Tradedoubler

Initiation of coverage

Growth companion for brands and publishers

Media

17 November 2025

Tradedoubler has a strong proposition in performance marketing, with particular strengths in the partner (affiliate) and influencer areas. With the springboard of a leading position in Europe, it is now expanding operations into the US, the largest global advertising market. Its influencer marketing business, Metapic, is well-placed to take advantage of this dynamic and fast-growing market area. The group has a diverse customer base and a cash-positive balance sheet, giving credibility to its medium-term targets for 10% revenue growth and 25% EBITDA/gross profit margin, despite the well-publicised current travails of the marketing services industry. Not yet factored into our forecasts, a breakthrough in the US market could be transformational. In our view, the current rating overstates the risks and understates the opportunities.

Year end	Revenue (SEKm)	EBITDA (SEKm)	PBT (SEKm)	EPS (SEK)	EV/EBITDA (x)	P/E (x)
12/23	1,986.8	92.4	35.6	0.60	3.6	11.0
12/24	2,113.4	96.3	33.3	0.49	3.5	13.4
12/25e	2,234.9	110.0	46.4	0.59	3.0	11.2
12/26e	2,410.3	130.1	69.6	0.92	2.6	7.2
12/27e	2,611.0	149.9	91.7	1.15	2.2	5.7

Note: EBITDA, PBT and diluted EPS are adjusted for change-related items.

Dynamic markets present opportunities

With a difficult macroeconomic backdrop, brands are laser-focused on improving returns from their marketing investment. The dominance of the 'walled gardens' of Google and Meta has long been a barrier to industry transparency, and the shift in public attitudes (and hence regulation) towards privacy adds another layer of complexity. The rapid emergence of AI in the ecosystem is disrupting processes, particularly in search. Despite this, publishers still need to monetise their content and brands still need to attract customers. Tradedoubler's proprietary platform is being rebuilt to work in an AI-driven world, ready to interact with AI systems and agents, and internal processes are being optimised with the use of AI tools.

Clear strategy underpins growth ambitions

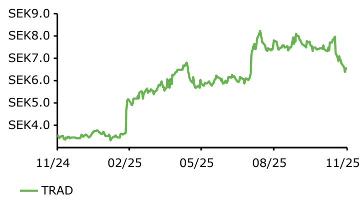
Management's strategy has three core elements: gain further market share in Europe; expand into new territories, particularly the US; and diversify the product suite, cross-selling to its large, loyal customer base. The group is cash generative with a strong balance sheet, bolstered by last year's rights issue, which raised SEK50m and materially reduced the debt owed to majority (53.7%) shareholder Reworld Media. This financial strength underpins the group's expansion plans.

Valuation: Well below peers and DCF

Quoted peers have divergent business models and ytd share price performances, with European stocks outperforming North American. At the median EV/EBITDA and EV/EBIT across FY25–27e, Tradedoubler's share price would be SEK11.29. Our DCF values the share at SEK11.84. Discounting both by 20% for the majority shareholding gives a range of SEK9.03–9.47, well ahead of the current share price.

Price	**SEK6.56**
Market cap	**SEK403m**
Net cash as at 30 September 2025	SEK68.0m
Shares in issue	61.2m
Free float	46.3%
Code	TRAD
Primary exchange	OMX
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	(11.8)	(11.1)	83.3
52-week high/low		SEK8.3	SEK3.2

Business description

Tradedoubler is an international leader in digital marketing and technology. Combining over 20 years of digital marketing expertise, a global presence and a market-leading technology platform, Tradedoubler offers customised performance-based solutions for advertisers and publishers, including data-driven insights and purchase journey tracking.

Next events

FY25 results	12 February 2026

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Edison profile page

Tradedoubler is a research client of Edison Investment Research Limited

Investment summary

Investment case

Tradedoubler connects brands and publishers across a mutually advantageous platform, facilitating the promotion of branded products and services by publishers and influencers, tracking consumer journeys to ensure that accurate amounts of commission are paid to those publishers and influencers in return for a share of that commission. The group has strength in diversity of product (including app marketing, as well as performance (affiliate) and influencer), of publishers and of brand owners/advertisers. It has a proprietary platform facilitating accurate tracking and a strong understanding of local markets through its client teams. Management has articulated a clear, three-pronged strategy of growing its market share in its existing European markets, expanding into new geographies (including the US, with expansion in the early stages of development and the first campaigns live in the current year) and diversifying with new products to its existing client base. The group has been investing in its sales and client support teams to support this programme. The opportunity in the fast-growing and dynamic influencer market is considerable. Being an experienced and trusted partner is particularly important here. Overall, Tradedoubler has a very low client churn rate compared with the industry, at just 3.5% in FY24.

The group is run by an experienced management team and has attractive, cash-generative characteristics that should support medium-term growth.

Financials

The group has a good record of growth, with revenues increasing at a CAGR of 14% across FY20–24. Adjusted EBITDA to gross profit margin suffered in FY24 from the impact of challenges at R-Advertising in France as the economics of email marketing were undermined, but this has cycled out and margins should recover through H225 and into FY26. The growing proportion of influencer marketing in the mix is also helpful in this regard, as well as providing a stimulus to top-line growth. Tradedoubler has intrinsically strong cash-generative characteristics, and the group had net cash of SEK68m at the end of Q325, providing ample backing to support the envisaged growth. Management's ambitions are for the revenue line to grow at 10% and for an adjusted EBITDA to gross profit margin at around the 25% level over the medium term. In view of the fast growth of the influencer marketing segment, we view this as broadly achievable, despite the continuing macroeconomic challenges dragging on sector performance. If the business starts to gain traction in the US, the sheer scale of the market could transform the group's prospects. We are factoring in modest growth until more evidence comes through on the outcomes of the initial forays.

Sensitivities

Tradedoubler faces several key risks common to the digital advertising sector. Its business model is highly sensitive to the macroeconomic conditions that affect consumer confidence and marketing budgets, with advertisers favouring demonstrable return on investment during downturns. The rapid evolution of AI in advertising, particularly AI-generated search summaries that disintermediate publisher content, poses some challenge, though working with high-quality publishers and brands provides mitigation. The company is also evolving its infrastructure and processes to harness AI. Operating across multiple territories creates currency translation risk, with a 10% weakening of the Swedish krone versus the group's underlying currencies potentially reducing PBT by SEK3.6m. The company's expansion into influencer marketing via Metapic shows strong growth, but the business operates in an evolving market where business models remain uncertain. Success depends on maintaining competitive solutions amid constant technical and regulatory flux, particularly around EU General Data Protection Regulation (GDPR) compliance, while managing IT infrastructure risks through dedicated security leadership.

