Cash rich and Asset light

Without the Print segment, Ekspress Grupp (EEG) is a cash rich, asset light, digital media house – potent to pay attractive dividends. Furthermore, the post-print EBIT margins are boosted which motivates a higher valuation multiple. We raise our Base case Fair value to EUR 2.10 per share.

Rich and Fit

The EUR 6m net cash received from the Print divestment resulted in an end of Q3/21 cash position of EUR 12m, equal to ~24% of the market cap. Furthermore, excluding Print, the inventory was reduced from EUR 2.6m to EUR 0.3m, while the Property Plant & Equipment was reduced from EUR 15m to EUR 6m.

2021 estimated dividend yield 7.8%

An extra dividend of EUR 0.10/shr (to be paid this year) was passed at the EGM on 4 Nov. 2021. In addition, we forecast an ordinary dividend of EUR 0.03/shr from 2021 profits to be paid in 2022 i.e., the total 2021 dividend is EUR 0.13 equal to a yield of 7.8%. For 2022, and 2023 our forecast dividend yield is 3.7%, and 4.4%, respectively, with upside potential.

Multiple expansion motivated

We expect Ekspress Grupp's EBIT margin to approach that of other digital media companies (+8%) which motivates a higher valuation. We believe an EV/EBITDA of 10x is reasonable which implies a share price of EUR 2.10 (same as DCF Base case FV share price), and still leaves a 37% discount to digital peers.

Key figures (MEUR)

	2019	2020	2021E	2022E	2023E
Net sales	67.5	63.2	51.6	56.6	59.3
Net sales growth	11.5%	-6.3%	-18.5%	9.8%	4.7%
EBITDA	6.8	7.0	7.3	8.2	8.9
EBITDA margin	10.0%	11.1%	14.1%	14.4%	15.0%
EBIT	2.7	3.1	3.9	4.6	5.4
EBIT margin	4.0%	4.9%	7.6%	8.2%	9.1%
EV/Sales	0.7	0.7	1.1	1.1	1.0
EV/EBITDA	6.8	5.9	8.1	7.4	6.7
EV/EBIT	16.9	13.5	15.0	13.1	11.1
P/E adj.	16.9	9.8	17.0	13.6	11.3
P/BV	0.5	0.4	0.9	0.9	0.9
EPS adj.	0.05	0.08	0.10	0.12	0.15
EPS growth adj.	+100%	72.60%	20.12%	24.75%	19.88%
Div. per share	0.00	0.00	0.13	0.06	0.07
Dividend yield	0.00%	0.00%	7.83%	3.68%	4.41%

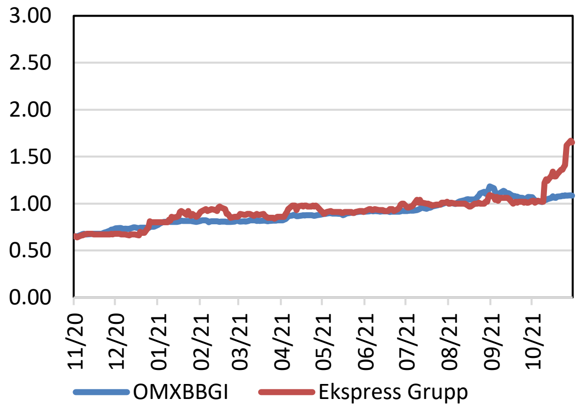
Source: Company data, Enlight Research estimates

Fair value range (EUR)

Bull (term. EBIT marg. 12%)	2.45
Base (term. EBIT marg. 8%)	2.10
Bear (term. EBIT marg. 6%)	1.76

Key Data

Price (EUR)	1.65
Ticker	EEG1T
Country	Estonia
Listed	Tallinn
Market Cap (EURm)	51
Net debt (EURm)	7.5
Shares (m)	31
Free float	27.00 %



