

## Digitalization ahead of track

**Strong advertising sales and contributions from acquisitions resulted in the highest Q4 Operating profit in at least 10 years. The digitalization rate is on pace to cross 50% of group sales this year. We raise our estimates and Fair value range.**

### Strong finish of the year

Q4 Media sales grew a healthy 31% y-on-y to EUR 13.4m, which was 17% above our forecast of EUR 11.5m. Printing declined 2% y-on-y to EUR 6.9m, in-line with forecast. Q4 Media EBITDA was EUR 3m, twice our estimate of EUR 1.5m. Q4 Media EBITDA margin was 22% vs. estimate of 13%. Q4 Print EBITDA of EUR 0.6m was 37% above our estimate. Overall a strong finish of the year.

### Digitalization rate faster than expected

Digital sales as share of Group and Media segment sales was 45%, and 69%, respectively (equity method). This means the key level of 50% digital group revenues could be crossed already this year (1 year earlier than we expected).

### Re-pricing could be motivated

In our Initiation report (Nov 2019), we stated that a re-pricing of the share could be motivated once more than 50% of the revenues are digital. We are getting closer to this threshold. We raise our sales (+6%) and earnings estimates (+10-25%) for 2020E-22E. Our base case Fair Value per share is raised to EUR 1.18 from EUR 0.94.

### Key figures (MEUR)

	2018	2019	2020E	2021E	2022E
Net sales	60.5	67.5	73.7	77.6	81.0
Net sales growth	11.9%	11.5%	9.2%	5.4%	4.3%
EBITDA	4.3	6.8	6.9	7.8	8.6
EBITDA margin	7.1%	10.1%	9.3%	10.0%	10.6%
EBIT	1.2	2.7	2.8	3.3	4.0
EBIT margin	2.0%	4.0%	3.8%	4.3%	4.9%
EV/Sales	0.7	0.7	0.8	0.7	0.7
EV/EBITDA	10.6	6.8	8.3	7.4	6.7
EV/EBIT	37.4	16.9	20.6	17.4	14.4
P/E	nm	16.9	15.3	11.6	8.9
P/BV	0.6	0.5	0.5	0.5	0.4
EPS	0.00	0.05	0.06	0.07	0.10
EPS growth	nm	nm	17.46%	32.54%	30.63%
Div. per share	0.00	0.00	0.00	0.00	0.02
Dividend yield	0.00%	0.00%	0.00%	0.00%	2.35%

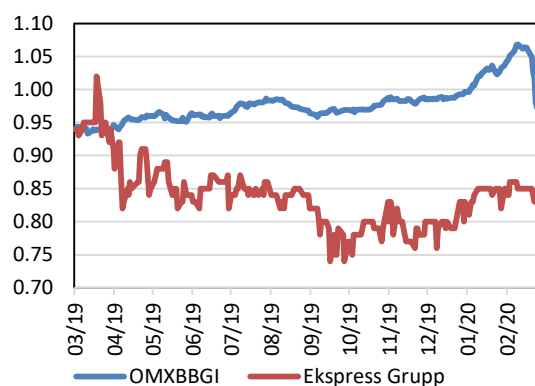
Source: Company data, Enlight Research estimates

### Fair value range

Bull	1.84
Base	1.18
Bear	0.55

### Key Data

Price (EUR)	0.85
Ticker	EEG1T
Country	Estonia
Listed	Tallinn
Market Cap	25.33
Net debt	30.31
Shares (m)	30
Free float	42.00 %



### Price range

52-week high	1.02
52-week low	0.74

### Analyst

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## Estimates vs. Outcome

### Deviation by Segment

Q4 Media sales grew 31% y-on-y to EUR 13.4m, which was EUR 1.9m, or 16.9% above our forecast. Q4 Digital sales grew 37% compared to our forecast growth of 26%. Q4 Printing sales was EUR 0.1m, or 0.7% below our forecast i.e. it was basically in-line with forecast. Q4 Media EBITDA was EUR 3m equal to an EBITDA margin of 22%. This was two times better than our forecast Media EBITDA of EUR 1.5m, equal to a margin of 13%. Q4 Printing EBITDA was EUR 0.2m, or 37% better than forecast.