Valuation

We have looked at Tradedoubler's valuation compared to a range of adtech peers, albeit the business models vary considerably. In a rapidly changing market, there has naturally been a divergence of financial and share price performance, with the European-based stocks generally having better valuation performance than those in North America. Based on median EV/EBITDA and EV/EBIT metrics across FY25–27, we derive an implied value of SEK11.29. A discounted cash flow (DCF), using a weighted average cost of capital (WACC) of 11.5% and a terminal growth rate of 2%, returns a value of SEK11.84, reasonably close to the peer-derived level and well ahead of the current price. We believe it is prudent to apply a discount to reflect the company's ownership structure; a 20% discount would reduce the peer derived valuation to SEK9.03 and the DCF valuation to SEK9.47, 38% and 44% above the current share price, respectively.

Company history

Tradedoubler was established in 1999 in Stockholm by Felix Hagnö and Martin Lorentzon, the co-founder of Spotify. It built quickly to be a leading European affiliate marketing network, and has been listed on the Stockholm Stock Exchange since 2005. Over the intervening years, the group has grown its proprietary partner marketing and tech solutions across more than 90 countries, with an average of 365 employees (permanent and temporary) in 2024. The largest concentrations of employees are in Sweden (81, with 54 in the parent company and a further 27 in the Swedish subsidiary) and in Poland (71), with meaningfully sized offices in France, Spain, the UK, Germany and Italy. According to management, in 2024, Tradedoubler generated more than SEK56bn incremental revenue for its clients through e-commerce and m-commerce channels.

Tradedoubler's shares are majority owned (53.7%) by Reworld Media, which is listed on Euronext Growth (ALREW.PA).

Activities

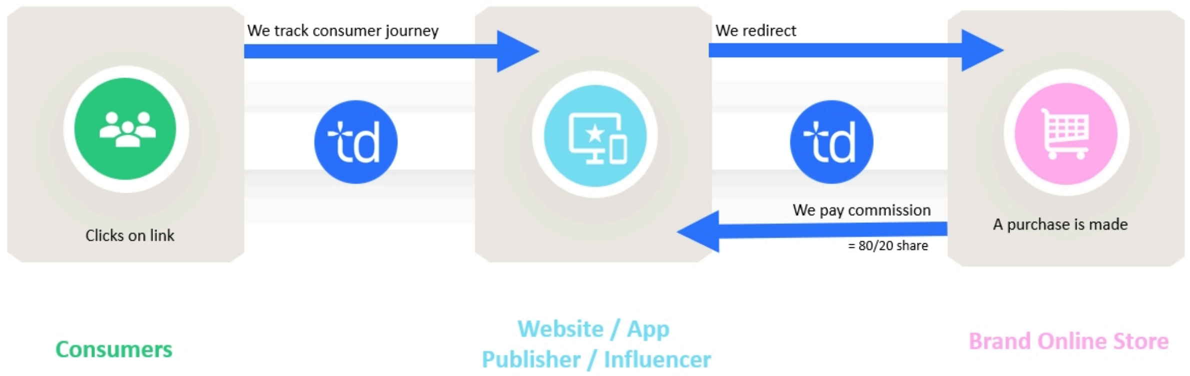
What does Tradedoubler actually do?

The company describes itself as acting as a partner to advertisers and publishers, delivering services such as partner marketing (known in earlier iterations as affiliate marketing), influencer marketing and other online and mobile marketing and sales channels – effectively tech solutions to enable marketing messages to reach the individuals that the client wishes to attract.

Performance marketing is data-driven, return on investment (RoI)-focused advertising where the advertiser pays for measurable outcomes (eg clicks, leads, sales). Influencer marketing involves advertisers partnering with creators who have an audience in order to shape awareness, consideration and sometimes conversions. In Tradedoubler's case, both are outcome-focused and digital-first. Performance marketing tends to have immediate, trackable actions and performance-related compensation; creative control sits with the brand. Influencer marketing often has different aims, such as improving trust or brand affinity and conversions can be more difficult to track. Creative control tends to sit with the influencer rather than the brand. Advertisers typically use performance marketing where there is already high intent for their category, first-party data is available and predictable acquisition at target cost per action (CPA)/return on ad spend (ROAS) is possible. Influencer marketing tends to be used to create credibility in a niche or in new communities, where products benefit from storytelling or a demo, or when building demand for a new category.

The exhibit below shows Tradedoubler's business model.

Exhibit 1: Tradedoubler's business model

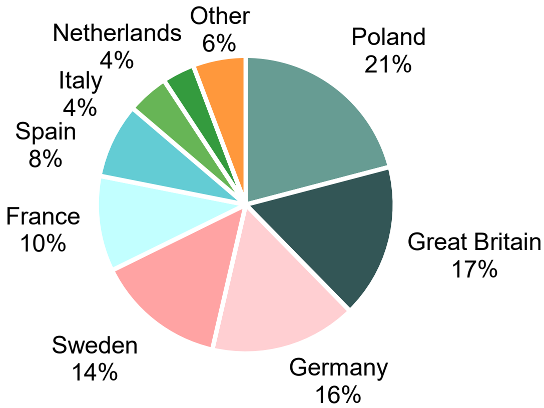


Source: Tradedoubler

How does it generate revenue?

Tradedoubler's primary disclosure of revenue is on a regional basis, as can be seen in Exhibit 2.

Exhibit 2: FY24 revenue by geography



Source: Tradedoubler accounts

In recent periods, it has also begun to disclose the split between partner marketing revenues and those derived from influencer marketing, with revenues for the first nine months of 2025 (9M25) splitting 90%:10%. With influencer marketing growing at a faster pace and delivering higher adjusted EBITDA margins (9.5% for 9M25 compared with 7.5%), it is becoming a considerably more important element in the mix.

- **Performance marketing (90% of 9M25 revenue):** Tradedoubler charges fees or commissions based on the successful outcomes of marketing campaigns. The main source of its revenue is from commissions on transactions generated through its partner (affiliate) network. The company facilitates the connection between advertisers and the publishers or affiliates that promote the brand's products or services. Advertisers pay Tradedoubler for a variety of performance-based actions, predominantly CPA, where a payment is made when a customer completes a specific action, like downloading an app or signing up for a free trial. Tradedoubler retains c 20% of this payment, paying the remaining 80% over to the publisher.
- **Influencer marketing (10% of 9M25 revenue):** Metapic, Tradedoubler's brand within the influencer marketing space that was acquired in FY17, has a broader range of revenue models, including CPA but also cost per click (CPC) and fixed fees for access to its services and proprietary technology.

Tradedoubler also facilitates other channels for its customers, including mobile, app-based marketing and residual email marketing, although this latter channel has been more affected by changes to the regulatory environment, primarily regarding privacy.

