

Making media great again

Despite the pandemic, Ekspress managed to increase Net profits, even excluding positive one-offs. The digital transformation is on track which could lead to margin and multiple expansion. We raise our Base case motivated share price.

Underlying profit increase of 20%

The reported 2020 Net profit increased by 80%. Excluding positive one-offs, the increase was 20%. We believe this shows management handled the crisis excellently (the 2020 Group revenue declined of EUR 4.2m was more than offset by a EUR 5.4m cost decline).

Digital transformation key enabler

We believe high-margin digital sales is a key enabler for the profit growth. In 2020, the share of digital group sales increased by 4-pct points to 49% and we predict it will go above 50% in coming 2 years. This means EEG is closing in on the regional digital leaders' (Alma Media, Schibsted) who have 60-70% digital sales.

Valuation and conclusion

We lower our Sales estimates by ~1% for 2021-22 but raise our EBITDA estimates by 13-15% during the same period to reflect higher margin digital sales. Our sum-of-the parts valuation indicate a Base case share price of EUR 1.10 (1.05), while the Bull and Bear cases indicate a share price of EUR 1.46 (1.37), and EUR 0.69 (0.68). Since our last Q3/20 update report, the share is up around 30% so a bit of profit taking is natural. Our Base case indicate continued long-term potential.

Key figures (MEUR)

	2019	2020	2021E	2022E	2023E
Net sales	67.5	63.2	65.1	66.8	68.2
Net sales growth	11.5%	-6.3%	3.0%	2.6%	2.0%
EBITDA	6.8	7.0	7.0	7.3	7.7
EBITDA margin	10.0%	11.1%	10.7%	10.9%	11.4%
EBIT	2.7	3.1	2.9	2.9	3.2
EBIT margin	4.0%	4.9%	4.5%	4.4%	4.7%
EV/Sales	0.7	0.7	0.7	0.6	0.6
EV/EBITDA	6.8	6.2	6.1	5.8	5.4
EV/EBIT	16.9	14.1	14.7	14.5	13.3
P/E	16.9	10.4	14.9	14.2	13.0
P/BV	0.5	0.5	0.5	0.5	0.4
EPS adj.	0.05	0.06	0.06	0.06	0.07
EPS growth	nm	20.5%	3.6%	9.5%	14.1%
Div. per share	0.00	0.00	0.00	0.02	0.03
Dividend yield	0.00%	0.00%	0.00%	2.35%	3.53%

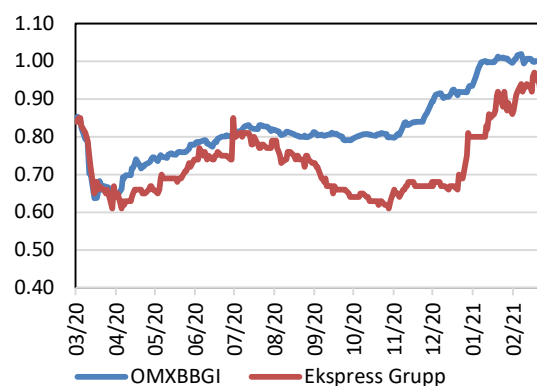
Source: Company data, Enlight Research estimates

Fair value range (EUR)

Bull	1.46
Base	1.10
Bear	0.69

Key Data

Price (EUR)	0.85
Ticker	EEG1T
Country	Estonia
Listed	Tallinn
Market Cap (EURm)	26.18
Net debt (EURm)	15.36
Shares (m)	31
Free float	42.00 %



