

Ekspress Grupp

Hold

Transfer of coverage

Price: EUR 1.58
Price target: EUR 1.80
(From EUR 1.82)

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Due to a change in analyst responsibilities, we transfer coverage of Ekspress Grupp with a HOLD rating and a 12M price target (PT) of EUR 1.80/share, or 14% upside. Following its 2Q22 results, we have revised our top line, by increasing our revenue estimates by 4-7% over 2022-24E, to account for: i) the buoyant performance of the digital media segment ytd (2Q22 sales up 26% yoy, and 1H22 sales +23% yoy); and ii) our expectations of a solid peak advertising season in 4Q22E. At the same time, considering the pressure on margins that is beginning to emerge, due to rising opex inflation, we have cut our gross, EBITDA and net profit margins, on average, by c.2ppts, c.1.4ppts and 0.8ppts, respectively, over 2022-24E. Given the deteriorating outlook, we keep a cautious stance on the upcoming 12M, while appreciating the medium-long term growth prospects stemming from the digitalisation of the media segment (namely the growing adoption of subscription-based digital media content).

Our updated top-line estimates reflect the: i) strong 2Q sales in the advertising segment and our expectations of a solid (peak) 4Q22E season; and ii) group's successful expansion in its digital subscriber base ytd (along with improved pricing). Thus, we have raised our 2022-24E revenue forecasts, with a CAGR of 12.5% (vs. 10% before). That said, our estimates remain conservative, as we see the post-pandemic rebound in ad spending is set to fade in the coming quarters, along with slower growth in the digital subscription segment, amidst the deteriorating economic outlook. In the medium-to-long term, we see secular tailwinds as the key drivers i.e., the rising adoption of subscription-based digital media content in the Baltics (about half of its WE peers currently, on our estimates), the growing demand for digital advertising platforms (73% of total global advertising spending by 2027E expected in digital, from the current 67%, according to GroupM), and the post COVID-19 recovery and expansion of the highly profitable classifieds&ticketing platforms.

We are concerned about opex inflation risk, in the short term. We note that salaries constituted c.55% of the opex in FY21, while costs related to third-party services were c.25% of opex. Margins have eroded already: the EBITDA margin contracted by 3ppts yoy and the net margin by 0.7ppts yoy in 2Q22.

Positive dividend outlook. We are confident about Ekspress' willingness to distribute profits to compensate investors, while it searches for potential M&A opportunities, post the Printall AS disposal. Given its sound cash balance and strong cash flow generation outlook, we pencil in a 2022-24E 80% payout ratio (5-9% dividend yields), above its current minimum payout target of 30% and below its two-year average of 114%. Ekspress is continuing to look for acquisition opportunities in digital businesses in the media, ticketing, advertising and tech space, accelerating its digitalisation efforts and growth strategy further.

Valuation. The stock is trading currently at 2022-24E EV/EBITDAs of 5.2-6.9x, a c.20% discount vs. its peers, justified by its peers' superior 2021-24E EBITDA CAGR outlooks, in our view. We use a blend of a DCF (90%) and a peer valuation (10%) to reach a 12M PT of EUR 1.80/share, implying 14% upside potential.

Risks: low liquidity/size; a decline in ad spending; competition; and opex inflation.

Expected events

| | |
|------------------------|-----------------|
| 3Q22 sales | 12 October 2022 |
| 3Q22 interim results | 31 October 2022 |
| 4Q22 sales and results | January 2023 |

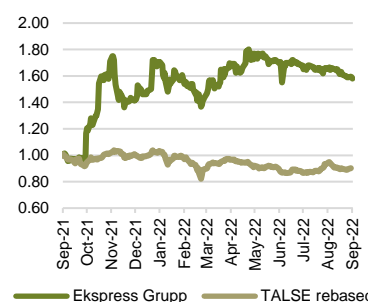
Key data

| | |
|--------------------|------------------|
| Market Cap | EUR 49m |
| Free float | 27% |
| 3M ADTV | EUR 4.7k |
| Shares outstanding | 31m |
| Major Shareholder | Hans H Luik: 73% |
| Bloomberg Code | EEG1T ET |
| TALSE Index | 1793 |

