

Zalaris

Q126 results

Stable quarter

Zalaris reported a good quarter for new business in Managed Services and a stable revenue quarter for the group as a whole. Adjusted EBIT declined due to lower Zalaris Consulting revenue and business development activity in both divisions. Lower interest costs and a lower tax rate resulted in a small year-on-year increase in net income and EPS. The company maintained its medium-term revenue and margin guidance. Zalaris is currently in an offer period, with investors offered a cash price of NOK100 per share.

Year end	Revenue (NOKm)	PBT (NOKm)	EPS (NOK)	DPS (NOK)	P/E (x)	Yield (%)
12/24	1,346.3	80.7	2.70	0.90	36.5	0.9
12/25	1,503.2	114.9	3.61	0.00	27.3	N/A
12/26e	1,616.2	190.1	6.50	0.00	15.2	N/A
12/27e	1,747.5	217.4	7.36	0.00	13.4	N/A

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

Q126 revenue +2.1% in constant currency

Zalaris reported revenue growth of 0.5% y-o-y in Q126 (2.1% in constant currency (cc)), with growth of 6.6% in Managed Services (7.9% cc) and a decline of 18.0% in Zalaris Consulting (-15.5% cc). Group adjusted EBIT was down 18.8% y-o-y, with the margin declining from 14.1% in Q125 to 11.4% in Q126. Good cash generation in the quarter resulted in net debt reducing from NOK216.7m at the end of FY25 to NOK190.7m at the end of Q126. Now that the company is under offer, a dividend for FY25 is no longer proposed. Managed Services contracts with annual recurring revenue (ARR) of NOK75m were signed in the quarter and the company closed Q126 with live ARR of NOK1,054m (+7.1% y-o-y).

Medium-term goals intact

Despite the weaker performance of Zalaris Consulting, management is confident that it is on track to hit its FY28 revenue and margin targets. The main routes to achieve this include: becoming the preferred partner for multi-country payroll and transactional HR services to the mid-market, driving combined Managed Services and Consulting capabilities, and improving efficiency and cost-effectiveness through automation, AI and near/off-shoring initiatives. Other than removing dividend payouts, we maintain our forecasts.

Valuation: Recommended NOK100 per share cash offer

On 15 April, a voluntary offer was launched for the acquisition of 100% of Zalaris shares at a cash price of NOK100 per share. The offer period runs from 16 to 30 April and requires a minimum acceptance of 90% of outstanding shares. At the offer price, this values the company on a P/E multiple of 15.4x FY26e and 13.6x FY27e.

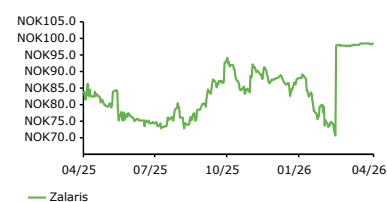
Software and comp services

29 April 2026

Price **NOK98.60**
Market cap **NOK2,178m**

Net cash/(debt) at end Q126 NOK(190.7)m
 Shares in issue 22.1m
 Free float 65.6%
 Code ZAL
 Primary exchange OSLO
 Secondary exchange N/A

Share price performance



%	1m	3m	12m
Abs	0.4	11.3	21.3
52-week high/low	NOK99.4		NOK70.8

Business description

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

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Review of Q126 results

Zalaris reported revenue growth of 0.5% y-o-y in Q126 (2.1% in cc), with growth of 6.6% in Managed Services (7.9% cc) and a decline of 18.0% in Zalaris Consulting (-15.5% cc). We discuss divisional performance in more detail below. Adjusted EBIT declined 18.8% y-o-y, with a 10.8% decline in Managed Services and Zalaris Consulting moving to a loss, partially offset by lower overheads. Helped by the refinancing of debt in H225, interest expense was NOK5m lower year-on-year, and the company reported net finance income of NOK3.6m versus a net finance cost of NOK7.4m in Q125. This helped reduce the decline in PBT to 4.1%, and with a tax rate of 21.6% compared to 25.7% in Q125, profit after tax was 1.2% higher year-on-year. In light of the offer for Zalaris, the company is no longer proposing a dividend for FY25 (it had previously proposed a dividend of NOK2.5). The company closed the quarter with net interest-bearing debt of NOK190.7m, down from NOK225.6m at the end of Q125 and NOK216.7m at the end of FY25. This resulted in gearing (net debt/EBITDA) of 0.67x at the end of Q126.