Price range

52-week high	0.97
52-week low	0.61

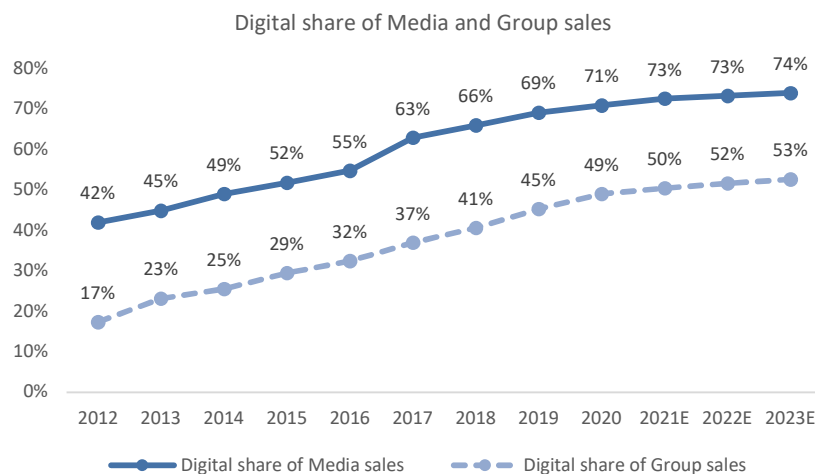
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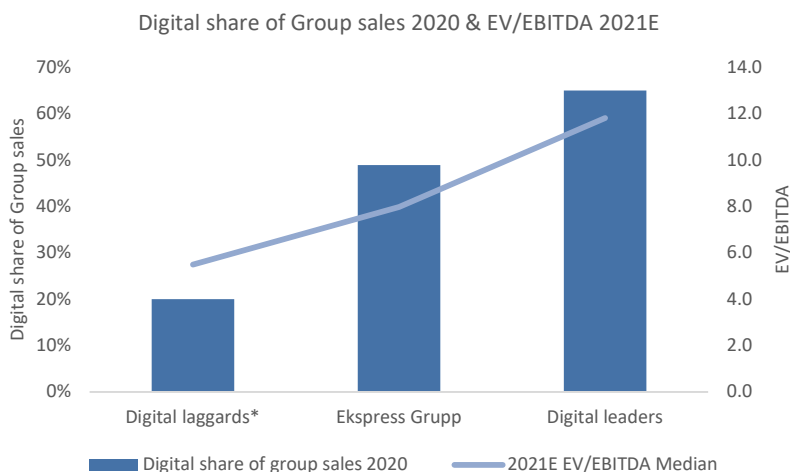
Q4 Key takeaways

On track to become a Digital leader

The digital transformation is on track and is even boosted by the pandemic as clients prefer digital ahead of physical channels. We believe the transformation is sticky i.e., people will not go back to physical media when the pandemic is over. In Q4/20, digital sales as a percentage of group sales was 52% compared to 49% in Q4/19. The share of digital sales is usually highest in Q4 (advertising high-season) but even on a full-year basis, the share of digital sales reached 49%. This marks the fourth year in a row where digital sales as a percentage of group sales have increased by 4 percentage-points or more. In 2021-23, we forecast the digital share of group sales to increase by 1-2 percentage points per annum. This means more than half of the group sales should come from digital services/products next year, which in our view, could motivate a multiple expansion as it could be valued more in-line with digital leaders (~12x EV/EBITDA) rather than digital laggards (~6x EV/EBITDA). We regard Alma Media and Schibsted as digital leaders in the region with 2020 reported digital sales in relation to group sales of 69%, and 61%, respectively.



Source: Company reports, Enlight Research (forecast)

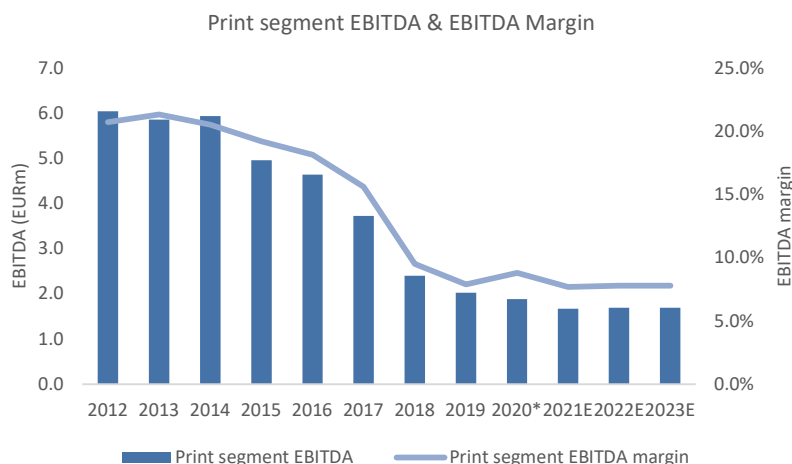


Source: Company reports, Enlight Research (forecast Ekspress Grupp), MarketScreener (EV/EBITDA peers),