	Q4/19	Q4/19	2019	2019	Diff. Quarter		Diff. Year	
Sales	Estimate	Outcome	Estimate	Outcome	EURm	%	EURm	%
Media segment	11.499	13.441	42.276	44.218	1.9	16.9%	1.9	4.6%
<i>whereof digital and online</i>	8.903	9.718	29.719	30.534	0.8	9.2%	0.8	2.7%
Printing	6.959	6.907	25.747	25.695	-0.1	-0.7%	-0.1	-0.2%
Corporate functions	0.314	0.517	1.873	2.076	0.2	64.8%	0.2	10.9%
Eliminations pct of sales	-1.220	-1.180	-4.573	-4.533	0.0	-3.3%	0.0	-0.9%
<b>Total Sales (Equity)</b>	<b>17.552</b>	<b>19.685</b>	<b>65.323</b>	<b>67.456</b>	<b>2.1</b>	<b>12.1%</b>	<b>2.1</b>	<b>3.3%</b>

	Q4/19	Q4/19	2019	2019	Diff. Quarter		Diff. Year	
Sales growth	Estimate	Outcome	Estimate	Outcome	EURm	Bps	EURm	Bps
Media segment	12.3%	31.3%	13.5%	18.7%	nm	1897	nm	521
<i>whereof digital and online</i>	25.5%	37.0%	21.0%	24.3%	nm	1149	nm	332
Printing	-1.3%	-2.1%	2.0%	1.8%	nm	-74	nm	-21
Corporate functions	-7.2%	53.0%	-20.0%	-11.3%	nm	6012	nm	868
Eliminations pct of sales	6.9%	6.0%	7.0%	6.7%	nm	-95	nm	-28
<b>Total sales</b>	<b>0.9%</b>	<b>13.1%</b>	<b>8.0%</b>	<b>11.5%</b>	<b>nm</b>	<b>1226</b>	<b>nm</b>	<b>353</b>

	Q4/19	Q4/19	2019	2019	Diff. Quarter		Diff. Year	
EBITDA by segment	Estimate	Outcome	Estimate	Outcome	EURm	%	EURm	%
Media segment	1.493	2.978	4.481	5.966	1.5	99.4%	1.5	33.1%
Printing	0.415	0.567	1.880	2.032	0.2	36.8%	0.2	8.1%
Corporate functions	-0.176	-0.296	-1.030	-1.150	-0.1	68.1%	-0.1	11.6%
Eliminations	-0.003	-0.051	-0.027	-0.075	0.0	1600.0%	0.0	177.8%
<b>EBITDA (equity)</b>	<b>1.729</b>	<b>3.198</b>	<b>5.304</b>	<b>6.773</b>	<b>1.469</b>	<b>85.0%</b>	<b>1.469</b>	<b>27.7%</b>

	Q4/19	Q4/19	2019	2019	Diff. Quarter		Diff. Year	
EBITDA margin by segment	Estimate	Outcome	Estimate	Outcome	EURm	Bps	EURm	Bps
Media segment	13.0%	22.2%	10.6%	13.5%	na	917	na	289
Printing	6.0%	8.2%	7.3%	7.9%	na	225	na	61
Corporate functions	-56.1%	-57.3%	-55.0%	-55.4%	na	-115	na	-39
<b>EBITDA (equity)</b>	<b>9.8%</b>	<b>16.2%</b>	<b>8.1%</b>	<b>10.0%</b>	<b>na</b>	<b>640</b>	<b>na</b>	<b>192</b>

Source: Company report, Enlight Research

### Deviation for the Group

Q4 Group sales grew by 13% y-on-y to EUR 19.7m, which was EUR 2.1m, or 12% better than our forecast. The Q4 Gross profit was 44% better than forecast (the gross margin was 25.5% vs. forecast of 20.0%). The Q4 Operating margin was 10.8% vs. our forecast of 4.4%. The Q4 Pre-tax profit was more than 3x better than our forecast of EUR 0.5m (outcome EUR 1.8m).

