

## Demand for news is high

**Tragic events such as pandemics and wars increase the demand for quality news and reveal the danger of “fake news”. Ekspress Grupp’s (EEG) 2021 beat expectations as the pandemic elevated the demand for news and the divestment of Print services boosted margins. We forecast double-digit dividend growth in 2022 to 2024.**

### Q4/21 above on Sales and Earnings

Q4/21 Sales grew 18% y-on-y to EUR 15.9m, which was 4% above our estimate (excluding the divested Print segment). Q4/21 EBIT came in 179% above our estimate (EUR 2.3m vs. est. EUR 0.8m). The full-year 2021 EPS was 30% above forecast (EUR 0.13 vs. est. EUR 0.10).

### Dividend growth case

The proposed EUR 0.05/shr dividend brings the total 2021 payout to EUR 0.15/shr (including 0.10 extraordinary div.). We foresee div. to grow 20% this year to EUR 0.06/shr equal to a yield of 3.8%, followed by a div. growth of 17% in 2023, and 14% in 2024, which brings the yield above 5%.

### Valuation at take-out levels

EEG is trading at a 60% discount to peers (2021 EV/EBITDA 7.4x vs. peers 23.4x) which we believe is too much. We think a 2021 EV/EBITDA of 10x is reasonable indicating a share price of EUR 2.27, while our Base case DCF Fair value is more conservative at EUR 2.11/shr. Following the Print segment divestment, we believe EEG is an attractive acquisition candidate, especially if the share price stays at current level.

#### Key figures (MEUR)

	2020	2021	2022E	2023E	2024E
Net sales	44.5	53.5	58.5	61.3	63.6
Net sales growth	-34.0%	20.2%	9.4%	4.7%	3.8%
EBITDA	5.9	8.2	8.7	9.0	9.1
EBITDA margin	13.3%	15.4%	14.8%	14.7%	14.2%
EBIT	3.1	4.9	5.1	5.4	5.5
EBIT margin	6.9%	9.1%	8.8%	8.8%	8.7%
EV/Sales	0.9	1.1	1.0	1.0	0.9
EV/EBITDA	7.0	7.2	7.0	6.7	6.5
EV/EBIT	13.6	12.2	11.9	11.0	10.6
P/E adj.	9.5	11.6	10.4	9.8	9.5
P/BV	0.4	0.9	0.9	0.8	0.8
EPS adj.	0.08	0.13	0.14	0.15	0.16
EPS growth adj.	76.45%	61.07%	5.84%	6.79%	2.76%
Div. per share*	0.00	0.15	0.06	0.07	0.08
Dividend yield	0.00%	10.14%	4.05%	4.73%	5.41%

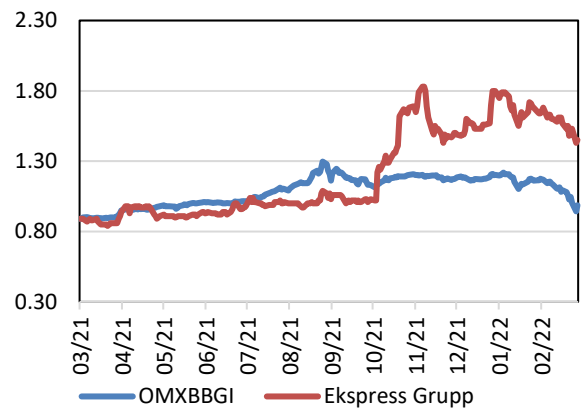
Source: Company data, Enlight Research estimates, 2021 extra div. EUR 0.10

#### Fair value range (EUR)

Bull (term. EBIT marg. 12%)	2.44
Base (term. EBIT marg. 10%)	2.11
Bear (term. EBIT marg. 8%)	1.77

#### Key Data

Price (EUR)	1.48
Ticker	EEG1T
Country	Estonia
Listed	Tallinn
Market Cap (EURm)	46
Net debt (EURm)	11
Shares (m)	31
Free float	27%



#### Price range

52-week high	1.83
52-week low	0.84

#### Analyst

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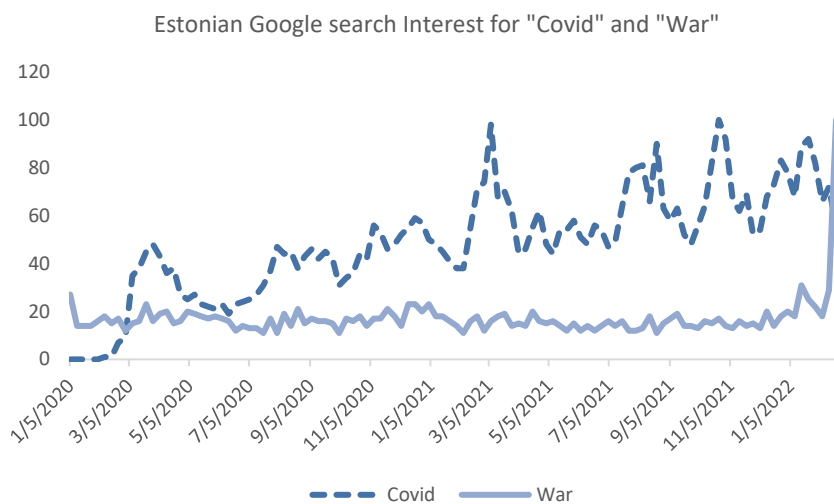
#### Coverage frequency