*Most digital laggards do not report digital share of sales (most who report are around 20%)

Printing finding a bottom

After six years in a row with lower EBITDA margin (from 20% in 2014 to 9% in 2020), the Printing segment posted an improved EBITDA margin in 2020, even excluding positive one-offs (underlying margin improved to 8.8% in 2020 from 7.9% in 2019). We see signs of the Print segment finally stabilizing, but still forecast an EBITDA of EUR 1.7m (vs. EUR 1.9m in 2020), and an EBITDA margin of 7.7-7.8% in 2021-23 (vs. 8.8% in 2020), which gives us some margin for error if this is not the actual bottom.



Source: Company reports, Enlight Research (forecast), *excluding positive one-offs

Challenging 2020 handled perfectly...profit growth ahead

The reported and underlying 2020 Net profit increase of 80%, and 21%, respectively, was a positive surprise to investors in our view. The company managed to more than offset the full-year 2020 revenue loss of EUR 4.2m with cost savings of EUR 5.4m. In addition to positive one-offs amounting to EUR 0.8m, a 62% y-on-y increase in digital subscribers contributed to the Net profit improvement. For 2021, we forecast a 4% Net profit increase (excluding one-offs), followed by a 9%, and 14% increase in 2022, and 2023, respectively.

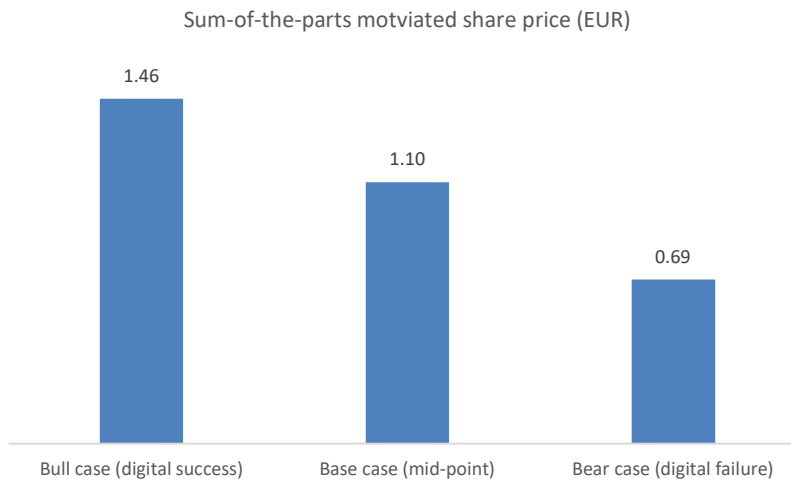
Net profit (EURm)	2018	2019	2020	2021E	2022E	2023E
Reported Net profit	0.025	1.407	2.536	1.757	1.923	2.194
Growth	-99%	5528%	80%	-31%	9%	14%
Adjusted Net profit*	0.025	1.407	1.696	1.757	1.923	2.194
Growth	-99%	5528%	21%	4%	9%	14%

One-offs	2020
Positive covid effect:	1.140
Impairment PP&E:	-1.000
Adj. acquisition price:	0.700
Total one-offs:	0.840

Source: Company reports (historical), Enlight Research (forecast)

Sum-of-parts-valuation (SOTP) indicate upside

Our Sum-of-the-parts valuation is based on the EV/EBITDA 2021E multiple. For the Media segment, we apply an EV/EBITDA ratio of 7x in our Base case, while our Bull and Bear case apply a multiple of 8x, and 6x, respectively. For the Printing segment, we apply a multiple of 3.0x for all scenarios. After deducting the Net debt of EUR 15m, the motivated Base case share price is EUR 1.10 (prev. 1.05), while the Bull and Bear case indicate a share price of EUR 1.46 (prev. 1.37), and EUR 0.69 (prev. 0.68), respectively.



