

# EKSPRESS GRUPP

## INVESTOR PRESENTATION

JUNE 2022



**Our Mission: to serve democracy**

# LEADING MEDIA GROUP IN BALTIC STATES

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## 30-year history:

- Activities across Baltics
- 5 media companies: media portals, paper media (in Estonia)
- DOOH and ticketing platforms in Latvia and Estonia
- programmatic advertising, video production, real estate and financial comparison platforms



# EKSPRESS GROUP 2021

**53.5 million €**

revenue

**+20%**



**8.2 million €**

EBITDA

**+39%**

**10 cents per share**

of dividends



**135 000**

digital subscriptions throughout  
the Baltic State

**+62%**



**4.1 million €**

net profit

**+61%**



**76%**

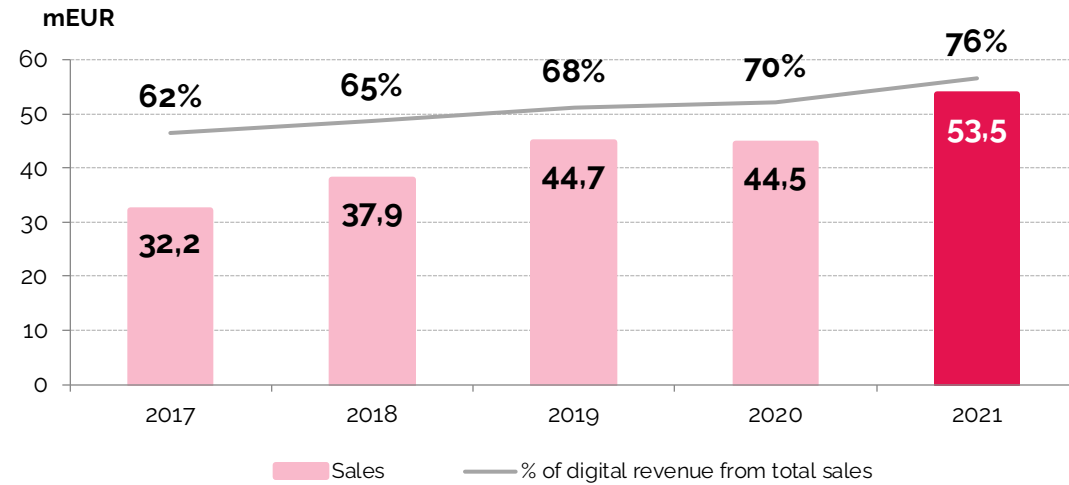
the share of digital revenue of  
group's revenue



