

# Ekspress Grupp

# Hold

Maintained

Price: EUR 0.92  
Price target: EUR 0.98  
(from EUR 0.68)

## Good news priced in already

We keep our HOLD rating on Ekspress Grupp, but increase our 12M price target (PT) from EUR 0.68/share to EUR 0.98 (6% upside potential). We believe that the +15% ytd stock price rally already reflects the possible positive change in the market environment that could support the company's business. Among the most important developments for the company, we see: i) a recovery of the GDP in the Baltics in 2021E, which should facilitate greater advertising revenues; ii) dynamic growth in the digital subscriptions reported by the company (+74% yoy in 1Q21 in total in the Baltics); and iii) the possible lifting of the COVID-19 related restrictions in Latvia, which could support the group's online ticketing business. This has encouraged us to increase our 2021-22E EBITDA forecasts by 22-20%, respectively. We are still concerned, however, that the potential spike in costs (raw materials) in the company's printing business could erode its profitability. Moreover, our DCF analysis does not indicate a valuation level that is an attractive enough for a BUY rating (a 12M PT of EUR 0.87/share, offering 5% downside potential).

**Market environment looks better than six months ago.** The market outlook has improved significantly for Ekspress Group since our [initiation](#) in December 2020. First, we believe that the recovery of GDP growth in 2021E (+3.3% yoy in Latvia, +3.0% in Estonia, and +3.0% yoy in Lithuania), expected by the Bloomberg consensus, should support advertising revenues. Second, the company has managed, quite successfully, to increase its digital subscriptions base (+74% yoy in 1Q21): this is immensely important, in our view, as we see the digitalisation of Ekspress Grupp's business as a crucial part of the equity story. Finally, although the lockdown restrictions in Latvia have not been lifted yet, we believe that there is a good chance for this to happen, along with the vaccination process, which should support Ekspress Grupp's online ticketing business, in our view.

**This has encouraged us to increase our forecasts.** Taking into consideration the factors noted above, we have increased our 2021-22E EBITDA forecasts by 22-20%, to EUR 8.2m and EUR 8.8m, respectively.

**Still some risk factors in the equity story.** Among the potential downside risks for our forecasts, we see cost pressure in the printing business (raw materials), and any potential slowdown in the digitalisation process.

**Valuation: fair on our DCF, low on multiples.** Our DCF (a 90% weight) gives us a 12M PT of EUR 0.87/share (5% downside). We assign such a large weight to our DCF, as we believe that cash generation capacity is an essential part of the equity story at this stage. Our peer valuation (a 10% weight) implies a 12M PT of EUR 1.95/share (113% upside). On our numbers, the company is valued at 2021-22E P/Es of 11.3-9.0x, indicating 41-44% discounts vs. its peers (on the Bloomberg consensus), and it trades at 2021-22E EV/EBITDAs of 5.1-4.5x, 45-39% below its peers' medians. Our weighted average 12M PT comes in at EUR 0.98/share (6% upside potential), yielding a HOLD rating.

**Risks:** Brexit; worldwide GDP growth; competition; employee turnover; litigation; FX risk; and low liquidity.

### Expected events

AGM	15 June
2Q21 sales figures	12 July
2Q21 results	30 July
3Q21 sales figures	12 October
3Q21 results	29 October

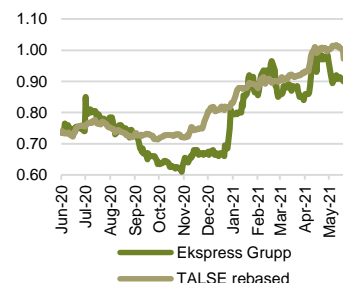
### Key data

Market cap	USD 34m
3M ADTV	USD 9.6k
Free float	41%
Shares outstanding	30m
Major shareholder	Hans H Luik: 60.28%
Bloomberg code	EEG1T ET
TALSE Index	1,621