Source: Enlight Research

Estimate deviations

Sales deviations by segment

The Q4/20 Media segment sales of EUR 13.1m was a bit below our EUR 13.6m forecast. The Media segment sales declined 2.8% y-on-y vs. our forecast growth of 1.5%. However, the growth in Digital subscriptions (+73% y-on-y) contributed to a better than expected EBITDA despite slightly weaker than expected sales. The Q4/20 Printing segment sales declined by 17.9% y-on-y to EUR 5.7m, which was below our estimated decline of 11.3% to EUR 6.1m. Like the Media segment, the lower than forecast sales did not result in a lower than forecast EBITDA.

Deviation table by Segment

	Estimate	Outcome	Diff	Diff
Sales	Q4/20	Q4/20	EURm	%
Media segment	13,646	13,061	-0,6	-4,3%
<i>whereof digital and online</i>	9,807	9,625	-0,2	-1,9%
Printing	6,128	5,670	-0,5	-7,5%
Corporate functions	0,693	1,032	0,3	49,0%
Eliminations pct of sales	-1,416	-1,385	0,0	-2,2%
Total Sales (Equity)	19,050	18,378	-0,7	-3,5%

	Estimate	Outcome	Diff
Sales growth	Q4/20	Q4/20	bps
Media segment	1,5%	-2,8%	-435
<i>whereof digital and online</i>	0,9%	-1,0%	-187
Printing	-11,3%	-17,9%	-663
Corporate functions	34,0%	99,6%	6564
Eliminations pct of sales	7,4%	7,5%	10
Total sales	-3,2%	-6,6%	-342

Source: Company reports, Enlight Research

EBITDA deviations by segment

The Q4/20 Media segment EBITDA was EUR 1.4m or 80% above our forecast, which was mainly due to efficient cost control measures, and increasing share of digital revenues. The Q4/20 Printing segment EBITDA also surprised positively with a profit of EUR 0.8m vs. a small estimated loss.

	Estimate	Outcome	Diff	Diff
EBITDA by segment	Q4/20	Q4/20	EURm	%
Media segment	1,731	3,110	1,4	79,6%
Printing	-0,015	0,790	0,8	-5246,2%
Corporate functions	-0,159	-0,394	-0,2	147,6%
Eliminations	-0,016	-1,058	-1,0	6512,5%
EBITDA (equity)	1,541	2,448	0,9	58,9%

	Estimate	Outcome	Diff
EBITDA margin by segment	Q4/20	Q4/20	bps
Media segment	12,7%	23,8%	1113
Printing	-0,3%	13,9%	1418
Corporate functions	-23,0%	-38,2%	-1520
EBITDA (equity)	8,1%	13,3%	523

Source: Company reports, Enlight Research

Group deviations

The Q4/20 Group sales was 3.5% or EUR 0.7m lower than our forecast, while the Gross profit was 64% or EUR 2.0m higher than forecast. The Q4/20 EBITDA was EUR 2.4m corresponding to an EBITDA margin of 13.3% vs. our estimated EBITDA of EUR 1.5m and EBITDA margin of 8.1%, while the Q4/20 Operating profit was EUR 1.5m corresponding to an Operating margin of 8.1% vs. our estimated Operating profit of EUR 0.2m and Operating margin of 0.8%. The positive deviation at the Operating profit line followed through to the Net profit line that was EUR 1.6m compared to our break-even forecast.

Deviation table Group

P&L (EURm)	Estimate Q4/20	Outcome Q4/20	Diff EURm	Diff %
Sales	19,049	18,377	-0,672	-3,5%
Costs of sales	-15,966	-13,312	2,654	-16,6%
Gross profit (loss)	3,083	5,065	1,982	64,3%
Other income	0,563	0,784	0,221	39,3%
Marketing expenses	-0,987	-0,752	0,235	-23,8%
Administrative expenses	-2,505	-2,379	0,126	-5,0%
Other expenses	0,004	-1,233	-1,237	n/a
Operating profit	0,158	1,485	1,327	841,1%
Interest income	0,005	0,009	0,004	80,0%
Interest expense	-0,217	-0,219	-0,002	0,9%
FX gain/loss	0,000	0,000	0,000	
Other finance costs	0,000	0,675	0,675	
<i>Financial net</i>	<i>-0,212</i>	<i>0,465</i>	<i>0,677</i>	<i>-319,3%</i>
Profit on shrs of JVs	0,103	-0,005	-0,108	-104,9%
Profit on shrs of associates	0,000	-0,054	-0,054	
Profit (loss) before taxes	0,049	1,891	1,842	n/a
Income tax	-0,074	-0,278	-0,203	273,4%
Net profit	-0,026	1,614	1,639	n/a
Other	-0,007	-0,011	-0,004	57,1%
Net profit (loss)	-0,033	1,603	1,635	n/a
EBITDA	1,542	2,449	0,907	58,9%