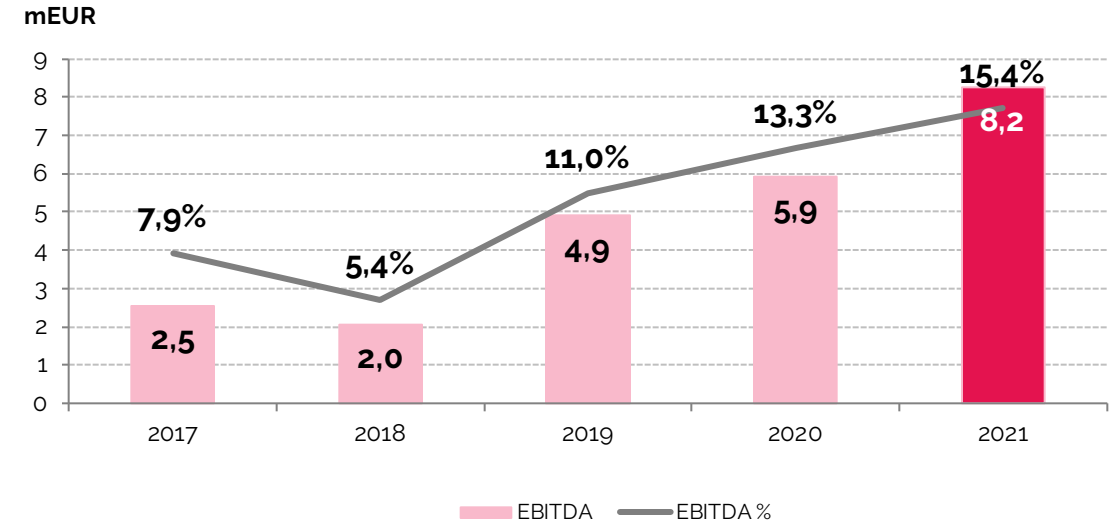
# KEY FINANCIALS

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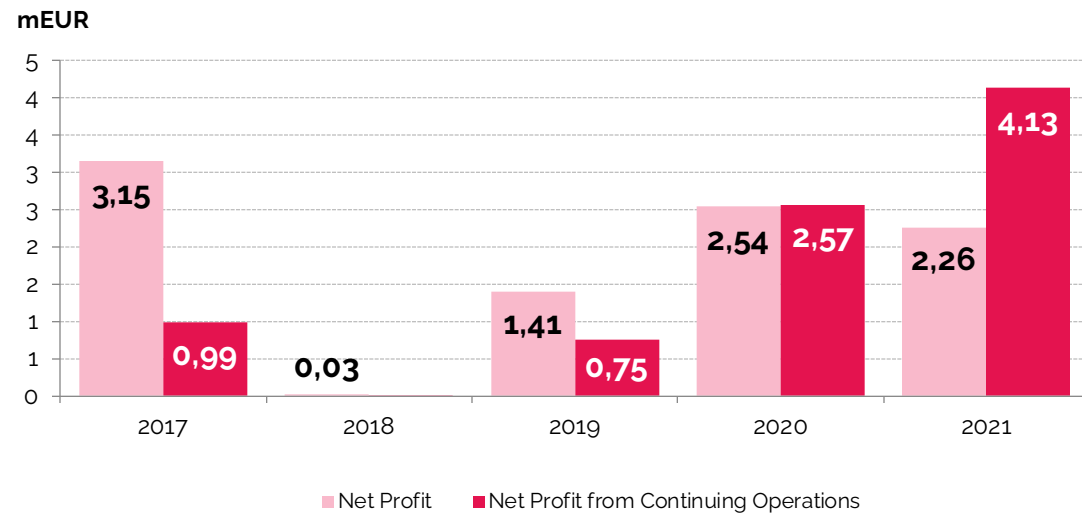
## REVENUES