Price range

52-week high	1.67
52-week low	0.64

Analyst

ResearchTeam@enlightresearch.net

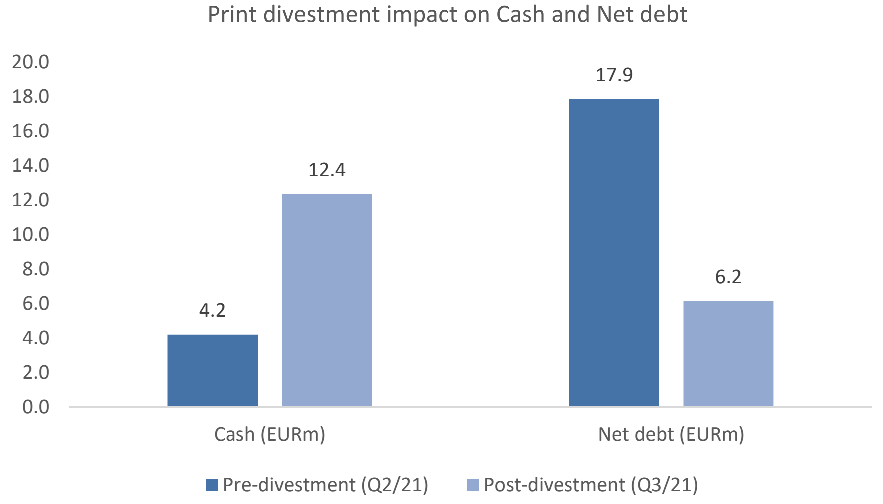
Coverage frequency

4x per year

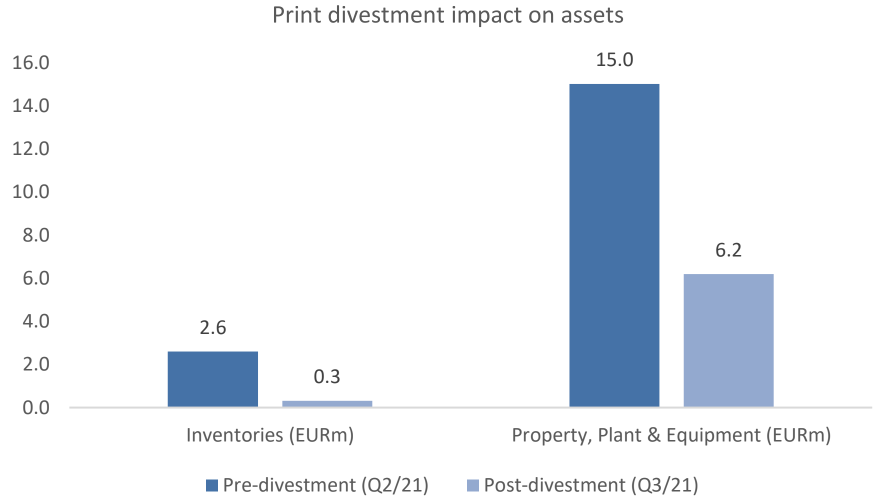
Q3 Key takeaways

Cash rich and Asset light

Following the Print segment divestment, Ekspress Grupp is a cash rich, asset light, profitable operation. The net cash received from the Print divestment of EUR 6.3m (EUR 0.20/shr) resulted in a cash position at the end of Q3/21 of EUR 12.4m (EUR 0.40/shr), up from EUR 4.2m (EUR 0.14/shr) at the end of the previous quarter (before the divestment). We believe this proves that the Print divestment EV of EUR 10m was a good price for all shareholders. Another advantage of the divestment is the reduction in assets needed to run the business. Comparing the Inventory and Property Plant & Equipment assets before and after the Print divestment, we see that the inventories were reduced from EUR 2.6m to just EUR 0.3m, while the Property Plant & Equipment was reduced from EUR 15.0 to EUR 6.2m.



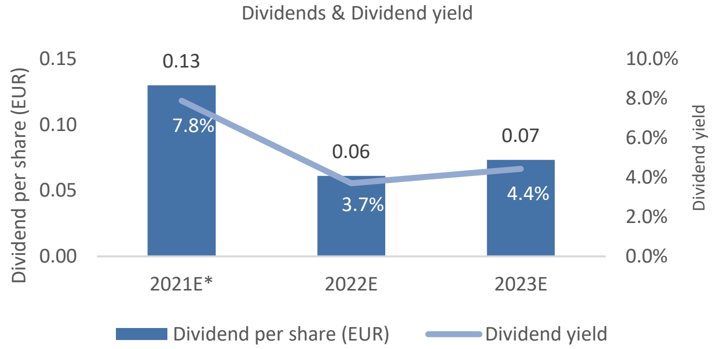
Source: Company reports



Source: Company reports

Dividends coming up

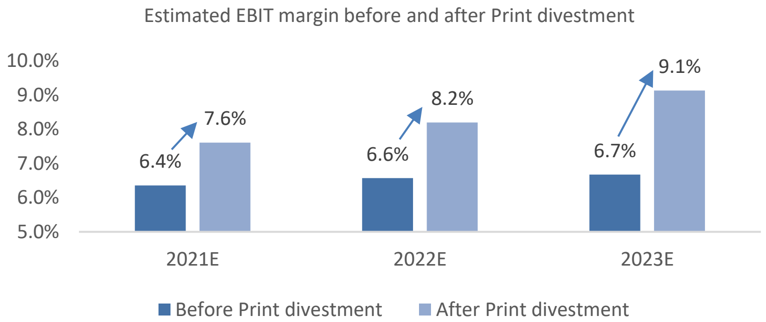
The post-print cash position of 12.4m combined with lower future investment need enables attractive dividends in our view. At the Extra General Meeting (EGM) on 4 November 2021, an extra dividend of EUR 0.10 per share, or EUR 3.0m was approved (equal to a yield of 6.0% based on share price of EUR 1.66). This dividend is set to be paid out on 23 November 2021. Furthermore, a new dividend policy has been approved stating that at least 30% of annual profits shall be paid out as dividends from 2022 and onwards. We foresee an ordinary dividend of EUR 0.03 per share in 2021 (to be paid in 2022). This means the total dividend from 2021 is EUR 0.13 per share whereof EUR 0.10 is paid this year and EUR 0.03 is paid in 2022. For 2022, and 2023, we forecast ordinary dividends of EUR 0.06, and EUR 0.07 per share, respectively. Given the strong cash position, our dividend forecast for 2022, and 2023 could be considered conservative. Worth noting is that Ekspress Grupp can distribute up to EUR 27.5m in dividends without having to pay income tax i.e., the dividends declared this year will not increase the corporate income tax paid in 2021 or the next year.