4x per year

## Key takeaways

### Demand for quality news is high

Major tragic events such as the COVID pandemic and the Russia-Ukraine war increase people’s need for quality news and the importance to spot propaganda “fake news”. Ekspres Grupp has played a very important role in the Baltics as a source of reliable news and as an official Facebook partner. The EEG online portal, Delfi, has been so successful at exposing fake news that it has been recognized as a success story among European fact-checkers and invited by Facebook to introduce their method at the international event Virtual Global Summit.



Source: Google Trends

#### International Fact-Checking Network

In June 2019, the top Lithuanian news portal Delfi became partners with the International Fact-Checking Network (IFCN). IFCN network is a part of Poynter Institute – an international leader in strengthening the role of media in society.

IFCN was established in the autumn of 2015; its main objective is sharing good fact-checking practices, that is of crucial importance for the media during the times when the spread of fake news became such a fast-growing problem.

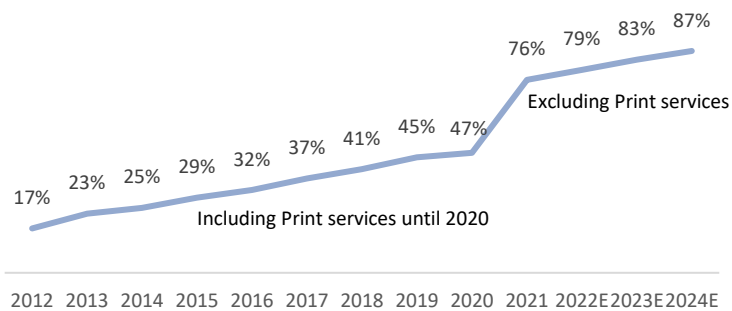
In order to become an IFCN partner, certain media must meet 12 strict evaluation criteria ensuring the transparency of its financing, impartiality and organization’s ambition to reveal the truth as quickly and comprehensibly as possible. Media organizations meeting IFCN standards must rely only on clear, comprehensible, and reliable sources, provide all the necessary information about journalists, comply with the error correction charter.

Source: Company website

**2021, the year Ekspress Grupp became digital**

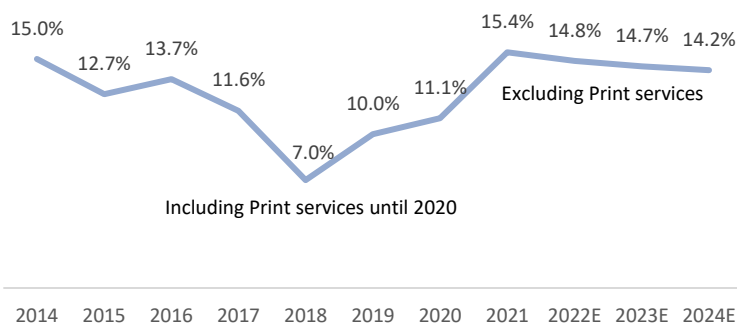
The divestment of the Printing services segment in 2021 evolved Ekspress Grupp into a true digital media company with the share of digital sales going from 47% in 2020 (incl. print services the whole year) to 76% in 2021 (excl. print services the whole year). By the end of our forecast period 2024, we forecast the share of digital sales to have increased to 87% of group sales, which is a result of our assumed growth in digital media sales and decline in traditional media sales. The higher share of digital sales is reflected in the EBITDA margins which increased from 11.1% in 2020 (incl. print services the whole year) to 15.4% in 2021 (excl. print services the whole year). In the forecast period 2022-24, we assume the EBITDA margin will settle around 14%.