Exhibit 1: Q126 results highlights

NOKm	Q126	Q125	y-o-y	y-o-y cc
Revenue				
Managed Services	296.1	277.8	6.6%	7.9%
Zalaris Consulting	75.0	91.5	-18.0%	-15.5%
vyble	0.8	0.9	-15.2%	
Total revenue	371.9	370.2	0.5%	2.1%
Adjusted EBIT				
Managed Services	48.8	54.7	-10.8%	
Zalaris Consulting	(0.7)	8.6	-107.7%	
HQ (unallocated costs)	(5.8)	(11.1)	-47.9%	
Total adjusted EBIT	42.3	52.1	-18.8%	
Adjusted EBIT margin				
Managed Services	16.5%	19.7%	-3.2pp	
Zalaris Consulting	-0.9%	9.4%	-10.3pp	
Total adjusted EBIT margin	11.4%	14.1%	-2.7pp	
Reported EBIT	29.3	41.7	-29.8%	
PBT	32.9	34.4	-4.1%	
PAT	25.8	25.5	1.2%	
Net income after minority interest	25.9	25.6	1.2%	
Basic EPS (NOK)	1.19	1.18	0.8%	
Diluted EPS (NOK)	1.10	1.09	0.9%	

Source: Zalaris

Managed Services: Good quarter for new business

The Managed Services business signed new business worth NOK75m in ARR. New contracts won in the quarter included:

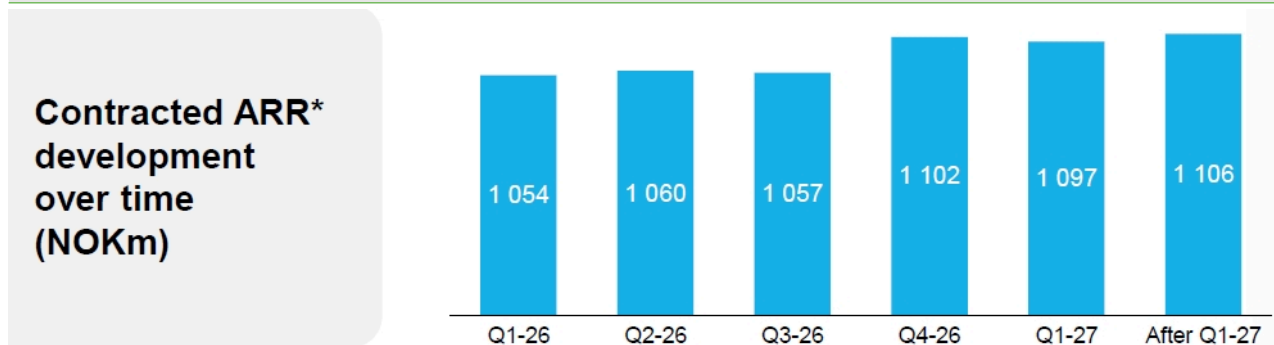
- A new contract with Nav (Norwegian public sector) to provide SaaS payroll and HR for more than 24,000 employees.
- A UK and Ireland-headquartered customer outsourcing multi-country payroll on PeopleHub for more than 6,000 employees across EMEA.
- A five-year agreement with a Swiss headquartered medtech company for outsourced payroll on PeopleHub in Switzerland and Germany.
- A five-year agreement for global payroll, time and absence, travel expenses and HR for a 1,200+ employee German carve-out customer.

The company has a strong pipeline with an increased number of deals with a target signing date within three months.