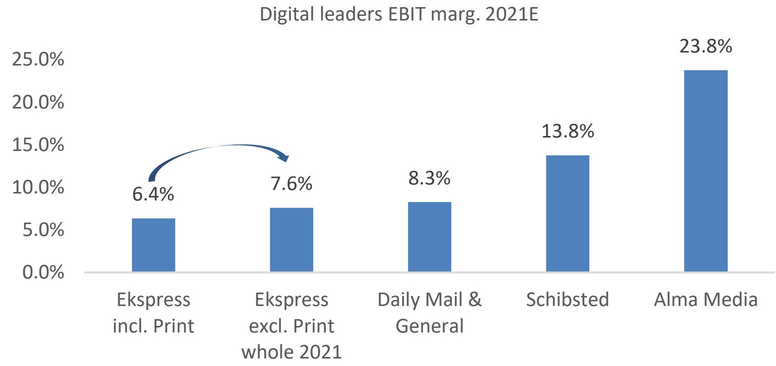
Source: Enlight Research (estimates) *Extraordinary dividend of EUR 0.10 approved at EGM on 4 November 2021 to be paid in 2021 + forecast ordinary dividend of EUR 0.03 to be paid in 2022, Dividend yield based on a share price of EUR 1.66

Print divestment boost margins

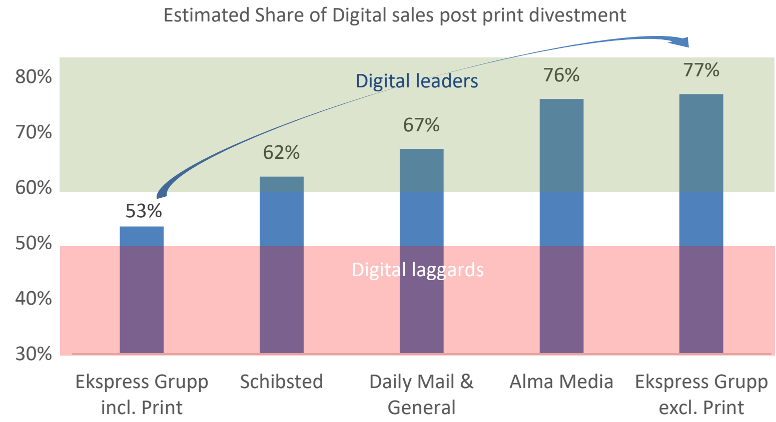
We expect the Print divestment to boost Ekspress Grupp's full-year 2021 EBIT margin to 7.6% from 4.9% in 2020. Our 2021 EBIT margin estimate including the Print segment was 6.4% i.e., the divestment improved our estimated EBIT margin by 1.2 percentage points to 7.6%. For 2022, and 2023, our estimated EBIT margin is 8.2% (up from 6.6% including Print), and 9.1% (up from 6.7% including Print), respectively. Our 2021 estimated EBIT margin of 7.6% is well supported by the Q3/21 reported EBIT margin of 10.6%. Worth noting is that the forecast EBIT margin improvement is a result of Ekspress Grupp leapfrogging into a digital leader territory in terms of digital share of sales, which translates into EBIT margins in line with other digital media houses.



Source: Enlight Research



Source: Enlight Research (Ekspress Grupp), MarketScreener (peer consensus)



