
Below, we highlight total enrolment in higher education and total unemployment rate, youth unemployment rate (ages 15–24), and GDP growth. We see no apparent connection to GDP growth, but unemployment among youths has been increasing with enrolment in higher education.

Higher education enrollment and unemployment in Norway



Source: Statistisk sentralbyrå, DBH, Carnegie Research

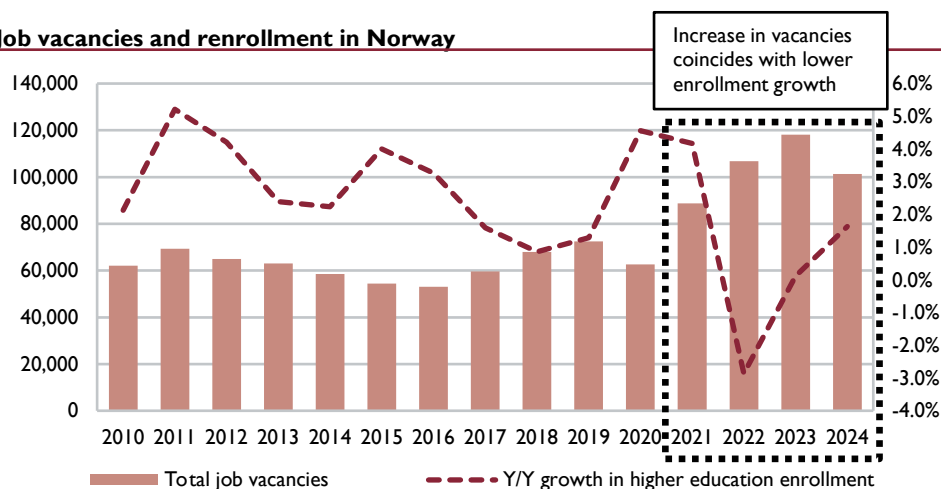
Higher education enrollment and GDP in Norway



Source: Statistisk sentralbyrå, DBH, Carnegie Research

More short term, there is an apparent connection between job vacancies and higher education enrolment. In 2022–23, the sharp rise in job vacancies was inversely correlated to the Y/Y growth in higher education enrolment, which makes intuitive sense as individuals make a trade-off between education and work.

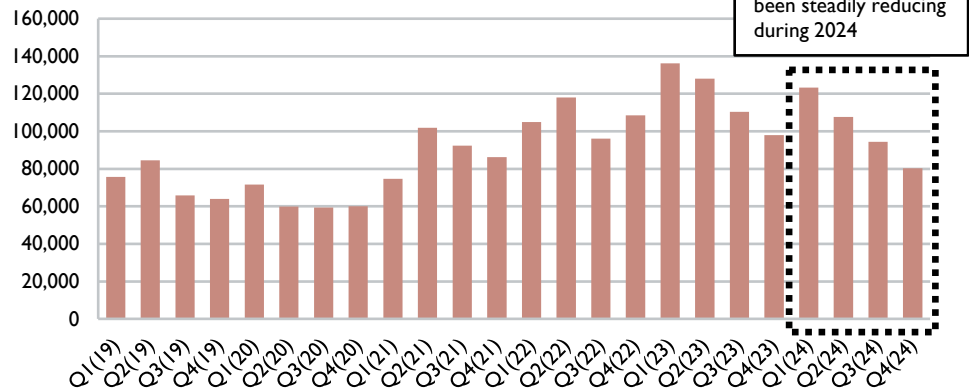
Job vacancies and renrollment in Norway



Source: Statistisk sentralbyrå, DBH, Carnegie Research

Recently, job vacancies in Norway have been in decline, with a Q/Q reduction for all quarters of 2024. We argue that this underpins the potential for growth in the market for higher education in Norway.

Job vacancies in Norway (quarterly data)

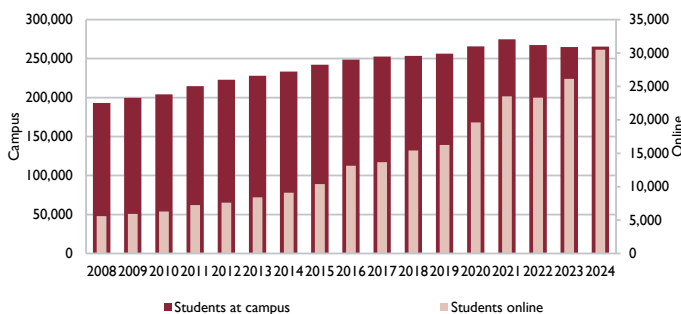


Source: Statistisk sentralbyrå, Carnegie Research

## Online: a growth segment in higher education

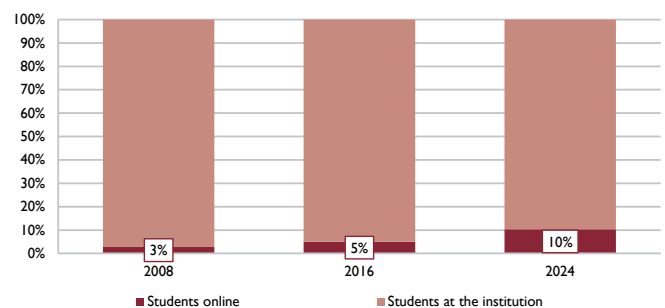
The online segment of the higher education market has outgrown the wider market for higher education in number of students for a long time. Despite this, only 10% of higher education students were enrolled in an online-based course or programme in 2024. Drivers of the online segment include initiatives from the Norwegian government to facilitate online studies, launched in 2021 and which supported enforced connections with actors in education and working life, but also financing. However, in connection with this, the Covid-19-enforced lockdowns brought a rapid shift towards digital learning in Norway.

Higher education enrollment and total population in Norway



Source: Statistisk sentralbyrå, DBH, Carnegie Research

Share of students online

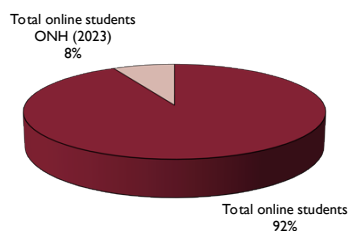


Source: DBH, Carnegie Research

## Addressable market and ONH's market share

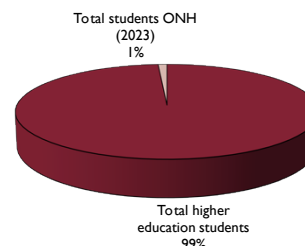
Below, we highlight the market shares of ONH compared to the number of students enrolled in higher education and total online students. In total, ONH had an estimated 8% market share of online students, while only about 1% of total students enrolled in Norwegian higher education.

Market share: online students (ONH)



Source: DBH, Lumi Gruppen, Carnegie Research

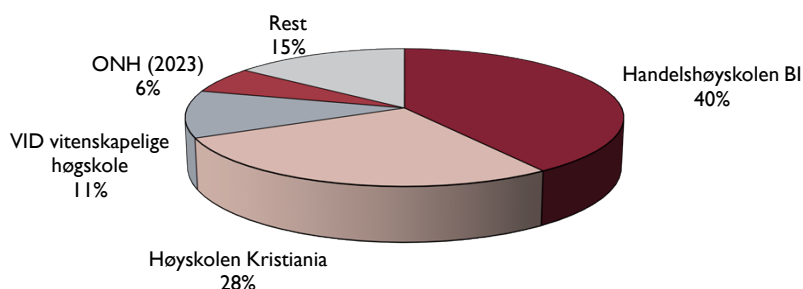
Market share: students enrolled in higher education



Source: DBH, Lumi Gruppen, Carnegie Research

Below, we highlight ONH compared to students enrolled in higher private education. Substantial competitors are Handelshøyskolen BI and Høyskolen Kristiania, which together make up about 68% of students. Based on 2023 numbers, we estimate a market share for ONH of 6%.

### ONH share of private higher education market



Source: DBH, Lumi Gruppen, Carnegie Research

### Selected data for colleges and universities

The financial data shown below is for the biggest private universities and colleges. Comparing ONH, Handelshøyskolen BI, VID and Høyskolen Kristiania, we see that ONH has strongly outgrown the selected competitors between 2015 and 2023.

Selected data, colleges and universities

	ONH	Handelshøyskolen BI	Høyskolen Kristiania	VID*	Private	All higher education
Student CAGR(15-23)	17.1%	1.2%	8.5%	4.1%	4.0%	1.6%
Share of online students (2023)	76.0%	11.7%	32.6%	N/A		
Revenue CAGR(15-23)	17.9%	3.7%	16.6%	11.5%		
EBITDA margin (2023)	33.0%	17.8%	6.5%	2.5%		
OPEX (excl. D&A) to revenue (2023)	67.0%	82.2%	93.5%	97.5%		

\*data for 2019-2023

Source: Carnegie Research

Below, we highlight financials for these competitors during 2015–23. Private providers of higher education are strongly outgrowing enrolment into higher education, and we argue that a main driver is private providers' quicker adoption of online infrastructure to capture the rapidly shifting student preferences. This trend was accelerated by the Covid-19-pandemic, and, we detected no conversion back towards campus since the pandemic, as we illustrated in the market segment.