While based in the Nordics, its revenues are more widely spread, as shown in Exhibit 2, with a wide diversity of customers in both the publisher and advertiser base, illustrated in Exhibits 3 and 4 below. By vertical, Tradedoubler is most active in the travel, fashion, retail and consumer electronics categories. Tradedoubler operates in more than 90 countries and is the market leader in Spain and Poland (included in the Nordics for reporting purposes), and number two in France, Italy and the residual Nordic region. In the UK and Ireland, Germany and Benelux, the market is more competitive, but Tradedoubler is still a top-four player, and it aims to build market share across all its major markets. The company has more recently extended its operations into the US, the world's largest global market for advertising and marketing, with the figures from the region currently reported within the figures for the UK.

Exhibit 3: Selection of Tradedoubler publishers

Source: Tradedoubler

Exhibit 4: Selection of Tradedoubler advertisers

Source: Tradedoubler

Why Tradedoubler?

At its simplest, Tradedoubler helps publishers monetise their online content, with a positive contribution from the network effect of scale (more than 3,000 brands and hundreds of thousands of publishers, creators and influencers connected to Tradedoubler's platform across over 90 countries) and from its intimate knowledge and understanding of local markets.

Tradedoubler's platform has been designed to track user behaviour on any device and cross device to a sale on any website, app or even bricks-and-mortar store. It does this through a combination of:

- **Branded tracking:** the purest form of tracking since it is based on the brand's domain. The set-up effort pays off in the long run since it is the most secure tracking in turbulent regulatory times;
- **Tracking library:** Javascript code that is implemented on the brand's site. This is the most holistic form of tracking, easy to implement and always up to date through automatic Tradedoubler updates; and
- **Cookieless tracking:** ensures that all online journeys are accurately tracked, even when a cookie is not present (using a device fingerprint without personal identifiable information).

Third-party tracking has almost completely been substituted with first-party tracking, deterministic and probabalistic tracking and other forms, minimising the risks from regulatory changes.

Strategy

The group's stated strategy is to build towards a target of 10% revenue growth and adjusted EBITDA to gross profit margins of 25%. There are three basic strands that underpin the approach:

1. Increase market share.
2. Move into new geographic markets.
3. Increase development of existing client relationships.

There is nothing revolutionary here. Increasing market share does not necessarily imply 'more of the same'. It includes expanding into complementary segments within the digital marketing sphere, as has been the case with influencer marketing and mobile marketing.

Moving into new geographic markets does not have to be from a cold start. Existing clients on the publishing and advertiser rosters can act as a springboard to establishing a presence. Management has stated its intention to expand in the US in the current year, where it has opened an office in Miami and hired five employees, including two sales managers effective 1 September. We understand that CEO Matthias Stadelmeyer has been spending a significant amount of time there. Prior to opening the office, the company was already working on c 150 campaigns in the US and Canada for European-headquartered customers. Since then, the number of campaigns has increased to c 200. The company is also expanding into Mexico, following a similar approach to the US, and further into Eastern Europe. As an example of the company's track record of geographic expansion, it entered the Australian market at the start of 2024, opening an office in Sydney to service Australia and New Zealand. The business is already profitable, with growth on a month-on-month basis.

While most progress to date has been organic, there have been some bolt-on acquisitions. Metapic, the core of the influencer marketing operation, was bought in 2017, and later supplemented by the purchase of KAHA in June 2023. The acquisition of KAHA expanded Tradedoubler's investment in the influencer marketing sector by integrating its 'link-in-bio' technology with Metapic. Acquisitions form a key part of the group's strategic vision, accelerating market entry and channel expansion, despite having been relatively limited in recent periods.

Highly experienced management team

CEO Matthias Stadelmeyer took over the role in April 2014. He previously held several leading positions within Tradedoubler, including sales director and head of TD technology in Germany, regional director for market unit DACH and vice president sales. Matthias started his career as team leader for online marketing at CANCOM IT Systeme. He is based in Munich, Germany, and holds 130,000 shares. The CFO, Viktor Wågström, has been in role since October 2016, having joined in March 2015 as head of group accounting. Prior to that Viktor worked for Cision, an international PR software company, and held a number of roles including group treasurer and business controller. He is based in Stockholm, Sweden, and holds 130,000 shares. The executive team also comprises the CTO, Victoria Normark, who joined the company in the role in January 2023. Prior to that, Victoria was CTO of Privitar, a company working with software solutions for privacy. Victoria started her career as a Java developer in 2000 and has since held numerous roles as a manager in different positions. She is based in Stockholm, Sweden, and holds no shares.

Regional and operational management bios are available on Tradedoubler's website.

The main board consists of five individuals, three of whom are independent of the company. The chairman is Pascal Chevalier, co-founder and CEO of Reworld Media, who sits alongside Gautier Normand, co-founder and COO of Reworld Media. Biographies of the board of directors can be found here.

Digital marketing is still growing its share of marketing spend

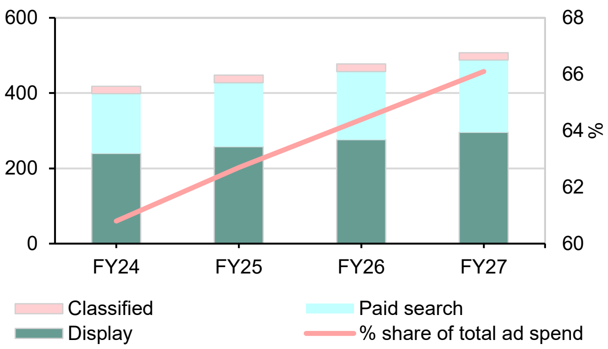
Tradedoubler's operations fall within the sphere of digital advertising, which accounts for the majority of global marketing dollar spend and continues to grow in absolute terms and as a proportion of total spend, as shown in the exhibits below.

However, this large market is dominated globally by three players: Google (Alphabet), Meta and Amazon. Statista data show Google remaining the largest player, expected to still control roughly 40% of global digital ad spend by FY27, with Facebook taking a further 15%. Along with Amazon, Apple, TikTok and X, these companies are known as the walled gardens. Here the publisher controls all the advertising and does not share its data. As the market migrates away from third-party cookie tracking, control of data becomes increasingly important.

With the arrival of AI-driven results to search enquiries, paid search is becoming less attractive, with results dropping lower down on the page. Tradedoubler does not operate within the paid search space.

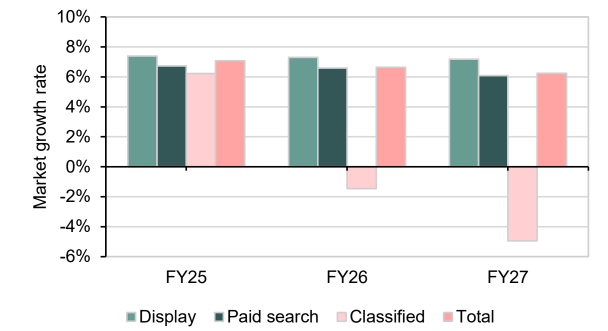
Tradedoubler offers a wide range of publishers outside of the walled gardens and its platform allows advertisers to maintain control over their programmes and the data generated from them. It offers good lower funnel conversion potential as it is based on pay-per-outcome whereas the walled gardens tend to provide better scale and speed so are often used for upper funnel creation, using mostly media spend models such as cost per mille (CPM)/CPC/cost per view (CPV).