Price performance

| | |
|----------------------|---------------|
| 52-w range | EUR 0.96-1.80 |
| 52-w performance | 57% |
| Relative performance | 67% |

Ekspress Grupp 12M share price performance



| | Revenues | EBITDA | EBIT | NI | EPS | DPS | P/E | EV/EBITDA | Div. yield | ND/EBITDA |
|-------|----------|--------|------|------|------|------|-------|-----------|------------|-----------|
| | EURm | EURm | EURm | EURm | EUR | EUR | x | x | | x |
| 2020 | 45 | 7 | 3 | 3 | 0.08 | 0.10 | 8.5x | 5.2x | 14.7% | 2.3x |
| 2021 | 54 | 9 | 5 | 2 | 0.07 | 0.08 | 14.1x | 4.8x | 7.7% | 1.2x |
| 2022E | 63 | 8 | 4 | 3 | 0.11 | 0.09 | 14.1x | 6.9x | 5.7% | 1.2x |
| 2023E | 71 | 9 | 6 | 5 | 0.15 | 0.12 | 10.8x | 6.1x | 7.4% | 0.9x |
| 2024E | 76 | 11 | 7 | 6 | 0.18 | 0.14 | 8.8x | 5.2x | 9.1% | 0.6x |

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Closing Prices as of 15 September 2022

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Company snapshot – HOLD, PT EUR 1.80