	Estimate Q4/20	Outcome Q4/20	Diff bps
Sales growth			
Group Sales	-3,2%	-6,6%	-342

	Estimate Q4/20	Outcome Q4/20	Diff bps
Margins			
Gross margin	16,2%	27,6%	1138
EBITDA margin	8,1%	13,3%	523
EBIT margin	0,8%	8,1%	725
PTP margin	0,3%	10,3%	1003
Net profit margin	-0,2%	8,7%	889

Source: Company reports, Enlight Research

Estimate changes

Sales estimate changes by Segment

We lower our Media segment Sales by 5-7% in the forecast period 2021-22, mainly due to a worse than expected second covid wave effect on the digital ticketing and outdoor advertising business. Our sales estimates for the Printing segment are raised by 9-12% mainly due to higher paper prices.

Estimate changes

Sales	2021E	2022E
Media segment		
Old	47,755	50,621
New	45,258	47,069
Change (EURm)	-2,497	-3,552
Change (%)	-5,2%	-7,0%
<i>whereof digital and online</i>		
Old	34,259	37,000
New	32,821	34,462
Change (EURm)	-1,438	-2,538
Change (%)	-4,2%	-6,9%
Printing		
Old	20,093	19,491
New	21,812	21,812
Change (EURm)	1,718	2,321
Change (%)	8,6%	11,9%

Source: Enlight Research

EBITDA estimate changes by Segment

We raise our Media segment EBITDA estimate by 14% in 2021, and 9% in 2022, due to higher share of digital revenues. For the Printing segment, we raise our EBITDA estimate by 29% in 2021, and 34% in 2022 on the back of efficiency improvements evident in the second half in 2020 (result cost cutting from personnel reduction enabled by automation of the printing process).

Estimate changes

EBITDA	2021E	2022E
Media segment		
Old	5,578	6,267
New	6,336	6,825
Change (EURm)	0,758	0,558
Change (%)	13,6%	8,9%
Printing		
Old	1,306	1,267
New	1,679	1,701
Change (EURm)	0,373	0,434
Change (%)	28,6%	34,3%

Source: Enlight Research

Group estimate changes

Our Group Sales forecast is lowered by around 1% this and next year, while our Group EBITDA is raised by 15% this year and 13% next year. Our EPS estimate is raised by EUR 0.03 this year and EUR 0.02 next year. We do not forecast dividends for 2021, but keep our dividend estimate of EUR 0.02 in 2022, equal to a yield of 2.1%.

Group estimate changes

Sales (EURm)	2021E	2022E
Old estimate	65,6	67,8
New estimate	65,1	66,8
Change	-0,5	-0,9
Change (pct)	-0,7%	-1,4%

EBITDA (EURm)	2021E	2022E
Old estimate	6,1	6,5
New estimate	7,0	7,3
Change	0,9	0,8
Change (pct)	15,4%	12,8%

EBIT (EURm)	2021E	2022E
Old estimate	2,2	2,6
New estimate	2,9	2,9
Change	0,7	0,3
Change (pct)	32,5%	10,1%

EPS (EUR)	2021E	2022E
Old estimate	0,03	0,04
New estimate	0,06	0,06
Change	0,03	0,02
Change (pct)	83,6%	38,5%

Dividend (EUR)	2021E	2022E
Old estimate	0,00	0,02
New estimate	0,00	0,02
Change	0,00	0,00
Change (pct)	nm	nm

Source: Enlight Research

Valuation update

Peer valuation

We divide our peer companies into Digital leaders (60%+ digital sales), Digital laggards (less than 50% digital sales), and Print service providers. Since our last peer valuation update (after the Q3/20 report), the 2021E EV/EBITDA multiple has expanded for all our three peer segments. At the same time, Ekspress Grupp's 2021E EV/EBITDA ratio has contracted from 6.9 to 6.5. The valuation premium for digital leaders vs. digital laggards has increased from 142% at our Q3/20 update to 188% in this Q4/20 update. Worth to note is that the exclusion of Axel Springer (bought out from stock exchange) from our Digital leaders' peer group and the increasingly high multiple of Schibsted increased the average multiple for the Digital leaders significantly.