Exhibit 5: Forecast digital advertising spend by type, $m



Source: Dentsu

Exhibit 6: Forecast growth rates for digital advertising spend by type



Source: Dentsu

Influencer marketing gaining importance

Influencer marketing had been growing organically through individuals generating content on YouTube and social media and making recommendations to their followers. In the past few years, this has accelerated and professionalised. Statista figures suggest that in 2020 the market value of global influencer marketing was nearly US$10bn and is estimated to reach over US$30bn in 2025.

Brands have latched on quickly that a successful influencer partnership can be a lucrative proposition for both parties. The growing credibility factor means that it is increasingly part of the budgeting process. Statista quotes an industry report citing that 14% of marketers expect to allocate 10% to 15% of their budgets, and a similar proportion plan to spend half their allocated funds, to sponsored content campaigns, with LinkedIn, Instagram and YouTube, as well as TikTok, all expected beneficiaries. Travel was one of the earliest verticals to realise the potential of influencers, but the use has spread across a wide variety of both consumer and business-to-business brands.

Trust is a vital element of the ecosystem and is needed both between the influencer and their followers and the influencer and the brand.

Tradedoubler's influencer marketing business is focused on niche influencers with targeted audiences rather than on influencers with large, broad audiences. E-commerce-first consumer brands, such as fashion, beauty, lifestyle, home and travel are target areas, and the business is performance-focused, with Metapic tracking clicks, conversions and ROAS rather than just impressions or reach.

Broader market developments

There are many factors at play currently, leading to a fundamental reappraisal of the value of the traditional agency model in a fast-moving and complex ecosystem. This is far from an exhaustive list, but it highlights some of the dominant current factors:

- **Privacy regulations and the death of cookies.** Increasing consumer awareness and a more stringent regulatory environment are changing how marketers collect and use data, and also how they value it. While the final withdrawal of third-party cookies has now been shelved, the market has fundamentally shifted away from their use. First-party and zero-party data gathered directly from consumers has far greater utility and value. Attribution models are still needed, but tracking needs to be more sophisticated and privacy-compliant, with the GDPR in Europe and the California Consumer Privacy Act (CCPA) in the US returning control (or at least the option of it) back to consumers.
- **The rise and ethical challenges of AI.** These include issues of transparency, bias and manipulation. Algorithms can perpetuate existing biases from their training data, potentially leading to discriminatory targeting. The rush towards the development of true mass personalisation does not always travel hand-in-hand with a high quality of content. Large quantities of what is known as ‘AI slop’ are degenerative to consumers’ online experiences. AI is presenting additional issues in terms of overviews in search queries reducing clicks through to publishers’ websites. Marketers are having to learn how to market AI content to AI agents. There is also the important issue of misinformation and deepfakes, presenting a risk to brand safety and consumer trust.
- **Fragmentation and competition.** With a crowded and complex digital landscape, sophisticated, integrated strategies are needed to reach audiences. It is hard to capture consumer attention and achieve brand visibility. Customer journeys are also more fragmented, with consumers interacting with brands across numerous platforms, devices and channels. Tracking and understanding this non-linear journey is a major challenge.

Tradedoubler’s approach to AI

Cognisant of the challenges and opportunities that AI presents, over the last year the company has developed an AI strategy to address the accelerating adoption of AI. Its vision is to be the most automated and intelligent platform, built to work seamlessly with AI agents in an AI-driven market. In order to achieve this, it is rebuilding its platform from the bottom up and providing its teams with the tools necessary to integrate AI into their work. The strategy is focused on three areas:

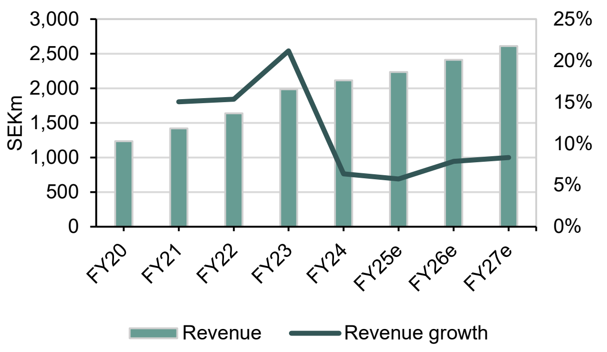
1. AI-ready data infrastructure: over the last year, a centralised data lake was developed, and was finalised in Q3. Partner and performance data is now structured for AI analysis and automation.
2. Automation-first platform: the company has embedded automation and intelligence across the platform and internal processes, to improve scalability, efficiency and performance.
3. AI-friendly interfaces (user interfaces (UI) and application programming interfaces (APIs)): creating interfaces and connections that ensure partners and publishers are visible and discoverable in AI-driven commerce.

Management believes that this will provide impact in terms of efficiency, intelligence and network growth. The company expects to accelerate delivery, reduce operational costs and improve accuracy by moving to automation-first operations including partner onboarding, data ingestion and reporting processes. Using AI-powered product recommendations and visitor recovery tools, the company aims to enhance personalisation and conversion. As discovery shifts to AI-driven environments, the company aims to leverage AI to improve reach and visibility for publishers and advertisers. The company is already working with several AI publishers (eg Linkby) and sees this as an additional traffic channel.

Financials

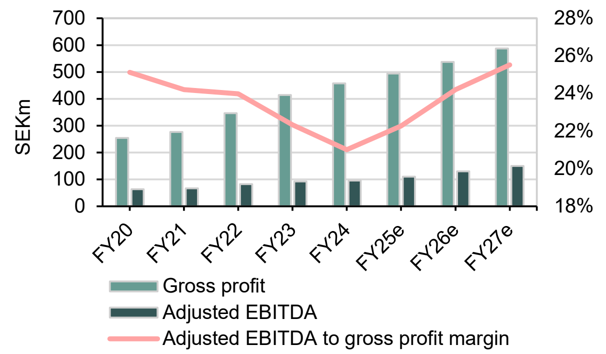
Tradedoubler's most recent published results are for the nine months to 30 September 2025. We have based our forecasts on the latest published figures and management's commentary on the outlook and its objectives.