## Selected data, colleges and universities

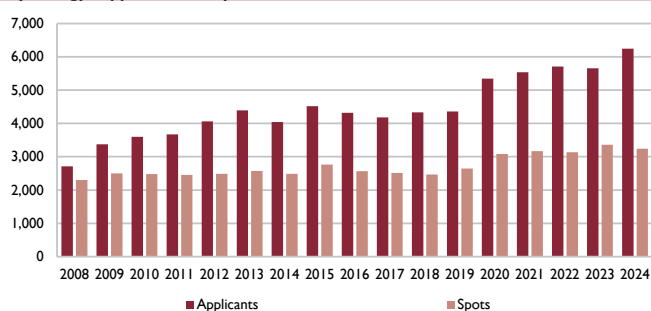
Number of students	2015	2016	2017	2018	2019	2020	2021	2022	2023
ONH	922	1,267	1,437	1,776	2,028	2,513	2,798	2,868	3,270
Handelshøyskolen BI	18,728	20,795	20,868	20,211	19,452	21,517	21,653	20,520	20,626
Høyskolen Kristiania	8,022	8,027	7,291	9,843	10,790	15,028	16,665	16,335	15,360
VID vitenskapelige høyskole					4,815	5,290	5,590	5,791	5,665
Share online students	2015	2016	2017	2018	2019	2020	2021	2022	2023
ONH							66.5%	70.8%	76.0%
Handelshøyskolen BI	N/A	N/A	N/A	13.8%	13.9%	13.0%	13.9%	13.4%	11.7%
Høyskolen Kristiania	42.8%	41.9%	37.4%	30.6%	38.3%	39.7%	40.8%	30.6%	32.6%
VID vitenskapelige høyskole	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Revenue	2015	2016	2017	2018	2019	2020	2021	2022	2023
ONH	60	77	92	110	120	141	168	194	224
Handelshøyskolen BI	1,475	1,532	1,590	1,599	1,639	1,716	1,874	1,926	1,969
Høyskolen Kristiania	451	482	701	802	889	1,070	1,347	1,451	1,542
VID vitenskapelige høyskole					476	530	598	709	736
EBITDA	2015	2016	2017	2018	2019	2020	2021	2022	2023
ONH	8	22	27	32	31	42	44	47	74
Handelshøyskolen BI	204	243	239	197	229	259	242	110	351
Høyskolen Kristiania	29	32	28	67	51	87	162	97	100
VID vitenskapelige høyskole					5	33	24	23	18
EBITDA margin	2015	2016	2017	2018	2019	2020	2021	2022	2023
ONH	13.3%	28.6%	29.3%	29.1%	25.8%	29.8%	26.4%	24.0%	33.0%
Handelshøyskolen BI	13.8%	15.8%	15.1%	12.3%	14.0%	15.1%	12.9%	5.7%	17.8%
Høyskolen Kristiania	6.4%	6.6%	4.0%	8.4%	5.7%	8.2%	12.0%	6.6%	6.5%
VID vitenskapelige høyskole					1.0%	6.1%	4.0%	3.2%	2.5%

Source: Carnegie Research

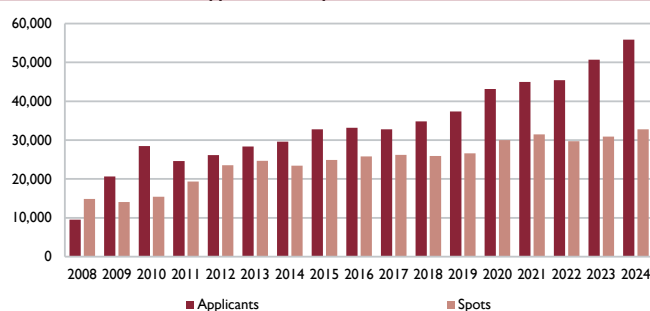
## Applicants per place – demand gap widening

For many subjects, there are far fewer available study places than required to meet demand in Norway. Comparing the number of course places to first-choice applications, we see substantial demand gaps, and for all applicants, the gap is about 2.2x for all applications, and 4.2x for psychology and 2.6x for business admin. We argue that this indicates unmet demand that can support continued demand for the core subjects in ONH's offering.

Psychology - applicants and spots



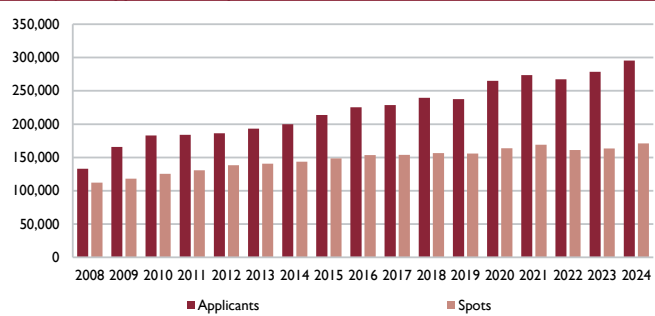
Business administration - applicants and spots



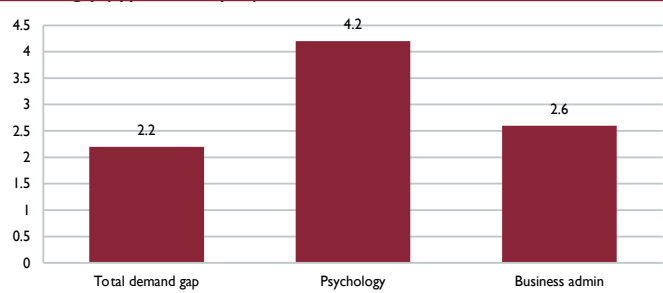
The demand gap when including all subjects has been increasing since 2010. For psychology, the increase is even clearer, suggesting a long-term trend that indicates a structural mismatch in the market, that can underpin growth for providers that meet this demand gap.



All subjects - applicants and spots



Demand gap (applicants to spots) 2024-25



Source: Lumi Gruppen, Carnegie Research

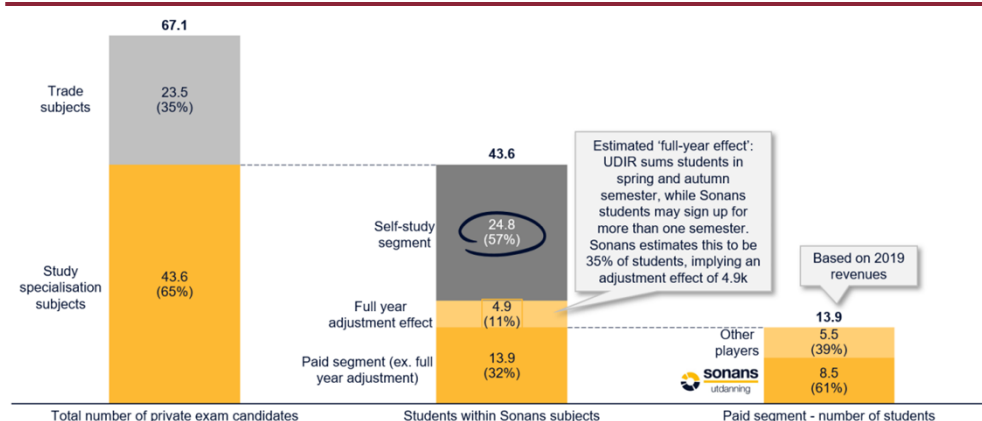
## Private candidate exam preparation market

We estimate that growth of the private candidate exam market is affected by the propensity among current or former students to complete or improve existing upper secondary education results, the propensity to pay for preparation, along with Sonans' market share in the paid segment, in turn dependent on strategic differentiation such as Sonans' omnichannel focus. Further, the paid segment measured as the accumulated revenue of paid exam preparation providers appears to be connected to the number of tests taken. Using the same measurement as a proxy for the paid exam preparations market, the average spend per student is lower than pre-pandemic, in our view presenting a growth opportunity for the market that can drive growth in addition to volumes.

### Addressable market

Below, we show Lumi Gruppen's assumptions regarding market share and shares of the various parts of the total 2019 market.

#### 2019 Lumi Gruppen estimates of market division, private candidate exam market

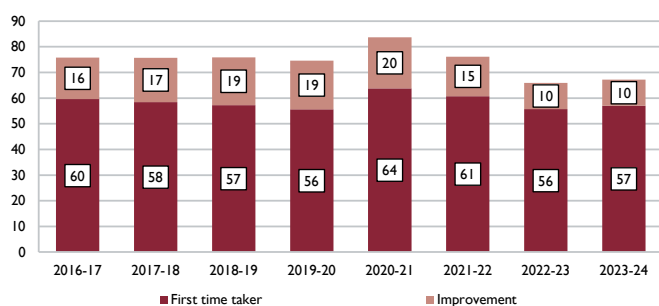


Source: Lumi Gruppen

### Propensity to complete or improve on current academic results

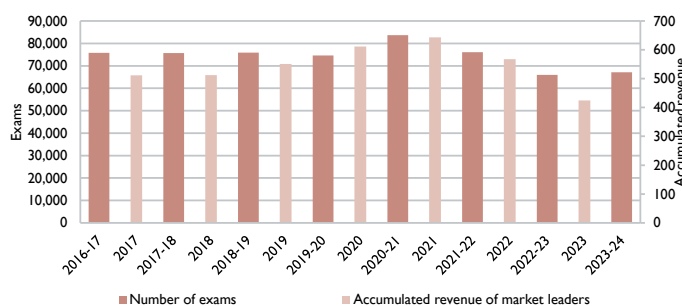
Below, we highlight the total number of private candidate exams since 2016–17. After the decline in number of exams from the peak levels in 2020–21, the total number of exams increase to reaching 67,000 in 2023–24. Comparing exams for improvement to first-time-takers, we see that the improvement share of the market has reduced more heavily (0% from 2019–22 compared to improvement -46%). We argue that this underpins the notion that grade inflation during the pandemic affected students' propensity to take private candidate exams, in turn impacting the suppliers of preparation courses further. The paid segment measured as the accumulated revenue of paid exam preparation providers also appears to be connected to the number of tests taken.

#### Number of written private candidate exams, Norway



Source: Utdanningsdirektoratet, Carnegie Research

#### Number of exams and exam preparation revenue



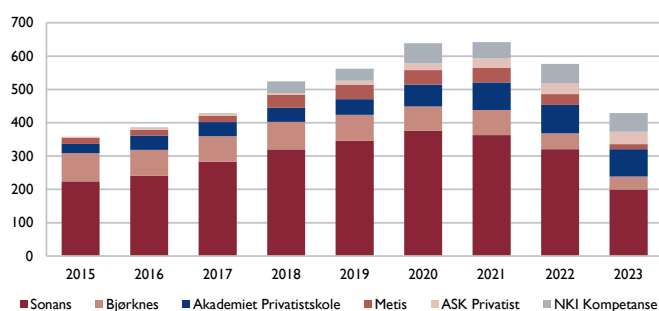
Source: DBH, Proff.no, Carnegie Research

As enrolment into higher education is structurally outgrowing population growth with a CAGR(10–24) of 2%, the growth in higher education is also a driver for the total exam preparation course market. In addition, a decrease in job vacancies such as the Q/Q reduction in Norway for all quarters during 2024 has historically benefited higher education enrolment.