### Price performance

52-w range	EUR 0.61-0.98
52-w performance	24%
Relative performance	-12%

Ekspress Grupp 12M share price performance



	Revenues	EBITDA	EBIT	NI	EPS	DPS	P/E	EV/EBITDA	Div.	ND/EBITDA
	EURm	EURm	EURm	EURm	EUR	EUR	x	x	yield	x
2019	67.5	6.8	2.7	1.4	0.05	0.00	19.6x	7.1x	0.0%	3.0x
2020	63.2	7.0	3.1	2.5	0.08	0.00	11.3x	6.1x	0.0%	2.3x
2021E	71.4	8.2	3.6	2.5	0.08	0.00	11.3x	5.1x	0.0%	1.6x
2022E	78.8	8.8	4.2	3.2	0.10	0.04	9.0x	4.5x	4.4%	1.3x
2023E	85.2	8.9	4.3	3.3	0.11	0.05	8.6x	4.3x	5.6%	1.1x

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## Closing Prices as of 02 June 2021

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# Company snapshot – HOLD, PT EUR 0.98/share

Ekspress Grupp		SHARE PRICE PERFORMANCE		COMPANY DESCRIPTION									
<b>HOLD</b>				<p>Ekspress Group is the leading media group in the Baltic region. The company has been in operation for over 30 years, and it has been listed on the Tallinn Stock Exchange since 2007. Ekspress Grupp has been growing both organically and through acquisitions. The company's primary area of activity is based on its media segment, which deals with publishing newspapers (both printed and online), running online portals (news, real estate and ticket sales) and offering advertisement services, both online and outdoor. Over 2020, the online media's contribution to the segment's revenues amounted to 71%, and 49% to the company's top line. The second segment – printing – is based on the largest publishing house in the Baltic region, AS Printall.</p>									
Bloomberg ticker	EEG1T ET												
Closing price (EUR/share)	0.92												
PT (EUR/share)	0.98												
Upside to PT	6%												
Shares outstanding (m)	30												
Market cap (USDm)	34												
Free float	41%												
Average daily turnover (USDk)	9.6												
52 Week performance	24%												
52 Week relative performance	-12%												
52 Week Range (EUR)	0.61-0.98												
<b>RATIOS</b>													
<b>EUR/share</b>		<b>2019</b>	<b>2020</b>	<b>2021E</b>	<b>2022E</b>	<b>2023E</b>	<b>VALUATION RATIOS</b>		<b>2019</b>	<b>2020</b>	<b>2021E</b>	<b>2022E</b>	<b>2023E</b>
EPS	0.05	0.08	0.08	0.10	0.11		EV/EBITDA	7.1x	6.1x	5.1x	4.5x	4.3x	
DPS (from the given year's net profit)	0.00	0.00	0.00	0.04	0.05		P/E	19.6x	11.3x	11.3x	9.0x	8.6x	
Dividend payout ratio	0%	0%	0%	50%	50%		FCF yield	-20.3%	5.7%	8.8%	10.7%	10.8%	
<b>FINANCIAL RATIOS</b>		<b>2019</b>	<b>2020</b>	<b>2021E</b>	<b>2022E</b>	<b>2023E</b>	<b>FCF BREAKDOWN (EURm)</b>		<b>2019</b>	<b>2020</b>	<b>2021E</b>	<b>2022E</b>	<b>2023E</b>
EBITDA margin	10.1%	11.1%	11.4%	11.1%	10.4%		EBIT	2.7	3.1	3.6	4.2	4.3	
Net margin	2.1%	4.0%	3.5%	4.0%	3.9%		NOPAT	2.2	2.8	3.3	3.8	3.9	
Effective tax rate	19.4%	9.9%	9.9%	9.9%	9.9%		D&A	4.1	4.1	4.5	4.5	4.6	
ROE	2.7%	4.7%	4.5%	5.4%	5.5%		CAPEX (M&A)	-6.6	-0.3	0.0	0.0	0.0	