Exhibit 7: Revenue progression, FY20-27e



Source: Tradedoubler, Edison Investment Research

Exhibit 8: Gross profit and EBITDA, FY20-27e



Source: Tradedoubler, Edison Investment Research

Revenue model

The group generates nearly all of its revenues as transaction fees (98.6% in FY24 and 98.9% in FY23). Transaction revenue arises as part of an advertising campaign, where each campaign constitutes a performance commitment. Advertisers only pay a success-based fee to the publisher if the advertising material has actually been used and resulted in the desired transaction for the advertising customers. The transaction is then validated by the advertiser and Tradedoubler reports the revenue when the performance commitment is considered fulfilled. So, in effect, this is a commission on the commission earned by the publisher from a successful transaction. For influencer marketing, revenues are more CPC-based.

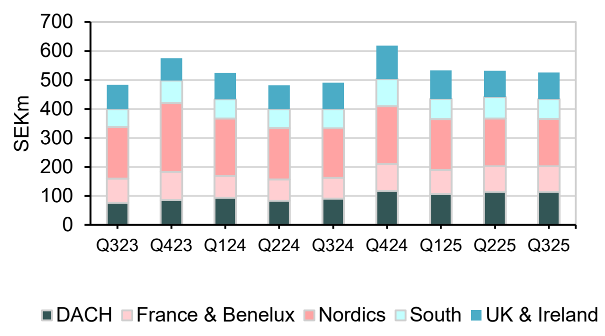
The small balancing revenue number is attributable to some fixed one-off and monthly fees, generally related to licencing the company's technology for customer use.

IFRS 15 requires that the group's gross income is reported, including the publishers' remuneration earned through Tradedoubler's network. Therefore, the reported gross profit is a more useful measure of the level of activity, as it is stated after these put-through costs. The group's adjusted EBITDA margin target of 25% is stated against gross profit rather than against revenue.

As described in the 'Activities' section above, revenue and adjusted EBITDA are reported by geographic region and split between partner marketing and influencer marketing. This latter element is small at present (10% of 9M25 revenue), but fast-growing, so it should become a more meaningful proportion of the group over the next two to three years. For now, our model is driven off the regional split, but we will most likely adapt as the historical data give a better steer. As can be seen in the exhibit below, the fourth quarter is the most important, as is the norm for media businesses, with the second and third quarters the least important. Influencer marketing tends to be campaign-driven, which can result in lumpy revenues.

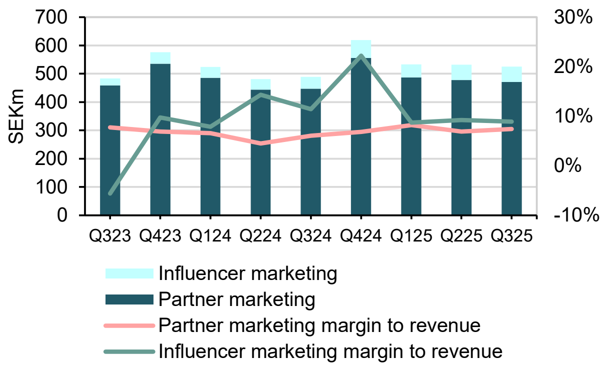
Industry dynamics vary by region, intrinsically linked to local economic circumstances. The group has no notable client or vertical concentration, with the largest group client accounting for less than 10% of group revenue in both FY23 and FY24. That being said, a Chinese e-commerce customer has decided to stop working on campaigns with Tradedoubler. The company noted that this customer generated SEK2m of gross profit in Q325 (1.7% of group gross profit) and we understand had worked with Tradedoubler for around 18 months, so we would expect this to create a tough comparative for H126. On the plus side, during Q3 the company signed up About You, Bosch and L'Oréal across several European markets for performance marketing. While these are unlikely to compensate for the customer loss in H126, they represent longer-term relationships that should support sustained revenue growth.

Exhibit 9: Quarterly revenue progression by region Q323–Q325



Source: Tradedoubler

Exhibit 10: Quarterly revenue progression by activity Q323–Q325



Source: Tradedoubler

Revenue patterns by region

Trading within the largest region, the Nordics, has been difficult over recent periods, with six successive quarters of decline. This is primarily related to weak market sentiment, which has particularly affected the travel sector. 9M25 revenue was 7.9% below the prior year (Q3 down 3.9%). Adjusted EBITDA margin (adjusted EBITDA/revenue) was 5.5% in the region in Q325, having averaged 6.4% in FY24 and 6.7% in FY23. We expect progress to be limited for the remainder of the year, but comparatives should start to ease in FY26.

The next largest region by revenue and the largest by EBITDA is DACH. Results here have been impressive, with 9M25 revenues up 24.6% on the prior year, and include some larger, international clients advertising in the region. Generally, having large clients translates into higher achievable margins, and there has been a marked step-up in EBITDA margin over recent reporting periods. For 9M25, the adjusted EBITDA margin in the region was 14.4%, up from 8.4% in FY24 (FY23: 11.7%). Given the profile of the client base, management regards this level of margin as sustainable.

For the UK and Ireland, 9M25 revenues were 5.7% ahead of the prior year, against tough comparatives, despite a difficult backdrop of weak consumer sentiment. The adjusted EBITDA margin improved in Q3 to 5.2%, up from 4.4% in Q225 although not yet reaching the 6.6% achieved in Q125. We anticipate the challenging backdrop to continue through the second half. For now, the results of the nascent US business are incorporated into the reported UK and Ireland figures, which will also temper margins.

France and Benelux's results have been affected by a specific issue: the diminution of email marketing in the global mix as a result of regulatory changes respecting data and privacy, which has hit Tradedoubler's subsidiary, R-Advertising. This has now worked its way through the numbers and the business looks more of a mirror to operations in other regions. We anticipate that revenues will steady at these lower levels, before picking up into FY26 as the benefit of newly won client accounts starts to show through, leading to a recovery in margin.

The smallest region by revenue is 'South', which covers operations in Spain and Italy. Here business has been picking up, a pattern reported by other industry participants, and we expect performance to remain positive through the remainder of the year and into FY26.

Revenue patterns by activity

While influencer marketing activity is currently only a small proportion of overall group revenues, it is an area growing considerably faster than the more 'traditional' digital marketing. Management is giving greater emphasis to analysing the group by this split. As it grows as a percentage, we would expect greater granularity of disclosure that would facilitate modelling on this basis. With the H125 results, management shared the quarterly splits to Q223 between partner marketing and influencer marketing, with the figures for the last nine quarters illustrated in Exhibit 10 above.

In 9M25, partner marketing revenues were up 7%, with influencer marketing up 31%, albeit from a much lower starting point. In Q125, partner marketing was flat, suppressed by the issue at R-Advertising, referred to above, while influencer marketing grew 21%. Both showed a stronger performance in Q225 at +8% and +45%, respectively, moderating slightly in Q325 to +5% and +29% respectively.

Our modelling assumes that influencer marketing continues to grow at high rate through FY26 and starts to moderate slightly through FY27, by which point the split would be nearer to 80%:20%.