P&L (EURm)	Q4/19	Q4/19	2019	2019	Diff. Quarter		Diff. Year	
	Estimate	Outcome	Estimate	Outcome	EURm	%	EURm	%
Sales	17.553	19.686	65.323	67.456	2.1	12.1%	2.1	3.3%
Costs of sales	-14.051	-14.660	-53.435	-54.044	-0.6	4.3%	-0.6	1.1%
<b>Gross profit (loss)</b>	<b>3.503</b>	<b>5.026</b>	<b>3.503</b>	<b>13.412</b>	<b>1.5</b>	<b>43.5%</b>	<b>9.9</b>	<b>282.9%</b>
Other income	0.171	0.157	0.621	0.607	0.0	-8.0%	0.0	-2.2%
Marketing expenses	-0.806	-0.814	-3.116	-3.124	0.0	1.0%	0.0	0.3%
Administrative expenses	-1.970	-2.155	-7.839	-8.024	-0.2	9.4%	-0.2	2.4%
Other expenses	-0.119	-0.094	-0.174	-0.149	0.0	-21.0%	0.0	-14.4%
<b>Operating profit</b>	<b>0.779</b>	<b>2.120</b>	<b>0.779</b>	<b>2.722</b>	<b>1.3</b>	<b>172.2%</b>	<b>1.9</b>	<b>249.6%</b>
Interest income	0.006	0.004	0.024	0.022	0.0	-33.3%	0.0	-8.3%
Interest expense	0.022	-0.263	-0.500	-0.785	-0.3	-1295.5%	-0.3	57.0%
Other finance costs	-0.091	0.010	-0.162	-0.061	0.1	-111.0%	0.1	-62.3%
<i>Financial net</i>	<i>-0.063</i>	<i>-0.249</i>	<i>-0.638</i>	<i>-0.824</i>	<i>-0.2</i>	<i>295.2%</i>	<i>-0.2</i>	<i>29.2%</i>
Profit on shrs of JVs	-0.084	-0.022	-0.100	-0.038	0.1	-73.8%	0.1	-62.0%
Profit on shrs of associates	-0.083	-0.017	-0.180	-0.114	0.1	-79.5%	0.1	-36.7%
<b>Profit (loss) before taxes</b>	<b>0.549</b>	<b>1.832</b>	<b>0.463</b>	<b>1.746</b>	<b>1.3</b>	<b>233.9%</b>	<b>1.3</b>	<b>277.4%</b>
Income tax	-0.068	-0.185	-0.222	-0.339	-0.1	171.7%	-0.1	52.6%
<b>Net profit</b>	<b>0.481</b>	<b>1.647</b>	<b>0.241</b>	<b>1.407</b>	<b>1.2</b>	<b>242.7%</b>	<b>1.2</b>	<b>484.8%</b>
Other	0.000	-0.009	-0.004	-0.013	0.0		0.0	225.0%
<b>Net profit (loss)</b>	<b>0.481</b>	<b>1.638</b>	<b>0.237</b>	<b>1.394</b>	<b>1.2</b>	<b>240.8%</b>	<b>1.2</b>	<b>489.2%</b>
<b>EBITDA (Equity method)</b>	<b>1.729</b>	<b>3.198</b>	<b>5.304</b>	<b>6.773</b>	<b>1.5</b>	<b>85.0%</b>	<b>1.5</b>	<b>27.7%</b>

Growth	Q4/19	Q4/19	2019	2019	Diff. Quarter		Diff. Year	
	Estimate	Outcome	Estimate	Outcome	EURm	Bps	EURm	Bps
Sales	0.9%	13.1%	8.0%	11.5%	nm	1226	nm	353

Margins	Q4/19	Q4/19	2019	2019	Diff. Quarter		Diff. Year	
	Estimate	Outcome	Estimate	Outcome	EURm	Bps	EURm	Bps
Gross margin	20.0%	25.5%	18.2%	19.9%	nm	558	nm	168
EBIT margin	4.4%	10.8%	2.1%	4.0%	nm	633	nm	192
PTP margin	3.1%	9.3%	0.7%	2.6%	nm	618	nm	188
Net profit margin	2.7%	8.3%	0.4%	2.1%	nm	558	nm	172

## Estimate changes

### By segment

We raise our sales estimate for the Media segment by 9%, each year in the forecast period. The digital Media sales estimate is raised by 6.2% in 2020, 4.4% in 2021, and 1.6% in 2022. Our Printing sales forecast is marginally lowered in the forecast period.