| Ekspress Grupp | | HOLD | | SHARE PRICE PERFORMANCE | | COMPANY DESCRIPTION | | | | | |
|---|-------------|------|-------|-------------------------|-------|---|-------|-------|-------|-------|-------|
| Bloomberg ticker | EEG1T ET | | | | | <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. Its primary area of activity is its media segment, which deals with publishing newspapers (both printed and online), running online portals (news, real estate and ticket sales), and offering advertising services, both online and outdoor. Ekspress Group disposed of its printing segment, which was based on the largest publishing house in the Baltic region (AS Printall), in 2021. Digital and online channels accounted for 77% of its 2021 top line.</p> | | | | | |
| Closing price (EUR/share) | 1.58 | | | | | | | | | | |
| PT (EUR/share) | 1.80 | | | | | | | | | | |
| Upside to PT | 14% | | | | | | | | | | |
| Shares outstanding (m) | 31 | | | | | | | | | | |
| Market cap (EURm) | 49 | | | | | | | | | | |
| Free float | 27% | | | | | | | | | | |
| Average daily turnover (EURk) | 4.7 | | | | | | | | | | |
| 52 Week performance | 57% | | | | | | | | | | |
| 52 Week relative performance | 67% | | | | | | | | | | |
| 52 Week Range (EUR) | 0.956-1.801 | | | | | | | | | | |
| RATIOS | | | | | | | | | | | |
| EUR/share | 2020 | 2021 | 2022E | 2023E | 2024E | VALUATION RATIOS | 2020 | 2021 | 2022E | 2023E | 2024E |
| EPS | 0.08 | 0.07 | 0.11 | 0.15 | 0.18 | EV/EBITDA | 5.2x | 4.8x | 6.9x | 6.1x | 5.2x |
| DPS | 0.10 | 0.08 | 0.09 | 0.12 | 0.14 | P/E | 8.5x | 14.1x | 14.1x | 10.8x | 8.8x |
| Dividend pay-out ratio | 121% | 108% | 80% | 80% | 80% | FCF yield | 30.5% | 8.9% | 8.8% | 9.5% | 12.3% |
| | | | | | | Dividend yield | 14.7% | 7.7% | 5.7% | 7.4% | 9.1% |
| FINANCIAL RATIOS | | | | | | | | | | | |
| EBITDA margin | 16% | 17% | 14% | 13% | 14% | FCF BREAKDOWN (EURm) | 2020 | 2021 | 2022E | 2023E | 2024E |
| Net margin | 6% | 4% | 6% | 6% | 7% | EBIT | 3 | 5 | 4 | 6 | 7 |
| Effective tax rate | 10% | 6% | 10% | 10% | 10% | NOPAT | 3 | 5 | 4 | 5 | 6 |
| ROE | 5% | 4% | 6% | 8% | 10% | D&A | 4 | 4 | 4 | 4 | 4 |
| ROA | 3% | 2% | 4% | 5% | 6% | CAPEX (M&A) | 0 | -3 | 0 | 0 | 0 |
| ROIC | 4% | 6% | 5% | 6% | 8% | CAPEX (PPE, int. assets) | -3 | -3 | -4 | -4 | -5 |
| | | | | | | Change in WC | 2 | 0 | 0 | 0 | 1 |
| | | | | | | FCF | 6 | 3 | 4 | 5 | 6 |
| COMPANY FINANCIALS | | | | | | | | | | | |
| INCOME STATEMENT, EURm | | | | | | BALANCE SHEET, EURm | | | | | |
| Revenues | 45 | 54 | 63 | 71 | 76 | PPE | 14 | 8 | 7 | 6 | 6 |
| Media | 44 | 52 | 61 | 69 | 75 | Intangibles | 57 | 61 | 62 | 63 | 64 |
| Printing | 21 | 0 | 0 | 0 | 0 | Others | 5 | 5 | 5 | 5 | 5 |
| Other | 1 | 1 | 2 | 2 | 1 | Total non-current assets | 76 | 74 | 74 | 74 | 75 |
| EBITDA | 7 | 9 | 8 | 9 | 11 | Inventories | 3 | 0 | 0 | 0 | 0 |
| D&A | -4 | -4 | -4 | -4 | -4 | Trade accounts receivable | 9 | 9 | 12 | 10 | 10 |
| Operating profit | 3 | 5 | 4 | 6 | 7 | Cash and cash equivalents | 6 | 11 | 12 | 14 | 16 |
| PBT | 3 | 4 | 4 | 5 | 6 | Others | 0 | 0 | 0 | 0 | 0 |
| Income tax | 0 | 0 | 0 | -1 | -1 | Total current assets | 18 | 21 | 25 | 24 | 26 |
| Minorities | 0 | 0 | 0 | 0 | 0 | Total assets | 94 | 94 | 98 | 98 | 101 |
| Net profit from discontinued operations | 0 | -2 | 0 | 0 | 0 | Total shareholders equity | 55 | 54 | 55 | 57 | 58 |
| Net profit | 3 | 2 | 3 | 5 | 6 | Long-term borrowings | 19 | 19 | 19 | 19 | 19 |
| | | | | | | Other LT liabilities | 2 | 1 | 1 | 1 | 1 |
| | | | | | | Total non-current liabilities | 21 | 20 | 20 | 20 | 20 |
| | | | | | | ST debt | 4 | 3 | 3 | 3 | 3 |
| CASH FLOW STATEMENT, EURm | | | | | | ST trade payables | 15 | 18 | 21 | 18 | 20 |
| Net CF from operations | 9 | 8 | 8 | 9 | 10 | Other ST liabilities | 0 | 0 | 0 | 0 | 0 |
| o/w D&A | 4 | 4 | 4 | 4 | 4 | Total current liabilities | 19 | 21 | 24 | 22 | 23 |
| o/w Changes in WC | 2 | 0 | 0 | 0 | 1 | Total equity and liabilities | 94 | 94 | 98 | 98 | 101 |
| Net CF from investments | -3 | 1 | -4 | -4 | -5 | Gross debt | 22 | 22 | 22 | 22 | 22 |
| o/w capex (PPE & int. ass.) | -3 | -3 | -4 | -4 | -5 | Net debt | 16 | 11 | 10 | 8 | 7 |
| o/w capex (M&A) | 0 | -3 | 0 | 0 | 0 | ND/EBITDA | 2.3x | 1.2x | 1.2x | 0.9x | 0.6x |
| Net CF from fin. activities | -4 | -4 | -2 | -3 | -4 | | | | | | |
| o/w borrowings | -2 | 1 | 0 | 0 | 0 | | | | | | |
| o/w dividends | 0 | -3 | -2 | -3 | -4 | | | | | | |
| ND/EBITDA and capex | | | | | | FCF and FCF yield | | | | | |
| | | | | | | | | | | | |