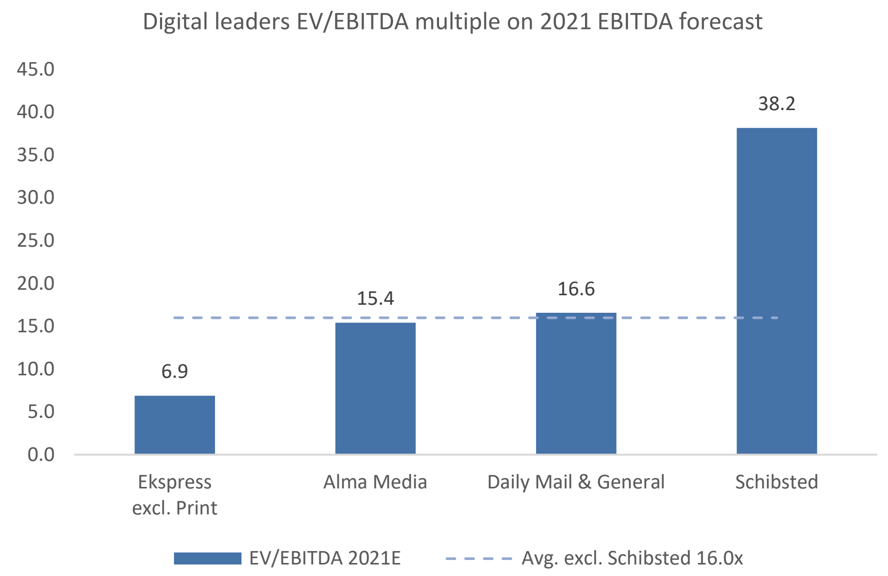
Source: Enlight Research

Higher EBIT margin motivate multiple expansion

Ekspress Grupp is currently trading at an EV/EBITDA 2021E multiple of 8.1x, corresponding to a discount of around 50% to digital leader peers Alma Media and Daily Mail & General. The discount is even higher compared to Schibsted's EV/EBITDA multiple of 38x, but we consider this an extreme value. While the peers' larger size and higher liquidity motivates a higher multiple, we believe the discount of around 50% to Alma Media and Daily Mail & General is too big and therefore see a multiple expansion for Ekspress Grupp. Given that Ekspress Grupp (excluding Print) share of digital sales is on par or higher than its digital leader peers, we believe a reasonable EV/EBITDA 2021E multiple for Ekspress Grupp is 10.0x which indicates a share price of EUR 2.10. This would still leave a discount of around 37% to Alma Media and Daily Mail & General.

Ekspress Grupp motivated share price post Print divestment	
2021E EBITDA (EURm)	7.3
Motivated 2021 EV/EBITDA	10.0
Motivated EV (EURm)	72
Less Net debt (EURm)	7.5
Motivated Market cap (EURm)	65
Motivated Share price (EUR)	2.10

Source: Enlight Research



Source: Enlight Research (Ekspress Grupp), MarketScreener (Alma Media, Daily Mail & General, Schibsted)

DCF Valuation

Our DCF valuation indicate a Base case Fair value per share of EUR 2.10, corresponding to an EV/EBITDA 2021 multiple of 10.0x i.e., it is consistent with our motivated peer valuation share price. Our Base case assumed terminal EBIT margin is 10.0%, which reflects the higher margins inherent in a digital media company. Our Bear and Bull case motivated share prices are EUR 1.76, and EUR 2.45, respectively. The only difference between our Bear and Bull scenarios is the assumed terminal EBIT margin which is 8% (Bear) and 12% (Bull), respectively. See below tables for our scenarios and DCF sensitivity.

DCF Valuation Scenarios	Bear	Base	Bull
WACC	9.4%	9.4%	9.4%
Terminal Sales growth	3.0%	3.0%	3.0%
Terminal EBIT margin	8.0%	10.0%	12.0%
Fair Value per share	1.76	2.10	2.45

Source: Enlight Research

DCF sensitivity	Current	Step	Test values & Results										
Equity beta	1.20	0.15	0.45	0.60	0.75	0.90	1.05	**1.2**	1.35	1.50	1.65	1.80	1.95
Fair value (DCF)	*2.10*		*3.68*	*3.22*	*2.86*	*2.56*	*2.31*	***2.10***	*1.92*	*1.77*	*1.64*	*1.52*	*1.41*
Target debt ratio*	30.0 %	5.0 %	5%	10%	15%	20%	25%	**30%**	35%	40%	45%	50%	55%
Fair value (DCF)	*2.10*		*1.45*	*1.55*	*1.67*	*1.79*	*1.94*	***2.10***	*2.29*	*2.52*	*2.78*	*3.10*	*3.49*
Riskfree interest rate	2.5 %	0.5 %	0.0 %	0.5 %	1.0 %	1.5 %	2.0 %	**2.5 %**	3.0 %	3.5 %	4.0 %	4.5 %	5.0 %
Fair value (DCF)	*2.10*		*3.03*	*2.80*	*2.59*	*2.41*	*2.25*	***2.10***	*1.97*	*1.86*	*1.76*	*1.66*	*1.57*

Source: Enlight Research
*(D/D+E)

Estimate deviations

Sales deviations by segment

The Q3/21 Media segment sales of EUR 12.9m was in line with forecast. The Q3/21 digital and online sales of EUR 10.1m was slightly below forecast of EUR 10.4m. The Print segment sales was not reported as it is no longer part of the Group. The Q3/21 Corporate functions sales was EUR 0.2m lower than estimated, but this was more than offset by EUR 0.5m lower eliminations than forecast.

