

## Stable yield around 6%

**Q2/25 was inline on top- and bottom line. The occupancy rate improved compared to previous quarter and we believe the positive trend will continue. We find the yield attractive but realize it is hard for equities to compete against an exuberant bond market. Only minor changes are made to estimates and the Fair value.**

### Inline with positive occupancy signs

Q2/25 Rental income increased 3.2% y/y to EUR 7.9m and was exactly as estimated while the Net profit of EUR 4.0m was inline with estimated EUR 4.1m. The Q2/25 occupancy rate improved to 96.3% from 95.6% in the previous quarter mainly due to the Office (+1.5 %-pts) and the Retail (+1.2 %-pts) segments. We expect the positive trend to continue in H2/25 with an estimated group occupancy rate of 96.5%.

### Hard to compete with bond market

We find EFTEN's dividend yield around 6% in the forecast period 2025-27 attractive compared to the First North Corporate Bond market average YTM of 6.6% and the 12-month Estonian deposit rate of 1.8%. We realize the bond market is in a state of exuberance and do not foresee a change until the first bond defaults happen.

### Small changes to estimates and Fair value

We raise our dividend forecast by EUR 1c for each year in the forecast period 2025-27, indicating a yield of 5.9% this and next year and 6.0% in 2027. Our Base case Fair value is raised slightly to EUR 22.86/shr. (prev. 22.51).

#### Key figures (MEUR)

	2023	2024	2025E	2026E	2027E
Rental income	30.6	31.1	31.7	32.4	33.0
Rental inc. growth	126.9%	1.5%	2.0%	2.2%	2.0%
EBITDA	26.2	26.5	26.6	27.4	28.0
EBITDA margin	85.5%	85.1%	83.9%	84.8%	84.8%
EBIT	26.1	26.4	26.5	27.4	27.9
EBIT margin	85.2%	84.8%	83.7%	84.5%	84.6%
EV/Sales	11.4	10.8	11.2	11.1	10.9
EV/EBITDA	13.3	12.7	13.3	13.0	12.8
EV/EBIT	13.4	12.7	13.4	13.1	12.8
P/E adj.	204.5	15.1	13.1	12.9	12.7
P/BV	0.9	0.9	0.9	0.9	0.9
EPS adj.	0.09	1.25	1.46	1.48	1.51
EPS growth adj.	-95.89%	1256.40%	16.19%	1.41%	2.20%
Div. per share	1.00	1.11	1.12	1.13	1.14
Dividend yield	5.29%	5.86%	5.86%	5.94%	5.97%

Source: Company data, Enlight Research estimates

#### Fair value range (EUR)

Bull (term. EBIT marg. 1.2x)	24.94
Base (term. EBIT marg. 1.1x)	22.86
Bear (term. EBIT marg. 1.0x)	20.78

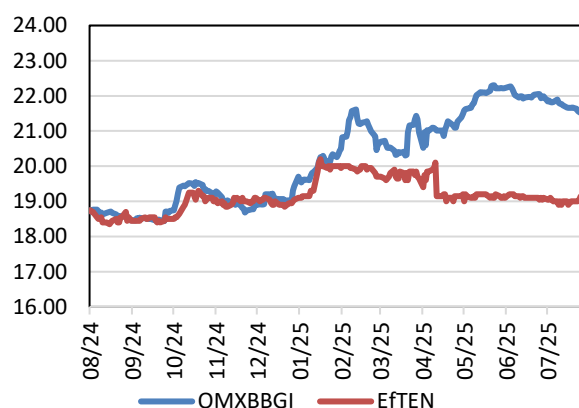
#### Key Data

Price (EUR)	19.10
Ticker	EFT1T
Country	Estonia
Listed	Tallinn

Market Cap (EURm)	219
Net debt (EURm)*	136

Shares (m)	11.4
Free float	80%

\*Estimated end of 2024



#### Price range

52-week high	20.20
52-week low	18.35

#### Analyst

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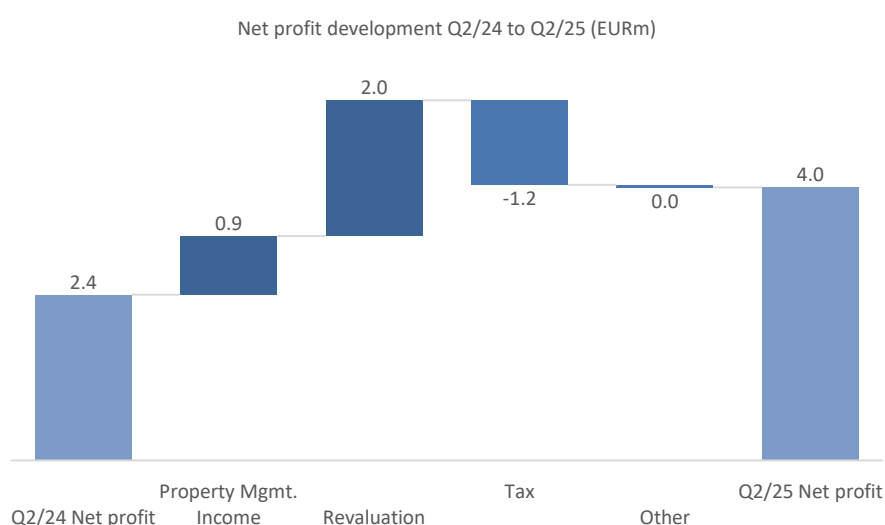
#### Coverage frequency

2x per year

## Key takeaways

### Inline on top- and bottom line

The Q2/25 Rental income of EUR 7.9m and the Net Operating Income (NOI) of EUR 7.8m were exactly as estimated. The Q2/25 Income from Property Management of EUR 5.1m was 1.6% or EUR 0.1M above forecast i.e., also inline. The Q2/25 property value change was EUR 0.5m, which was better than our forecast zero change. Consequently, the Pre-tax Profit of EUR 5.6m was EUR 0.6m better than estimated. However, EUR 0.7m higher than forecast tax resulted in an inline Net profit of EUR 4.0m (est. 4.1m). Overall, we believe this report reveals a gradual improvement of the real estate market with lower vacancy rate (0.7 %-pts lower in the quarter) and lower interest expenses (EUR 0.5m lower y/y).