Peer EV/EBITDA 2021E ratios

	Q1/20 update	Q2/20 update	Q3/20 update	Q4/20 update
Digital leaders	10.8	13.0	12.9	18.5
Digital laggards	4.5	4.8	5.3	6.4
Print service	3.5	4.1	4.0	7.8
Ekspress Grupp	6.8	8.3	6.9	6.5

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

Digital leaders

Company	Ccy	Price (last)	Shares (m)	Mcap (m) (last)	EV (m) (last)	EV/Sales 2020	EV/Sales 2021E	EV/Sales 2022E	EV/EBITDA 2020	EV/EBITDA 2021E	EV/EBITDA 2022E
Alma Media	EUR	9,13	82	752	743	3,2	3,1	3,0	12,2	11,8	10,9
Daily Mail & General	GBP	7,78	227	1.762	1.585	1,3	1,3	1,3	10,6	11,5	9,7
Schibsted	NOK	343,50	234	80.327	84.007	6,5	6,0	5,7	39,5	32,2	28,5
Average						3,7	3,5	3,3	20,8	18,5	16,4
Median						3,2	3,1	3,0	12,2	11,8	10,9
Ekspress Grupp	EUR	0,94	30,8	29	44	0,66	0,69	0,67	5,9	6,5	6,1

Digital laggards

Company	Ccy	Price (last)	Shares (m)	Mcap (m) (last)	EV (m) (last)	EV/Sales 2020E	EV/Sales 2021E	EV/Sales 2022E	EV/EBITDA 2020	EV/EBITDA 2021E	EV/EBITDA 2022E
Monrif S.P.A.	EUR	0,08	150	12	93	0,6	0,6	0,6	18,6	13,3	10,3
Agora	PLN	6,44	47	300	323	0,4	0,3	0,3	4,1	2,2	1,6
Cofina SGPS	EUR	0,23	103	24	77	1,1	1,0	1,0	7,7	5,5	5,5
North Media A/S	DKK	102,50	18	1.840	1.820	1,7	1,8	1,7	6,7	6,7	6,4
Reach PLC	GBP	2,31	309	711	692	1,2	1,2	1,2	4,4	4,3	4,3
Sanoma Oyj	EUR	14,77	163	2.408	3.069	2,9	2,5	2,4	6,9	9,1	8,5
Roularta Media Group	EUR	13,00	13	163	70	0,3	0,3	0,2	3,9	3,9	3,7
Average						1,2	1,1	1,1	7,5	6,4	5,8
Median						1,1	1,0	1,0	6,7	5,5	5,5

Print service

Company	Ccy	Price (last)	Shares (m)	Mcap (m) (last)	EV (m) (last)	EV/Sales 2020E	EV/Sales 2021E	EV/Sales 2022E	EV/EBITDA 2020	EV/EBITDA 2021E	EV/EBITDA 2022E
Elanders	SEK	153,4	35	5.424	8.278	0,7	0,7	0,9	5,8	5,2	4,9
Lisgrafica Impressao	EUR	0,01	185	1	14	1,6	1,4	1,4	28,2	14,1	9,4
ScandBook	SEK	21,0	5	97	133	0,5	0,5	1,1	4,2	3,9	3,8
Average						0,9	0,9	1,1	12,7	7,8	6,0
Median						0,7	0,7	1,1	5,8	5,2	4,9

Source: MarketScreener, Enlight Research, prices from 17 Feb 2021

Sum-of-the-parts (SOTP) valuation

As in previous reports, we base our SOTP valuation on the estimated EV/EBITDA 2021 peer multiples for our peer groups (Digital leaders, Digital laggards, and Print service). For the Media segment, our Bull case applies an EV/EBITDA multiple of 8.0x, while our Bear case applies a multiple of 6.0x. Our Base case uses the mid-point multiple of 7.0x. For the Print segment, we apply an EV/EBITDA multiple of 3.0x for all scenarios. Applying these multiples to our estimated EBITDA, and deducting the estimated 2021 Net debt, indicates a Base case value per share of EUR 1.10 (up from EUR 1.05 in our previous report). Our Bull and Bear cases indicates a value per share of EUR 1.46, and EUR 0.69, respectively (see below table for SOTP summary).