Digital sales share of Group sales



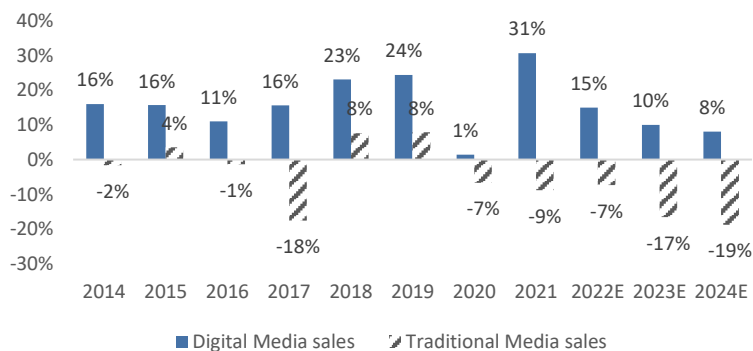
Source: Company report (historical), Enlight Research (estimates), Up to 2020 incl. Print, 2021 and after excl. Print

Group EBITDA margin



Source: Company report (historical), Enlight Research (estimates), Up to 2020 incl. Print, 2021 and after excl. Print

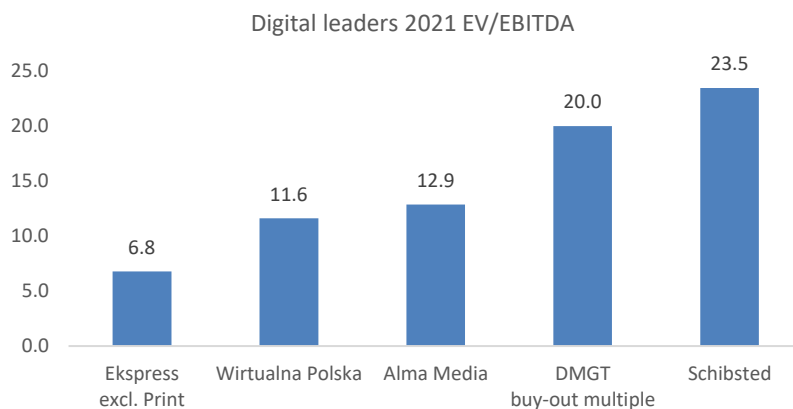
Digital and Traditional Media Sales growth



Source: Company report (historical), Enlight Research (estimates)

**2021, the year a Digital leader was bought out from stock exchange**

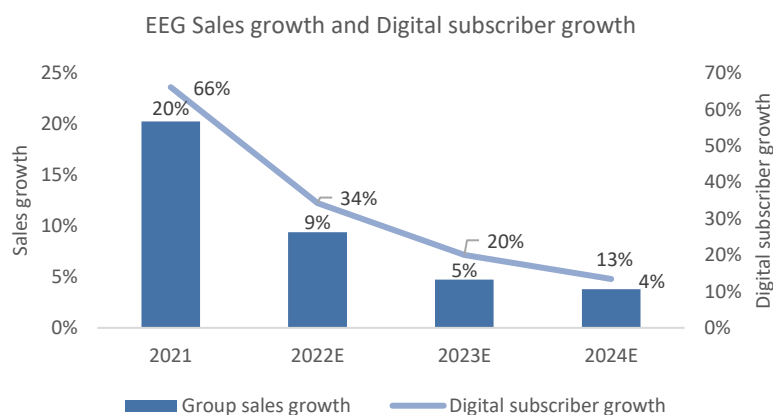
Since our Q3/21 update, one of our digital leader peers, Daily Mail & General, has been bought out by the main owner Lord Rothermere (Jonathan Harmsworth). The Daily Mail newspaper was founded in 1896 by Lord Rothermere’s great grandfather and the Daily Mail & General Trust (DMTG) has been listed on the London Stock Exchange since 1932 (until delisting in January 2022). The Rothermere family has over 100 years media experience and we believe the fact that they chose to buyout DMGT now shows that the outlook for the media assets has improved. Furthermore, we believe the buy-out 2021 EV/EBITDA multiple of 20x reveals a significant valuation upside in Ekspress Grupp whose 2021 EV/EBITDA multiple is 7.4x. Applying DMTG’s EV/EBITDA multiple of 20x to Ekspress Grupp implies a share price close to EUR 5, however, we do not believe this will happen anytime soon, although we see a significant upside. We find a 2021 EV/EBITDA multiple of 10x reasonable for Ekspress Grupp which indicates a share price of EUR 2.27 (in the range of our Base case DCF share price of EUR 2.11).



Source: Enlight Research (EEG, Baltic Classifieds Group), MarketScreener (Alma Media, DMG, Schibsted, Wirtualna Polska) DMG equity value and EV is based on buy-out figures from WSJ and Pressgazette.