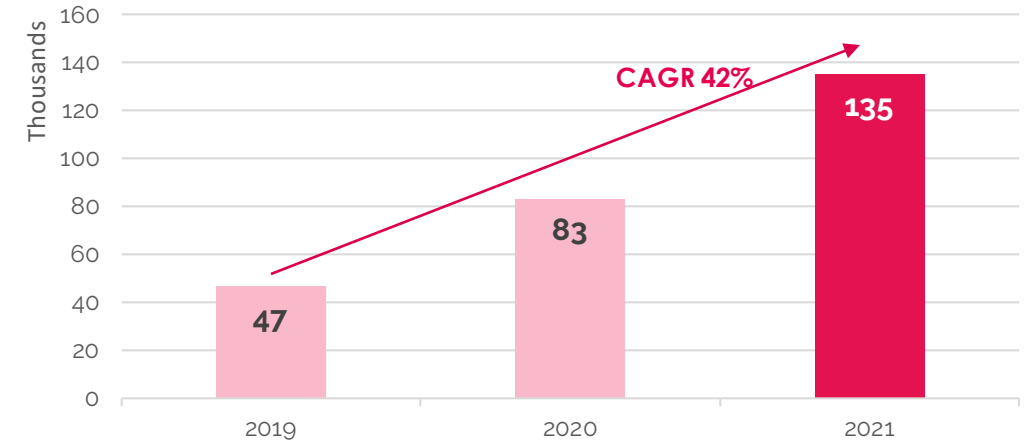
## EBITDA AND EBITDA %



## NET PROFIT



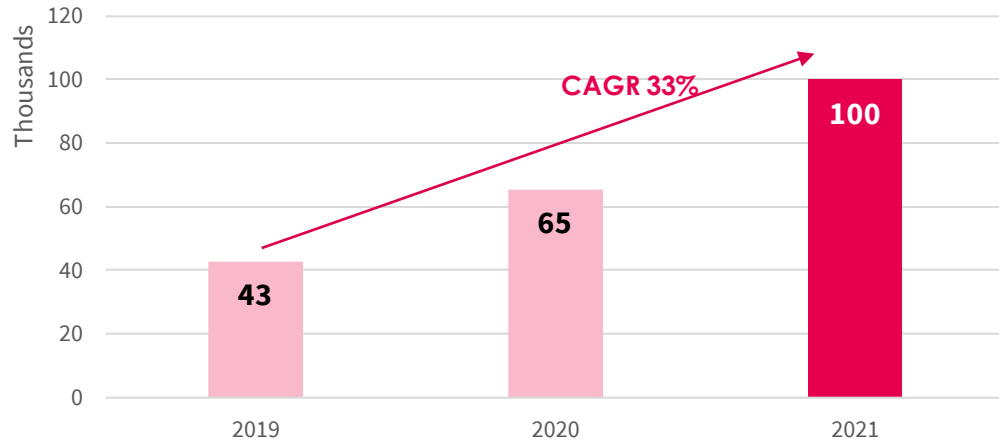
## DIGITAL SUBSCRIPTIONS



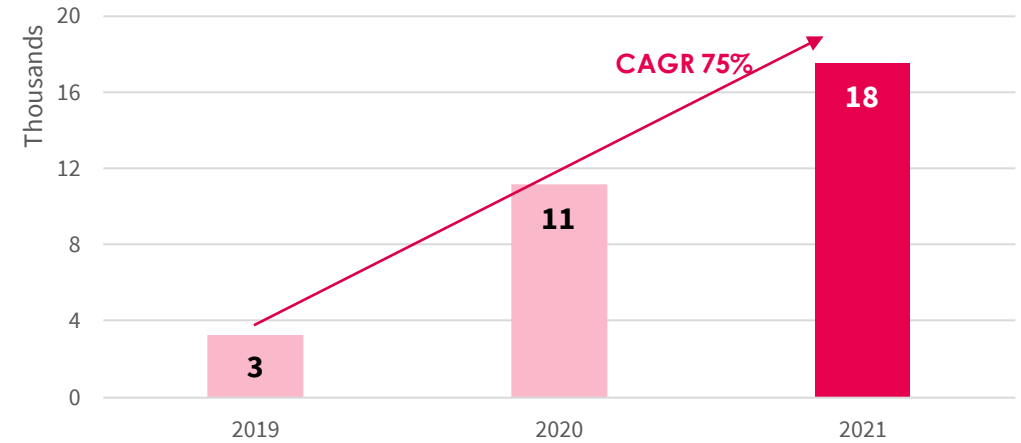
# DIGITAL SUBSCRIPTIONS

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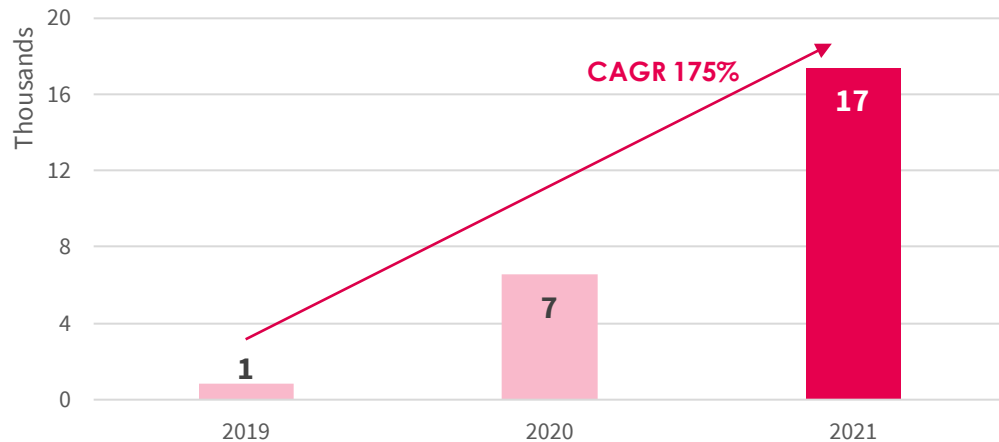
## ESTONIA



