

# Zalaris

## Confirming the path forward

Zalaris has concluded the strategic review that was launched in April last year. The company has determined that continuing with its current strategy represents the most compelling route to long-term value creation. Since the review was instigated, Zalaris has achieved significant operational improvements, upgraded its growth and profit targets, and seen material share price appreciation. Management remains committed to its ambition to become one of the top three global providers of multi-country payroll and HR transformation services.

Year end	Revenue (NOKm)	PBT (NOKm)	EPS (NOK)	DPS (NOK)	P/E (x)	Yield (%)
12/23	1,134.0	10.8	0.95	0.00	83.1	N/A
12/24	1,346.3	80.7	2.70	0.90	29.2	1.1
12/25e	1,494.5	145.2	5.06	0.96	15.6	1.2
12/26e	1,626.0	186.7	6.38	1.36	12.4	1.7

Note: PBT and EPS (diluted) are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

On 2 April 2024, Zalaris launched a strategic review; the purpose was to evaluate structures and opportunities that could accelerate the company's growth and further enhance customer and shareholder value. In yesterday's release, the company confirmed that it had received and evaluated acquisition proposals, but the board had concluded that none offered a premium that adequately reflected the company's value, particularly considering its recent financial outperformance, strong growth trajectory and positive outlook.

At its September 2023 capital markets day, the company outlined its growth plans, including its target to hit revenue of NOK1.5bn and an operating margin of 12–15% by FY26. It is now on track to hit those targets early (the Q125 annualised revenue run rate was c NOK1.5bn with an operating margin of 14.1%) and has initiated a new target for revenue of NOK2bn at an operating margin of 13–15% by FY28. After no dividends were paid for FY22 or FY23, the company proposed a dividend of NOK0.90 for FY24 (paid in June 2025) and has committed to distribute 50% of profit before tax to shareholders.

At the start of 2024, the share price was NOK46.6 and by 1 April 2024 it had reached NOK68.0. Prior to announcing the conclusion of the strategic review, the share price was NOK84.6. Our most recent DCF valuation, which assumes that Zalaris meets its FY28 targets and factors in modest revenue growth of 4% for FY29–34 at a 14% EBIT margin, values the company at NOK110.1/share.

As the strategic review was partly initiated because of the low daily trading volume of the shares, which drove price volatility, the board is committed to improving share liquidity over time by allocating resources to enhance the marketability and trading dynamics on the Oslo Exchange.

## Conclusion of strategic review

Software and comp services

13 June 2025

**Price** **NOK78.80**

**Market cap** **NOK1,744m**

Net cash/(debt) at end Q125 NOK(225.6)m

Shares in issue 22.1m

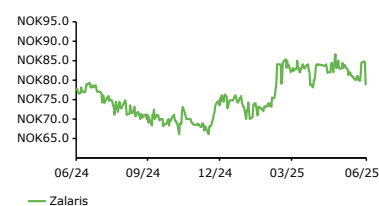
Free float 65.6%

Code ZAL

Primary exchange OSLO

Secondary exchange N/A

### Share price performance



### Business description

Zalaris is a leading provider of comprehensive human capital management and payroll solutions.

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