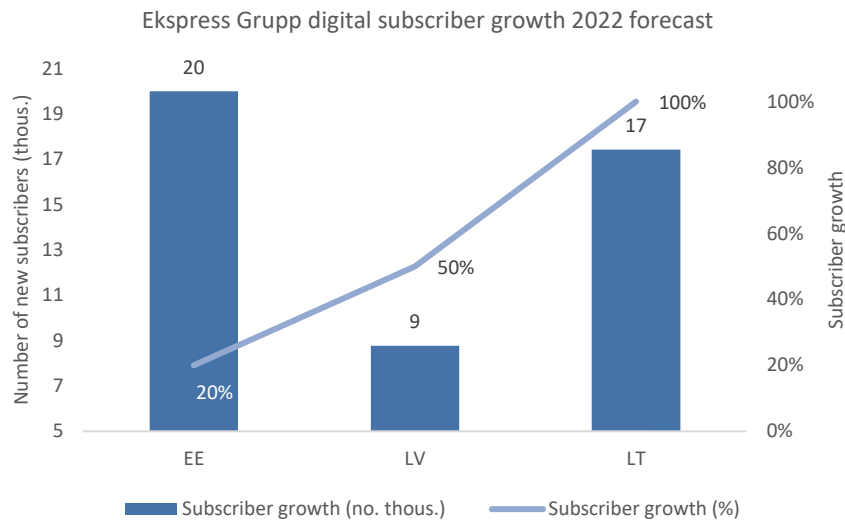
**2022, a year of continued Digital subscriber growth**

The digital subscriber growth is the main underlying driver for Ekspress Grupp’s Sales growth in the forecast period 2022-24. In 2021, the number of digital subscribers increased by 66% to 135K, which resulted in a Group sales growth of 20% to EUR 53.5m. In 2022, we forecast the number of digital subscribers to increase 34% to 181K and the Group sales to increase 9% to EUR 58.5m, followed by a 20% digital subscriber growth in 2023 (5% sales growth), and 13% digital subscriber growth in 2024 (4% sales growth). The relatively intact Sales growth in 2024 implies that focus will shift from digital subscriber growth to ARPU (average revenue per user) growth.

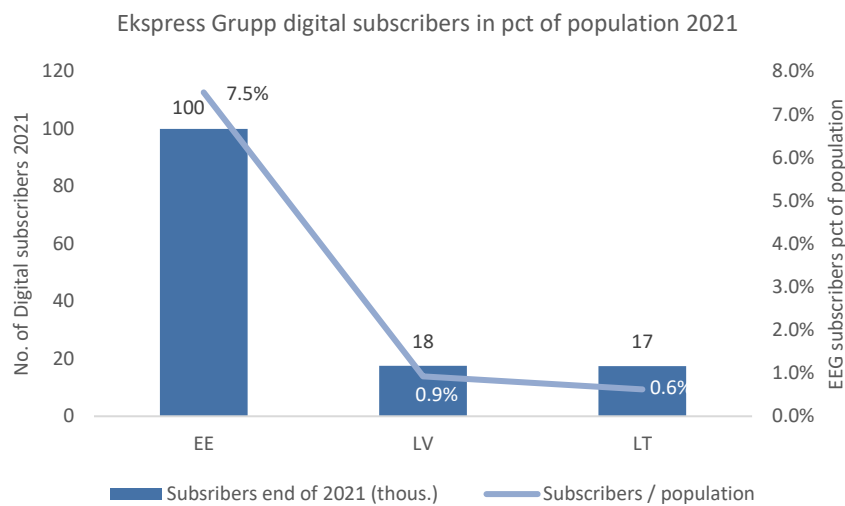


Source: Company report (historical), Enlight Research (estimates)

In terms of number of new subscribers this year, we forecast the biggest increase in Estonia with 20K new subscribers, followed by Lithuania (+17K), and Latvia (+9K). In terms of percentage increase in subscribers, we forecast the biggest increase in Lithuania with 100% growth, followed by Latvia (+50%), and Estonia (+20%). We foresee the highest percentage growth of digital subscribers in Lithuania and Latvia in the coming years, as the number of subscribers in relation to the population is less than 1% vs. 7.5% for Estonia. The assumed growth in the Lithuanian and the Latvian digital subscribers is mainly a result of the continued success of the leading Baltic based news portal, Delfi.