ARR at the end of Q126 was NOK1,054m, up 7.1% y-o-y and 0.4% q-o-q. Exhibit 2 shows the expected timing of the conversion of contracted ARR to live ARR. Net revenue retention (NRR) was 103% for the quarter in constant currency. Contracted ARR at end-Q126 was NOK1,107m, with the difference between live and contracted ARR of NOK53m the

net of new contracts and known churn in future periods.

Exhibit 2: Contracted ARR development



Source: Zalaris

Adjusted EBIT of NOK48.8m was down 10.8% from the NOK54.7m reported in Q125. The adjusted EBIT margin decreased from 19.7% to 16.5% over the same period. The company noted higher sales commission payouts from the contracts signed in Q1 in addition to the costs of opening a Benelux office.

Zalaris Consulting: Approaching break-even

The reduction in Zalaris Consulting revenue was mainly due to the completion of significant projects in Poland and Germany in 2025 that have not yet been replaced by new contracts. Adjusted EBIT fell from NOK8.6m in Q125 to a loss of NOK0.7m in Q126. This is slightly smaller than the losses of NOK1.1m and NOK1.3m reported in Q325 and Q425 respectively. The loss was mainly due to the lower level of revenue, exacerbated by investment in business development to drive new business.

Update on proposed acquisition of Zalaris

On 13 March, the company announced that it had reached an agreement with Kona BidCo on the terms of a recommended voluntary cash tender offer to acquire all the listed and outstanding shares of the company except for the shares owned by the rollover shareholders (who hold 13.8% of outstanding shares) at a price of NOK100 per share. Kona BidCo is a newly established acquisition vehicle owned by Norvestor IX SCSp and the rollover shareholders include Hans-Petter Møllerud (CEO), Gunnar Mannum (CFO), Halvor Leirvåg (CTO), Øyvind Reiteb (chief commercial officer), Richard E Schiørn (EVP Solution & Delivery) and Hilde Karlsmyr (chief HR officer). The offer period runs from 16 to 30 April and requires 90% acceptance by shareholders. The offer document is available here: arctic.com/offerings; Norwegian shareholders can accept the offer here: [Digital sign](https://arctic.com/offerings/ecm/2026/zalaris-asa); and details for overseas investors are here: arctic.com/offerings/ecm/2026/zalaris-asa.

Combining the rollover shareholders and other shareholders who entered into separate pre-acceptance undertakings, 30.9% of outstanding shares had been tendered prior to the opening of the offer period.

Outlook and changes to forecasts

The company maintained its medium-term outlook of a NOK2bn revenue run-rate with an adjusted EBIT margin of 13–15% by Q428. While it targets an average revenue growth rate of 10%, it noted that this will not necessarily be linear.

We leave our revenue and EBIT forecasts unchanged. We have removed the FY25 dividend and set forecast dividend payouts to zero, which results in lower net debt forecasts across FY26–27.

Exhibit 3: Changes to forecasts

NOKm	FY26e		Change	y-o-y	FY27e		Change	y-o-y
	Old	New			Old	New		
Revenues	1,616.2	1,616.2	0.0%	7.5%	1,747.5	1,747.5	0.0%	8.1%
Normalised EBIT	216.8	216.8	0.0%	14.1%	239.9	239.9	0.0%	10.7%
Normalised EBIT margin	13.4%	13.4%	0.0pp	0.8pp	13.7%	13.7%	0.0pp	0.3pp
Company adjusted EBIT	216.8	216.8	0.0%	11.7%	239.9	239.9	0.0%	10.7%
Company adjusted EBIT margin	13.4%	13.4%	0.0pp	0.5pp	13.7%	13.7%	0.0pp	0.3pp
Reported operating profit	187.8	187.8	0.0%	18.2%	212.9	212.9	0.0%	13.4%
Reported operating margin	11.6%	11.6%	0.0pp	1.0pp	12.2%	12.2%	0.0pp	0.6pp
Normalised PBT	190.1	190.1	0.0%	65.5%	217.4	217.4	0.0%	14.4%
Normalised basic EPS (NOK)	7.04	7.04	-0.1%	79.8%	7.99	7.97	-0.2%	13.3%
Normalised diluted EPS (NOK)	6.50	6.50	-0.1%	79.8%	7.38	7.36	-0.2%	13.3%
Reported basic EPS (NOK)	5.71	5.70	-0.1%	130.0%	6.75	6.73	-0.2%	18.1%
Net debt/adjusted EBITDA (x)	0.6	0.4		-44.0%	0.4	0.0		-93.2%
Dividend per share (NOK)	3.64	0.00		N/A	4.30	0.00		N/A
Adjusted EBITDA	307.2	307.2	0.0%	7.1%	346.5	346.5	0.0%	12.8%
Adjusted EBITDA margin	19.0%	19.0%	0.0pp	-0.1pp	19.8%	19.8%	0.0pp	0.8pp
Net debt (ex leases)	185.2	129.9	-29.9%	-40.1%	145.9	10.0	-93.1%	-92.3%