Sales	2020E	2021E	2022E
<b>Media segment</b>			
Old	46.504	50.224	53.238
New	50.851	54.919	58.214
Change (EURm)	4.347	4.694	4.976
Change	9.3%	9.3%	9.3%
<b>whereof digital and online</b>			
Old	35.068	40.679	46.374
New	37.251	42.467	47.138
Change (EURm)	2.183	1.788	0.764
Change	6.2%	4.4%	1.6%
<b>Printing</b>			
Old	25.747	25.876	26.134
New	25.695	25.823	26.082
Change (EURm)	-0.052	-0.052	-0.053
Change	-0.2%	-0.2%	-0.2%

Source: Enlight Research

### For the Group

Our Group sales estimates are raised by around 6.5% for each year in the forecast period. Our EBIT is raised by 25% for 2020, and 13%, and 10% for the subsequent two years. Our EPS is raised by 16% for 2020 and around 1% for 2021 to 2022. Higher financial expenses are the main reason for the difference in the increase in estimates between the EBIT and the EPS. Given the strong results, the company could afford to pay out dividends, however, given that the company is in a digitalization driven investment phase, we do not forecast dividends for this and next year (lowered from EUR 0.02 forecast). This is supported by the fact that the company did not declare any dividends for 2019, despite the Net profit increase.

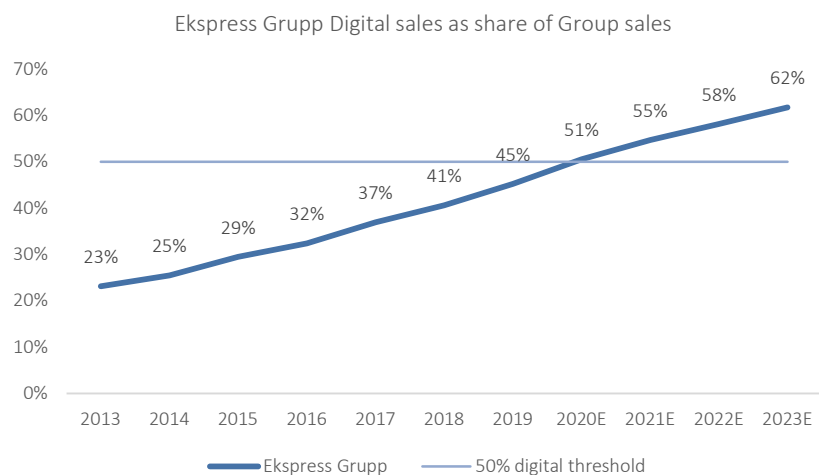
Sales (EURm)	2020E	2021E	2022E
Old	69.273	72.888	75.964
New	73.685	77.637	80.987
Change	4.411	4.749	5.023
Change	6.4%	6.5%	6.6%
EBIT (EURm)	2020E	2021E	2022E
Old	2.212	2.936	3.633
New	2.774	3.324	4.002
Change	0.562	0.388	0.369
Change	25.4%	13.2%	10.2%
EPS (EUR)	2020E	2021E	2022E
Old	0.05	0.07	0.10
New	0.06	0.07	0.10
Change	0.01	0.00	0.00
Change	16.3%	1.2%	1.1%
DPS (EUR)	2020E	2021E	2022E
Old	0.02	0.02	0.02
New	0.00	0.00	0.02
Change	-0.02	-0.02	0.00
Change	-100.0%	-100.0%	0.0%