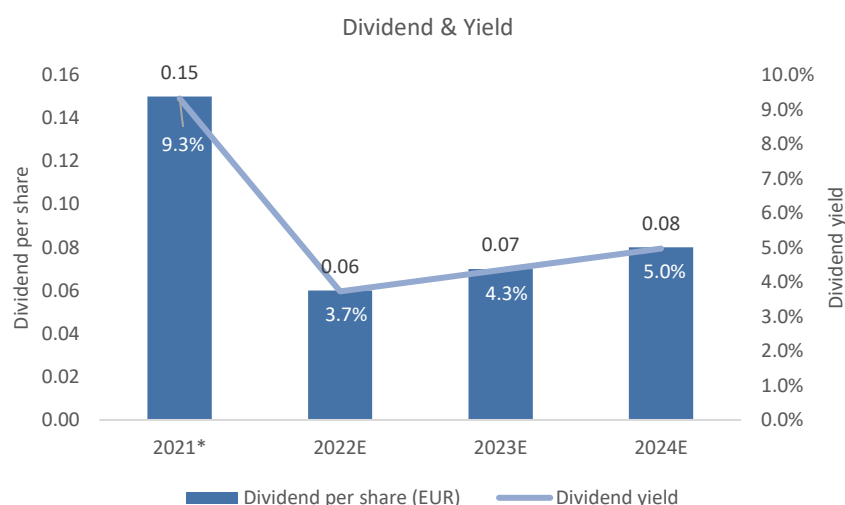
Source: Enlight Research



Source: Enlight Research

### 2022, another year of dividends

After two consecutive years of zero dividends (2019, 2020), the company resumed dividends in 2021, paying EUR 0.05 in ordinary dividends (proposed) plus EUR 0.10 in extraordinary dividends (paid out already last year). We expect the dividends to continue in the forecast period 2022-24 and beyond. In 2022, and 2023, we estimate ordinary dividends per share of EUR 0.06, and EUR 0.07, respectively, followed by EUR 0.08 in 2024. This implies a dividend yield of 3.7% in 2022, 4.3% in 2023, and 5.0% in 2024. Perhaps more important, it reveals that Ekspress Grupp is once again a regular dividend payer. Worth noting is that Ekspress Grupp can distribute up to EUR 24.9m in dividends without having to pay income tax i.e., the dividends declared will not increase the corporate income tax.



Source: \*2021: EUR 0.10 extraordinary dividend paid out already in 2021 + proposed EUR 0.05 dividend, Enlight Research (2022-24 estimates), Dividend yield based on a share price of EUR 1.61

### DCF Valuation

Our DCF valuation indicate a Base case Fair value per share of EUR 2.11 (prev. 2.10), corresponding to an EV/EBITDA 2022E multiple of 9.3x, which is below our peer-based indicated share price of EUR 2.27 (EV/EBITDA 2021 of 10x). 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 1.77, and EUR 2.44, 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	9.6%	9.6%	9.6%
Terminal Sales growth	3.0%	3.0%	3.0%
Terminal EBIT margin	8.0%	10.0%	12.0%
Fair Value per share	1.77	2.11	2.44
Upside/Downside (last price)	10%	31%	52%

Source: Enlight Research, based on share price EUR 1.61

DCF sensitivity	Current		Test values & Results										
	Step												
<b>Equity beta</b>	1.20	0.15	0.45	0.60	0.75	0.90	1.05	<b>1.2</b>	1.35	1.50	1.65	1.80	1.95
Fair value (DCF)	2.11		3.71	3.25	2.88	2.58	2.32	<b>2.11</b>	1.92	1.76	1.62	1.50	1.39
<b>Target debt ratio*</b>	30.0%	5.0%	5%	10%	15%	20%	25%	<b>30%</b>	35%	40%	45%	50%	55%
Fair value (DCF)	2.11		1.42	1.53	1.65	1.78	1.93	<b>2.11</b>	2.31	2.55	2.83	3.16	3.58
<b>Risk free interest rate</b>	2.5%	0.5%	0.0%	0.5%	1.0%	1.5%	2.0%	<b>2.5%</b>	3.0%	3.5%	4.0%	4.5%	5.0%
Fair value (DCF)	2.11		3.06	2.82	2.61	2.42	2.26	<b>2.11</b>	1.98	1.86	1.75	1.65	1.56

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

## Estimate deviations

Following the Print segment divestment, the Group consist of the Media segment. The Gross profit came significantly above forecast as both Sales and Cost of Sales were better than expected. The positive deviation continued and even expanded down to the bottom line as operating expenses and the financial net came in better than expected.