ROA	1.6%	2.6%	2.6%	3.2%	3.3%		CAPEX (PPE, int. assets)	-2.8	-2.6	-4.9	-5.0	-5.1	
ROIC	3.1%	3.6%	4.2%	4.9%	5.0%		Change in WC	-2.4	-2.4	-0.4	-0.4	-0.3	
								FCF	-5.6	1.6	2.5	3.1	3.1
<b>COMPANY FINANCIALS</b>													
<b>INCOME STATEMENT, EURm</b>		<b>2019</b>	<b>2020</b>	<b>2021E</b>	<b>2022E</b>	<b>2023E</b>	<b>BALANCE SHEET, EURm</b>		<b>2019</b>	<b>2020</b>	<b>2021E</b>	<b>2022E</b>	<b>2023E</b>
Revenues	67.5	63.2	71.4	78.8	85.2		PPE	14.9	14.1	14.2	14.3	14.5	
Media	44.2	43.7	50.7	58.3	65.3		Intangibles	56.4	56.6	56.9	57.2	57.6	
Online media as % of total media	69.1%	70.8%	72.8%	74.8%	76.8%		Others	4.6	4.9	4.9	4.9	4.9	
Printing	25.7	21.4	22.7	22.7	22.2		Total non-current assets	75.9	75.7	76.1	76.5	77.0	
Other	-2.5	-1.9	-2.0	-2.2	-2.3		Inventories	3.1	2.8	3.1	3.4	3.7	
EBITDA	6.8	7.0	8.2	8.8	8.9		Trade accounts receivable	12.7	9.5	10.7	11.8	12.7	
D&A	-4.1	-4.1	-4.5	-4.5	-4.6		Cash and cash equivalents	3.6	6.3	7.8	7.7	7.3	
Operating profit	2.7	3.1	3.6	4.2	4.3		Others	0.0	0.0	0.0	0.0	0.0	
PBT	1.7	2.8	2.8	3.5	3.7		Total current assets	19.5	18.5	21.6	22.9	23.7	
Income tax	-0.3	-0.3	-0.3	-0.4	-0.4		Total assets	95.4	94.2	97.7	99.4	100.7	
Minorities	0.0	0.0	0.0	0.0	0.0		Total shareholders equity	54.6	57.2	59.1	60.9	62.7	
Net profit	1.4	2.5	2.5	3.2	3.3		Long-term borrowings	19.2	18.6	17.6	15.6	13.6	
<b>CASH FLOW STATEMENT, EURm</b>		<b>2019</b>	<b>2020</b>	<b>2021E</b>	<b>2022E</b>	<b>2023E</b>	Other LT liabilities	2.9	2.0	2.0	2.0	2.0	
CF from operations	6.7	9.3	7.5	8.1	8.2		Total non-current liabilities	22.1	20.6	19.6	17.6	15.6	
D&A	4.1	4.0	4.5	4.5	4.6		ST Debt	5.1	3.6	3.6	3.6	3.6	
Changes in WC	0.9	2.4	0.4	0.4	0.3		ST trade payables	16.5	15.3	17.2	19.0	20.6	
CF from investments	-9.3	-2.8	-4.9	-5.0	-5.1		Other ST liabilities	0.1	0.1	0.1	0.1	0.1	
o/w capex (PPE & int. ass.)	-2.8	-2.6	-4.9	-5.0	-5.1		Total current liabilities	21.6	18.9	20.9	22.7	24.3	
o/w capex (M&A)	-6.6	-0.3	0.0	0.0	0.0		Total equity and liabilities	95.4	94.2	97.7	99.4	100.7	
CF from fin. activities	5.0	-3.9	-1.0	-3.3	-3.6		Gross debt	24.3	22.2	21.2	19.2	17.2	
o/w borrowings	1.2	-1.9	-1.0	-2.0	-2.0		Net debt	20.7	15.9	13.4	11.5	9.9	
o/w dividends	0.0	0.0	0.0	-1.3	-1.6		ND/EBITDA	3.0x	2.3x	1.6x	1.3x	1.1x	
<b>Revenues by segment</b>						<b>EBITDA by segment</b>							
<b>EURm</b>		<b>2019</b>	<b>2020</b>	<b>2021E</b>	<b>2022E</b>	<b>2023E</b>	<b>EURm</b>		<b>2019</b>	<b>2020</b>	<b>2021E</b>	<b>2022E</b>	<b>2023E</b>
Media	44.2	43.7	50.7	58.3	65.3		Media	6.0	6.6	7.9	8.7	9.1	
yoy	19%	-1%	16%	15%	12%		EBITDA margin	13.5%	15.1%	15.5%	15.0%	14.0%	
Printing	25.7	21.4	22.7	22.7	22.2		Printing	2.0	2.2	2.3	2.2	2.0	
yoy	2%	-17%	6%	0%	-2%		EBITDA margin	7.9%	10.4%	10.0%	9.5%	9.0%	
Other	-2.5	-1.9	-2.0	-2.2	-2.3		Other	-1.2	-1.8	-2.0	-2.1	-2.2	
<b>ND/EBITDA and CAPEX</b>						<b>FCF and FCF yield</b>							