Deviation table by Segment

Sales	Estimate Q3/21	Outcome Q3/21	Diff EURm	Diff %
Media segment	12.965	12.925	0.0	-0.3%
whereof digital and online	10.390	10.061	-0.3	-3.2%
Printing	0.000	0.000	0.0	
Corporate functions	1.180	0.999	-0.2	-15.3%
Eliminations pct of sales	-1.132	-0.660	0.5	-41.7%
Total Sales (Equity)	**13.013**	**13.264**	**0.3**	**1.9%**

Sales growth	Estimate Q3/21	Outcome Q3/21	Diff bps
Media segment	20.0%	19.6%	-37
whereof digital and online	33.0%	28.8%	-421
Printing	nm	nm	nm
Corporate functions	70.0%	43.9%	-2605
Eliminations pct of sales	8.0%	5.0%	-302
Total sales	**-14.8%**	**-13.2%**	**164**

Source: Company reports, Enlight Research

EBITDA deviations by segment

The Q3/21 Media segment EBITDA was EUR 0.2m or 7.0% above our forecast as digital subscriptions continued to boost earnings. The Q3/21 EBITDA margin was 18.6%, which was better than our forecast of 17.3% (displays the high margins inherent in digital sales). Corporate functions and Eliminations came in EUR 0.1m, and EUR 0.4m, better than forecast.

EBITDA by segment	Estimate Q3/21	Outcome Q3/21	Diff EURm	Diff %
Media segment	2.243	2.401	0.2	7.0%
Printing	0.000	0.000	0.0	
Corporate functions	-0.201	-0.134	0.1	-33.2%
Eliminations	-0.400	-0.016	0.4	-96.0%
EBITDA (equity)	**1.642**	**2.251**	0.6	37.1%

EBITDA margin by segment	Estimate Q3/21	Outcome Q3/21	Diff bps
Media segment	17.3%	18.6%	128
Printing	na	na	na
Corporate functions	-17.0%	-13.4%	359
EBITDA (equity)	**12.6%**	**17.0%**	**435**

Source: Company reports, Enlight Research

Group deviations

The Q3/21 Group sales of EUR 13.3m was EUR 0.3m higher than our EUR 13.0m estimate, while the Gross profit was 7.6% or EUR 0.2m higher than forecast. The Q3/21 EBITDA of EUR 2.3m was 37% better than forecast, while the Operating profit was 22% above forecast. The positive deviation at the Operating profit line increased at the Net profit line which was 48% better than forecast (EUR 1.1m vs. est. 0.8m), as the profit from JVs and the tax came in better than expected.

Deviation table Group

P&L (EURm)	Estimate Q3/21	Outcome Q3/21	Diff EURm	Diff %
Sales	13.013	13.264	0.251	1.9%
Costs of sales	-9.838	-9.849	-0.011	0.1%
Gross profit (loss)	**3.175**	**3.415**	**0.240**	**7.6%**
Other income	0.156	0.291	0.135	86.4%
Marketing expenses	-0.651	-0.494	0.157	-24.1%
Administrative expenses	-1.507	-1.799	-0.292	19.4%
Other expenses	-0.025	-0.013	0.012	-48.0%
Operating profit	**1.149**	**1.400**	**0.251**	**21.9%**
Interest income	0.009	0.009	0.000	0.0%
Interest expense	-0.202	-0.175	0.027	-13.4%
FX gain/loss	0.000	0.000	0.000	
Other finance costs	-0.015	-0.067	-0.052	346.7%
Financial net	*-0.208*	-0.233	-0.025	12.0%
Profit on shrs of JVs	-0.063	0.042	0.105	-166.7%
Profit on shrs of associates	0.032	0.016	-0.016	-50.0%
Profit (loss) before taxes	**0.910**	**1.225**	**0.315**	**34.6%**
Income tax	-0.136	-0.081	0.055	-40.4%
Net profit	**0.774**	**1.144**	**0.370**	**47.8%**
Other	-0.007	-0.007	0.000	0.0%
Net profit (loss)	**0.767**	**1.137**	**0.370**	**48.2%**
EBITDA	**1.642**	**2.251**	**0.609**	**37.1%**

Sales growth	Estimate Q3/21	Outcome Q3/21	Diff bps
Group Sales	-14.8%	-13.2%	164

Margins	Estimate Q3/21	Outcome Q3/21	Diff bps
Gross margin	24.4%	25.7%	135
EBITDA margin	12.6%	17.0%	435
EBIT margin	8.8%	10.6%	173
PTP margin	7.0%	9.2%	224
Net profit margin	5.9%	8.6%	268

Source: Company reports, Enlight Research

Estimate changes

Group estimate changes

Following the Print segment divestment, the Group estimates are basically the same as the Media segment estimates (including Corporate functions and Eliminations). We lower our Sales estimates slightly (1-2%) in the forecast period 2021-23. Given that the Q3/21 Sales were slightly above forecast, our lower 2021 forecast could be considered conservative. The main reason for the adjustment is a slightly more cautions stand in light of the pandemic situation in the Baltic countries.