## LATVIA



## LITHUANIA



### Estonia:

- Started 2011
- Delfi 75k, Õhtuleht 21k and Geenius Meedia 4k at the end of 2021

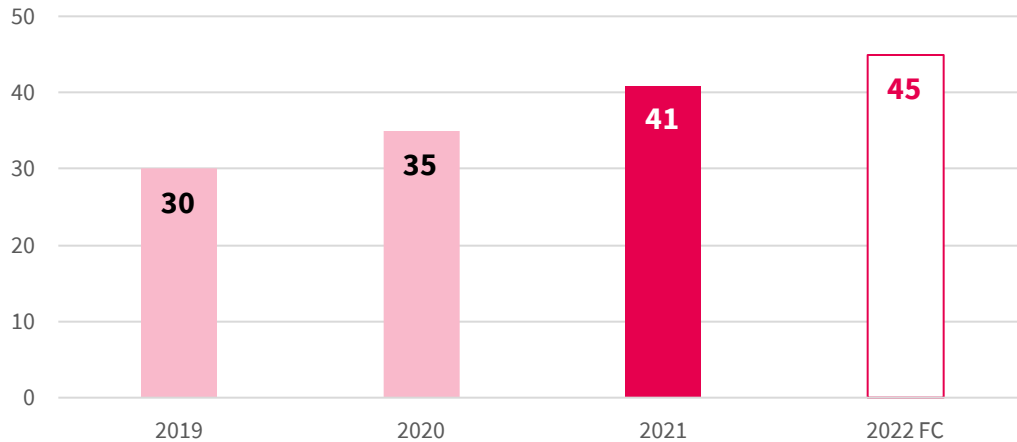
### Latvia and Lithuania:

- Started 2019 (LV spring, LT autumn)
- Market pioneers
- Competitors slowly following, needs market support

# DIGITAL OUT OF HOME (DOOH)

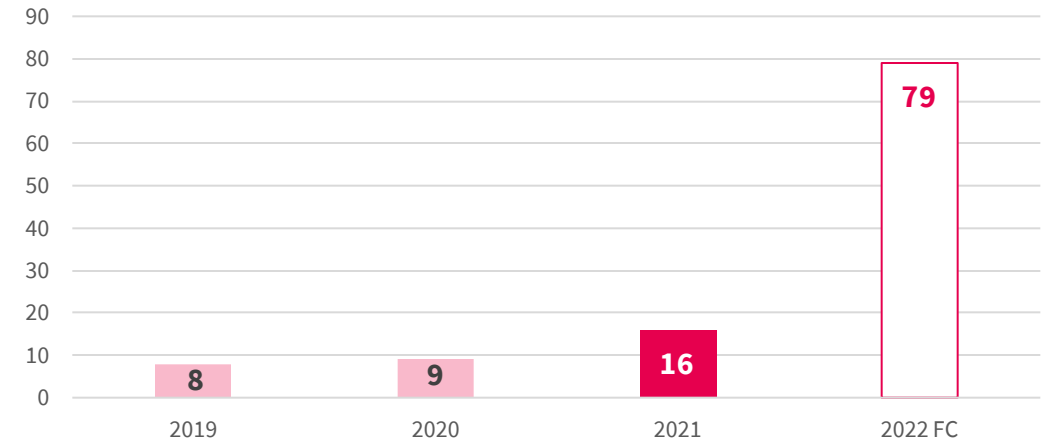
## more than double network size by end of 2022

ESTONIA large screens



- Acquired 2016
- Main focus cities
- Key to expand the network on an ongoing basis
- Market very competitive

LATVIA large/medium screens



- Acquired 2017
- 2021 Riga municipality tenders, possibility to expand to more than 100 screens and market both large and small screen networks.
- Key to complete construction in 2022
- Will become the market leader in Riga