## Valuation

**We keep our HOLD rating on Ekspress Grupp, with a new 12M price target (PT) of EUR 0.98/share, yielding 6% upside potential.** We rely more on our DCF valuation (90% weight), which results in a PT of EUR 0.87/share (-5% downside), as we see the cash flow generation capacity and leverage control as the key elements of the company's equity story.

### Valuation summary

	Weight	PT	Current price	Upside
DCF	90%	0.87	0.92	-5%
Peer-based valuation	10%	1.95	0.92	113%
<b>Weighted PT</b>	<b>100%</b>	<b>0.98</b>	<b>0.92</b>	<b>6%</b>

Source: WOOD Research

### DCF: 12M PT at EUR 0.87/share

We base our DCF valuation on the following assumptions:

- ✓ A WACC of c.10%.
- ✓ A present value of the discounted free cash flows of EUR 15m for 2021-28E.
- ✓ An end-2020 net debt of EUR 16m.
- ✓ A present value of the terminal value of EUR 22m.
- ✓ A terminal growth rate of 1.0%.
- ✓ As we base our forecasts on the financials reported under the equity method, we adjust the equity value for the 2020 investment in associates.
- ✓ A fully-diluted number of shares of c.32m as of 1Q24E, i.e., following the completion of the current stock option programme.

### DCF valuation

EUR m	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	Terminal
Revenues	71.4	78.8	85.2	90.6	95.0	98.4	100.3	102.3	103.4
yoy		10%	8%	6%	5%	3%	2%	2%	1%
EBIT	3.6	4.2	4.3	4.5	5.0	4.7	4.9	5.1	5.2
EBIT margin	5%	5%	5%	5%	5%	5%	5%	5%	5%
Cash tax (20%)	0.7	0.8	0.9	0.9	1.0	0.9	1.0	1.0	1.0
<b>NOPAT</b>	<b>2.9</b>	<b>3.4</b>	<b>3.5</b>	<b>3.6</b>	<b>4.0</b>	<b>3.8</b>	<b>3.9</b>	<b>4.1</b>	<b>4.1</b>
(+) D&A	4.5	4.5	4.6	4.6	4.6	4.7	4.7	4.8	4.8
(-) capex	-4.9	-5.0	-5.1	-5.1	-5.2	-5.2	-5.2	-5.1	-4.8
(-) Working capital growth	-0.4	-0.4	-0.3	-0.3	-0.2	-0.2	-0.1	-0.1	-0.1
<b>Net investment</b>	<b>-0.8</b>	<b>-0.8</b>	<b>-0.8</b>	<b>-0.8</b>	<b>-0.8</b>	<b>-0.7</b>	<b>-0.6</b>	<b>-0.4</b>	<b>-0.1</b>
<b>FCF</b>	<b>2.1</b>	<b>2.6</b>	<b>2.6</b>	<b>2.8</b>	<b>3.3</b>	<b>3.0</b>	<b>3.3</b>	<b>3.7</b>	<b>4.0</b>
Terminal growth [g(t)]	1.0%								
PV TV	22								
PV FCF 2021-28E	15								
Enterprise value (EUR m)	38								
Net debt (end 2020)	16								
Minorities (end 2020)	0								
Investment in associates (2020)	2								
<b>Equity value (EUR m)</b>	<b>24</b>								
Number of shares (m), diluted 2024E	32								
Value per share (EUR, 1 Jan 2021)	0.74								
<b>12M PT (EUR)</b>	<b>0.87</b>								