Source: Enlight Research

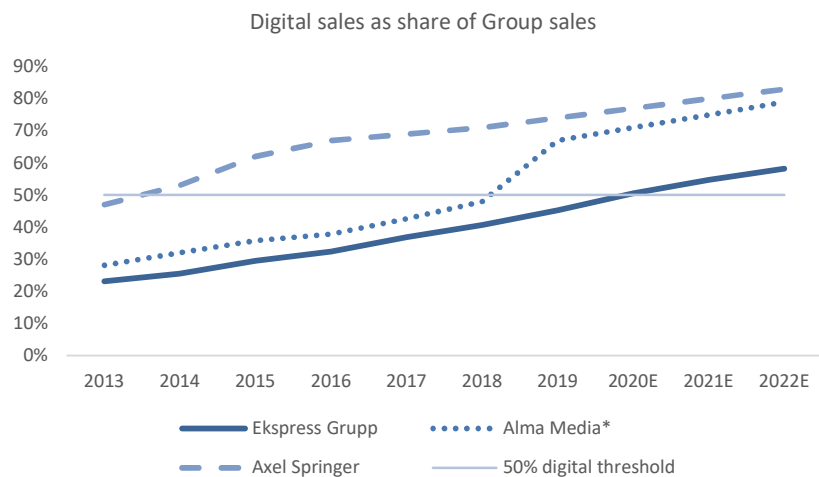
## Q4 Report main takeaways

### Digitalization ahead of track

In our Initiation of coverage report in November 2019, we forecasted that digital sales as percentage of group sales would cross the important level of 50% in 2021 (according to equity method). Following the strong digitalization rate in 2019, with digital sales reaching 45% of group sales (up from 41% in 2018), we believe the 50% digital sales threshold could be crossed already this year i.e. one year earlier than forecast. Looking at peers, this puts Ekspress group in the same group as other digital leaders such as e.g. Alma Media (digital share jumped following divestment of media and print operations to Sanoma) and the digital benchmark, Axel Springer. Note, the share of digital sales is important mainly because of the potential margin expansion stemming from digital sales. We believe this was already evident for Ekspress Grupp in 2019 as the EBIT margin increased to 4% from 2% in 2018, while the share of digital revenues increased by four percentage points.



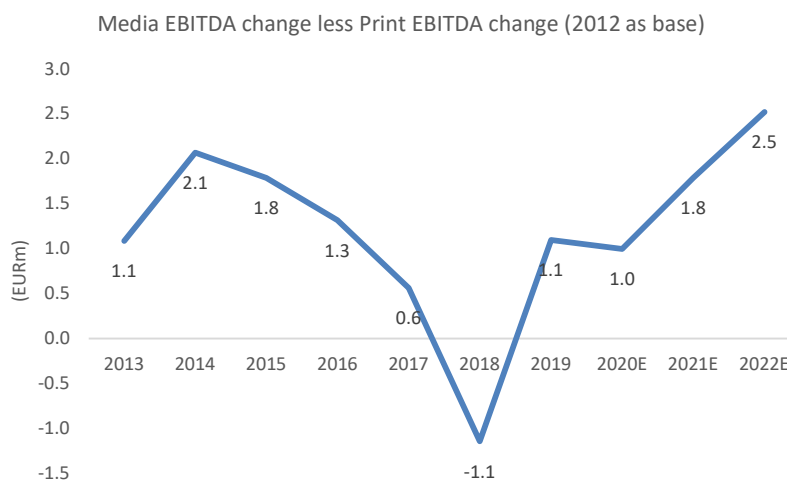
Source: Company reports (equity method), Enlight Research



Source: Company reports (equity method), Enlight Research, Alma Media sale of media and print assets to Sanoma in 2019 lead to a jump in share of digital revenues

### Media compensate for Print ahead of track

Between 2012 and 2019, the Media EBITDA has increased by EUR 5.1m, while the Printing EBITDA has decreased by EUR 4.0m i.e. by 2019, the increase in Media's EBITDA more than compensated for the decrease in Printing's EBITDA. This was not the case at the end of 2018. Then Media's EBITDA increase was EUR 1.1m less than Printing's EBITDA decrease. We did not expect Media to be able to compensate for the drop in Printing until the 2021, which means it happened two years ahead of our expectation. We forecast Media to offset the drop in Printing at an increasing pace.



Source: Company reports, Enlight Research

## Valuation

### Sum-of-the-parts (SOTP) valuation

Our raised EBITDA estimate for the Media segment leads to an increase of our SOTP value per share (our motivated EV/EBITDA multiples are unchanged) to EUR 1.18 from EUR 0.94 (our motivated value for the Print segment is unchanged).