### Competitors providing private candidate exam preparation courses

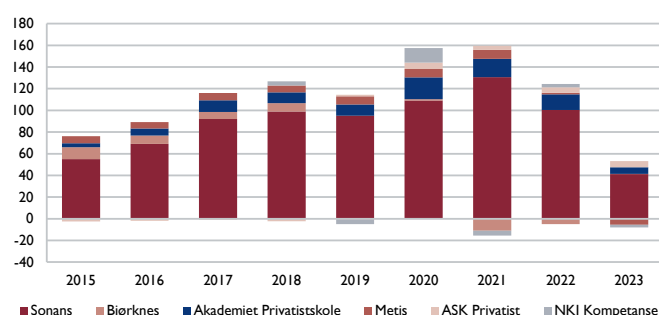
Sonans' revenue decline has accompanied a general decline among competitors, as highlighted below in the summary of competitors' revenue in 2015–23. As peers provide various other services, the comparison does not fully reflect the scope of the private candidate exam preparation market; however, we argue that the offering among peers is similar enough to provide an indication of market shares, and we estimate a market share for Sonans of about 47%.

Revenue, exam preparation courses providers



Source: Proff.no, Carnegie Research

EBITDA, exam preparation courses providers

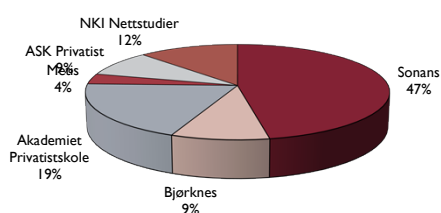


Source: Proff.no, Carnegie Research

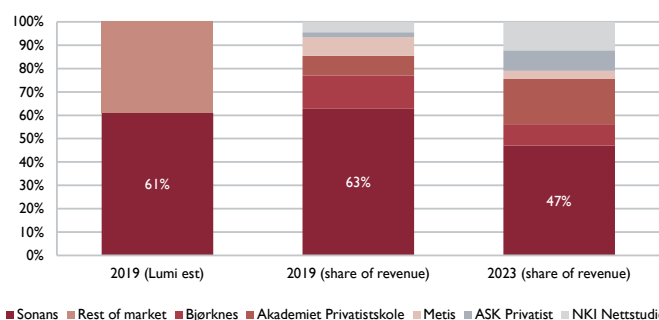
### Market share

In 2019, Sonans had a market share of 61–63%, but following the pandemic and the campus structure optimisation, we estimate the current share to be around 47%. We argue that this shift was driven by a strong online conversion during the pandemic, which negatively affected Sonans' omnichannel offering more than online-only competitors. We see prospects for Sonans to at least maintain its current market share, as we argue that physical campuses have a competitive edge, combined with a solid financial position allowing the company to maintain investments in marketing.

Market share based on 2023 revenue



Market share of Sonans



Legend: Sonans, Rest of market, Bjørknes, Akademiet Privatistkole, Metis, ASK Privatist, NKI Nettstudier

### Restrictions in use of extra credit to drive market growth

In 2022 the Norwegian government's Admissions Committee proposed to reform the admissions system, with less emphasis on extra points or additional credits. Previously, students had been able to obtain additional credits used in applications for higher studies, through specific subjects such as extra maths or science courses. The new approach will restrict the use of extra credits to create a more balanced overview of students' achievements. A potential impact from this is the increased effort to improve grades following upper secondary school studies, potentially benefiting the market growth for paid preparation providers such as Sonans.

## Financials

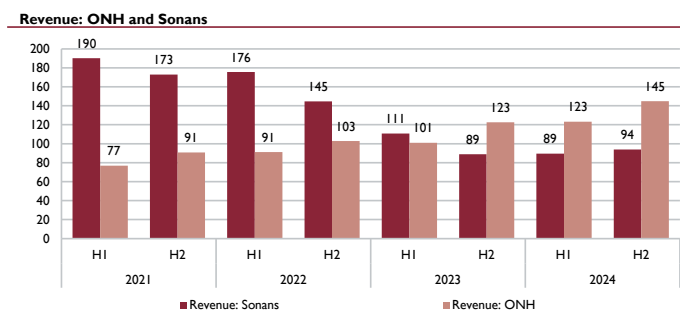
Below, we highlight selected company financial line items for 2022–24. ONH went from comprising 34% of revenue in semester year 2021/22 to 58% in 2023/24, making it the main segment of the group relatively quickly.

Selected financial line items									
Item	H2(23)	H1(24)	H2(24)	2021/22	2022/23	2023/24	2022	2023	2024
<b>Group revenue</b>	<b>210</b>	<b>211</b>	<b>237</b>	<b>530</b>	<b>457</b>	<b>421</b>	<b>512</b>	<b>421</b>	<b>449</b>
Growth Y/Y	-15%	0%	14%		-14%	-8%	-3%	-18%	7%
<b>Sonans revenue</b>	<b>89</b>	<b>89</b>	<b>94</b>	<b>349</b>	<b>255</b>	<b>178</b>	<b>320</b>	<b>200</b>	<b>183</b>
Growth Y/Y	-38%	-19%	5%		-27%	-30%	-12%	-38%	-8%
<b>ONH revenue</b>	<b>123</b>	<b>123</b>	<b>145</b>	<b>182</b>	<b>204</b>	<b>246</b>	<b>194</b>	<b>224</b>	<b>268</b>
Growth Y/Y	19%	22%	18%		12%	21%	16%	15%	20%
<b>Group EBITDA</b>	<b>39</b>	<b>47</b>	<b>53</b>	<b>153</b>	<b>-161</b>	<b>86</b>	<b>137</b>	<b>-181</b>	<b>100</b>
Group EBITDA margin	19%	22%	22%	29%	-35%	20%	27%	-43%	22%
<b>Group adj. EBIT</b>	<b>20</b>	<b>28</b>	<b>32</b>	<b>110</b>	<b>87</b>	<b>48</b>	<b>118</b>	<b>49</b>	<b>60</b>
Group adj. EBIT margin	10%	13%	14%	21%	19%	11%	23%	12%	13%
<b>ONH EBIT</b>	<b>23</b>	<b>24</b>	<b>32</b>	<b>37</b>	<b>45</b>	<b>46</b>	<b>37</b>	<b>50</b>	<b>56</b>
ONH EBIT margin	19%	19%	22%	20%	22%	19%	19%	22%	21%
<b>Sonans EBIT</b>	<b>-2</b>	<b>13</b>	<b>5</b>	<b>71</b>	<b>28</b>	<b>11</b>	<b>58</b>	<b>2</b>	<b>18</b>
Sonans EBIT margin	-3%	15%	5%	21%	11%	6%	18%	1%	10%
<b>HQ EBIT</b>	<b>-8</b>	<b>-13</b>	<b>-8</b>	<b>0</b>	<b>-19</b>	<b>-20</b>	<b>0</b>	<b>-19</b>	<b>-20</b>
Group pre tax profit	-10	4	14	79	-249	-5	52	-274	18
<b>Group adj. EPS</b>	<b>-0.19</b>	<b>0.05</b>	<b>0.19</b>	<b>1.36</b>	<b>-4.86</b>	<b>-0.14</b>	<b>1.13</b>	<b>-5.46</b>	<b>0.25</b>
Group free cash flow	28	23	28	74	18	51	56	23	51
Net debt (IFRS)	431	368	444	525	356	368	538	431	444
Net debt/EBITDA (IFRS)	4.8	4.3	4.4	3.4	-2.2	4.3	3.8	4.8	4.4
Net debt (excl IFRS)	231	201	190	395	235	201	400	231	190
Net debt/EBITDA (excl IFRS)	2.6	2.3	1.9	2.6	-1.5	2.3	2.8	2.6	1.9

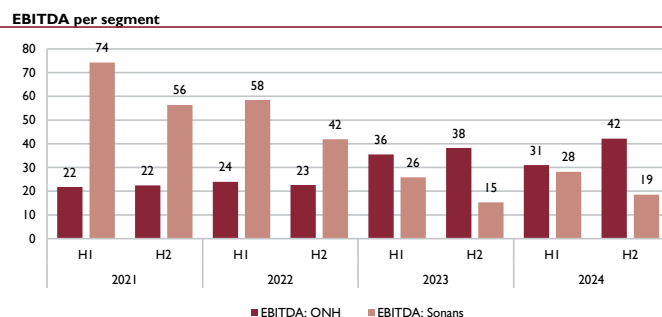
Source: Lumi Gruppen, Carnegie Research

## Income statement items

Below, we highlight historical revenue and EBITDA per operating segment, along with operating expenditures to revenue and EBITDA margin per operating segment.