Our EBITDA forecast is raised by 10-17% in the forecast period 2021-23 following the much better than expected EBITDA margin in Q3/21 (17.0% vs. est. 12.6%). We lower our EBIT estimates in the forecast period by 4-10% mainly due to higher assumed salaries. This year, the lower EBIT forecast is offset by higher result from JVs and lower assumed tax, leaving the EPS unchanged at EUR 0.10. For 2022, these factors offset almost all the lower EBIT estimate (EPS is lowered by EUR 0.01). For 2023, we raise our EPS estimate by EUR 0.01 as the margin improvement continue. For 2021, we raise our estimated dividend from EUR 0.04 to EUR 0.13 whereof EUR 0.10 is an extraordinary dividend. For 2022, and 2023, we raise our dividend by EUR 0.01.

Group estimate changes

Sales (EURm)	2021E	2022E	2023E
Old estimate (incl. Print)	52.6	57.4	60.1
New estimate (excl. Print)	51.6	56.6	59.3
Change	-1.0	-0.8	-0.8
Change (pct)	-1.9%	-1.4%	-1.4%

EBITDA (EURm)	2021E	2022E	2023E
Old estimate (incl. Print)	6.2	7.4	7.8
New estimate (excl. Print)	7.3	8.2	8.9
Change	1.1	0.8	1.1
Change (pct)	17.3%	10.2%	14.2%

EBIT (EURm)	2021E	2022E	2023E
Old estimate (incl. Print)	4.2	5.2	5.6
New estimate (excl. Print)	3.9	4.6	5.4
Change	-0.3	-0.5	-0.2
Change (pct)	-6.9%	-10.2%	-4.1%

EPS (EUR)	2021E*	2022E	2023E
Old estimate (incl. Print)	0.10	0.13	0.14
New estimate (excl. Print)	0.10	0.12	0.15
Change	0.00	-0.01	0.00
Change (pct)	0.0%	-6.5%	2.8%

Dividend (EUR)	2021E	2022E	2023E
Old estimate (incl. Print)	0.04	0.05	0.06
New estimate (excl. Print)	0.13	0.06	0.07
Change	0.09	0.01	0.01
Change (pct)	225.0%	22.1%	22.0%

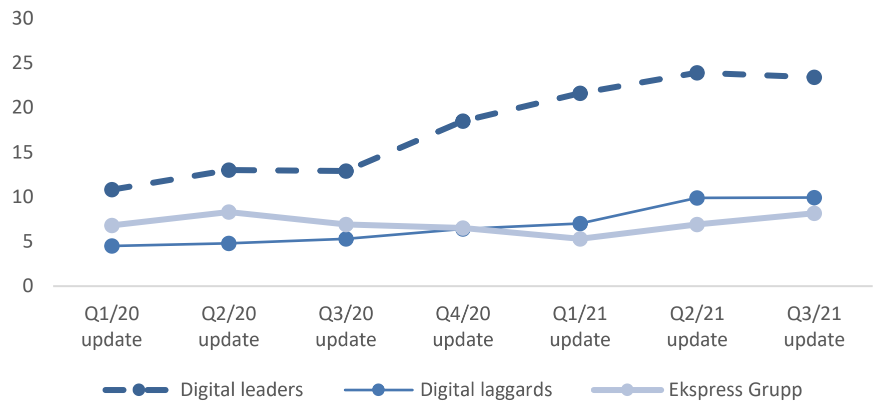
Source: Enlight Research *Excluding EUR 2.2m one-off net loss from discontinued operations

Valuation update

Peer valuation

We divide our peer companies into Digital leaders (60%+ digital sales), and Digital laggards (less than 50% digital sales). Print service providers are no longer part of our Ekspress Grupp peer universe following the Print segment divestment. Since our last update (after the Q2/21 report), the 2021E EV/EBITDA multiple has stayed roughly the same for Digital leaders (23.4x vs. 23.9x in Q2 Update) and Digital laggards (unchanged at 9.9x). During the same time period, the 2021E EV/EBITDA multiple for Ekspress Grupp has increased from 6.9x to 8.1x, which we believe is motivated given that the Company now clearly belongs to the Digital leader peer group. Despite the higher EV/EBITDA multiple, Ekspress Grupp is trading at a discount of 66% to Digital leaders (8.1x for Ekspress Grupp vs. 23.4x for Digital leaders), i.e., we believe a higher multiple can be motived for Ekspress Grupp (see Key takeaways in this report).