# STRATEGY DIGITAL TRANSFORMATION

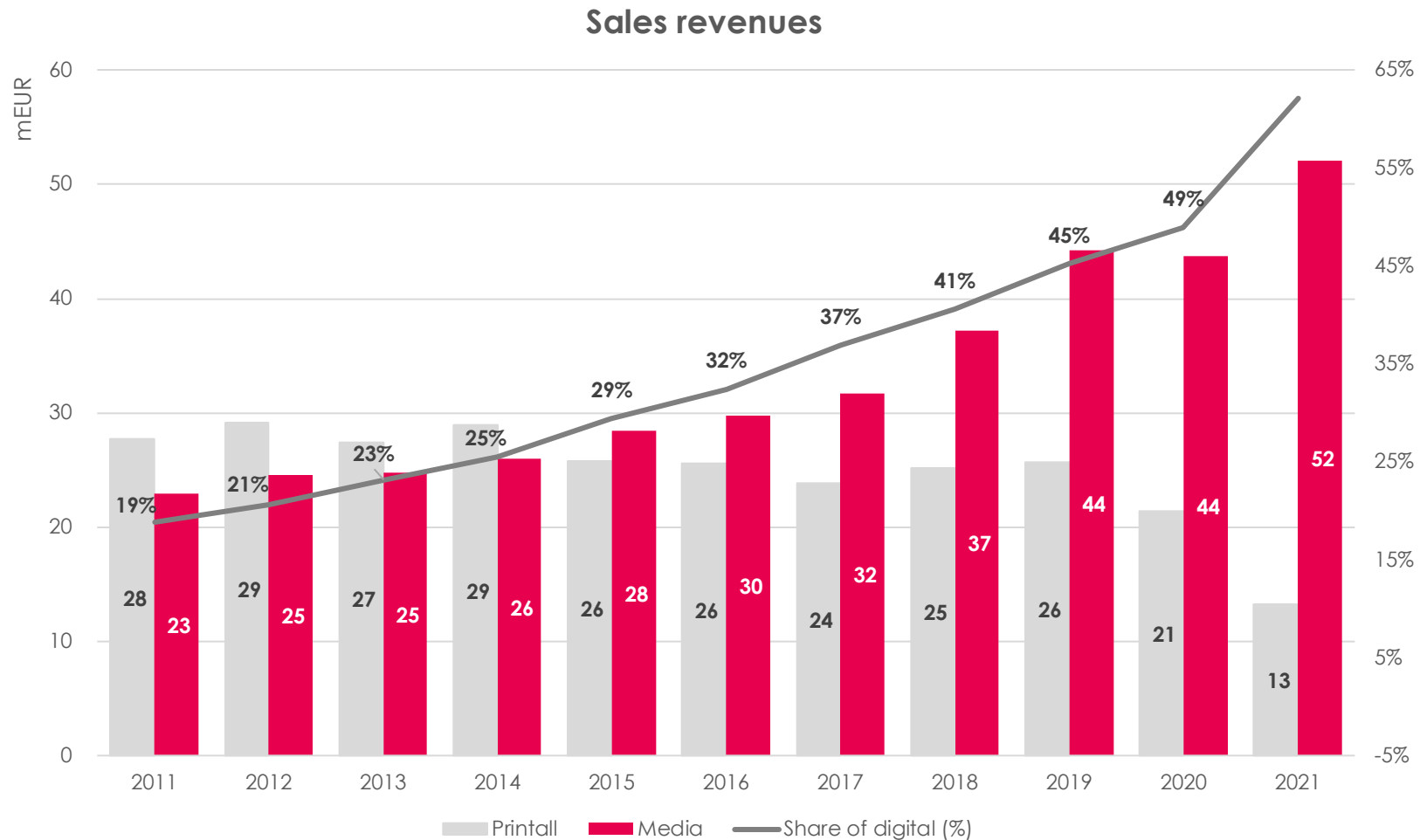
- Key focus on **digital business growth**, specifically digital subscriptions growth.
- **Keep paper products profitable**, continue to provide paper media to its loyal readers.
- **Continuing M&A activities** to support existing core businesses which offer good synergies with the media.