Deviation table Group					
P&L (EURm)	Estimate Q4/21	Outcome Q4/21	Diff EURm	Diff %	Comment
Sales	15.274	15.943	0.669	4.4%	Digital subs. & Online advertising drove growth
Costs of sales	-12.138	-11.132	1.006	-8.3%	Reflect lower costs inherent in digital sales
<b>Gross profit (loss)</b>	<b>3.136</b>	<b>4.811</b>	<b>1.675</b>	<b>53.4%</b>	<b>Combo of higher sales and lower costs</b>
Other income	0.257	0.320	0.063	24.4%	Better
Marketing expenses	-0.624	-0.766	-0.142	22.8%	Better
Administrative expenses	-1.911	-2.013	-0.102	5.3%	Better
Other expenses	-0.033	-0.051	-0.018	54.5%	Better
<b>Operating profit</b>	<b>0.825</b>	<b>2.301</b>	<b>1.476</b>	<b>178.8%</b>	<b>Lower OpEx across the board</b>
Interest income	0.010	0.009	-0.001	-10.0%	In-line
Interest expense	-0.162	-0.172	-0.010	6.2%	In-line
FX gain/loss	0.000	0.000	0.000		In-line
Other finance costs	0.071	0.402	0.331	466.2%	Positive FV adj. ticket platform acquisition price
<i>Financial net</i>	<i>-0.081</i>	<i>0.239</i>	<i>0.320</i>	<i>-395.1%</i>	<i>Better</i>
Profit on shrs of JVs	0.028	-0.153	-0.181	-646.4%	Worse
Profit on shrs of associates	0.017	0.078	0.061	358.8%	Better
<b>Profit (loss) before taxes</b>	<b>0.789</b>	<b>2.465</b>	<b>1.676</b>	<b>212.3%</b>	<b>Better financial net widens positive deviation</b>
Income tax	-0.072	-0.155	-0.083	114.0%	Better
<b>Net profit</b>	<b>0.717</b>	<b>2.310</b>	<b>1.593</b>	<b>222.3%</b>	<b>Lower taxes widen positive deviation</b>
<b>EBITDA</b>	<b>2.272</b>	<b>3.189</b>	<b>0.917</b>	<b>40.4%</b>	Better
Sales growth					
	Estimate Q4/21	Outcome Q4/21	Diff bps		Comment
Group Sales	na	17.8%	na		No comparable due to Print divestment
Margins					
	Estimate Q4/21	Outcome Q4/21	Diff bps		Comment
Gross margin	20.5%	30.2%	965		Better
EBITDA margin	14.9%	20.0%	513		Better
EBIT margin	5.4%	14.4%	903		Better
PTP margin	5.2%	15.5%	1029		Better
Net profit margin	4.8%	14.6%	979		Better

Source: Company reports, Enlight Research

## Estimate changes

We raise our Sales estimates by 3.4% for both 2022 and 2023, driven by a strong online advertising market and digital subscriber growth. Our EBITDA forecast is raised by 6.5% for 2022, and 0.8% for 2023, while our EBIT is raised by 10.6% and 0.1% for the same years. We raise our EPS estimate by EUR 0.02 this year from EUR 0.12 to EUR 0.14, while it is unchanged at EUR 0.15 for next year (pct increase of 2.7% not visible with two decimals). Our dividend forecast is unchanged at 0.06 per share for 2022, and EUR 0.07 per share for 2023.

### Group estimate changes

Sales (EURm)	2022E	2023E	2024E
Old estimate (incl. Print)	56.6	59.3	na
New estimate (excl. Print)	58.5	61.3	63.6
Change	1.9	2.0	na
Change (pct)	3.4%	3.4%	na

EBITDA (EURm)	2022E	2023E	2024E
Old estimate (incl. Print)	8.2	8.9	na
New estimate (excl. Print)	8.7	9.0	9.1
Change	0.5	0.1	na
Change (pct)	6.5%	0.8%	na

EBIT (EURm)	2022E	2023E	2024E
Old estimate (incl. Print)	4.6	5.4	na
New estimate (excl. Print)	5.1	5.4	5.5
Change	0.5	0.0	na
Change (pct)	10.6%	0.1%	na

EPS (EUR)	2022E	2023E	2024E
Old estimate (incl. Print)	0.12	0.15	na
New estimate (excl. Print)	0.14	0.15	0.16
Change	0.02	0.00	na
Change (pct)	16.3%	2.7%	na

Dividend (EUR)	2022E	2023E	2024E
Old estimate (incl. Print)	0.06	0.07	na
New estimate (excl. Print)	0.06	0.07	0.08
Change	0.00	0.00	na
Change (pct)	0.0%	0.0%	na