Valuation

Due to a change in analyst responsibilities, we transfer coverage of Ekspress Grupp, maintaining our HOLD on the stock, with a new 12M price target (PT) of EUR 1.80/share, yielding 14% upside potential. We assign a much larger weight to our DCF valuation (90%), which is unchanged vs. our previous report and offers a PT of EUR 1.79/share (13% upside), than to our peer group analysis (a 10% weight, PT EUR 1.84, 17% upside), as we believe that Ekspress Grupp's cash generation capacity (i.e., a combination of the company's growth and profitability profile) is an essential part of its equity story.

Valuation summary

| | Weight | PT | Current price | Upside |
|-----------------------|-------------|-------------|---------------|------------|
| DCF | 90% | 1.79 | 1.58 | 13% |
| Peers-based valuation | 10% | 1.84 | 1.58 | 17% |
| Weighted PT | 100% | 1.80 | 1.58 | 14% |

Source: WOOD Research

DCF: 12M PT at EUR 1.79/share

We base our DCF valuation on the following assumptions:

- ✓ A long-term WACC of c.11.5%, mainly on the back of our higher risk-free rate (2%), an unlevered beta of 1.3x, and an equity risk premium of 7%.
- ✓ A terminal growth rate of 1.0%.

DCF valuation implies 12M PT of EUR 1.79/share

| EUR m | 2022E | 2023E | 2024E | 2025E | 2026E | 2027E | 2028E | 2029E | 2030E | 2031E | Terminal |
|---------------------------------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|
| Revenues | 63 | 71 | 76 | 82 | 86 | 90 | 94 | 97 | 99 | 100 | 101 |
| yoy | 17% | 12% | 8% | 7% | 6% | 5% | 4% | 3% | 2% | 1% | 1% |
| EBIT | 4 | 6 | 7 | 8 | 10 | 11 | 9 | 9 | 8 | 8 | 7 |
| EBIT margin | 7% | 8% | 9% | 10% | 11% | 12% | 10% | 9% | 8% | 8% | 7% |
| Cash tax (10%) | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| NOPAT | 4 | 5 | 6 | 7 | 9 | 10 | 8 | 8 | 8 | 7 | 6 |
| (+) D&A | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 5 | 5 | 5 | 4 |
| (-) CAPEX | -4 | -4 | -5 | -5 | -5 | -6 | -6 | -6 | -6 | -7 | -5 |
| (-) Working Capital growth | 0 | 0 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net investment | 0 | 0 | 0 | 0 | -1 | -1 | -1 | -1 | -1 | -1 | -1 |
| FCF | 4 | 5 | 6 | 7 | 8 | 9 | 7 | 7 | 6 | 6 | 6 |
| Terminal growth [g(t)] | 1.0% | | | | | | | | | | |
| PV TV | 19 | | | | | | | | | | |
| PV FCF 2022-2031E | 39 | | | | | | | | | | |
| Enterprise value (EURm) | 59 | | | | | | | | | | |
| Net debt (end 2021) | 11 | | | | | | | | | | |
| Minorities | 0 | | | | | | | | | | |
| Investment in associates (2021) | 2 | | | | | | | | | | |
| Equity value (EURm) | 49 | | | | | | | | | | |
| Number of shares (m) | 31 | | | | | | | | | | |
| Value per share (EUR) | 1.61 | | | | | | | | | | |
| 12M PT (EUR) | 1.79 | | | | | | | | | | |
| Upside | 13% | | | | | | | | | | |