Sum-of-parts valuation	Bull case	Base case	Bear case
Media segment	Digital success	Mid-point	Digital failure
Media segment EBITDA (EURm)	8.2	7.8	7.1
Media segment EV/EBITDA multiple	9.0	7.0	5.0
<b>EV Media segment (EURm)</b>	<b>74</b>	<b>54</b>	<b>36</b>
<b>Print service segment</b>			
Print service segment EBITDA (EURm)	1.5	1.5	1.5
Print service segment EV/EBITDA multiple	5.0	5.0	5.0
<b>EV Print service segment (EURm)</b>	<b>8</b>	<b>8</b>	<b>8</b>
<b>EV Ekspress Grupp</b>	<b>82</b>	<b>62</b>	<b>43</b>
Less Net debt	27	27	27
<b>Equity value</b>	<b>55</b>	<b>35</b>	<b>16</b>
<b>Equity value per share</b>	<b>1.84</b>	<b>1.18</b>	<b>0.55</b>
Previous Equity value per share	1.44	0.94	0.50
Change	28%	25%	10%

Source: Enlight Research

## Risk factors

For a list of risk factors, see our Initiation report published on Nov 18, 2019, “Transforming to digital” at the following link:

<https://research.enlightresearch.net/jsp/demoLogin.jsp?key=3512&x=aabbcc&resLibId=87910>

Below are some additional risk factors that we believe are worth noting.

## One-time strong report

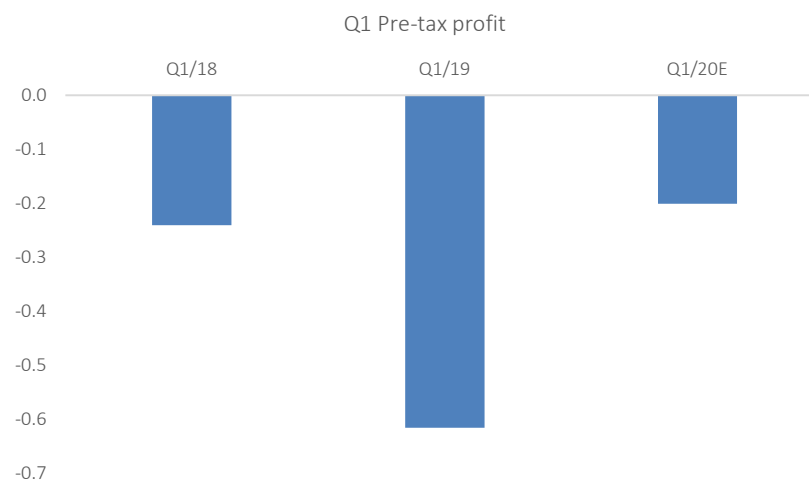
The Q4 2019 report was the strongest since at least 2010 (we did not check further back) at the Operating profit level, and our new estimates are adjusted accordingly. Therefore, there could be downside risk to our new estimates if it turns out that the Q4 2019 report was more of a “one-time” event than a trend.

## Corona virus

The Corona virus will most likely affect advertising revenues from certain sectors such as travelling and tourism. A prolonged recession could affect the GDP growth, which in turn affects the advertising market.

## Seasonality

The seasonality of Ekspress Grupp’s markets is quite strong with Q1 being the weakest quarter and Q4 being the strongest. For the last two years, Q1 has been loss making at the Pre-tax level and hence, we expect Q1 2020 to show a loss as well. If the market is unaware of the seasonality, there could be a negative reaction to the Q1 report.