Source: Enlight Research

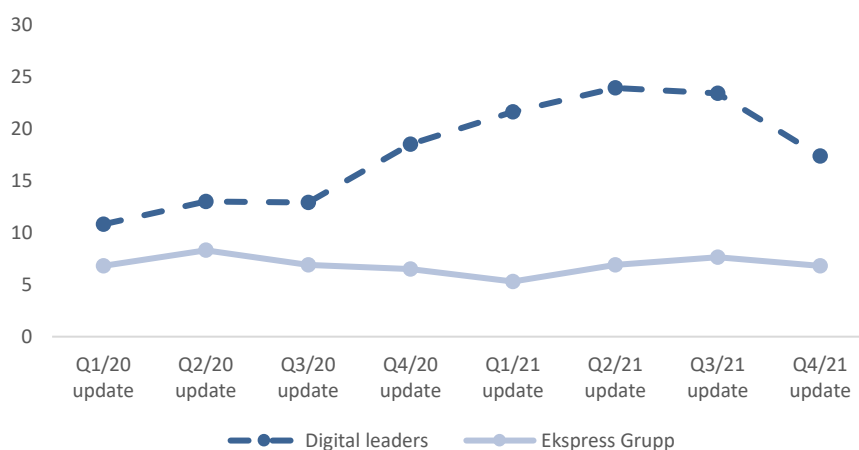


## Valuation update

### Peer valuation

Following the Print segment divestment, over 70% of Ekspress Grupp’s revenues is digital (digital subscriptions and online ads). Hence, we only compare Ekspress Grupp to our digital leaders’ peer group. Since our Q3/21 Update in November last year, the 2021 EV/EBITDA multiples have contracted for both the Digital leaders peer group (from 23.4x to 17.4x) and for Ekspress Grupp (from 7.4x to 6.8x), which means that Ekspress Grupp continue to trade at discount of over 60% to digital leaders. We see that the multiple contraction as an effect of the Russia-Ukraine war rather than weaker financial performance for the media companies. Worth noting is that Baltic Classifieds Group (BCG), and Wirtualna Polska have replaced Daily Mail & General (bought out) as a peer. Baltic Classifieds Group is a digital classifieds company (listed in London) owning well known Baltic platforms such as e.g., City24.ee, KV.ee, and CVbankas.lt. Wirtualna Polska is a Polish listed digital media group that owns several market leading digital platforms in Poland.

EV/EBITDA 2021 Digital leaders vs. Ekspress Grupp



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 2021, Q3/21 prices from 2 Nov. 2021, Q4/21 prices from 7 Mar. 2022.

### Digital leaders

Company	Ccy	Price (last)	Mcap (m)	EV (m)	EV/Sales			EV/EBITDA			Div. yield 2021	Div. yield 2022E	Div. yield 2023E
					2021	2022E	2023E	2021	2022E	2023E			
Alma Media	EUR	9.01	740	946	3.4	3.2	3.1	12.9	10.8	10.3	3.7%	4.2%	4.7%
Schibsted	NOK	246.80	57,735	64,318	4.4	4.1	3.9	23.5	23.3	20.5	0.0%	0.0%	0.0%
BCG	EUR	1.25	627	709	16.8	13.4	11.6	21.5	16.9	13.0	0.0%	0.0%	0.0%
Wirtualna Polska	PLN	109	3,306	3,486	4.2	3.9	3.2	11.6	11.4	9.3	1.4%	2.2%	2.6%
Average					7.2	6.2	5.5	17.4	15.6	13.3	1.2%	1.4%	1.6%
Average (excl. extreme)					3.9	3.7	3.5	na	na	na	na	na	na
Median					4.3	4.0	3.6	17.2	14.2	11.7	0.0%	0.0%	0.0%
Ekspress Grupp	EUR	1.43	45	56	1.0	1.0	0.9	6.8	6.5	6.2	9.6%	4.2%	4.9%

Source: MarketScreener, Enlight Research, prices from 7 March 2022

## **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.

### **Inflation**

Higher energy prices and food prices could mean consumers need to save money elsewhere, which could potentially hurt digital subscription growth.

### **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.

### **Russia, Ukraine, Belarus impact**

The Company has no direct revenue, cost or asset exposure to Russia, Ukraine, or Belarus. There could be an indirect exposure from the overall impact on the general economy and consumers’ willingness to spend.

Income Statement	2020	2021	2022E	2023E	2024E
Net sales	45	54	59	61	64
Total operating costs	-39	-45	-50	-52	-55
<b>EBITDA</b>	<b>6</b>	<b>8</b>	<b>9</b>	<b>9</b>	<b>9</b>
Depr. & Amort.	-3	-3	-4	-4	-4
One-off EBIT items	0	0	0	0	0
<b>EBIT</b>	<b>3</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>6</b>
Financial net	0	0	0	0	0
<b>Pre-tax profit</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>5</b>	<b>5</b>
Taxes	0	0	0	0	0
Minority interest	0	0	0	0	0
Other items	0	0	0	0	0
<b>Net profit</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>5</b>	<b>5</b>

Balance Sheet	2020	2021	2022E	2023E	2024E
Cash and cash equivalent	6	11	7	6	5
Receivables	9	9	10	10	11
Inventories	3	0	0	0	0
Other current assets	0	0	0	0	0
<b>Total current assets</b>	<b>18</b>	<b>21</b>	<b>18</b>	<b>17</b>	<b>16</b>
Tangible assets	14	8	8	8	8
Goodwill & intangible assets	57	61	61	61	61
Lease & Investment properties	0	0	1	2	3
Long-term Investments	2	1	1	1	1
Associated companies	2	2	2	2	2
Other long-term assets	1	2	2	2	2
<b>Total fixed assets</b>	<b>76</b>	<b>74</b>	<b>75</b>	<b>76</b>	<b>77</b>
<b>Total Assets</b>	<b>94</b>	<b>94</b>	<b>92</b>	<b>92</b>	<b>93</b>
Accounts payable	15	18	16	16	16
Short-term IB debt	4	3	3	3	2
Other current liabilities	0	0	0	0	0
<b>Total current liabilities</b>	<b>19</b>	<b>21</b>	<b>19</b>	<b>19</b>	<b>18</b>
Long-term IB debt	19	19	18	15	12
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.	2	1	1	1	1
<b>Total long-term liab.</b>	<b>21</b>	<b>20</b>	<b>19</b>	<b>18</b>	<b>16</b>
<b>Total Liabilities</b>	<b>40</b>	<b>41</b>	<b>39</b>	<b>36</b>	<b>34</b>
Minority interest	0	0	0	0	0
Shareholders' equity	54	54	53	56	59
<b>Total liabilities and equity</b>	<b>94</b>	<b>94</b>	<b>92</b>	<b>92</b>	<b>93</b>