Source: WOOD Research

WACC assumptions

WACC of 11.5%, and cost of equity of 15%

| | 2022E | 2023E | 2024E | 2025E | 2026E | 2027E | 2028E | 2029E | 2030E | 2031E |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Risk free rate | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% |
| Unlevered beta | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 |
| Levered beta | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 |
| Equity risk premium | 7% | 7% | 7% | 7% | 7% | 7% | 7% | 7% | 7% | 7% |
| Cost of equity | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% |
| Pre-tax cost of debt | 5% | 5% | 5% | 5% | 5% | 5% | 5% | 5% | 5% | 5% |
| Tax rate | 10% | 10% | 10% | 10% | 10% | 10% | 10% | 10% | 10% | 10% |
| After tax cost of debt | 5% | 5% | 5% | 5% | 5% | 5% | 5% | 5% | 5% | 5% |
| %D | 31% | 31% | 31% | 31% | 31% | 31% | 31% | 31% | 31% | 31% |
| %E | 69% | 69% | 69% | 69% | 69% | 69% | 69% | 69% | 69% | 69% |
| WACC | 11.5% | 11.5% | 11.5% | 11.5% | 11.5% | 11.5% | 11.5% | 11.5% | 11.5% | 11.5% |

Source: WOOD Research

Peer group valuation

| | Country | Market cap (EURm) | ND/ EBITDA | Revenue EBITDA CAGR | | EV/EBITDA | | | Dividend yield | | | P/E | | |
|---------------------------------------|----------------|-------------------|-------------|---------------------|------------|------------|------------|------------|----------------|-------------|-------------|-------------|-------------|-------------|
| | | | | 21-24E | 21-24E | 2022E | 2023E | 2024E | 2022E | 2023E | 2024E | 2024E | 2022E | 2023E |
| Ekspress Grupp | Estonia | 49 | 1.2x | 12% | 6% | 6.9 | 6.1 | 5.2 | 5.7% | 7.4% | 9.1% | 14.1 | 10.8 | 8.8 |
| Sanoma Oyj | Finland | 2,218 | 1.8x | 5% | 6% | 8.7 | 7.4 | 7.1 | 4.2% | 4.3% | 4.4% | 19.0 | 16.7 | 15.6 |
| Baltic Classifieds Group | Britain | 833 | 6.0x | 17% | 17% | n.a | n/a | n.a. | 0.8% | 1.4% | 1.7% | n.a. | n.a. | n.a. |
| Promotora De Informaciones-A | Spain | 326 | 11.6x | 7% | 33% | 9.6 | 7.9 | 6.9 | n.a. | n.a. | n.a. | n.a. | n.a. | 29.3 |
| Alma Media Corp | Finland | 743 | 2.7x | 5% | 7% | 9.0 | 9.9 | 9.1 | 4.4% | 4.8% | 5.4% | 13.2 | 14.0 | 12.9 |
| Wirtualna Polska Holding Sa | Poland | 610 | 0.5x | 8% | 6% | 8.5 | 8.1 | 7.0 | 1.2% | 1.9% | 2.0% | 15.5 | 15.1 | 13.4 |
| Arnoldo Mondadori Editore | Italy | 444 | 2.0x | 6% | 16% | 5.0 | 3.2 | 3.2 | 5.9% | 6.5% | 6.6% | 8.4 | 7.6 | 7.4 |
| Roularta Media Group Nv | Belgium | 230 | -4.0x | 0% | 23% | 3.8 | 3.5 | n.a. | 5.7% | 5.7% | 5.7% | 7.1 | 6.9 | 6.8 |
| Vocento Sa | Spain | 80 | 0.5x | 3% | -2% | 4.1 | 3.1 | 2.2 | n.a. | n.a. | n.a. | 4.3 | 5.4 | 4.0 |
| Median | | | | 6% | 12% | 8.5 | 7.4 | 7.0 | 4.3% | 4.6% | 4.9% | 10.8 | 10.8 | 12.9 |
| <i>Ekspress Grupp vs peers median</i> | | | | 6.9pp | -5.8pp | -19% | -19% | -26% | 1pp | 3pp | 4pp | 30% | 0% | -32% |

Source: WOOD Research, Bloomberg

Peer valuation

Historically, Ekspress Grupp has been trading at a c.15-20% discount to its peer group on EV/EBITDA multiples. Thus, we assign a 20% discount rate to the median EV/EBITDA for comparative valuation purposes.