Stable gross margins, operating leverage driving EBITDA margins

As explained above, the gross profit is a more meaningful representation of activity than the revenue line for the performance marketing business. Group gross margins have been relatively stable over recent periods and in a range of 19.5% to 21.7% across FY20 to FY24. Our modelling assumes that a level of around 22% is sustainable for the near future, supported by the growing share of higher-margin influencer marketing services. Gross margin for 9M25 was 22.1% and for Q325 was 21.9%.

The next largest element of cost is the selling expenses and these have increased from 11.6% of revenue in FY20 to 14.5% in FY24, as the group has paid closer attention to account management, reducing churn and driving cross-selling of other group capabilities. Administrative expenses are comparatively modest at around 4% of revenue, with R&D spend hovering at the 2% of revenue level.

It is at the adjusted EBITDA level that the attractiveness of influencer marketing becomes even more apparent, particularly in the important Q4 period, encompassing Black Friday and Christmas trading. In Q424, influencer marketing achieved a 22.2% EBITDA margin, giving a figure for the full year of 15.2%, well ahead of that achieved by the performance marketing segment of 6.0%. Across 9M25, the differential has been less marked, but still meaningful at 9.5% against 7.5%. We would expect a greater seasonal divergence in Q4. Management noted that it had made the decision to invest in Metapic during Q2 and Q3 to strengthen its ability to attract influencers to the platform, which implies that it has scope to expand its margins further.

For Q325, the EBITDA to gross profit margin was 19%, below the company's longer-term 25% target. For 9M25, the margin was 20% and we forecast 22% for the full year. Several factors weighed on EBITDA in Q3, including currency (c SEK1m effect) and the one-off correction of amounts owed to brands (c SEK1m effect).

Cash flow reflects low level of capital required

Tradedoubler typically operates with negative working capital as for partner marketing, it receives payment from advertisers before paying commission across to publishers, albeit on a quarterly basis this will fluctuate. In FY24, this reversed as the company made a one-off catch-up payment to a publisher. For influencer marketing, payments tend to be made to creators in advance of receiving the cash from advertisers and this effect is particularly marked in Q4. As influencer marketing increases as a proportion of revenue, this will partially offset the negative working capital position of partner marketing.

Capex consists mainly of the capitalisation of development costs with a much smaller investment in tangible assets and lease payments for right of use assets. Overall capex including lease payments runs at c 2.5% of revenue.

The group acquired KAHA in 2023, which was folded into Metapic, with an initial cash flow impact of €1.8m/SEK21m and earn-out payments scheduled through to FY28 (not exceeding Influencer Marketing EBITDA). At the end of FY24, the contingent liability for the earn-out was SEK49.5m, of which SEK26.3m was paid to the vendors in Q125, split between working capital (SEK19m) and investment in subsidiaries (SEK7m).

Balance sheet improved by FY24 rights issue

During Q424, Tradedoubler completed a SEK50.5m rights issue, raising approximately SEK20.5m in cash, before costs. Majority shareholder Reworld Media paid for its portion of the shares through a set-off arrangement, meaning that Tradedoubler's debt position was reduced by approximately SEK30m through the rights issue. The amount owing to Reworld Media at end FY24 was SEK41.1m. By end-H125, the interest-bearing liabilities on the balance sheet totalled SEK36m. The facility from Reworld is on market terms, running to June 2028 with a fixed interest rate of 3.52% until 30 June 2025, after which the loan has an interest rate of 9%. The loan has a covenant that the entire loan will be repaid in the event of a change in company control.

Reflecting favourable working capital movements in Q325, net cash was SEK68m at the end of Q325 (gross cash of SEK104m less interest-bearing liabilities of SEK36m). We expect that some of this working capital movement will reverse in Q4 and forecast net cash of SEK57.2m by the end of FY25, rising to SEK166.8m by the end of FY27.

Sensitivities

Tradedoubler's core sensitivity is that its business model is susceptible to the vagaries of macroeconomic conditions, which drive consumer confidence and the willingness of brands to invest in marketing their products and services. This is in common with the rest of the sector. When the pressure is on, advertisers tend to be more risk-averse, looking for solutions with demonstrable return on investment.

The market is evolving rapidly, particularly in respect of the utilisation of AI in the advertising ecosystem. Currently, this disruption is primarily focused around the search element, where AI-derived summaries to queries are replacing the retailer links that commonly would appear at the top of the page, forcing the user to scroll further. Tradedoubler's business model is not in this area of search-engine optimisation, but there are nevertheless concerns that publisher content becomes harder to find or gets disintermediated. Working with high-quality publishers is a mitigating factor and the company has started working with some AI publishers. Influencer marketing should be less disrupted by AI than traditional publishing.

Tradedoubler has operations across multiple territories and publishes its financial data in Swedish krone. It has little transaction risk, as invoicing to customers and from suppliers is largely in local currency, with the larger sensitivity on translation risk. The FY24 accounts state that in the event of a 10% weakening of the group's underlying currencies, PBT would be reduced by around SEK3.6m. If the underlying currencies weakened by 10% at the end of the reporting period, the impact on the balance sheet would be c SEK6.2m. While Tradedoubler has plenty of opportunity to expand its operations and revenue within Europe, the industry is dominated by the US. Establishing credible scale in this market would be potentially transformative.

Tradedoubler has also set its sights on building a substantial business in influencer marketing, based on Metapic. This area of the market is very active currently and is still refining the business model. While the business is developing rapidly in this area, the market's attention could shift to alternative models and the strong growth that has been evident over recent periods may temper.

Within this environment, it is vital that Tradedoubler offers solutions that are truly competitive and easy to integrate for both advertiser and publisher. The market is in a constant state of flux, and the speed of technical change can be high, requiring continuing spending to ensure that the offering is meeting, or anticipating, the needs of its partners. As well as the technical shifts, the online advertising market is subject to regulatory shifts that may vary by territory and that generally centre around the issue of privacy and control of data. Within Europe, the GDPR places high demands on how the company handles personal data and data protection, and Tradedoubler conducts training to maintain compliance.

As with any technology-based business, there are operational risks regarding the group's IT infrastructure, which is fundamental to being able to deliver its day-to-day services. Tradedoubler has a dedicated chief internet security officer, who leads on risk management of the IT infrastructure alongside the external resources.

Valuation

We normally base our valuation on a peer group analysis and follow this with a sense-check by applying a DCF with varying inputs. This comes with a proviso that any set of peers in this space is likely to be open to criticism about the degree of overlap and relevance, given that this is such a large and disparate space. Nevertheless, this remains a starting point for appraisal of Tradedoubler's current valuation.