Average EV/EBITDA multiple based on 2021 EBITDA estimate



Source: MarketScreener, Enlight Research, Q1/20 prices from 14 May 2020, Q2/20 prices from 4 Aug 2020, Q3/20 prices from 11 Nov 2020, Q4/20 prices from 17 Feb 2021, Q1/21 prices from 6 May 2021, Q2/21 prices from 12 Aug, Q3/21 prices from 2 Nov.

Digital leaders

Company	Ccy	Price (last)	Mcap (m) (last)	EV (m) (last)	EV/Sales 2020	EV/Sales 2021E	EV/Sales 2022E	EV/Sales 2023E	EV/EBITDA 2020	EV/EBITDA 2021E	EV/EBITDA 2022E	EV/EBITDA 2023E
Alma Media	EUR	11.53	950	1,157	5.0	4.2	4.0	3.8	19.0	15.4	13.3	12.7
Daily Mail & General	GBP	10.49	2,396	2,219	1.8	1.9	1.9	1.8	14.9	16.6	14.1	12.6
Schibsted	NOK	435.80	101,949	108,532	8.4	7.4	6.9	6.5	51.1	38.2	34.8	31.8
Average					5.1	4.5	4.3	4.1	28.3	23.4	20.7	19.0
Median					5.0	4.2	4.0	3.8	19.0	16.6	14.1	12.7
Ekspress Grupp	EUR	1.66	51	7	0.66	1.14	1.07	1.01	5.9	8.1	7.4	6.7

Digital laggards

Company	Ccy	Price (last)	Mcap (m) (last)	EV (m) (last)	EV/Sales 2020E	EV/Sales 2021E	EV/Sales 2022E	EV/Sales 2023E	EV/EBITDA 2020	EV/EBITDA 2021E	EV/EBITDA 2022E	EV/EBITDA 2023E
Monrif S.P.A.	EUR	0.08	17	102	0.7	0.7	0.7	0.6	62.1	33.9	20.4	14.5
Agora	PLN	8.16	380	537	0.6	0.6	0.5	0.5	10.5	4.5	3.1	2.7
Cofina SGPS	EUR	0.23	24	70	1.0	0.9	0.9	0.9	5.0	5.0	4.6	4.6
North Media A/S	DKK	123.30	2,237	2,217	2.1	2.1	2.1	2.0	8.2	7.6	7.3	7.0
Reach PLC	GBP	3.13	971	936	1.6	1.5	1.6	1.6	5.8	5.5	5.4	5.3
Sanoma Oyj	EUR	14.10	2,302	2,969	2.8	2.4	2.3	2.3	6.7	9.0	8.2	7.8
Roularta Media Group	EUR	15.85	186	100	0.4	0.4	0.4	0.3	5.1	3.9	3.2	3.0
Average					1.3	1.2	1.2	1.2	14.8	9.9	7.5	6.4
Median					1.0	0.9	0.9	0.9	6.7	5.5	5.4	5.3

Source: MarketScreener, Enlight Research, prices from 5 Nov. 2021

Risk factors

Below is a selection of risk factors that we have chosen to highlight given the current environment. It should not be regarded as a complete list of all risk factors. For examples of additional risks, we refer to our initiation report "Transforming to Digital" published on Nov 18, 2019.

Covid-19

Although the pandemic seems to have increased the speed of the digital transformation in the form of digital subscriber growth, the digital ticketing platform and has been negatively affected. A prolonged pandemic with restrictions on larger events could continue to affect the ticketing platform negatively. Furthermore, a lock-down affects the outdoor digital advertising business negatively.

Interest rate risk

The interest rates on loans are tied to the EURIBOR. A significant increase in the EURIBOR most likely would affect the profitability of the company.

Income Statement	2019	2020	2021E	2022E	2023E
Net sales	67	63	52	57	59
Total operating costs	-61	-56	-44	-48	-50
EBITDA	7	7	7	8	9
Depr. & Amort.	-4	-4	-3	-4	-3
One-off EBIT items	0	0	0	0	0
EBIT	3	3	4	5	5
Financial net	-1	0	-1	-1	-1
Pre-tax profit	2	3	3	4	5
Taxes	0	0	0	0	0
Minority interest	0	0	0	0	0
Other items	0	0	0	0	0
Net profit	1	3	3	4	5