Peer valuation implies 12M PT of EUR 1.84/share, or 17% upside

| | EV/EBITDA | | |
|---|-------------|-------------|-------------|
| | 2022E | 2023E | 2024E |
| Total weighted median (with a 20% discount) | 6.8 | 6.0 | 5.6 |
| EBITDA (EURm) | 8 | 9 | 11 |
| Implied enterprise value | 58 | 56 | 60 |
| Ekspress Grupp: implied Equity value | 48 | 48 | 53 |
| Ekspress Grupp: implied Equity value per share (EUR) | 1.48 | 1.56 | 1.55 |
| Weight (%) | 33.3% | 33.3% | 33.3% |
| Implied weighted equity value per share (EUR) | | 1.61 | |
| 12M Price Target (PT) | | 1.84 | |

Source: WOOD Research, Bloomberg

Financial forecasts changes

| | 2022E | | | 2023E | | | 2024E | | |
|---------------------|-------|-----|--------|-------|-----|--------|-------|-----|--------|
| | New | Old | Diff. | New | Old | Diff. | New | Old | Diff. |
| Revenues | 63 | 61 | 4% | 71 | 66 | 7% | 76 | 71 | 7% |
| Gross Profit | 14 | 15 | -4% | 17 | 17 | -1% | 19 | 19 | -1% |
| EBITDA | 8 | 9 | -5% | 9 | 10 | -3% | 11 | 11 | -4% |
| Operating profit | 4 | 5 | -10% | 6 | 6 | -6% | 7 | 7 | -8% |
| Net profit | 3 | 4 | -9% | 5 | 5 | -2% | 6 | 6 | -5% |
| Gross profit margin | 23% | 25% | -2.0pp | 24% | 26% | -2.0pp | 25% | 27% | -2.0pp |
| EBITDA margin | 14% | 15% | -1.2pp | 13% | 15% | -1.5pp | 14% | 16% | -1.6pp |
| Operating margin | 7% | 8% | -1.1pp | 8% | 9% | -1.1pp | 9% | 10% | -1.5pp |
| Net margin | 6% | 6% | -0.8pp | 6% | 7% | -0.6pp | 7% | 8% | -0.9pp |

Source: WOOD Research

Risks

- ✓ A drastic cutback in ad spending (marketing budgets, planned campaigns) from the group's largest clients, i.e., e-commerce, retail, FMCGs and SMEs.
- ✓ A decline in discretionary spending adversely affecting the pricing power of Ekspress Grupp in the subscription-based media content business.
- ✓ Growing competition in the media business from existing market players in the subscription segment, through pricing and content quality, e.g., no paywall for news media content.
- ✓ Low liquidity of the stock: 3M ADTV at EUR 4.7k.
- ✓ Opex inflation, rising wage costs.

Financials

P&L

| EUR m | 2020 | 2021 | 2022E | 2023E | 2024E |
|-------------------------|-----------|-----------|-----------|-----------|-----------|
| Revenues | 45 | 54 | 63 | 71 | 76 |
| Cost of sales | -34 | -40 | -48 | -54 | -57 |
| Marketing expenses | -2 | -2 | -3 | -3 | -3 |
| Administrative expenses | -7 | -7 | -8 | -9 | -10 |
| Other | 1 | 1 | 1 | 1 | 1 |
| EBITDA | 7 | 9 | 8 | 9 | 11 |
| EBIT | 3 | 5 | 4 | 6 | 7 |
| Profit before tax | 3 | 4 | 4 | 5 | 6 |
| Tax | 0 | 0 | 0 | -1 | -1 |
| Minorities | 0 | 0 | 0 | 0 | 0 |
| Net profit | 3 | 2 | 3 | 5 | 6 |