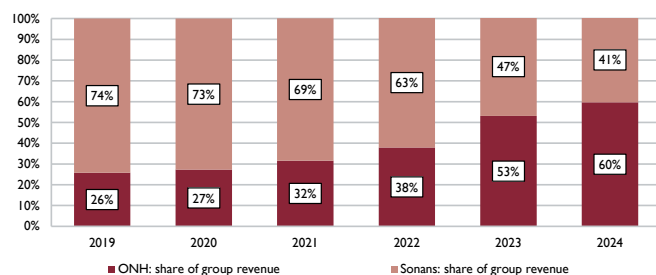


Source: Lumi Gruppen, Carnegie Research



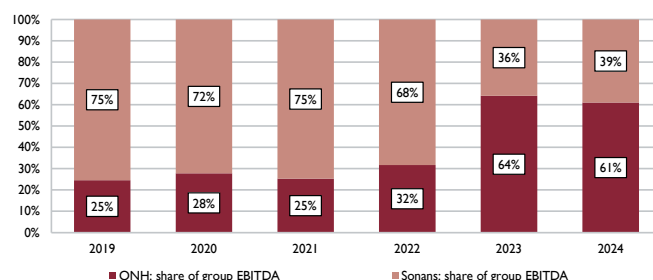
Source: Lumi Gruppen, Carnegie Research

Revenue: segment split



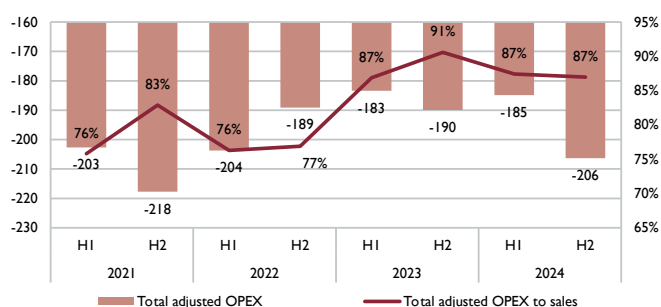
Source: Lumi Gruppen, Carnegie Research

EBITDA: segment split



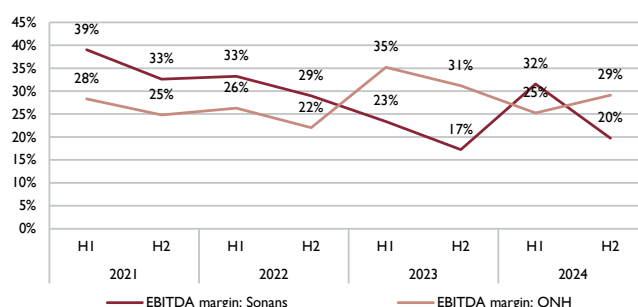
Source: Lumi Gruppen, Carnegie Research

Total adjusted operating expenses



Source: Lumi Gruppen, Carnegie Research

EBITDA margin per segment

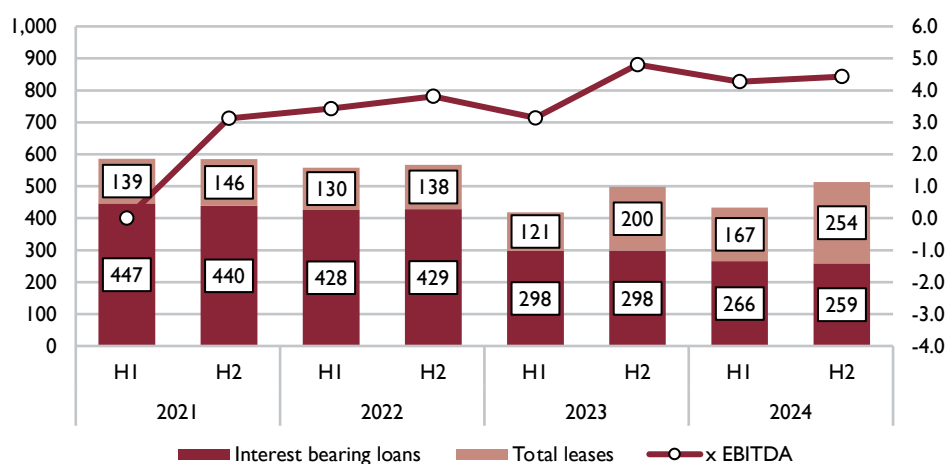


Source: Lumi Gruppen, Carnegie Research

## Balance sheet items

Below, we highlight the current debt, including and excluding leases and debt components. Lumi Gruppen's covenant profile is a ND/EBITDA of 3.0x in Q1 and Q3, along with 4.0x in Q2 and Q4 to account for seasonal working capital fluctuations. December 2024 saw a leverage ratio of 2.6x. Overall, we see limited risk that Lumi Gruppen will breach covenants.

## Debt components



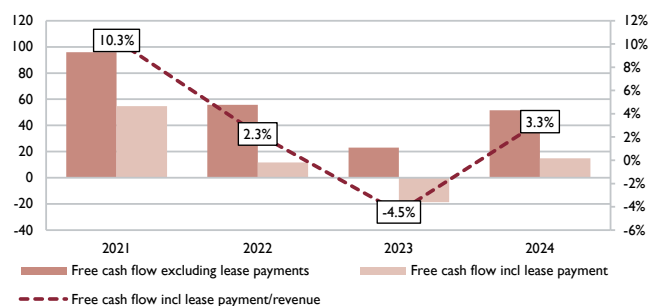
Source: Lumi Gruppen, Carnegie Research

## Cash flow items

Including lease payments, free cash flow to revenue has been on average 3% 2021–2024, peaking at 10% in 2021. Capital expenditures have equalled on average 4% of revenue during the period, of which 3% have been growth-generating capital expenditures, meaning mainly development costs for new programmes. It should however be noted that 2024 capex contains the acquisition of university college start-up Ekko, recorded as purchase of intangible assets in H2(24). A large

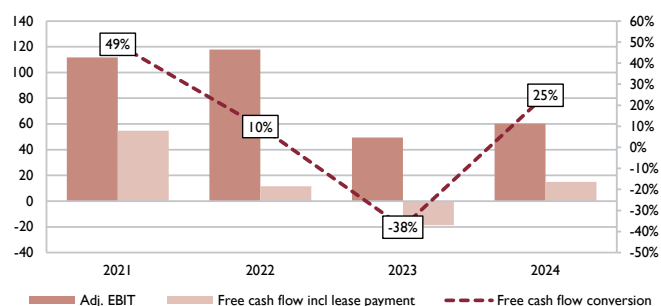
part of total investments comes from development of new courses, and we argue that this gives a solid ROI in ONH, with average NOK25m spend to generate NOK125m growth in 2021–2024.

## Free cash flow



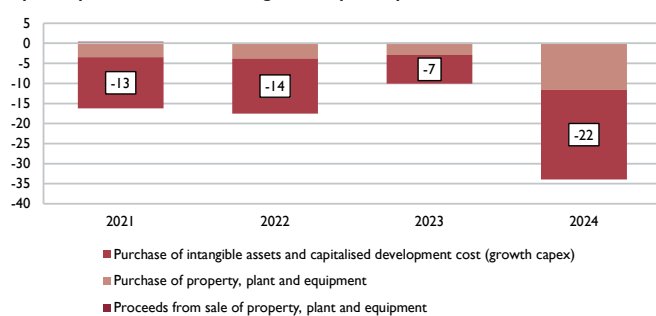
Source: Lumi Gruppen, Carnegie Research

## Free cash flow and cash flow conversion



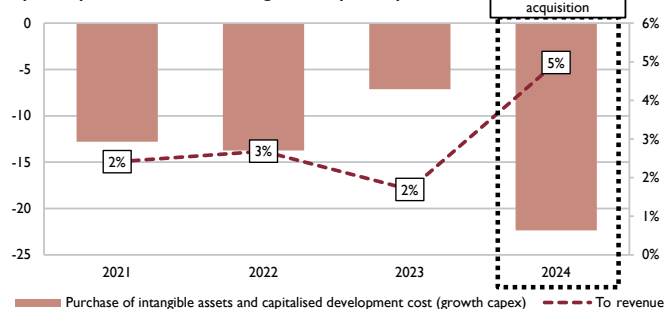
Source: Lumi Gruppen, Carnegie Research

## Capital expenditures and share of growth capital expenditures



Source: Lumi Gruppen, Carnegie Research

## Capital expenditures and share of growth capital expenditures

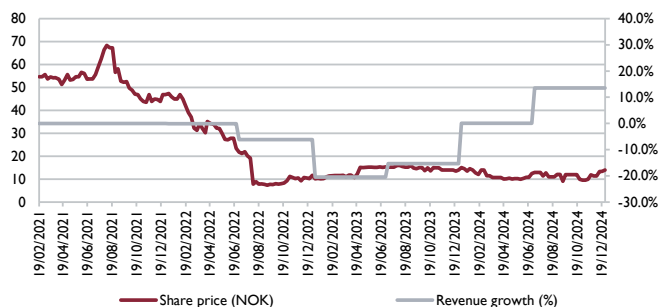


Source: Lumi Gruppen, Carnegie Research

## Share price drivers

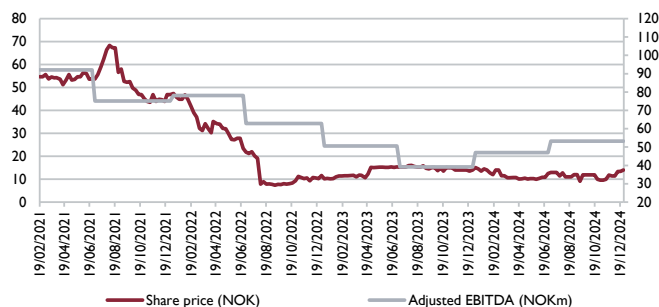
Below, we present the share price in connection with various reported variables since the listing in 2021. The steep share price drop in 2022 followed the sharp revenue decline in Sonans in the same year and the subsequent drop in in reported group EBITDA.

Share price and revenue growth



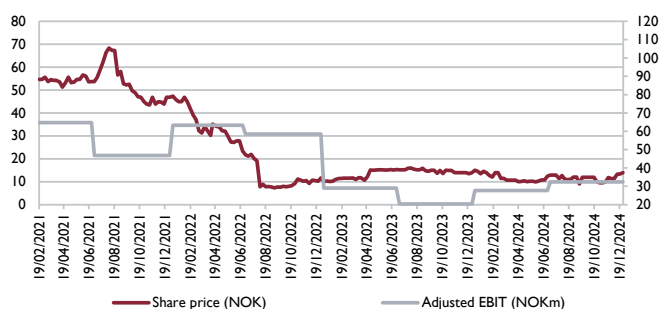
Source: Statista, Lumi Gruppen, Carnegie Research

Share price and adjusted EBITDA



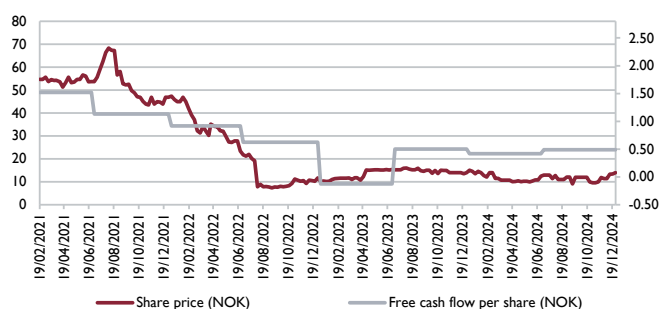
Source: Statista, Lumi Gruppen, Carnegie Research

Share price and adjusted EBIT



Source: Statista, Lumi Gruppen, Carnegie Research

Share price and free cash flow per share



Source: Statista, Lumi Gruppen, Carnegie Research

## Estimates

### Income statement items

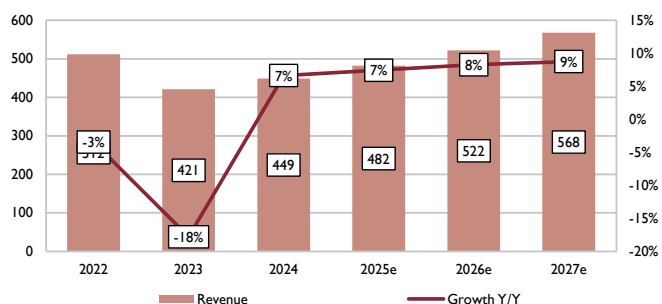
Below, we highlight our revenue estimates per financial year and semester year (ranging H2–H1). We estimate semester year 2024/25 revenue of NOK465m, in line with group guidance ranging NOK464m to NOK471m. Due to the importance of the semester year for student intake and revenue predictability, we show both calendar and semester year estimates. Lumi Gruppen's guidance also regularly refers to the semester year.