# DIGITAL TRANSFORMATION

led to a major change in the business mix



# HOW DO WE GET THERE?

- Strong journalistic content!
- Digital revenue
- Digital subscriptions

All our attention on investments must go to digital growth.



We can only accomplish our mission (*To Serve the Democracy*) in full when we are able to **create an environment that helps people, businesses and leaders make decisions ensuring the sustainability of the society.**

Accordingly, it is our responsibility and opportunity to be:

### **Independent and modern content creator**

- Information accessible to everyone through convenient and attractive digital solutions
- Independent and ethical journalism

### **Desirable employer**

- Retaining and developing professionals
- Valuing diversity

### **Responsibly managed company**

- Open and honest leadership
- Green activities

### **Social leader**

- Supporting participatory democracy
- Raising topics of major social impact
- Development of media wisdom

# KEY STRENGTHS

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- **Valuable, sustainable and professional team**
- Market leaders in **media digitalization** (#of digital subscribers, share of real users & share of time spent)
- Providing **high value to our ad customers** that leads to better pricing model compared to big platforms
- Competitive strategy optimized for **profitable growth**



Regional issues



Sports



Science and technologies



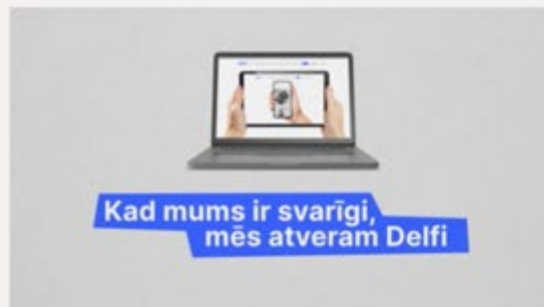
Health and wellbeing



History



National politics and security



On all screens from PC to mobile



To reason, you have to know

# LONG-TERM STRATEGIC FINANCIAL TARGETS

	2026 target	2021 actual
Digital subscriptions in Baltics	>340 000	134 947
Share of digital revenues	>85%	76%
EBITDA margin	>15%	15%
Dividend pay-out rate at minimum	30%	59%*

\* 59% from continuing activities net profit and 108% from discontinued and continued activities net profit

## DIVIDEND POLICY

Ekspress Grupp will distribute minimum 30% of the annual profits, provided that there are sufficient financial resources for financing core activities and making new strategic investments.

# SHAREHOLDERS

Name	Number of shares	%
<b>Hans H. Luik and company under his control</b>	<b>22 552 672</b>	<b>73.23%</b>
<i>Hans H. Luik</i>	7 963 307	25.86%
<i>OÜ HHL Rühm</i>	14 589 365	47.37%
LHV Bank and funds managed by LHV Varahaldus	2 549 022	8.28%
Members of the Management Boards*	134 814	0.44%
Other minority shareholders	5 068 205	16.46%
Treasury shares	492 128	1.60%
<b>TOTAL</b>	<b>30 796 841</b>	<b>100.0%</b>

\*Members of the Management Board of AS Ekspress Grupp and its key subsidiaries.

## SHARE BUY-BACK PROGRAM

The AGM has approved a share buy-back program consisting of maximum 2.5m shares or EUR 1m. The maximum buy-back share price is last price +20% or max EUR 1.90 per share. Duration 12 months.



Majority shareholder: Hans H. Luik

# OPERATING ENVIRONMENT AND OUTLOOK

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- **Russia's invasion's immediate economic and business consequences:**
  - Increased volatility and insecurity
  - Disruptions in financial markets and supply chains due to sanctions and counter-sanctions
  - High inflation (EE 20%, LT 18%, LV 16%)
  - Lower economic growth in Europe
- **Ekspress Grupp has no investments or business operations in Ukraine or Russia;**
- Exact long-term estimates on implications to business, economics and Ekspress Grupp at this stage challenging





# Thank you!





# Contacts

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