Exhibit 11: Peer group financial performance

Company	Share price	Market cap Quoted currency (m)	Market cap $m	EV Reporting currency (m)	Revenue growth (%)			Gross profit growth (%)			EBITDA growth (%)			EBITDA/GP (%)		
					FY1	FY2	FY3	FY1	FY2	FY3	FY1	FY2	FY3	FY1	FY2	FY3
Tradedoubler	**SEK 6.56**	**397**	**43**	**359**	**5.7**	**7.8**	**8.3**	**7.8**	**8.8**	**9.3**	**14.3**	**18.3**	**15.3**	**22.3**	**24.2**	**25.5**
Integral Ad Science	$10.27	1,724	1,724	1,595	13.8	11.4	12.0	12.8	11.7	11.6	10.8	12.6	14.0	45.1	45.5	46.5
Criteo	$20.77	1,091	1,091	862	4.6	1.8	17.1	6.5	2.0	17.3	3.3	(1.1)	6.9	38.5	37.3	34.0
Nexxen International	$6.43	408	408	277	1.4	8.8	6.0	1.3	10.7	1.3	3.3	10.6	9.6	38.3	38.3	41.5
Verve Group	€ 2.05	403	468	837	15.0	14.3	11.5	10.5	16.6	17.0	2.4	21.2	18.0	54.8	57.0	57.5
Azerion Group	€ 1.28	157	183	374	9.9	7.4	7.5	(54.7)	7.1	7.5	13.2	10.6	10.6	44.2	45.7	47.0
Teads	$0.78	75	75	558	47.7	(12.6)	(0.8)	350.3	9.9	(0.7)	129.4	32.4	(1.9)	9.9	11.9	11.8
Ad Pepper Media International	€ 2.98	76	88	60	26.6	37.0	5.8	70.2	23.2	5.9	130.6	94.8	11.1	13.0	20.6	21.6
Fluent	$1.92	57	57	75	(17.6)	11.6	12.8	(21.7)	22.9	14.4	27.9	(138.2)	227.8	N/A	4.7	13.5
Adtraction Group	SEK 26.00	433	46	332	(3.2)	8.1	4.1	(4.1)	9.8	5.1	3.3	3.8	5.5	23.6	22.3	22.4
Average					***10.9***	***9.7***	***8.4***	***41.3***	***12.6***	***8.8***	***60.9***	***0.7***	***50.6***	***33.4***	***31.5***	***32.9***
Median					***9.9***	***8.8***	***7.5***	***6.5***	***10.7***	***7.5***	***10.8***	***10.6***	***10.6***	***38.4***	***37.3***	***34.0***

Source: Edison Investment Research, LSEG Data & Analytics (as at 17 November). Note: All year-end 31 December.

Exhibit 12: Peer group valuation multiples

Company	EV/EBITDA			EV/EBIT			P/E			ytd
	FY1	FY2	FY3	FY1	FY2	FY3	FY1	FY2	FY3	perf (%)
Tradedoubler	**3.3**	**2.8**	**2.4**	**7.1**	**5.0**	**3.9**	**11.2**	**7.2**	**5.7**	**81.2**
Integral Ad Science	7.5	6.7	5.9	21.6	16.4	13.1	29.9	27.0	19.6	(1.6)
Criteo	2.1	2.2	2.0	4.4	4.3	3.9	4.4	4.4	4.0	(47.5)
Nexxen International	2.3	2.1	1.9	7.3	6.3	5.5	6.2	5.8	5.5	(35.8)
Verve Group	6.1	5.1	4.3	8.7	6.7	5.5	10.4	5.9	4.3	(34.9)
Azerion Group	4.4	4.0	3.6	6.7	5.8	5.2	6.4	6.4	4.3	10.3
Teads	6.5	4.9	5.0	N/A	9.1	5.5	N/A	N/A	N/A	(89.1)
Ad Pepper Media International	12.9	6.6	6.0	19.7	7.8	7.0	59.6	22.9	19.9	50.5
Fluent	N/A	27.3	8.3	N/A	N/A	N/A	N/A	N/A	N/A	(23.8)
Adtraction Group	6.3	6.0	5.7	N/A	N/A	332.4	N/A	N/A	N/A	(23.8)
Average	***6.0***	***7.2***	***4.8***	***11.4***	***8.1***	***47.2***	***19.5***	***12.1***	***9.6***	***(21.7)***
Average excl outliers	***6.0***	***4.7***	***4.3***	***11.4***	***7.9***	***6.7***				
Median	***6.2***	***5.1***	***5.0***	***8.0***	***6.7***	***5.5***	***8.4***	***6.2***	***4.9***	***(23.8)***

Source: LSEG Data & Analytics (as at 17 November)

It is notable how much variation there is between the share price performances of these stocks, with no noticeable correlation with scale, which has historically been a contributory factor. There is also a wide range in the valuation multiples, which is why we look to the median, rather than the average rating. Tradedoubler is the stand-out performer from a share price perspective, with ad pepper media the only other stock showing a significant uplift, and Azerion posting a smaller gain. We view much of this poor sector performance as being attributable to the negative sentiment in consumer confidence and advertising generally, driven by the macroeconomic uncertainty in the large US market. Tradedoubler, ad pepper media and Azerion are Europe-based.

Despite its stronger share price performance, Tradedoubler continues to trade at a discounted rating to this peer group, as can be seen in the comparison table (Exhibit 12). Were it to trade at parity across FY25–27 on average EV/EBITDA and EV/EBIT metrics, the share price would be SEK11.29, 72% higher than the current level. As Tradedoubler has a majority shareholder, our view is that applying a discount to this sum is appropriate. The level at which this discount should be applied is obviously highly subjective. A trim of 20% would take the implied share price to SEK9.03.

We also look at the valuation on a DCF basis, while acknowledging that this approach can derive a wide range of outcomes, dependent on the inputs used beyond the immediate forecast period. After our forecasts to FY27, we forecast revenue growth trending down from 8% in FY28 to 3% by FY34 with an EBITDA margin of 5.5%. We note that if the company achieves its targeted 10% revenue growth rate in the medium term, this would provide further upside to our valuation. Expansion in the US is just one avenue that could support this higher growth rate.

On a terminal growth rate of 2% and assuming a WACC of 11.5%, our modelling derives a value of SEK11.84 per share, just above the level implied by the peer valuation and well ahead of the current level. Exhibit 13 summarises the sensitivity of our valuation to the WACC and long-term growth rates used.