Selected line items estimates								
Item	Semester year				Calendar year			
	2023/24	2024/25e	2025/26e	2026/27e	2024	2025e	2026e	2027e
<b>Group revenue</b>	<b>421</b>	<b>463</b>	<b>501</b>	<b>543</b>	<b>449</b>	<b>482</b>	<b>522</b>	<b>568</b>
Growth Y/Y	-8%	10%	8%	9%	7%	7%	8%	9%
<b>Sonans revenue</b>	<b>178</b>	<b>184</b>	<b>191</b>	<b>200</b>	<b>183</b>	<b>188</b>	<b>195</b>	<b>205</b>
Growth Y/Y	-30%	3%	4%	4%	-8%	2%	4%	5%
<b>ONH revenue</b>	<b>246</b>	<b>280</b>	<b>310</b>	<b>344</b>	<b>268</b>	<b>295</b>	<b>327</b>	<b>363</b>
Growth Y/Y	21%	14%	10%	11%	20%	10%	11%	11%
<b>Group EBITDA</b>	<b>86</b>	<b>110</b>	<b>129</b>	<b>143</b>	<b>100</b>	<b>123</b>	<b>136</b>	<b>150</b>
Group EBITDA margin	20%	24%	26%	26%	22%	26%	26%	26%
<b>Group adj. EBIT</b>	<b>48</b>	<b>66</b>	<b>82</b>	<b>96</b>	<b>60</b>	<b>76</b>	<b>89</b>	<b>103</b>
Group adj. EBIT margin	11%	14%	16%	18%	13%	16%	17%	18%
<b>ONH EBIT</b>	<b>46</b>	<b>65</b>	<b>75</b>	<b>86</b>	<b>56</b>	<b>71</b>	<b>82</b>	<b>91</b>
ONH EBIT margin	11%	14%	15%	16%	21%	24%	25%	25%
<b>Sonans EBIT</b>	<b>11</b>	<b>14</b>	<b>26</b>	<b>28</b>	<b>18</b>	<b>23</b>	<b>26</b>	<b>31</b>
Sonans EBIT margin	3%	3%	5%	5%	10%	12%	14%	15%
<b>HQ EBIT</b>	<b>-20</b>	<b>-18</b>	<b>-18</b>	<b>-18</b>	<b>-20</b>	<b>-17</b>	<b>-18</b>	<b>-18</b>
Group pre tax profit	-5	28	42	57	18	37	50	64
<b>Group adj. EPS</b>	<b>-0.1</b>	<b>0.4</b>	<b>0.6</b>	<b>0.8</b>	<b>0.3</b>	<b>0.5</b>	<b>0.7</b>	<b>0.9</b>
Group free cash flow	51	43	63	67	51	48	70	71
Net debt (IFRS)	368	430	367	300	444	396	326	255
Net debt/EBITDA (IFRS)	4.3	3.9	2.9	2.1	4.4	3.2	2.4	1.7
Net debt (excl IFRS)	201	194	168	142	190	178	147	118
Net debt/EBITDA (excl IFRS)	2.3	1.8	1.3	1.0	1.9	1.4	1.1	0.8

Source: Lumi Gruppen, Carnegie Research

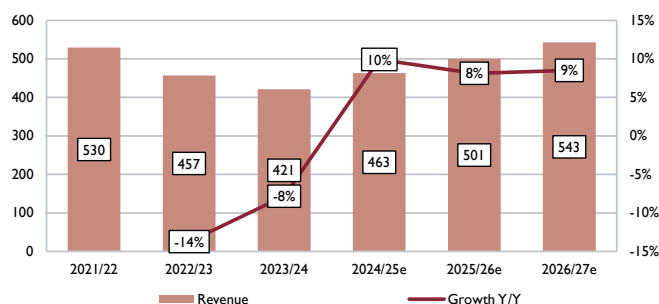
We find that our 2025e revenue growth is well supported by enrolment data and group guidance, which historically have deviated little from actual sales. In turn, during 2026–27 we expect the maintained investment in marketing along with investments for new course development to drive growth.

Group revenue estimates calendar year



Source: Lumi Gruppen, Carnegie Research

Group revenue estimates semester year



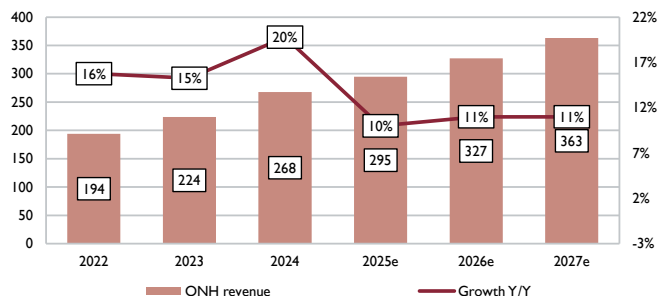
Source: Lumi Gruppen, Carnegie Research

Below, we highlight our revenue estimates per segment for calendar and semester year. Our 2025e revenue growth is supported by group guidance on student intake and new programme launches,

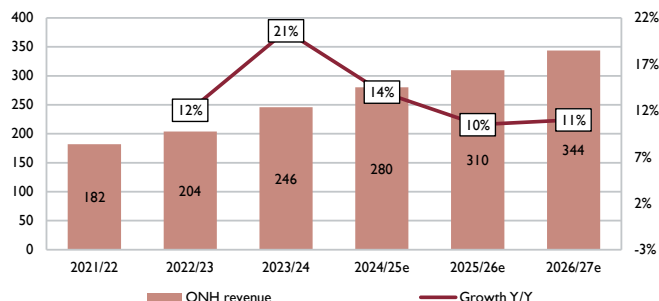


while 2026–27e is supported by new programme launches and increasingly growing enrolment into higher Norwegian education.

ONH revenue estimates calendar year



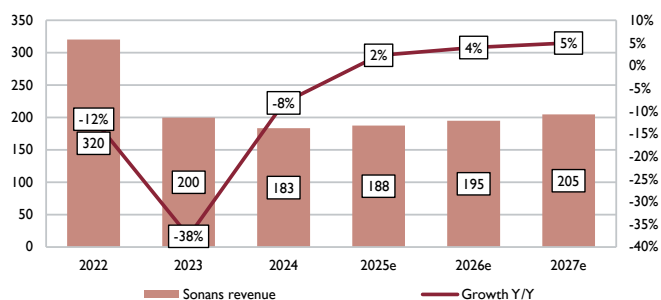
ONH revenue estimates semester year



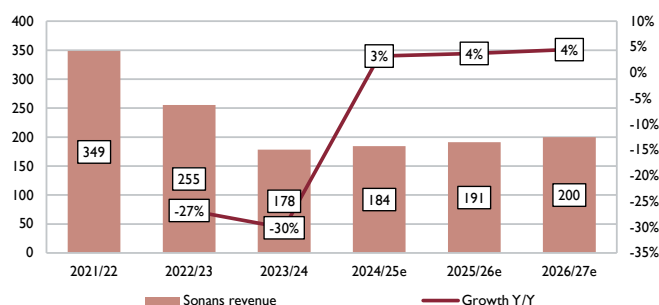
Source: Lumi Gruppen, Carnegie Research

Short term, we project Sonans 2025 revenue growth of 2% supported by a normalisation in the test market, and 2026–27e growth is supported by increased marketing investment. Our current sales estimates for Sonans are based on a scenario with limited recovery during 2025 in the market for private candidate exams, and we believe that a wider recovery could imply faster growth.

Sonans revenue estimates calendar year



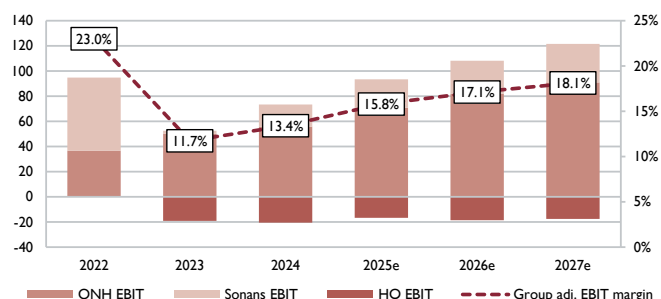
Sonans revenue estimates semester year



Source: Lumi Gruppen, Carnegie Research

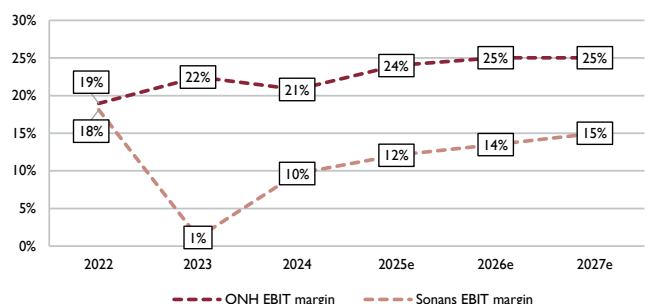
Below, we highlight our margin estimates per segment. We estimate ONH EBIT margins in 2025–27 of 19–20% and Sonans EBIT margins for the same period of 8–10%. As we argue that a large share of online revenue makes both segments highly scalable, we acknowledge that the margin profile is dependent on the growth estimate. Despite this, we believe that we have taken a cautious approach to the growth estimates for Sonans, which in turn supports the margin estimates.