Source: Edison Investment Research

Exhibit 4: Financial summary

	NOK'm	2021	2022	2023	2024	2025	2026e	2027e
Year end 31 December	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
INCOME STATEMENT								
Revenue		775.3	892.7	1,134.0	1,346.3	1,503.2	1,616.2	1,747.5
Costs		(673.3)	(786.6)	(980.1)	(1,120.0)	(1,203.9)	(1,288.0)	(1,375.7)
EBITDA		101.9	106.2	153.8	226.3	299.4	328.3	371.8
Normalised operating profit		39.8	46.2	85.4	144.9	190.0	216.8	239.9
Amortisation of acquired intangibles		(11.5)	(11.9)	(13.7)	(14.0)	(14.9)	(14.0)	(12.0)
Exceptionals		0.0	(1.9)	0.0	4.7	(2.8)	0.0	0.0
Share-based payments		(5.7)	(8.7)	(11.6)	(21.9)	(13.4)	(15.0)	(15.0)
Reported operating profit		22.6	23.7	60.1	113.7	158.9	187.8	212.9
Net Interest		(7.6)	(40.1)	(74.6)	(64.2)	(75.2)	(26.7)	(22.5)
JVS and associates (post tax)		0.0	0.0	0.0	0.0	0.0	0.0	0.0
Exceptionals		0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit Before Tax (norm)		32.2	6.1	10.8	80.7	114.9	190.1	217.4
Profit Before Tax (reported)		15.0	(16.4)	(14.5)	49.5	83.7	161.1	190.4
Reported tax		(2.2)	(6.3)	11.5	(16.0)	(30.3)	(37.1)	(43.8)
Profit After Tax (norm)		30.0	(0.2)	22.3	64.7	84.5	153.1	173.6
Profit After Tax (reported)		12.8	(22.7)	(3.0)	33.4	53.4	124.1	146.6
Minority interests		0.0	1.6	0.8	0.3	0.4	0.0	0.0
Discontinued operations		0.0	(16.0)	0.0	0.0	0.0	0.0	0.0
Net income (normalised)		30.0	1.4	23.1	65.0	85.0	153.1	173.6
Net income (reported)		12.8	(37.1)	(2.1)	33.8	53.8	124.1	146.6
Basic average number of shares outstanding (m)		21.3	21.6	21.2	21.7	21.7	21.8	21.8
EPS - normalised (NOK)		1.41	0.07	1.09	3.00	3.91	7.04	7.97
EPS - normalised fully diluted (NOK)		1.32	0.07	0.95	2.70	3.61	6.50	7.36
EPS - basic reported (NOK)		0.60	(1.72)	(0.10)	1.56	2.48	5.70	6.73
Dividend (NOK)		0.35	0.50	0.00	0.90	0.00	0.00	0.00
Revenue growth (%)		(2.2)	15.2	27.0	18.7	11.7	7.5	8.1
EBITDA Margin (%)		13.2	11.9	13.6	16.8	19.9	20.3	21.3
Normalised Operating Margin (%)		5.1	5.2	7.5	10.8	12.6	13.4	13.7
BALANCE SHEET								
Fixed Assets		394.6	438.6	469.9	462.7	411.4	396.3	380.8
Intangible Assets		308.0	315.0	327.6	341.0	317.7	303.8	289.3
Tangible Assets		59.6	81.5	80.0	76.3	64.7	63.5	62.6
Investments & other		27.0	42.2	62.3	45.4	29.0	29.0	29.0