Source: WOOD Research

## DCF sensitivity

		WACC						
		6.7%	7.7%	8.7%	9.7%	10.7%	11.7%	12.7%
<b>Terminal growth rate</b>	0.1%	0.83	0.82	0.80	0.79	0.78	0.77	0.76
	0.4%	0.85	0.84	0.83	0.82	0.80	0.79	0.78
	0.7%	0.88	0.87	0.85	0.84	0.83	0.82	0.81
	1.0%	0.91	0.89	0.88	<b>0.87</b>	0.86	0.84	0.83
	1.3%	0.94	0.92	0.91	0.90	0.88	0.87	0.86
	1.6%	0.97	0.96	0.94	0.93	0.92	0.90	0.89
	1.9%	1.00	0.99	0.98	0.96	0.95	0.94	0.92

Source: WOOD Research

## Peer group valuation: 12M PT at EUR 1.95/share

**Ekspress Grupp trades at significant discounts to its peers, but it does have a weaker growth profile.** On our numbers, the company is valued at 2021-23E P/E's of 11.3-8.6x (41-44% discounts vs. its peers' median, on the Bloomberg consensus). Likewise, significant discounts (45-41%) are visible on our 2021-23E EV/EBITDA's of 5.1-4.3x. We note that some of the discount might be explained by the company's lower growth profile: we expect a 2020-23E EBITDA CAGR of 8%, whereas the Bloomberg consensus sees double-digit growth for most of its peers (median at 17%), which we believe is the result of the low-base effect from the 2020 pandemic year.

### Ekspress Grupp: peers

	Country	Mcap USDm	ND/ EBITDA	P/E			EBITDA CAGR 20-23E	EV/EBITDA			Dividend yield		
				2021E	2022E	2023E		2021E	2022E	2023E	2021E	2022E	2023E
<b>Ekspress Grupp</b>	<b>Estonia</b>	<b>34</b>	<b>1.6x</b>	<b>11.3</b>	<b>9.0</b>	<b>8.6</b>	<b>8%</b>	<b>5.1</b>	<b>4.5</b>	<b>4.3</b>	<b>0.0%</b>	<b>4.4%</b>	<b>5.6%</b>
Sanoma	Finland	2,720	1.6x	19.8	17.2	15.7	-5%	8.3	7.6	7.2	4.0%	4.2%	4.5%
Sina	China	2,940	-5.0x	30.2	22.4	22.3	67%	12.7	9.3	7.4	0.0%	0.0%	0.0%
Yelp	US	2,926	-2.5x	35.4	26.9	23.2	27%	12.4	10.4	9.4	2.8%	2.8%	2.9%
Daily Mail & General Trust	Britain	785	n.a.	n.a.	n.a.	n.a.	32%	13.0	9.4	7.9	n.a.	n.a.	n.a.
Promotora De Informaciones	Spain	1,006	0.7x	18.5	15.7	14.6	13%	16.0	13.6	12.0	3.4%	4.1%	3.9%
Alma Media	Finland	898	0.8x	25.0	21.4	18.7	17%	13.1	11.0	9.6	0.9%	1.5%	1.6%
Wirtualna Polska	Poland	529	1.5x	15.5	11.6	12.5	7%	5.1	4.6	3.9	2.3%	2.7%	2.8%
Arnoldo Mondadori Editore	Italy	480	2.5x	8.4	7.5	6.3	17%	5.1	4.2	3.3	4.9%	5.4%	5.0%
Rcs Mediagroup	Italy	405	1.7x	20.0	16.2	13.9	6%	8.6	7.2	6.1	3.2%	3.5%	3.8%
Bloomsbury Publishing	Britain	404	-1.6x	19.8	20.2	15.9	10%	10.0	10.0	8.1	2.3%	2.5%	2.6%
Roularta Media Group	Belgium	232	-5.1x	17.5	11.2	n.a.	n.a.	4.3	3.6	n.a.	n.a.	n.a.	n.a.
Cairo Communications	Italy	309	2.4x	8.4	7.0	6.9	n.a.	3.2	2.6	n.a.	4.6%	5.3%	7.4%
Vocento	Spain	181	2.1x	15.4	10.8	8.7	223%	5.0	4.2	3.6	1.8%	2.5%	2.3%
Agora	Poland	130	37.6x	n.a.	53.7	31.9	38%	13.0	5.3	4.8	n.a.	n.a.	2.5%
<b>Median</b>				<b>19.1</b>	<b>16.2</b>	<b>15.2</b>	<b>17%</b>	<b>9.3</b>	<b>7.4</b>	<b>7.3</b>	<b>3%</b>	<b>3%</b>	<b>4%</b>
<b>Ekspress Grupp vs. peers' median</b>				<b>-41%</b>	<b>-44%</b>	<b>-44%</b>	<b>-9.1pp</b>	<b>-45%</b>	<b>-39%</b>	<b>-41%</b>	<b>-3pp</b>	<b>2pp</b>	<b>3pp</b>