Source: Company reports, Enlight Research



Income Statement	2018	2019	2020E	2021E	2022E
Net sales	60	67	74	78	81
Total operating costs	-56	-61	-67	-70	-72
EBITDA	4	7	7	8	9
Depreciation	-3	-4	-4	-4	-5
Amortizations (total)	0	0	0	0	0
Impairment charges	0	0	0	0	0
EBIT	1	3	3	3	4
Associated companies' profit/loss	-1	0	0	0	0
Net financial items	0	-1	-1	-1	-1
Exchange rate differences	0	0	0	0	0
Pre-tax profit (PTP)	0	2	2	2	3
Net earnings	0	1	2	2	3
Balance Sheet	2018	2019	2020E	2021E	2022E
Assets					
Cash and cash equivalent	1	4	2	2	2
Receivables	9	13	14	15	15
Inventories	3	3	3	4	4
Other current assets	0	0	0	0	0
Current assets	14	19	19	20	21
Tangible assets	12	15	16	16	17
Associated companies	0	2	2	2	2
Investments	3	7	5	5	5
Goodwill	47	56	56	56	56
O intangible rights	0	0	0	0	0
O non-current assets	2	1	1	1	1
Total non-current assets	63	76	79	81	84
Deferred tax assets	0	0	0	0	0
Total (assets)	77	95	98	101	105
Liabilities					
Short-term debt	1	5	6	6	6
Non-ib current liabilities	11	16	10	10	11
O current liabilities	0	0	0	0	0
Current liabilities	12	22	16	16	16
Long-term debt	14	19	24	23	21
O long-term liabilities	0	3	3	3	3
Convertibles	0	0	0	0	0
Total Liabilities	26	44	42	42	40
Deferred tax liabilities	0	0	0	0	0
Provisions	0	0	0	0	0
Shareholders' equity	50	52	53	55	58
Minority interest (BS)	0	0	0	0	0
Minority and equity	50	52	53	55	58
Total (liabilities)	77	95	98	101	105
DCF valuation		Cash flow, mEUR			
WACC (%)	8.78 %	NPV FCF (2018-2020)		-1.99	
		NPV FCF (2021-2027)		17.68	
		NPV FCF (2028-)		41.74	
		Non-operating assets		2.27	
		Interest-bearing debt		-24.34	
		Fair value estimate		35.36	
		Assumptions 2017-2023 (%)			
Average sales growth	4.07 %	Fair value e. per share (EUR)		1.19	
EBIT margin	5.24 %	Share price (EUR)		0.85	

<b>Free Cash Flow</b>					
	2018	2019	2020E	2021E	2022E
Net sales	60	67	74	78	81
Total operating costs	-56	-61	-67	-70	-72
Depreciations total	-3	-4	-4	-4	-5
EBIT	1	3	3	3	4
Taxes on EBIT	0	0	0	0	0
NOPLAT	1	2	3	3	4
Depreciation (neg.)	3	4	4	4	5
Gross cash flow	4	6	7	8	8
Change in wc	3	2	-8	0	0
Gross capex (neg.)	-4	-15	-5	-5	-5
Free cash flow	3	-3	-7	2	3
<b>Capital structure</b>					
	2018	2019	2020E	2021E	2022E
Equity ratio	65.7%	54.1%	54.5%	54.8%	55.8%
Debt / Equity ratio	30.7%	47.3%	59.9%	59.1%	56.2%
Capital invested	64.3	70.0	79.2	80.2	81.0
Capital turnover rate	0.8	0.7	0.8	0.8	0.8
<b>Profitability</b>					
	2018	2019	2020E	2021E	2022E
ROE %	0.0%	2.8%	3.2%	4.0%	5.0%
ROCE%	0.5%	3.6%	3.1%	3.6%	4.4%
ROC%	1.2%	3.5%	3.8%	3.9%	4.6%
EBITDA %	7.1%	10.1%	9.3%	10.0%	10.6%
EBIT %	2.0%	4.0%	3.8%	4.3%	4.9%
Net Margin	0.0%	2.1%	2.2%	2.8%	3.5%
<b>Valuation</b>					
	2018	2019	2020E	2021E	2022E
EV	45.2	46.0	57.0	57.8	57.7
P/E	5164.8	16.9	15.3	11.6	8.9
P/E diluted	5164.8	16.9	15.3	11.6	8.9
P/Sales	0.5	0.4	0.3	0.3	0.3
EV/Sales	0.7	0.7	0.8	0.7	0.7
EV/EBITDA	10.6	6.8	8.3	7.4	6.7
EV/EBIT	37.4	16.9	20.6	17.4	14.4
P/BV	0.6	0.5	0.5	0.5	0.4
<b>Per share measures</b>					
	2018	2019	2020E	2021E	2022E
EPS, unadjusted	0.00	0.05	0.06	0.07	0.10
EPS	0.00	0.05	0.06	0.07	0.10
CEPS	0.10	0.18	0.19	0.22	0.25
Operating CF/share	0.22	0.29	-0.05	0.24	0.27
Capital empl./share	2.16	2.35	2.66	2.69	2.72
BV/share	1.69	1.73	1.78	1.86	1.95
Tangible BV/share	0.12	-0.16	-0.11	-0.03	0.06
Div. per share	0.00	0.00	0.00	0.00	0.02
Payout	0.0%	0.0%	0.0%	0.0%	20.8%
Dividend yield	0.0%	0.0%	0.0%	0.0%	2.4%
<b>Shareholders</b>			<b>Capital</b>		<b>Votes</b>
HHL RÜHM OÜ			31.54 %		31.54 %
HANS LUIK			26.73 %		26.73 %
ING LUXEMBOURG S.A. AIF ACCOUNT			13.43 %		13.43 %
LHV PENSIONIFOND L			6.22 %		6.22 %

