

Ekspress Grupp AS

EEG1T.TL

Pandemic weight on the results, but digital media provide support

Communication Services | Estonia

Ekspress Group - one of the largest media companies in Baltic countries, operating in media and printing segments. The company publishes more than 20 magazines, operates online portal Delfi, organizes entertainment events.

Market data

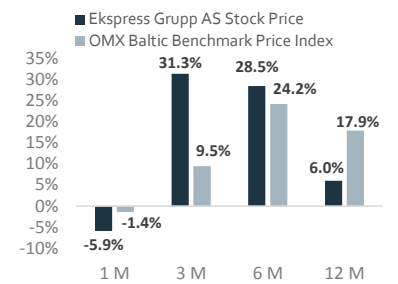
| | |
|------------------------------------|--------------|
| Price (€) | 0.885 |
| Market cap (mn €) | 27.1 |
| Free float (%) | 39.0 |
| Avg. daily volume - 30 days (mn €) | 0.013 |

Alphinox Quantitative score

Score displays Company's financial conditions, growth pace and valuation based on latest results and stock price



Stock Price Performance



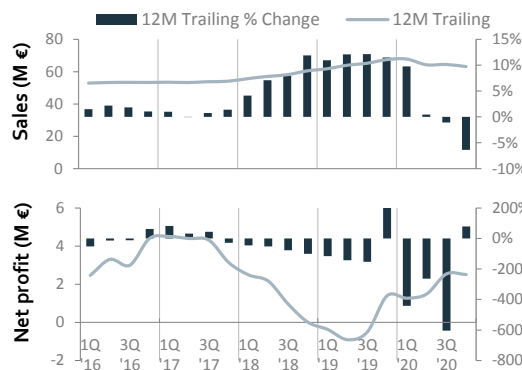
Company Update

Largest Baltic media company reported 6.6% decline in 4Q'20 turnover amid pandemic, operating profit was down by 30% and net profit declined by 2%. Company's results were impacted by several one-offs, positive and negative effects of which were levelled out. Media segment, with contribution of 70% to total sales, declined by 3% in the quarter. Ekspress Group was actively adding new subscribers to its digital content - volumes have increased by 73%, therefore driving digital revenues further up: 49% vs. 45% a year ago. The company did rather well in terms of controlling cost of sales (-9%), but wasn't able to decrease its SG&A expenses (+5.4%). Ekspress Group has exploited current situation to improve its liquidity position by taking advantage of salary subsidies, grace periods granted by the banks and periodisation of tax liability payment. The group remains cautious regarding its future due to pandemics' caused uncertainty.

Growth

| Sales | last Q | LTM | 2019 | 2018 |
|---------------|--------|-------|-------|-------|
| Company (M €) | 18.4 | 63.1 | 67.5 | 60.5 |
| Company | -6.6% | -6.4% | 11.5% | 11.9% |
| Sector* | -4.6% | -3.7% | -0.6% | 3.1% |
| Baltic Market | -10.1% | -7.2% | 4.6% | 7.7% |

| Profit | last Q | LTM | 2019 | 2018 |
|---------------|--------|------|------|------|
| Company (M €) | 1.6 | 2.5 | 1.4 | 0.0 |
| Company | -2.1% | 80% | - | - |
| Sector* | -140% | -79% | -58% | -49% |
| Baltic Market | -2.2% | -24% | -40% | 5.4% |

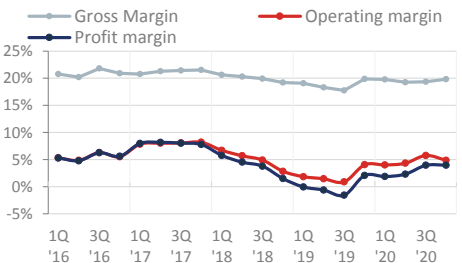
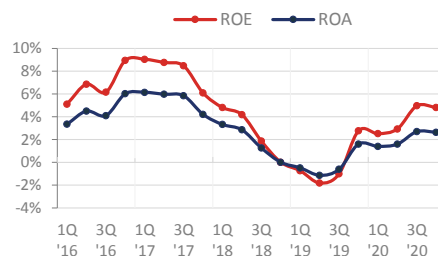


Key performance indicators

| | 4Q '20 | 4Q '19 | LTM |
|--------------------------------------|--------|--------|------|
| Digital revenues, mn eur | 10 | 10 | 31 |
| | -2% | | |
| Equity holders of the parent company | 1603 | 1637 | 2510 |
| | -2% | | |
| Online media platforms | 27 | 24 | 27 |
| | +13% | | |
| Group companies | 24 | 19 | 24 |
| | +26% | | |

Profitability

| Last 12M | ROE | ROA | GM | OPM | PM |
|---------------|------|-------|-------|------|-------|
| Company | 4.8% | 2.6% | 19.8% | 4.9% | 4.0% |
| Sector* | 3.7% | -0.1% | 56.5% | 0.3% | -0.2% |
| Baltic Market | 8.5% | 3.5% | 25.7% | 4.4% | 3.8% |
| 3y average | ROE | ROA | GM | OPM | PM |
| Company | 3.5% | 2.4% | 20.0% | 5.0% | 4.0% |
| Sector* | 1.7% | 1.1% | 52.9% | 0.6% | 0.2% |
| Baltic Market | 5.5% | 2.9% | 20.9% | 2.9% | 2.2% |



Balance sheet & Cash flow

| | last | Q-1 | Q-2 | Q-3 | LTM | 2019 | 2018 | | last | Q-1 | Q-2 | Q-3 | LTM | 2019 | 2018 |
|-----------------------|------|------|------|------|------|------|------|-------------------|------|------|------|------|------|------|------|
| Equity / Assets ratio | 58% | 55% | 54% | 54% | 55% | 54% | 66% | Cash Flow to Debt | 0.42 | 0.37 | 0.47 | 0.29 | 0.39 | 0.27 | 0.32 |
| Debt / Equity ratio | 41% | 43% | 44% | 47% | 44% | 47% | 31% | CAPEX / Sales | 2% | 3% | 1% | 5% | 3% | 6% | 4% |
| Cash ratio | 0.33 | 0.27 | 0.29 | 0.17 | 0.27 | 0.17 | 0.10 | FCF/OCF | 69% | 44% | 58% | -29% | 35% | -39% | 42% |

Valuation

| | Last | 1y avg | 3y avg | | last | 1y avg | 3y avg | | Trailing PE | | |
|-----------|-------|--------|--------|-----------|------|--------|--------|---------|---|--|--|
| P/E | 10.81 | 12.64 | 17.2 | P/B | 0.52 | 0.44 | 0.53 | Company | [Bar chart showing current, 1y range, 3y] | | |
| EV/EBITDA | 6.11 | 5.39 | 7.76 | P/CF | 2.91 | 2.73 | 4.89 | Sector | [Bar chart showing current, 1y range, 3y] | | |
| P/S | 0.43 | 0.35 | 0.44 | Dvd yield | 0.0% | 0.0% | 1.6% | Market | [Bar chart showing current, 1y range, 3y] | | |

*Sector: average of respective GICS sector companies from NASDAQ OMX Baltic and NASDAQ OMX Nordic small cap indices, Market: NASDAQ OMX Baltic median

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