Sum-of-parts valuation	Bull case	Base case	Bear case
Media segment	Digital success	Mid-point	Digital failure
Media segment EBITDA (EURm)	6,8	6,3	5,4
Media segment EV/EBITDA multiple	8,0	7,0	6,0
EV Media segment (EURm)	54	44	33
Print service segment			
Print service segment EBITDA (EURm)	2,0	1,7	1,4
Print service segment EV/EBITDA multiple	3,0	3,0	3,0
EV Print service segment (EURm)	6	5	4
EV Ekspress Grupp	60	49	37
Less Net debt	15	15	15
Equity value	45	34	21
Equity value per share	1,46	1,10	0,69

Source: Enlight Research

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 as well as previously published reports.

Covid-19

The latest sign indicates that Ekspress Grupp’s digital offering is benefitting from the pandemic. However, there is no guarantee that this will remain the case in the future i.e., if the pandemic gets worse (second wave, mutations, slow vaccine roll-out etc.), the company’s sales and earnings could get hurt. For example, the ticketing and outdoor advertising operations are already negatively affected by the pandemic.

Loan re-financing risk

Given the uncertainty in the economy, there could be a risk that the company cannot re-finance its loans at the same terms. For example, the Mar-Aug loan vacation granted from SEB in the amount of EUR 1.2 will be added as a bullet on the due date of the loan in October 2021 (current loan interest is 2.15-2.6% base interest rate of zero).

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.

Recession risk

In the event of a sharp rise in unemployment due to e.g., a prolonged recession, there is a risk that clients will not be able to pay their invoices, which could result in accounts receivables write-down

Income Statement		2019	2020	2021E	2022E	2023E
Net sales		67	63	65	67	68
Total operating costs		-61	-56	-58	-60	-60
EBITDA		7	7	7	7	8
Depreciation		-4	-4	-4	-4	-5
Amortizations (total)		0	0	0	0	0
Impairment charges		0	0	0	0	0
EBIT		3	3	3	3	3
Associated companies' profit/loss		0	0	0	0	0
Net financial items		-1	0	-1	-1	-1
Exchange rate differences		0	0	0	0	0
Pre-tax profit (PTP)		2	3	2	2	2
Net earnings		1	3	2	2	2
Balance Sheet		2019	2020	2021E	2022E	2023E
Assets						
Cash and cash equivalent		4	6	5	4	4
Receivables		13	9	10	10	10
Inventories		3	3	3	3	3
Other current assets		0	0	0	0	0
Current assets		19	18	17	17	17
Tangible assets		15	14	13	12	11
Associated Companies		2	2	2	2	2
Investments		1	2	2	2	2
Goodwill		56	57	57	57	57
O intangible rights		0	0	0	0	0
O non-current assets		1	1	1	1	1
Total non-current assets		76	76	76	76	76
Deferred tax assets		0	0	0	0	0
Total (assets)		95	94	93	93	93
Liabilities						
Short-term debt		5	4	3	3	3
Non-ib current liabilities		16	15	14	13	12
O current liabilities		0	0	0	0	0
Current liabilities		22	19	17	16	15
Long-term debt		19	19	16	14	13
Lease liabilities		0	0	1	2	3
O long-term liabilities		3	2	2	2	2
Convertibles		0	0	0	0	0
Total Liabilities		44	40	35	32	30
Deferred tax liabilities		0	0	0	0	0
Provisions		0	0	0	0	0
Shareholders' equity		52	54	56	58	59
Minority interest (BS)		0	0	0	0	0
Minority and equity		52	55	56	58	60
Total (liabilities)		95	94	93	93	93
DCF valuation		Cash flow, mEUR				
WACC (%)	8.52 %	NPV FCF (2020-2022)			6.12	
		NPV FCF (2023-2029)			11.68	
		NPV FCF (2030-)			32.94	
		Non-operating assets			5.22	
		Interest-bearing debt			-22.20	
		Fair value estimate			33.77	
Assumptions 2020-2026 (%)						
Average sales growth	3.11 %	Fair value e. per share (EUR)			1.10	
EBIT margin	5.14 %	Share price (EUR)			0.85	