Source: WOOD Research, company data

Margins

| | 2020 | 2021 | 2022E | 2023E | 2024E |
|---------------|------|------|-------|-------|-------|
| EBITDA margin | 16% | 17% | 14% | 13% | 14% |
| Net margin | 6% | 4% | 6% | 6% | 7% |
| ROA | 3% | 2% | 4% | 5% | 6% |
| ROE | 5% | 4% | 6% | 8% | 10% |
| ROIC | 4% | 6% | 5% | 6% | 8% |

Source: WOOD Research, company data

Balance sheet

| EUR m | 2020 | 2021 | 2022E | 2023E | 2024E |
|--------------------------------------|-----------|-----------|-----------|-----------|------------|
| PPE | 14 | 8 | 7 | 6 | 6 |
| Intangibles | 57 | 61 | 62 | 63 | 64 |
| Others | 5 | 5 | 5 | 5 | 5 |
| Total non-current assets | 76 | 74 | 74 | 74 | 75 |
| Inventories | 3 | 0 | 0 | 0 | 0 |
| Trade accounts receivables | 9 | 9 | 12 | 10 | 10 |
| Cash and cash equivalents | 6 | 11 | 12 | 14 | 16 |
| Others | 0 | 0 | 0 | 0 | 0 |
| Total current assets | 18 | 21 | 25 | 24 | 26 |
| Total assets | 94 | 94 | 98 | 98 | 101 |
| Total shareholder's equity | 55 | 54 | 55 | 57 | 58 |
| Long-term borrowings | 19 | 19 | 19 | 19 | 19 |
| Other LT liabilities | 2 | 1 | 1 | 1 | 1 |
| Total non-current liabilities | 21 | 20 | 20 | 20 | 20 |
| ST Debt | 4 | 3 | 3 | 3 | 3 |
| ST trade payables | 15 | 18 | 21 | 18 | 20 |
| Other ST liabilities | 0 | 0 | 0 | 0 | 0 |
| Total current liabilities | 19 | 21 | 24 | 22 | 23 |
| Total equity and liabilities | 94 | 94 | 98 | 98 | 101 |
| Gross debt | 22 | 22 | 22 | 22 | 22 |
| Net debt | 16 | 11 | 10 | 8 | 7 |
| ND/EBITDA | 2.3x | 1.2x | 1.2x | 0.9x | 0.6x |

Source: WOOD Research, company data

Cash flow

| EUR m | 2020 | 2021 | 2022E | 2023E | 2024E |
|------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Net CF from operations | 9 | 8 | 8 | 9 | 10 |
| D&A | 4 | 4 | 4 | 4 | 4 |
| Changes in WC | 2 | 0 | 0 | 0 | 1 |
| Other | 3 | 4 | 3 | 5 | 6 |
| Net CF from investments | -3 | 1 | -4 | -4 | -5 |
| o/w capex (PPE & int. ass.) | -3 | -3 | -4 | -4 | -5 |
| o/w capex (M&A) | 0 | -3 | 0 | 0 | 0 |
| Other | 0 | 7 | 0 | 0 | 0 |
| Net CF from fin. activities | -4 | -4 | -2 | -3 | -4 |
| o/w borrowings | -2 | 1 | 0 | 0 | 0 |
| o/w dividends | 0 | -3 | -2 | -3 | -4 |
| Other | -2 | -2 | 0 | 0 | 0 |
| Net change in cash | 3 | 5 | 1 | 1 | 2 |
| Cash at the beginning of the year | 4 | 6 | 11 | 12 | 14 |
| Cash at the end of the year | 6 | 11 | 12 | 14 | 16 |

Source: WOOD Research, company data

Multiples

| | 2020 | 2021 | 2022E | 2023E | 2024E |
|--------------------|-------|-------|-------|-------|-------|
| P/E (x) | 8.5x | 14.1x | 14.1x | 10.8x | 8.8x |
| EV/EBITDA (x) | 5.2x | 4.8x | 6.9x | 6.1x | 5.2x |
| Dividend yield (%) | 14.7% | 7.7% | 5.7% | 7.4% | 9.1% |
| FCF yield (%) | 30.5% | 8.9% | 8.8% | 9.5% | 12.3% |

Source: WOOD Research, company data

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|------------|-----------------------------|------------|----------|
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