Balance Sheet	2019	2020	2021E	2022E	2023E
Cash and cash equivalent	4	6	8	7	6
Receivables	13	9	9	10	10
Inventories	3	3	0	0	0
Other current assets	0	0	1	1	1
Total current assets	**19**	**18**	**18**	**18**	**17**
Tangible assets	15	14	7	7	7
Goodwill & Intangible assets	56	57	57	57	57
Lease & Investment properties	0	0	1	2	3
Long-term Investments	1	2	2	2	2
Associated companies	2	2	2	2	2
Other long-term assets	1	1	2	2	2
Total fixed assets	**76**	**76**	**70**	**71**	**72**
Total assets	**95**	**94**	**89**	**89**	**90**
Accounts payable	16	15	13	14	13
Short-term IB debt	5	4	1	1	1
Other current liabilities	0	0	0	0	0
Total current liabilities	**22**	**19**	**15**	**15**	**14**
Long-term IB debt	19	19	13	13	11
Convertibles & Lease liab.	0	0	1	2	3
Deferred tax liab.	0	0	0	0	0
Provisions	0	0	0	0	0
Other long-term liab.	3	2	2	2	2
Total long-term liab	**22**	**21**	**16**	**17**	**16**
Total liabilities	**44**	**40**	**31**	**32**	**30**
Minority interest	0	0	0	0	0
Shareholders' equity	52	54	58	57	60
Total liabilities and Equity	**95**	**94**	**89**	**89**	**90**

DCF valuation		Cash flow, mEUR	
WACC (%)	9.72 %	NPV FCF (2020-2022)	16
Assumptions 2020-2026 (%)		NPV FCF (2023-2029)	21
Average sales growth	4.48 %	NPV FCF (2030-)	43
EBIT margin	9.28 %	Non-operating assets	6
Fair value per share (EUR)	2.10	Interest-bearing debt	-22
Share price (EUR)	1.66	Fair value estimate	65

Free Cash Flow	2019	2020	2021E	2022E	2023E
Operating profit	3	3	4	5	5
Depreciation	4	4	3	4	3
Working capital chg	2	2	0	-1	-1
Other operating CF items	0	0	0	0	0
Operating Cash Flow	**9**	**9**	**7**	**7**	**8**
Net investments	-15	-3	3	-4	-4
Other items	3	0	0	0	0
Free Cash Flow	**-3**	**6**	**10**	**4**	**4**

Capital structure	2019	2020	2021E	2022E	2023E
Equity ratio	54.1%	58.0%	64.9%	64.3%	66.8%
Debt / Equity ratio	47.3%	40.7%	27.3%	28.3%	24.6%
Gearing %	40.1%	29.2%	12.9%	16.4%	14.6%
Net debt/EBITDA	3.1	2.3	1.0	1.2	1.0

Profitability	2019	2020	2021E	2022E	2023E
ROE	2.8%	4.7%	5.4%	6.6%	7.7%
FCF yield	-14.3%	18.1%	19.6%	7.2%	8.0%
EBITDA margin	10.0%	11.1%	14.1%	14.4%	15.0%
EBIT margin	4.0%	4.9%	7.6%	8.2%	9.1%
PTP margin	2.6%	4.5%	6.2%	7.1%	8.1%
Net margin	2.1%	4.0%	5.9%	6.6%	7.6%

Valuation	2019	2020	2021E	2022E	2023E
P/E	16.9	9.8	17.0	13.6	11.3
P/E adjusted	16.9	9.8	17.0	13.6	11.3
P/Sales	0.4	0.4	1.0	0.9	0.9
EV/Sales	0.7	0.7	1.1	1.1	1.0
EV/EBITDA	6.8	5.9	8.1	7.4	6.7
EV/EBIT	16.9	13.5	15.0	13.1	11.1
P/BV	0.5	0.4	0.9	0.9	0.9
P/BV tangible	-4.9	-11.3	60.7	85.2	15.8

Per share ratios	2019	2020	2021E	2022E	2023E
EPS	0.05	0.08	0.10	0.12	0.15
EPS, adjusted	0.05	0.08	0.10	0.12	0.15
Operating CF/share	0.29	0.30	0.23	0.23	0.25
Free Cash Flow/share	-0.11	0.14	0.32	0.12	0.13
BV/share	1.73	1.77	1.87	1.86	1.94
Tangible BV/share	-0.16	-0.07	0.03	0.02	0.11
Div. per share	0.00	0.00	0.13	0.06	0.07
Div. payout ratio	0.0%	0.0%	132.8%	50.0%	50.0%
Dividend yield	0.0%	0.0%	7.8%	3.7%	4.4%

Shareholders	Capital	Votes
HHL RÜHM OÜ	24.218	47.37 %
HANS LUIK	13.219	25.86 %
LHV Pensionfond L	3.113	6.09 %
SEB S.A. Client UCITS	1.439	2.81 %
Ekspress Grupp AS	0.853	1.67 %
LHV Pensionfond XL	0.794	1.55 %
Citibank/Govt of Norway	0.535	1.05 %
Compensa Life Vienna Ins.	0.533	1.04 %
SEB Eastern Europe Fund	0.240	0.47 %
OU Observa	0.236	0.46 %

Key people	
CEO	Mari-Liis Rüütsalu
CFO	Signe Kukin
IR	Signe Kukin
Chairman	Priit Rohumaa (Chairman)

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

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