

Zalaris

Positive contract progress in Q2

Zalaris has recently signed a contract extension with a Nordic financial institution; the value of the extension makes up a significant proportion of the nearly NOK35m of annual contract value (ACV) signed in the quarter. In addition, letters of intent for two separate Managed Services contracts worth a combined NOK13m in ACV were signed in Q2. These contracts support our FY25 revenue forecast and underline the progress the company is making with existing and new customers. We maintain our forecasts.

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	81.0	N/A
12/24	1,346.3	80.7	2.70	0.90	28.4	1.2
12/25e	1,494.5	145.2	5.06	0.96	15.2	1.3
12/26e	1,626.0	186.7	6.38	1.36	12.0	1.8

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

In Q2, Zalaris expanded its service agreement with a Nordic financial institution customer. The agreement extends Zalaris's existing payroll services for the customer to now include its Finnish operations, adding more than 1,600 employees. The service includes end-to-end payroll, time and attendance, and travel expense management. The contract makes up a significant proportion of the almost NOK35m of ACV signed in Q2.

Also during Q2, two letters of intent were signed representing more than NOK13m in combined ACV. Project implementation is already underway for both.

Management commented that with the signed agreements and active implementations, the company is well on its way to achieving its 2025 sales targets. At the end of Q125, the company had Managed Services contracted annual recurring revenue of NOK1,065m; these new contracts increase this by 4.5% to NOK1,113m. With implementation of the new contracts likely to extend into FY26, we expect them to contribute to the company's 10% revenue growth target for FY26.

Q2 trading update

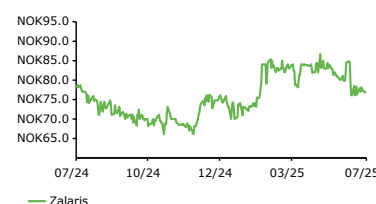
Software and comp services

2 July 2025

Price **NOK76.80**
Market cap **NOK1,700m**

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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