EBIT estimates



Source: Lumi Gruppen, Carnegie Research

EBIT margin estimates

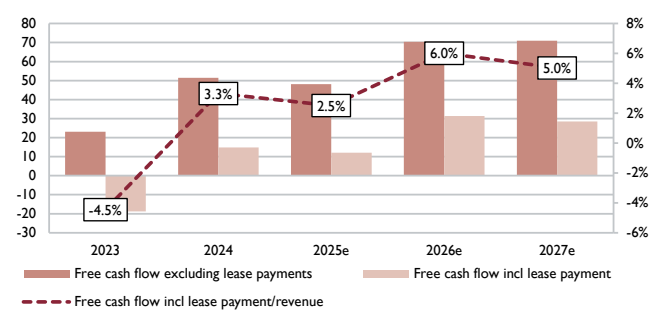


Source: Lumi Gruppen, Carnegie Research

### Cash flow items

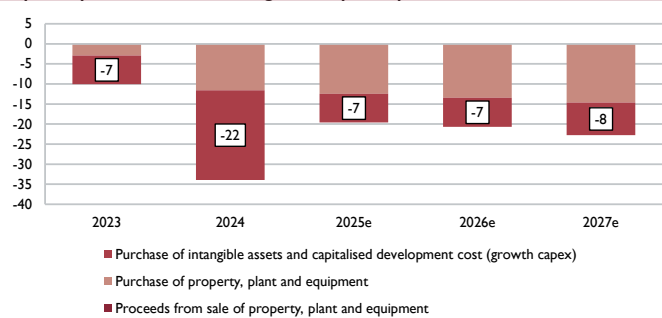
We project free cash flow to revenue to increase in 2026–2027, supported by improving margins combined with our estimates of solid capital expenditures ROI, remaining at the same share of revenue over 2025–2027.

Free cash flow



Source: Lumi Gruppen, Carnegie Research

Capital expenditures and share of growth capital expenditures



Source: Lumi Gruppen, Carnegie Research

## Valuation

We value Lumi Gruppen against a peer group of listed higher education providers. Importantly, as a substantial share of next-year revenue is locked in based on knowledge of the enrolment numbers, we believe that valuations should be on a T+2 basis.

### Education - Peer group multiples

Company	Estimate	Mkt cap	EV / Sales			EV / EBIT			Price / Earnings		
	source	EUR	LTM	2026e	2027e	LTM	2026e	2027e	LTM	2026e	2027e
Retail peers											
Legacy Education	FS	81	1.6x	1.2x	1x	10x	8x	6x	14x	11x	8x
Bright Horizons Family	FS	6,632	3.3x	2.8x	2.7x	28x	23x	21x	52x	26x	23x
Strategic Education	FS	1,900	1.6x	1.5x	n.a.	12x	9x	n.a.	18x	13x	n.a.
Graham Holdings	FS	3,850	0.9x	0.9x	0.8x	15x	14x	15x	6x	14x	15x
American Public Education	FS	381	0.8x	0.7x	n.a.	10x	9x	n.a.	42x	10x	n.a.
Lincoln Educational Service	FS	459	1.4x	1.2x	n.a.	32x	19x	n.a.	49x	22x	n.a.
Grand Canyon Education	FS	4,581	4.6x	4.1x	n.a.	17x	14x	n.a.	22x	18x	n.a.
AcadeMedia	FS	770	1.1x	1x	1x	18x	11x	11x	11x	8x	7x
Lumi Gruppen	CAR	67	2.1x	1.8x	1.7x	16x	12x	9x	55x	24x	14x
Average excl. Lumi Gruppen		2,332	1.9x	1.7x	1.4x	18x	13x	13x	27x	15x	13x
Average		2,080	1.9x	1.7x	1.4x	17x	13x	12x	30x	16x	14x
Median		770	1.6x	1.2x	1x	16x	12x	11x	22x	14x	14x

Price data updated on 25 March 2025 08:00 AM

Source: Factset, Carnegie Research

### Education - Peer group multiples

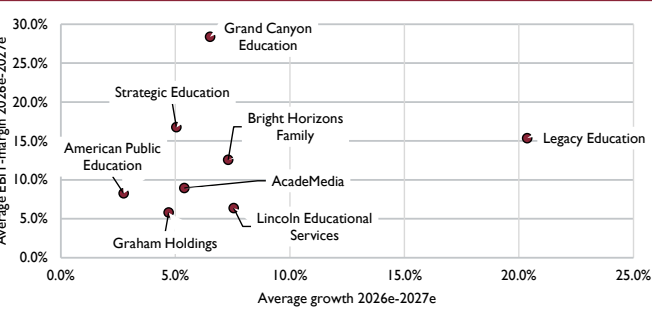
Company	Estimate	Mkt cap	Sales growth			EBIT growth			EBIT margins		
	source	EUR	LTM	2026e	2027e	LTM	2026e	2027e	LTM	2026e	2027e
Median											
Legacy Education	FS	81	33%	20%	21%	49%	20%	25%	14%	15%	16%
Bright Horizons Family	FS	6,632	11%	8%	7%	77%	15%	12%	10%	12%	13%
Strategic Education	FS	1,900	8%	5%	n.a.	39%	19%	n.a.	13%	17%	n.a.
Graham Holdings	FS	3,850	9%	6%	3%	50%	48%	-9%	6%	6%	5%
American Public Education	FS	381	4%	3%	n.a.	108%	15%	n.a.	6%	8%	n.a.
Lincoln Educational Service	FS	459	8%	7%	n.a.	11%	7%	n.a.	27%	28%	n.a.
Grand Canyon Education	FS	4,581	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
AcadeMedia	FS	770	14%	5%	5%	61%	4%	4%	6%	9%	9%
Lumi Gruppen	CAR	67	7%	8%	8%	22%	42%	35%	13%	16%	20%
Average excl. Lumi Gruppen											
Average		2,332	13.0%	8.0%	9.0%	64.0%	27.0%	8.0%	11.0%	13.0%	11.0%
Median		2,080	12.0%	8.0%	9.0%	59.0%	29.0%	13.0%	11.0%	13.0%	12.0%
Median		770	9.0%	7.0%	7.0%	50.0%	19.0%	12.0%	10.0%	12.0%	13.0%

Price data updated on 25 March 2025 08:00 AM

Source: Factset, Carnegie Research

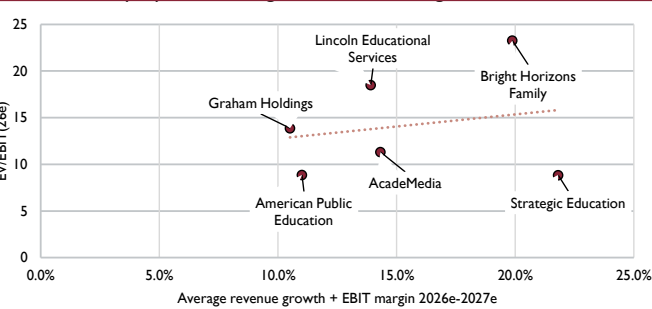
Below, we plot FactSet estimates and implied valuation multiples for peers along with selected estimates for 2026 and 2027. While the growth and margin prospects for the individual companies have great differences, we note that implied multiples also have wide ranges.

Peers: Average growth and EBIT margin 2026e-2027e



Source: Factset, Carnegie Research

Peers: EV/EBIT(26e) and revenue growth and EBIT margin



Source: Factset, Carnegie Research

Below, we highlight the items we consider for the valuation. Our estimates are based on EBIT margins lower than target for 2026, and in line with peers in 2027.

Valuation items								
Item	Semester year				Calendar year			
	2023/24	2024/25e	2025/26e	2026/27e	2024	2025e	2026e	2027e
<b>Group revenue</b>	<b>421</b>	<b>463</b>	<b>501</b>	<b>543</b>	<b>449</b>	<b>482</b>	<b>522</b>	<b>568</b>
Growth Y/Y	-8%	10%	8%	9%	7%	7%	8%	9%
<b>Sonans revenue</b>	<b>178</b>	<b>184</b>	<b>191</b>	<b>200</b>	<b>183</b>	<b>188</b>	<b>195</b>	<b>205</b>
Growth Y/Y	-30%	3%	4%	4%	-8%	2%	4%	5%
<b>ONH revenue</b>	<b>246</b>	<b>280</b>	<b>310</b>	<b>344</b>	<b>268</b>	<b>295</b>	<b>327</b>	<b>363</b>
Growth Y/Y	21%	14%	10%	11%	20%	10%	11%	11%
<b>Group EBITDA</b>	<b>86</b>	<b>110</b>	<b>129</b>	<b>143</b>	<b>100</b>	<b>123</b>	<b>136</b>	<b>150</b>
Group EBITDA margin	20%	24%	26%	26%	22%	26%	26%	26%
<b>Group adj. EBIT</b>	<b>48</b>	<b>66</b>	<b>82</b>	<b>96</b>	<b>60</b>	<b>76</b>	<b>89</b>	<b>103</b>
Group adj. EBIT margin	11%	14%	16%	18%	13%	16%	17%	18%
<b>ONH EBIT</b>	<b>46</b>	<b>65</b>	<b>75</b>	<b>86</b>	<b>56</b>	<b>71</b>	<b>82</b>	<b>91</b>
ONH EBIT margin	11%	14%	15%	16%	21%	24%	25%	25%
<b>Sonans EBIT</b>	<b>11</b>	<b>14</b>	<b>26</b>	<b>28</b>	<b>18</b>	<b>23</b>	<b>26</b>	<b>31</b>
Sonans EBIT margin	3%	3%	5%	5%	10%	12%	14%	15%
<b>HQ EBIT</b>	<b>-20</b>	<b>-18</b>	<b>-18</b>	<b>-18</b>	<b>-20</b>	<b>-17</b>	<b>-18</b>	<b>-18</b>
Group pre tax profit	-5	28	42	57	18	37	50	64
<b>Group adj. EPS</b>	<b>-0.1</b>	<b>0.4</b>	<b>0.6</b>	<b>0.8</b>	<b>0.3</b>	<b>0.5</b>	<b>0.7</b>	<b>0.9</b>
Group free cash flow	51	43	63	67	51	48	70	71
Net debt (IFRS)	368	430	367	300	444	396	326	255
Net debt/EBITDA (IFRS)	4.3	3.9	2.9	2.1	4.4	3.2	2.4	1.7
Net debt (excl IFRS)	201	194	168	142	190	178	147	118
Net debt/EBITDA (excl IFRS)	2.3	1.8	1.3	1.0	1.9	1.4	1.1	0.8

Source: Lumi Gruppen, Carnegie Research

Lumi Gruppen's stronger financial performance in 2026–27e (+480bps EBIT margin and +40bps average revenue growth vs peer average) would seem to merit a multiple higher than peer average for 2026. On average, peers are trading at an EV/EBIT(26e) multiple of 13x. On the other hand, we note that the medium-term performance of Lumi Gruppen is worse than peers, which would warrant a slight discount.