Current Assets		432.0	467.1	641.6	857.1	874.8	957.6	1,068.7
Stocks		94.8	135.4	197.1	278.0	303.2	365.8	425.1
Debtors		141.4	191.7	262.7	291.9	290.0	323.2	349.5
Cash & cash equivalents		176.2	91.8	135.7	221.8	201.1	182.4	202.1
Other		19.6	48.2	46.1	65.6	80.5	86.2	92.0
Current Liabilities		(213.3)	(669.6)	(407.9)	(531.0)	(549.3)	(583.1)	(617.3)
Creditors		(84.7)	(149.2)	(220.7)	(288.2)	(313.4)	(347.5)	(381.7)
Tax and social security		(38.7)	(41.0)	(49.2)	(66.1)	(67.4)	(67.4)	(67.4)
Short-term borrowings		(1.4)	(369.7)	(10.8)	(5.0)	(0.3)	0.0	0.0
Other		(88.6)	(109.8)	(127.3)	(171.7)	(168.3)	(168.3)	(168.3)
Long-Term Liabilities		(404.3)	(72.6)	(500.6)	(528.1)	(464.8)	(369.6)	(259.4)
Long-term borrowings		(374.3)	(43.2)	(468.5)	(505.8)	(449.0)	(343.9)	(243.6)
Other long-term liabilities		(30.0)	(29.3)	(32.1)	(22.4)	(15.8)	(15.8)	(15.8)
Net Assets		209.0	163.6	203.0	260.7	272.1	411.2	572.8
Minority interests		0.0	(1.6)	(2.4)	(4.8)	(3.2)	(3.2)	(3.2)
Shareholders' equity		209.0	165.2	205.4	265.5	275.3	414.4	576.0
CASH FLOW								
Op Cash Flow before WC and tax		43.0	(22.2)	(11.7)	40.9	128.8	172.3	209.5
Working capital		(18.6)	(33.2)	(43.1)	5.8	(30.0)	(34.8)	(28.6)
Exceptional & other		(6.2)	28.9	50.1	38.7	55.1	15.0	15.0
Net revenue deferred/(recognised)		19.7	41.3	74.7	53.9	20.9	30.0	30.7
Tax		(4.8)	(14.4)	(11.5)	(7.9)	(12.3)	(37.1)	(43.8)
Net operating cash flow		44.9	(19.7)	20.1	105.9	117.6	145.5	182.7
Capex		(20.6)	(27.8)	(33.9)	(27.5)	(15.1)	(22.6)	(22.6)
Acquisitions/disposals		(43.3)	(11.3)	0.0	41.9	0.0	0.0	0.0
Net interest		(11.9)	20.2	38.5	25.6	44.8	0.0	0.0
Equity financing		121.8	(17.8)	0.9	(13.3)	0.0	0.0	0.0
Dividends		(19.6)	(7.6)	0.0	0.0	(19.6)	0.0	0.0
Other		0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Cash Flow		71.2	(64.1)	25.6	132.6	127.8	122.9	160.1
Opening net debt/(cash) including leases		275.1	213.9	338.9	362.1	317.4	276.7	189.9
FX		(2.2)	(0.1)	(0.8)	(3.3)	(7.4)	0.0	0.0
Other non-cash movements		(7.8)	(60.8)	(47.9)	(84.8)	(79.6)	(36.1)	(40.3)
Closing net debt/(cash) including leases		213.9	338.9	362.1	317.4	276.7	189.9	70.1

Source: Zalaris, Edison Investment Research. Note: FY25 restated.

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