Exhibit 13: DCF sensitivity analysis based on WACC and long-term growth rates (SEK per share)

		------------------Terminal growth rate------------------				
	11.8	**0.0%**	**1.0%**	**2.0%**	**3.0%**	**4.0%**
------------WACC------------	**13.5%**	8.97	9.25	9.59	9.99	10.47
	13.0%	9.37	9.69	10.07	10.53	11.09
	12.5%	9.81	10.17	10.60	11.13	11.77
	12.0%	10.28	10.70	11.19	11.79	12.55
	11.5%	10.80	11.27	$\boxed{11.84}$	12.54	13.42
	11.0%	11.37	11.91	12.56	13.38	14.43
	10.5%	11.99	12.61	13.37	14.33	15.58
	10.0%	12.68	13.39	14.28	15.42	16.94
	9.5%	13.44	14.27	15.31	16.67	18.53
	9.0%	14.29	15.26	16.49	18.14	20.45

Source: Edison Investment Research

Exhibit 14: Financial summary

SEKm	2022	2023	2024	2025e	2026e	2027e
Year end 31 December	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
PROFIT & LOSS						
Revenue	**1,639.6**	**1,986.8**	**2,113.4**	**2,234.9**	**2,410.3**	**2,611.0**
Cost of Sales	(1,293.5)	(1,572.9)	(1,655.3)	(1,741.0)	(1,872.8)	(2,023.5)
Gross Profit	346.1	413.9	458.1	493.9	537.5	587.5
Adjusted EBITDA	**83.0**	**92.4**	**96.3**	**110.0**	**130.1**	**149.9**
Operating Profit (before amort. and except.)	**47.1**	**41.2**	**46.9**	**50.8**	**72.3**	**92.2**
Amortisation of acquired intangibles	0.0	0.0	0.0	0.0	0.0	0.0
Exceptionals	(4.0)	(1.7)	(27.1)	(2.5)	(12.8)	(8.7)
Other	0.0	0.0	0.0	0.0	0.0	0.0
Operating Profit	**43.1**	**39.5**	**19.8**	**48.3**	**59.5**	**83.5**
Net Interest	(9.7)	(5.6)	(13.6)	(4.4)	(2.7)	(0.5)
Profit Before Tax (norm)	**37.4**	**35.6**	**33.3**	**46.4**	**69.6**	**91.7**
Profit Before Tax (FRS 3)	**33.4**	**33.9**	**6.2**	**43.9**	**56.8**	**83.0**
Tax	(9.1)	(8.6)	(9.4)	(11.0)	(14.2)	(20.7)
Profit After Tax (norm)	**28.3**	**27.0**	**23.9**	**35.4**	**55.4**	**70.9**
Profit After Tax (FRS 3)	**24.3**	**25.3**	**(3.2)**	**32.9**	**42.6**	**62.2**
Average Number of Shares Outstanding (m)	45.1	45.1	48.7	60.4	60.4	60.4
EPS - normalised (SEK)	0.63	0.60	0.49	0.59	0.92	1.17
EPS - normalised and fully diluted (SEK)	0.63	0.60	0.49	0.59	0.92	1.15
EPS - (IFRS) (SEK)	0.54	0.56	(0.07)	0.54	0.70	1.03
Dividend per share (SEK)	0.00	0.00	0.00	0.00	0.00	0.00
Gross margin (%)	21.1	20.8	21.7	22.1	22.3	22.5
EBITDA margin to gross profit (%)	24.0	22.3	21.0	22.3	24.2	25.5
Operating margin to gross profit (before GW and except.) (%)	13.6	10.0	10.2	10.3	13.5	15.7
BALANCE SHEET						
Fixed Assets	**462**	**542**	**559**	**565**	**565**	**565**
Intangible Assets	380	447	469	475	475	475
Tangible Assets	46	64	61	61	61	61
Investments	36	31	29	29	29	29
Current Assets	**575**	**610**	**687**	**731**	**816**	**928**
Stocks	0	0	0	0	0	0
Debtors	462	520	580	612	660	715
Cash	93	70	78	90	128	184
Other	20	21	28	28	28	28
Current Liabilities	**(621)**	**(679)**	**(749)**	**(772)**	**(820)**	**(875)**
Creditors	(598)	(655)	(723)	(745)	(793)	(849)
Short-term borrowings	(24)	(24)	(26)	(26)	(26)	(26)
Long-Term Liabilities	**(108)**	**(140)**	**(99)**	**(91)**	**(83)**	**(75)**
Long-term borrowings	(107)	(110)	(71)	(64)	(56)	(48)
Other long-term liabilities	(2)	(30)	(27)	(27)	(27)	(27)
Net Assets	**308**	**333**	**399**	**434**	**479**	**543**
CASH FLOW						
Operating Cash Flow	**67**	**88**	**79**	**98**	**117**	**141**
Net interest	(10)	(6)	(14)	(4)	(3)	(0)
Tax	2	(8)	(10)	(11)	(14)	(21)
Capex	(41)	(63)	(45)	(45)	(38)	(38)
Acquisitions/disposals	0	0	0	0	0	0
Equity financing	0	0	20	0	0	0
Dividends	0	0	0	0	0	0
Other	(14)	(19)	(18)	(18)	(18)	(18)
Net Cash Flow	5	(8)	13	20	45	65
Opening net debt/(cash)	**(1)**	**(5)**	**5**	**(37)**	**(57)**	**(102)**
HP finance leases initiated	0	0	0	0	0	0
Other	(1)	(2)	29	0	0	0
Closing net debt/(cash)	**(5)**	**5**	**(37)**	**(57)**	**(102)**	**(167)**

Source: Tradedoubler, Edison Investment Research

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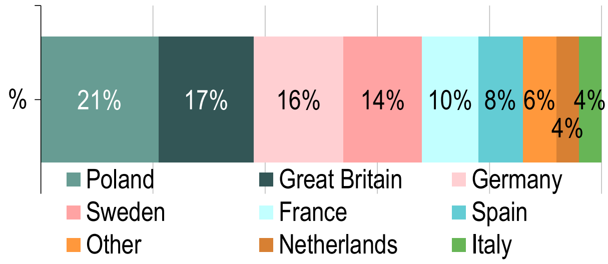
Revenue by geography



Management team

CEO: Matthias Stadelmeyer

Matthias has been CEO of Tradedoubler since April 2014. He previously held several leading positions in the company, including sales director and head of TD technology in Germany, regional director for market unit DACH and vice president sales. Matthias began his career as team leader for online marketing at CANCOM IT Systeme. He is based in Munich, Germany, and holds 130,000 shares.

CFO: Viktor Wågström

Viktor has been CFO since October 2016, having joined in March 2015 as head of group accounting. Prior to this, Viktor worked for Cision, an international public relations software company and held a number of roles including group treasurer and business controller. He is based in Stockholm, Sweden, and holds 130,000 shares.

CTO: Victoria Normark

Victoria joined Tradedoubler as CTO in January 2023. Before this, she was the CTO of Privitar, a company working with software solutions for privacy. Victoria began her career as a Java developer in 2000 and has since held numerous managerial roles. She is based in Stockholm, Sweden, and holds no shares.

Principal shareholders	%
Reworld Media	53.7
Ekstrand Corporate Advisors	12.3
Theodor Jeansson	5.4

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