Further, our range also takes into consideration the performance of Sonans, which is dependent on a recovery in the private candidate exam market in order to achieve pre-pandemic growth levels. We believe that a return in the market would improve the growth prospects for Sonans, meriting a higher multiple. For ONH, we consider the outlook stable based on the financial history and the seemingly recession resilient characteristics of the private college.

Taken together, we believe that an EV/EBIT(26e) range of 12–14x would be fair, equating to a fair value range of NOK15-18/share.

#### Valuation

Multiple year	2026
Multiple base	Adjusted EBIT
Currency	NOK
Net debt (IFRS)	NOK 190m
Multiple upper range (EV/EBIT)	14x
Multiple lower range (EV/EBIT)	12x
Fair value/share NOK (upper range)	18
Fair value/share NOK (lower range)	15

Source: Factset, Carnegie Research

## Discussion of political considerations

### Privatisation and profitability

Lumi Gruppen receives no direct funding from the government, so it is allowed to operate for profit. The main policymaker for higher education is the Norwegian Ministry of Education and Research, so privatisation and the regulations regarding it are a political consideration.

Privatisation in Norwegian schools was initiated in the early 2000s, following work towards this from the centre-right government led by Høyre, the major party of the Norwegian centre-right. Traditionally, in most markets with private players in education, such issues are supported by parties to the right, while left-leaning parties are more opposed.

Currently, Norway is governed by a minority Labour Party (Arbeiderpartiet) administration led by Prime Minister Jonas Gahr Støre, further leading the polls in the upcoming election (September 2025). While we argue that the Labour Party is generally less positive towards privatisation compared to more right-leaning parties, a political status quo after the election is likely to maintain a market for private education that is largely unchanged.

### Admission policy changes and grade improvement restrictions

In 2022 the Norwegian government's Admissions Committee proposed to reform the admissions system, with less emphasis on extra points or additional credits. Previously, students could obtain additional credits to use for applications to higher studies, through specific subjects such as extra maths or science. The new approach will restrict this in an effort to create a more balanced overview of students' academic and personal achievements. However, we mainly argue that this shift can benefit Sonans, as fewer extra credit points may drive students towards post-educational improvements of grades.

### Lånekassen and loan conversion

As addressed in the Norwegian education system section, public universities and university colleges are tuition-free for Norwegian and EEA/EU students, with only minor administrative fees. Living and study expenses can be covered by the Norwegian State Educational Fund (Lånekassen), a government agency under the Ministry of Education and Research.

Currently, some 40% of the loan can be converted into a grant that the student does not have to pay back, assuming they pass their exams, do not live with their parents, and have an annual income less than certain amounts.

The scheme to convert part of student loans to grants has been discussed by politicians a few times, to consider both the scope and the existence of the conversion possibility. While we recognise that this risk has the potential to affect the business model of Lumi Gruppen, we argue that it is similar to the overall privatisation risk of educational institutions. For that reason, we argue that a Labour Party-led government is unlikely to substantially worsen the regulatory landscape for Lumi Gruppen, while a more right-leaning government may prove beneficial in reducing the risk of any changes.

## Management and board of directors

### Management

#### **Nina Vesterby – Chief Executive Officer**

Appointed as CEO of Lumi Gruppen in August 2024, Ms Vesterby brings a wealth of leadership experience. Before joining Lumi Gruppen, she was CEO of Story House Egmont AS and led Global Connect Privat in the telecom sector. She has also held board positions in various organisations, including Markedspartner, Norsk Presseforbund, MBL, Lynet Internet, s360, and Garnius. Ms Vesterby holds a Master's degree in strategic management from the Norwegian School of Economics (NHH) and a business administration degree from BI Norwegian Business School.

#### **Martin Prytz – Chief Financial Officer**

Since 2021, Martin Prytz has served as the CFO of Lumi Gruppen, bringing over 15 years of experience in finance and auditing. Before joining Lumi Gruppen, he was CFO and Head of Business Development at REMA Industrier AS. Mr Prytz's previous roles include CFO at Fibo Group AS, consultant at Deloitte Consulting, Head of Economy at Telia Sonera Norge Holding AB and Rockwool AS, and auditor at Deloitte AS. He has also held multiple board memberships in Fibo and TeliaSonera. He has an MSc in Accounting and Auditing from Handelshøyskolen BI and holds a Siviløkonom degree from Norges Handelshøyskole.

### Board of directors

#### **Rob Woodward – Chairman**

Rob Woodward has extensive leadership experience in public and private sectors, particularly in Technology, Media, and Telecoms (TMT). He has served as Chair of the UK Met Office since 2018 and was Chief Executive Officer of STV Group plc for over a decade. His previous roles include Commercial Director at Channel 4 Television, Managing Director at UBS Corporate Finance, and lead partner for Deloitte's TMT Industry Group in Europe. Currently, he chairs the Court at Glasgow Caledonian University and Ebiquity plc, a listed marketing analytics provider. Notably, he oversaw the sale of Blancco plc to US private equity in 2024.

#### **Bente Sollid – Board Member**

Bente Sollid is the CEO of Digital Hverdag and holds non-executive director positions at Polaris Media, Hafslund, Europriis, Motor Gruppen, Questback, Nortel, and Eika Gruppen. She also chairs Placewise Group and Ocean Visionering. Ms Sollid has participated in several policy advisory boards for Norwegian government ministers. In 1993, she founded her own internet consultancy, now listed on Oslo Børs as Bouvet ASA, and became the youngest member of the Norwegian Association of Editors.

#### **Ashkan Senobari – Board Member**

Ashkan Senobari is a Director at Hanover Investors, leading public market deal origination and execution across Scandinavia. He serves on the board of ZetaDisplay AB and was previously a board observer for itslearning AS, a Norwegian EdTech company. Before joining Hanover in 2018, Mr Senobari worked at EQT Partners in Stockholm and New York, focusing on mid-market private equity buyouts, and began his career in J.P. Morgan's M&A division in London.

#### **Fred Lundqvist – Board Member**

Fred Lundqvist is a Partner at Hanover Investors, where he sits on the Investment Committee and advises on target assessment, financial analysis, and deal execution. He is on the board of ZetaDisplay AB, a Swedish digital signage and software provider. Since joining Hanover in 2006 as an investment analyst, Mr Lundqvist became a partner in 2011 and led deal execution until 2021, completing transactions in various sectors and regions, including the UK, Europe, Africa, Latin America, and India. Earlier in his career, he focused on identifying and analysing investment opportunities in sectors such as consumer finance, media, logistics, and diversified industrials.

**Henriette Grønn – Board Member**

Henriette Grønn is a Norwegian professional with expertise in leadership, communication, strategy, change processes, culture, and government affairs. She holds an MBA from BI Norwegian Business School and a law degree from the University of Oslo, along with intermediate courses in psychology. Ms Grønn runs a consulting firm, Business is Personal, and serves on the board of directors at ONH.