Source: WOOD Research, Bloomberg

### Peer valuation

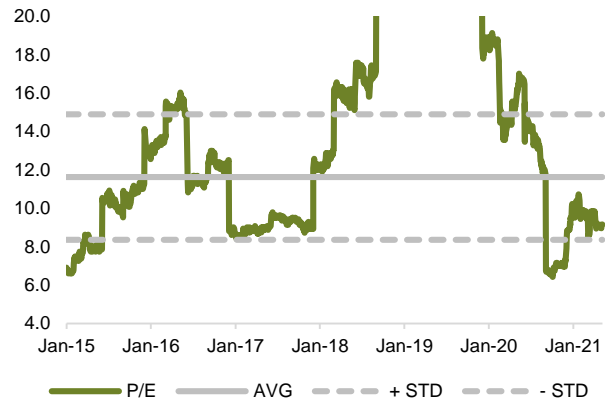
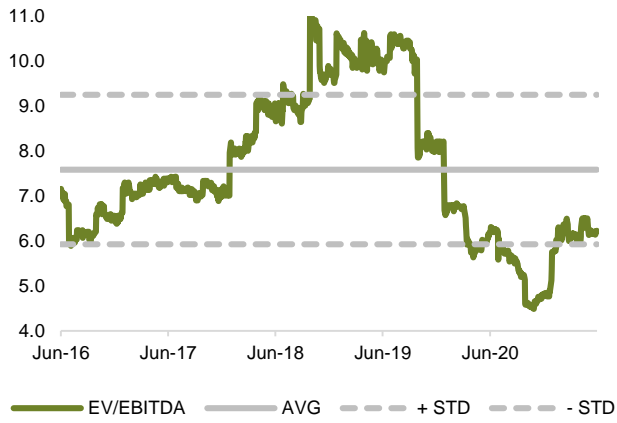
	P/E (x)			EV/EBITDA (x)		
	2021E	2022E	2023E	2021E	2022E	2023E
Total weighted median (x)	19.12	16.19	15.17	9.30	7.43	7.34
EPS (EUR) for P/E and EBITDA (EURm) for EV/EBITDA	0.08	0.10	0.11	8.2	8.8	8.9
Implied enterprise value				76	65	65
Implied equity value	46	51	50	62	54	55
Implied equity value per share (EUR)	1.56	1.65	1.63	2.09	1.73	1.78
<b>Weight (%)</b>	<b>16.7%</b>	<b>16.7%</b>	<b>16.7%</b>	<b>16.7%</b>	<b>16.7%</b>	<b>16.7%</b>
<b>Implied weighted equity value per share (EUR)</b>				<b>1.74</b>		
12M price target (PT)				1.95		

Source: Bloomberg, WOOD Research

**Ekspress Grupp is valued at 6.2x EV/12M trailing EBITDA (Bloomberg consensus), which is 18% below its long-term average.** Likewise, on its P/12M trailing EPS, the company trades at 9.2x, marking a 21% discount to its long-term average.