Free Cash Flow	2019	2020	2021E	2022E	2023E
Net sales	67	63	65	67	68
Total operating costs	-61	-56	-58	-60	-60
Depreciations total	-4	-4	-4	-4	-5
EBIT	3	3	3	3	3
Taxes on EBIT	0	0	0	0	0
NOPLAT	2	3	3	3	3
Depreciation (neg.)	4	4	4	4	5
Gross cash flow	6	7	7	7	7
Change in wc	2	2	-1	-1	-1
Gross capex (neg.)	-15	-4	-3	-4	-4
Free cash flow	-3	4	2	2	2
Capital structure	2019	2020	2021E	2022E	2023E
Equity ratio	54.1%	58.0%	60.8%	62.9%	64.2%
Debt / Equity ratio	47.3%	40.7%	35.4%	32.6%	31.8%
Capital invested	70.0	68.3	68.5	68.9	69.2
Capital turnover rate	0.7	0.7	0.7	0.7	0.7
Profitability	2019	2020	2021E	2022E	2023E
ROE %	2.8%	4.7%	3.2%	3.2%	3.4%
ROCE %	3.6%	4.0%	3.7%	3.8%	4.0%
ROC%	3.5%	4.0%	3.8%	3.8%	4.0%
EBITDA %	10.0%	11.1%	10.7%	10.9%	11.4%
EBIT %	4.0%	4.9%	4.5%	4.4%	4.7%
Net Margin	2.1%	4.0%	2.7%	2.8%	2.9%
Valuation	2019	2020	2021E	2022E	2023E
EV	46.0	43.4	42.6	42.1	42.0
P/E	16.9	10.4	14.9	14.2	13.0
P/E diluted	16.9	10.4	14.9	14.2	13.0
P/Sales	0.4	0.4	0.4	0.4	0.4
EV/Sales	0.7	0.7	0.7	0.6	0.6
EV/EBITDA	6.8	6.2	6.1	5.8	5.4
EV/EBIT	16.9	14.1	14.7	14.5	13.3
P/BV	0.5	0.5	0.5	0.5	0.4
Per share measures	2019	2020	2021E	2022E	2023E
EPS	0.05	0.08	0.06	0.06	0.07
EPS, adjusted	0.05	0.06	0.06	0.06	0.07
CEPS	0.18	0.21	0.19	0.20	0.22
Operating CF/share	0.29	0.30	0.18	0.19	0.19
Capital empl./share	2.35	2.22	2.22	2.24	2.25
BV/share	1.73	1.77	1.83	1.89	1.93
Tangible BV/share	-0.16	-0.07	-0.01	0.05	0.09
Div. per share	0.00	0.00	0.00	0.02	0.03
Payout	0.0%	0.0%	0.0%	33.3%	46.0%
Dividend yield	0.0%	0.0%	0.0%	2.4%	3.5%
Shareholders	Capital			Votes	
HHL RÜHM OÜ	8.999			34.38 %	
HANS LUIK	6.769			25.86 %	
ING LUXEMBOURG S.A. AIF ACCOUNTcct.	3.402			13.00 %	
LHV Pensionfond L	1.594			6.09 %	
SEB S.A. Client UCITS	0.737			2.81 %	
Ekspress Grupp AS	0.624			2.38 %	
LHV Pensionfond XL	0.407			1.55 %	
Citibank/Govt of Norway	0.318			1.21 %	
Compensa Life Vienna Ins.	0.280			1.07 %	
Wood Grouse Consulting OU	0.140			0.54 %	
Key people					
CEO	Mari-Liis Rüütsalu				
CFO	Signe Kukin				
IR	Signe Kukin				
Chairman	Ahto Päril (Chairman)				

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

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