## Financial statements

Profit & loss (NOKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Sales	0	0	0	530	512	421	449	482	522	568
COGS	0	0	0	0	0	0	0	0	0	0
<b>Gross profit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>530</b>	<b>512</b>	<b>421</b>	<b>449</b>	<b>482</b>	<b>522</b>	<b>568</b>
Other income & costs	0	0	0	-363	-371	-331	-349	-359	-386	-418
Share in ass. operations and JV	0	0	0	0	0	0	0	0	0	0
<b>EBITDA</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>167</b>	<b>141</b>	<b>90</b>	<b>100</b>	<b>123</b>	<b>136</b>	<b>150</b>
Depreciation PPE	0	0	0	-6	-6	-6	-5	-5	-5	-5
Depreciation lease assets	0	0	0	-43	-45	-43	-34	-34	-34	-34
Amortisation development costs	0	0	0	0	0	0	0	0	0	0
Amortisation other intangibles	0	0	0	-6	-4	-6	-8	-8	-8	-8
Impairments / writedowns	0	0	0	0	-4	0	0	0	0	0
<b>EBITA</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>112</b>	<b>82</b>	<b>35</b>	<b>53</b>	<b>76</b>	<b>89</b>	<b>103</b>
Amortization acquisition related	0	0	0	0	0	0	0	0	0	0
Impairment acquisition related	0	0	0	0	0	-270	0	0	0	0
<b>EBIT</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>112</b>	<b>82</b>	<b>-235</b>	<b>53</b>	<b>76</b>	<b>89</b>	<b>103</b>
Share in ass. operations and JV	0	0	0	0	0	0	0	0	0	0
Net financial items	0	0	0	-36	-30	-39	-35	-39	-39	-39
of which interest income/expenses	0	0	0	-28	-20	-22	-21	-26	-26	-26
of which interest on lease liabilities	0	0	0	-7	-7	-10	-13	-12	-12	-12
of which other items	0	0	0	-1	-3	-7	-1	-1	-1	-1
<b>Pre-tax profit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>75</b>	<b>52</b>	<b>-274</b>	<b>18</b>	<b>37</b>	<b>50</b>	<b>64</b>
Taxes	0	0	0	-16	-11	-2	-4	-8	-11	-14
Post-tax minorities interest	0	0	0	na	na	na	na	na	na	na
Discontinued operations	0	0	0	0	0	0	0	0	0	0
<b>Net profit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>59</b>	<b>41</b>	<b>-276</b>	<b>14</b>	<b>29</b>	<b>39</b>	<b>50</b>
Adjusted EBITDA	0	0	0	167	145	90	100	123	136	150
Adjusted EBITA	0	0	0	112	90	35	53	76	89	103
Adjusted EBIT	0	0	0	112	118	49	60	76	89	103
Adjusted net profit	0	0	0	59	77	8	21	29	39	50
Sales growth Y/Y	na	na	na	+chg	-3.4%	-17.8%	6.6%	7.4%	8.3%	8.8%
EBITDA growth Y/Y	na	na	na	+chg	-15.6%	-36.4%	11.7%	22.9%	10.7%	9.9%
EBITA growth Y/Y	na	na	na	+chg	-26.9%	-57.1%	51.3%	43.7%	17.3%	15.1%
EBIT growth Y/Y	na	na	na	+chg	-26.9%	-chg	+chg	43.7%	17.3%	15.1%
EBITDA margin	nm	nm	nm	31.5%	27.5%	21.3%	22.3%	25.5%	26.1%	26.4%
EBITA margin	nm	nm	nm	21.1%	16.0%	8.3%	11.8%	15.8%	17.1%	18.1%
EBIT margin	nm	nm	nm	21.1%	16.0%	-55.9%	11.8%	15.8%	17.1%	18.1%
Tax rate	na	na	na	na	na	na	na	na	na	na
Cash flow (NOKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
EBITDA	0	0	0	167	141	90	100	123	136	150
Paid taxes	0	0	0	-23	-16	-15	-1	-8	-11	-14
Change in NWC	0	0	0	-9	-26	-5	18	-8	4	-3
Non cash adjustments	0	0	0	-23	-26	-37	-32	-39	-39	-39
Discontinued operations	0	0	0	0	0	0	0	0	0	0
<b>Total operating activities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>112</b>	<b>73</b>	<b>33</b>	<b>85</b>	<b>68</b>	<b>91</b>	<b>94</b>
Capex tangible assets	0	0	0	-3	-4	-3	-12	-12	-13	-15
Capitalised development costs	0	0	0	-43	-14	-7	-22	-7	-7	-8
Capex - other intangible assets	0	0	0	0	0	0	0	0	0	0
Acquisitions/divestments	0	0	0	0	0	0	0	0	0	0
Other non-cash adjustments	0	0	0	0	0	0	0	0	0	0
<b>Total investing activities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-46</b>	<b>-18</b>	<b>-10</b>	<b>-34</b>	<b>-20</b>	<b>-21</b>	<b>-23</b>
Net financial items	0	0	0	-36	-30	-39	-35	-39	-39	-39
Lease payments	0	0	0	-41	-44	-42	-37	-36	-39	-42
Dividend paid and received	0	0	0	0	0	0	0	0	0	0
Share issues & buybacks	0	0	0	200	0	200	28	0	0	0
Change in bank debt	0	0	0	0	0	0	0	0	0	0
Other cash flow items	0	0	0	-150	-23	-113	-20	23	23	23
<b>Total financing activities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-21</b>	<b>-90</b>	<b>15</b>	<b>-50</b>	<b>-40</b>	<b>-43</b>	<b>-46</b>
Operating cash flow	0	0	0	112	73	33	85	68	91	94
Free cash flow	0	0	0	-4	-11	-48	-7	-15	4	1
Net cash flow	0	0	0	46	-34	39	1	8	27	25
Change in net IB debt	0	0	0	36	-42	28	-9	-2	20	21
Capex / Sales	nm	nm	nm	0.6%	0.7%	0.7%	2.6%	2.6%	2.6%	2.6%
NWC / Sales	nm	nm	nm	-6.0%	-10.1%	-9.2%	-10.4%	-10.8%	-9.6%	-8.9%

Source: Carnegie Research &amp; company data

## Financial statements, cont.

Balance sheet (NOKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Acquired intangible assets	0	0	0	957	957	687	687	687	687	687
Other fixed intangible assets	0	0	0	0	0	0	0	0	0	0
Capitalised development	0	0	0	18	28	29	43	42	42	42
Tangible assets	0	0	0	13	10	8	14	22	30	40
Lease assets	0	0	0	136	124	185	216	182	148	114
Other IB assets (1)	0	0	0	2	2	2	2	2	2	2
Other non-IB assets	0	0	0	6	10	9	30	30	30	30
<b>Fixed assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,132</b>	<b>1,131</b>	<b>919</b>	<b>992</b>	<b>965</b>	<b>939</b>	<b>914</b>
Inventories (2)	0	0	0	0	0	0	0	0	0	0
Receivables (2)	0	0	0	22	23	27	17	25	23	27
Prepaid exp. & other NWC items (2)	0	0	0	44	7	4	6	5	6	7
IB current assets (1)	0	0	0	0	0	0	0	0	0	0
Other current assets	0	0	0	0	0	0	0	0	0	0
Cash & cash equivalents (1)	0	0	0	64	29	68	69	77	104	129
<b>Current assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>130</b>	<b>58</b>	<b>99</b>	<b>91</b>	<b>107</b>	<b>134</b>	<b>162</b>
<b>Total assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,263</b>	<b>1,190</b>	<b>1,018</b>	<b>1,084</b>	<b>1,072</b>	<b>1,072</b>	<b>1,077</b>
Shareholders' equity	0	0	0	532	538	450	492	520	560	609
Minorities	0	0	0	0	0	0	0	0	0	0
Other equity	0	0	0	0	0	0	0	0	0	0
<b>Total equity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>532</b>	<b>538</b>	<b>450</b>	<b>492</b>	<b>520</b>	<b>560</b>	<b>609</b>
Deferred tax	0	0	0	0	0	0	0	0	0	0
LT IB debt (1)	0	0	0	440	419	257	244	244	244	244
Other IB provisions (1)	0	0	0	0	0	0	0	0	0	0
Lease liabilities	0	0	0	146	138	200	254	218	179	137
Other non-IB liabilities	0	0	0	0	0	0	0	0	0	0
<b>LT liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>585</b>	<b>557</b>	<b>458</b>	<b>498</b>	<b>462</b>	<b>423</b>	<b>381</b>
ST IB debt (1)	0	0	0	0	10	41	15	11	7	3
Payables (2)	0	0	0	18	16	16	18	18	18	18
Accrued exp. & other NWC items (2)	0	0	0	112	54	52	61	60	63	64
Other ST non-IB liabilities	0	0	0	16	15	1	0	0	1	2
Liabilities - assets held for sale	0	0	0	0	0	0	0	0	0	0
<b>Current liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>146</b>	<b>95</b>	<b>110</b>	<b>94</b>	<b>89</b>	<b>90</b>	<b>87</b>
<b>Total equity and liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,263</b>	<b>1,190</b>	<b>1,018</b>	<b>1,084</b>	<b>1,072</b>	<b>1,072</b>	<b>1,077</b>
Net IB debt (=1)	0	0	0	520	536	429	443	395	324	253
Net working capital (NWC) (=2)	0	0	0	-63	-41	-37	-56	-48	-52	-49
Capital employed (CE)	0	0	0	1,111	1,094	940	1,000	988	984	988
Capital invested (CI)	0	0	0	1,043	1,051	842	861	843	813	792
Equity / Total assets	nm	nm	nm	42%	45%	44%	45%	49%	52%	57%
Net IB debt / EBITDA	nm	nm	nm	3.1	3.8	4.8	4.4	3.2	2.4	1.7
<b>Per share data (NOK)</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025e</b>	<b>2026e</b>	<b>2027e</b>
Adj. no. of shares in issue YE (m)	0.00	0.00	0.00	36.19	36.19	55.24	58.03	58.03	58.03	58.03
Diluted no. of Shares YE (m)	0.00	0.00	0.00	36.19	36.19	55.24	58.03	58.03	58.03	58.03
EPS	na	na	na	1.54	1.13	-5.46	0.25	0.50	0.67	0.85
EPS adj.	na	na	na	1.54	1.13	-5.46	0.37	0.50	0.67	0.85
CEPS	na	na	na	4.46	1.73	0.37	0.66	0.89	1.02	1.14
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BVPS	na	na	na	14.7	14.9	8.15	8.47	8.97	9.64	10.5
<b>Performance measures</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025e</b>	<b>2026e</b>	<b>2027e</b>
ROE	nm	nm	nm	22.2%	7.6%	-55.9%	3.0%	5.7%	7.2%	8.5%
Adj. ROCE pre-tax	na	na	na	na	7.3%	2.0%	4.6%	6.4%	7.7%	9.1%
Adj. ROIC after-tax	na	na	na	na	8.6%	3.7%	6.2%	8.9%	10.8%	12.8%
<b>Valuation</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025e</b>	<b>2026e</b>	<b>2027e</b>
FCF yield	0.0%	0.0%	0.0%	-0.5%	-1.5%	-6.1%	-0.9%	-1.9%	0.6%	0.2%
Dividend yield YE	na	na	na	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Dividend payout ratio	na	na	na	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Dividend + buy backs yield YE	na	na	na	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EV/Sales YE	na	na	na	4.18	1.87	2.85	2.86	2.44	2.12	1.83
EV/EBITDA YE	na	na	na	13.3	6.8	13.4	12.8	9.6	8.1	6.9
EV/EBITA YE	na	na	na	19.8	11.7	34.2	24.2	15.5	12.4	10.1
EV/EBITA adj. YE	na	na	na	19.8	10.7	34.2	24.2	15.5	12.4	10.1
EV/EBIT YE	na	na	na	19.8	11.7	neg.	24.2	15.5	12.4	10.1
P/E YE	na	na	na	30.4	10.3	nm	>50	27.2	20.1	15.8
P/E adj. YE	na	na	na	30.4	10.3	nm	38.8	27.2	20.1	15.8
P/BV YE	na	na	na	3.19	0.78	1.71	1.71	1.51	1.40	1.29
Share price YE (NOK)				46.8	11.6	14.0	14.5	13.5		

Source: Carnegie Research &amp; company data

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