EV/EBITDA\*

P/E\*\*



Source: Bloomberg, WOOD Research; \*EV dividend by the trailing 12M EBITDA; \*\*current price divided by trailing 12M EPS; multiples for the period October 2018-January 2020 treated as outliers for the purpose of the average and standard deviations calculations

## Financial forecasts changes

	2020			2021E			2022E		
	Actual	WOOD	Diff.	New	Old	Diff.	New	Old	Diff.
<b>Revenues</b>	<b>63.2</b>	<b>65.7</b>	<b>-4%</b>	<b>71.4</b>	<b>65.7</b>	<b>9%</b>	<b>78.8</b>	<b>78.7</b>	<b>0%</b>
Media	43.7	43.8	0%	50.7	49.0	4%	58.3	56.4	3%
Printing	21.4	24.4	-12%	22.7	25.1	-10%	22.7	25.1	-10%
<b>EBITDA</b>	<b>7.0</b>	<b>6.8</b>	<b>4%</b>	<b>8.2</b>	<b>6.7</b>	<b>22%</b>	<b>8.8</b>	<b>7.3</b>	<b>20%</b>
Media	6.6	5.9	12%	7.9	6.3	25%	8.7	7.1	23%
Printing	2.2	2.1	6%	2.3	1.8	26%	2.2	1.6	35%
<b>Operating profit</b>	<b>3.1</b>	<b>2.7</b>	<b>14%</b>	<b>3.6</b>	<b>2.6</b>	<b>40%</b>	<b>4.2</b>	<b>3.2</b>	<b>33%</b>
<b>Net profit</b>	<b>2.5</b>	<b>1.3</b>	<b>93%</b>	<b>2.5</b>	<b>1.3</b>	<b>94%</b>	<b>3.2</b>	<b>1.8</b>	<b>76%</b>
EBITDA margin	11%	10%	0.8pp	11%	10%	1.2pp	11%	9%	1.9pp
Media margin	10%	9%	1.5pp	11%	10%	1.4pp	11%	9%	2.1pp
Printing margin	4%	3%	0.3pp	3%	3%	0.4pp	3%	2%	0.7pp
Operating margin	5%	4%	0.8pp	5%	4%	1.2pp	5%	4%	1.3pp
Net margin	4%	2%	2.0pp	4%	2%	1.6pp	4%	2%	1.7pp

Source: Company data, WOOD Research

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## Risks

- ✓ COVID-19 and the macroeconomic environment.
- ✓ M&A.
- ✓ Competition in the media business.
- ✓ The contracting printing business.
- ✓ Paper prices.
- ✓ FX risk.
- ✓ Litigation risk.
- ✓ The low liquidity of the stock.
- ✓ Leverage.



# Financials

## Profit and loss statement

EUR m	2019	2020	2021E	2022E	2023E
<b>Revenues</b>	<b>67.5</b>	<b>63.2</b>	<b>71.4</b>	<b>78.8</b>	<b>85.2</b>
Media	44.2	43.7	50.7	58.3	65.3
<i>Online media as % of total media</i>	69.1%	70.8%	72.8%	74.8%	76.8%
Printing	25.7	21.4	22.7	22.7	22.2
Other	-2.5	-1.9	-2.0	-2.2	-2.3
<b>EBITDA</b>	<b>6.8</b>	<b>7.0</b>	<b>8.2</b>	<b>8.8</b>	<b>8.9</b>
Media	6.0	6.6	7.9	8.7	9.1
Printing	2.0	2.2	2.3	2.2	2.0
Other	-1.2	-1.8	-2.0	-2.1	-2.2
<b>EBIT</b>	<b>2.7</b>	<b>3.1</b>	<b>3.6</b>	<b>4.2</b>	<b>4.3</b>
Profit before tax	1.7	2.8	2.8	3.5	3.7
Tax	-0.3	-0.3	-0.3	-0.4	-0.4
Minorities	0.0	0.0	0.0	0.0	0.0
<b>Net profit</b>	<b>1.4</b>	<b>2.5</b>	<b>2.5</b>	<b>3.2</b>	<b>3.3</b>