DCF valuation	Cash flow, mEUR		
WACC (%)	9.64 %	NPV FCF (2022-2024)	10
Assumptions 2022-2028 (%)		NPV FCF (2025-2031)	22
Sales CAGR	3.40 %	NPV FCF (2032-)	45
Avg. EBIT margin	9.28 %	Non-operating assets	11
Fair value per share (EUR)	2.11	Interest-bearing debt	-22
Share price (EUR)	1.48	Fair value estimate	66

Free Cash Flow	2020	2021	2022E	2023E	2024E
Operating profit	3	5	5	5	6
Depreciation	3	3	4	4	4
Working capital chg	2	5	-2	-1	0
Other Operating CF items	0	0	0	0	0
<b>Operating Cash Flow</b>	<b>8</b>	<b>13</b>	<b>6</b>	<b>8</b>	<b>8</b>
Net investments	-3	-1	-4	-4	-4
Other items	-1	-1	0	0	0
<b>Free Cash Flow</b>	<b>4</b>	<b>10</b>	<b>3</b>	<b>4</b>	<b>5</b>

Capital structure	2020	2021	2022E	2023E	2024E
Equity ratio	58.0%	57.0%	58.1%	61.0%	63.5%
Debt / Equity ratio	40.7%	41.5%	40.4%	34.6%	29.6%
Gearing %	29.2%	21.0%	27.2%	23.6%	20.9%
Net debt/EBITDA	2.7	1.4	1.7	1.5	1.4

Profitability	2020	2021	2022E	2023E	2024E
ROE	4.8%	7.7%	8.3%	8.7%	8.5%
FCF yield	18.1%	21.2%	5.8%	9.6%	10.3%
EBITDA margin	13.3%	15.4%	14.8%	14.7%	14.2%
EBIT margin	6.9%	9.1%	8.8%	8.8%	8.7%
PTP margin	6.4%	8.2%	8.1%	8.2%	8.2%
Net margin	5.8%	7.7%	7.6%	7.8%	7.7%

Valuation	2020	2021	2022E	2023E	2024E
P/E	9.5	11.6	10.4	9.8	9.5
P/E adjusted	9.5	11.6	10.4	9.8	9.5
P/Sales	0.6	0.9	0.8	0.8	0.7
EV/Sales	0.9	1.1	1.0	1.0	0.9
EV/EBITDA	7.0	7.2	7.0	6.7	6.5
EV/EBIT	13.6	12.2	11.9	11.0	10.6
P/BV	0.4	0.9	0.9	0.8	0.8
P/BV tangible	-11.3	-6.6	-6.2	-10.1	-24.2

Per share ratios	2020	2021	2022E	2023E	2024E
EPS	0.08	0.13	0.14	0.15	0.16
EPS, adjusted	0.08	0.13	0.14	0.15	0.16
Operating CF/share	0.26	0.42	0.20	0.25	0.26
Free Cash Flow/share	0.14	0.33	0.09	0.14	0.15
BV/share	1.77	1.74	1.71	1.80	1.88
Tangible BV/share	-0.07	-0.24	-0.24	-0.15	-0.06
Div. per share	0.00	0.15	0.06	0.07	0.08
Div. payout ratio	0.0%	111.8%	42.2%	46.2%	51.3%
Dividend yield	0.0%	10.1%	4.1%	4.7%	5.4%

Shareholders	Capital	Votes
HHL RÜHM OÜ	21.950	47.37 %
HANS LUIK	11.981	25.86 %
LHV Pensionfond L	2.822	6.09 %
SEB S.A. Client UCITS	1.304	2.81 %
Ekspress Grupp AS	0.773	1.67 %
LHV Pensionfond XL	0.720	1.55 %
Citibank/Govt of Norway	0.485	1.05 %
Compensa Life Vienna Ins.	0.483	1.04 %
Mattus & Co AG	0.287	0.62 %
OU Observa	0.232	0.50 %

Key people	
CEO	Mari-Liis Rüttsalu
CFO	Signe Kukin
IR	Signe Kukin
Chairman	Priit Rohumaa

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

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