<b>Key people</b>	
CEO	Mari-Liis Rüütsalu
CFO	Signe Kukin
IR	Signe Kukin
Chairman	Ahto Päril (Chairman)

<b>P/E</b>	$\frac{\text{Price per share}}{\text{Earnings per share}}$	<b>EPS</b>	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$
<b>P/Sales</b>	$\frac{\text{Market cap}}{\text{Sales}}$	<b>DPS</b>	Dividend for financial period per share
<b>P/BV</b>	$\frac{\text{Price per share}}{\text{Shareholders' equity} + \text{taxed provisions per share}}$	<b>CEPS</b>	$\frac{\text{Gross cash flow from operations}}{\text{Number of shares}}$
<b>P/CF</b>	$\frac{\text{Price per share}}{\text{Operating cash flow per share}}$	<b>EV/Share</b>	$\frac{\text{Enterprise value}}{\text{Number of shares}}$
<b>EV (Enterprise value)</b>	Market cap + Net debt + Minority interest at market value – share of associated companies at market value	<b>Sales/Share</b>	$\frac{\text{Sales}}{\text{Number of shares}}$
<b>Net debt</b>	Interest-bearing debt – financial assets	<b>EBITDA/Share</b>	$\frac{\text{Earnings before interest, tax, depreciation and amortization}}{\text{Number of shares}}$
<b>EV/Sales</b>	$\frac{\text{Enterprise value}}{\text{Sales}}$	<b>EBIT/Share</b>	$\frac{\text{Operating profit}}{\text{Number of shares}}$
<b>EV/EBITDA</b>	$\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortization}}$	<b>EAFF/Share</b>	$\frac{\text{Pre-tax profit}}{\text{Number of shares}}$
<b>EV/EBIT</b>	$\frac{\text{Enterprise value}}{\text{Operating profit}}$	<b>Capital employed/Share</b>	$\frac{\text{Total assets} - \text{non-interest-bearing debt}}{\text{Number of shares}}$
<b>Div yield, %</b>	$\frac{\text{Dividend per share}}{\text{Price per share}}$	<b>Total assets</b>	Balance sheet total
<b>Payout ratio, %</b>	$\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$	<b>Interest coverage (x)</b>	$\frac{\text{Operating profit}}{\text{Financial items}}$
<b>Net cash/Share</b>	$\frac{\text{Financial assets} - \text{interest-bearing debt}}{\text{Number of shares}}$	<b>Asset turnover (x)</b>	$\frac{\text{Turnover}}{\text{Balance sheet total (average)}}$
<b>ROA, %</b>	$\frac{\text{Operating profit} + \text{financial income} + \text{extraordinary items}}{\text{Balance sheet total} - \text{interest-free short-term debt} - \text{long-term advances received and accounts payable (average)}}$	<b>Debt/Equity, %</b>	$\frac{\text{Interest-bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$
<b>ROCE, %</b>	$\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non-interest-bearing debt (average)}}$	<b>Equity ratio, %</b>	$\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest-free loans}}$
<b>ROE, %</b>	$\frac{\text{Profit before extraordinary items} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$	<b>CAGR, %</b>	Cumulative annual growth rate = Average growth rate per year

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Enlight Research OÜ's main valuation methods are discounted cash flow valuation and peer valuation with common multiples such as Price to Earnings, Enterprise Value to EBITDA, dividend yield etc. Aforementioned methods are used to estimate a company's fair value according to the following three scenarios: Bull (positive), Base (main scenario), and Bear (negative).

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