Source: Company data, WOOD Research

## Margins

	2019	2020	2021E	2022E	2023E
EBITDA margin	10.1%	11.1%	11.4%	11.1%	10.4%
Media	13.5%	15.1%	15.5%	15.0%	14.0%
Printing	7.9%	10.4%	10.0%	9.5%	9.0%
Net margin	2.1%	4.0%	3.5%	4.0%	3.9%
ROA	1.6%	2.6%	2.6%	3.2%	3.3%
ROE	2.7%	4.7%	4.5%	5.4%	5.5%
ROIC	3.1%	3.6%	4.2%	4.9%	5.0%

Source: Company data, WOOD Research

## Balance sheet

EUR m	2019	2020	2021E	2022E	2023E
PPE	15	14	14	14	14
Intangibles	56	57	57	57	58
Others	5	5	5	5	5
<b>Total non-current assets</b>	<b>76</b>	<b>76</b>	<b>76</b>	<b>77</b>	<b>77</b>
Inventories	3	3	3	3	4
Trade accounts receivables	13	9	11	12	13
Cash and cash equivalents	4	6	8	8	7
Others	0	0	0	0	0
<b>Total current assets</b>	<b>19</b>	<b>18</b>	<b>22</b>	<b>23</b>	<b>24</b>
<b>Total assets</b>	<b>95</b>	<b>94</b>	<b>98</b>	<b>99</b>	<b>101</b>
<b>Total shareholders' equity</b>	<b>55</b>	<b>57</b>	<b>59</b>	<b>61</b>	<b>63</b>
Long-term borrowings	19	19	18	16	14
Other LT liabilities	3	2	2	2	2
<b>Total non-current liabilities</b>	<b>22</b>	<b>21</b>	<b>20</b>	<b>18</b>	<b>16</b>
ST debt	5	4	4	4	4
ST trade payables	16	15	17	19	21
Other ST liabilities	0	0	0	0	0
<b>Total current liabilities</b>	<b>22</b>	<b>19</b>	<b>21</b>	<b>23</b>	<b>24</b>
<b>Total equity and liabilities</b>	<b>95</b>	<b>94</b>	<b>98</b>	<b>99</b>	<b>101</b>
Gross debt	24	22	21	19	17
Net debt	21	16	13	12	10
ND/EBITDA	3.0x	2.3x	1.6x	1.3x	1.1x

Source: WOOD Research

## Cash flow statement

EUR m	2019	2020	2021E	2022E	2023E
<b>CF from operations</b>	<b>7</b>	<b>9</b>	<b>7</b>	<b>8</b>	<b>8</b>
D&A	4	4	5	5	5
Changes in WC	1	2	0	0	0
Other	2	3	3	3	3
<b>CF from investments</b>	<b>-9</b>	<b>-3</b>	<b>-5</b>	<b>-5</b>	<b>-5</b>
o/w capex (PPE & int. ass.)	-3	-3	-5	-5	-5
o/w capex (M&A)	-7	0	0	0	0
Other	0	0	0	0	0
<b>CF from fin. activities</b>	<b>5</b>	<b>-4</b>	<b>-1</b>	<b>-3</b>	<b>-4</b>
o/w borrowings	1	-2	-1	-2	-2
o/w dividends	0	0	0	-1	-2
Other	4	-2	0	0	0
<b>Net change in cash</b>	<b>2.4</b>	<b>2.6</b>	<b>1.5</b>	<b>-0.1</b>	<b>-0.4</b>
Cash at the beginning of the year	1.3	3.6	6.3	7.8	7.7
<b>Cash at the end of the year</b>	<b>3.6</b>	<b>6.3</b>	<b>7.8</b>	<b>7.7</b>	<b>7.3</b>

Source: WOOD Research

## Valuation multiples

	2019	2020	2021E	2022E	2023E
P/E (x)	19.6x	11.3x	11.3x	9.0x	8.6x
EV/EBITDA (x)	7.1x	6.1x	5.1x	4.5x	4.3x
Dividend yield (%)	0.0%	0.0%	0.0%	4.4%	5.6%
FCF yield (%)	-20.3%	5.7%	8.8%	10.7%	10.8%

Source: Company data, WOOD Research

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Date	Rating	Date	PT
15/12/2020	HOLD – initiation of coverage	15/12/2020	EUR 0.68
		04/06/2021	EUR 0.98

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