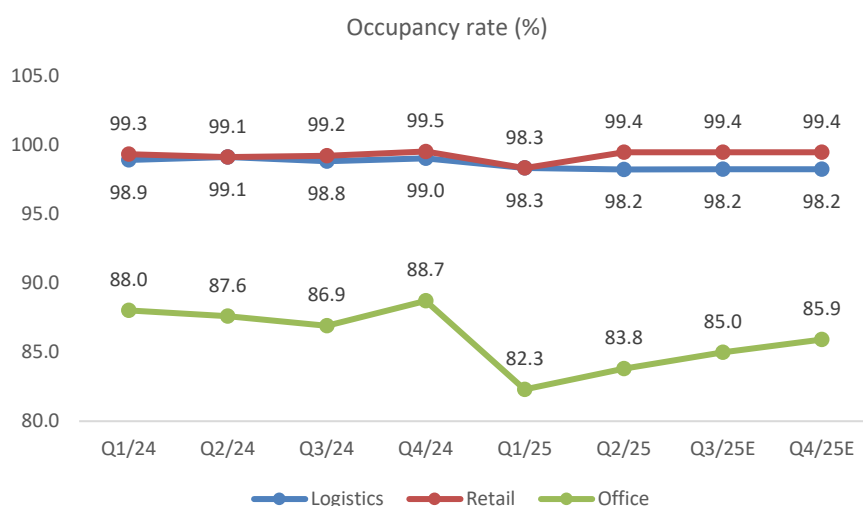
Source: Company reports

Deviation for Group	Estimate	Outcome	Diff	Diff %
Income statement	Q2/25	Q2/25	EURm	or %-pts
<b>Rental income</b>	<b>7.9</b>	<b>7.9</b>	<b>0.0</b>	<b>0.1%</b>
Other operating income	0.3	0.3	0.1	24.8%
<b>Total income</b>	<b>8.1</b>	<b>8.2</b>	<b>0.1</b>	<b>0.9%</b>
Cost of services sold	-0.4	-0.4	0.0	3.9%
<b>Net operating income (NOI)</b>	<b>7.8</b>	<b>7.8</b>	<b>0.1</b>	<b>0.7%</b>
Sales, General & Admin. Expenses	-1.1	-1.1	-0.1	5.0%
Other operating expenses	0.0	0.0	0.0	nm
Other operating income	0.0	0.0	0.0	nm
Interest income	0.0	0.0	0.0	0.0%
Interest expense	-1.7	-1.7	0.0	2.3%
Other financial income/expense	0.0	0.1	0.1	0.0%
<b>Total operating expenses</b>	<b>-2.8</b>	<b>-2.7</b>	<b>0.0</b>	<b>-0.9%</b>
<b>Income from property mgmt.</b>	<b>5.0</b>	<b>5.1</b>	<b>0.1</b>	<b>1.6%</b>
Value changes Properties	0.0	0.5	0.5	nm
Value changes Fin. Instruments	0.0	0.0	0.0	nm
Other value changes	0.0	0.0	0.0	nm
<b>Total value changes</b>	<b>0.0</b>	<b>0.5</b>	<b>0.5</b>	<b>nm</b>
<b>Pre-tax profit</b>	<b>5.0</b>	<b>5.6</b>	<b>0.6</b>	<b>12.5%</b>
Current tax	-0.3	-1.5	-1.2	460.2%
Deferred tax	-0.6	-0.1	0.5	-84.8%
Minorities/Other	0.0	0.0	0.0	nm
<b>Net profit</b>	<b>4.1</b>	<b>4.0</b>	<b>-0.1</b>	<b>-2.0%</b>

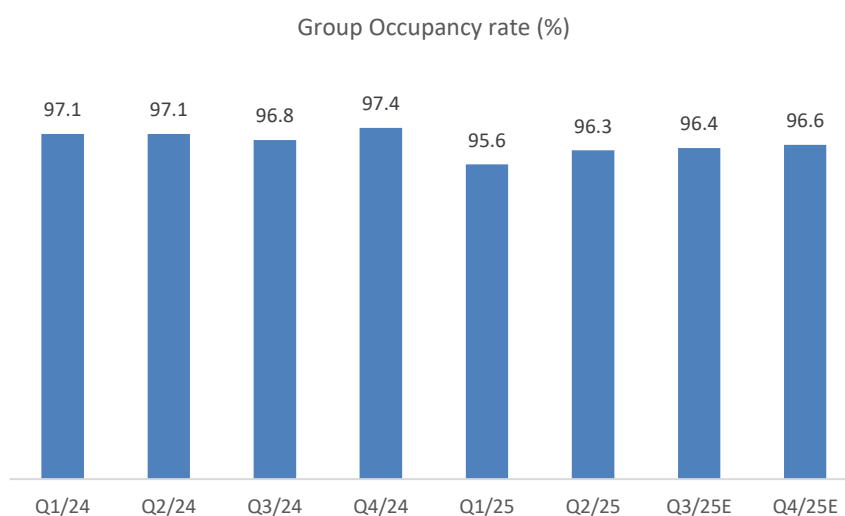
Source: Company report (outcome), Enlight Research (estimates)

### Occupancy rates bottoming out

All segments except the Office segment have had solid occupancy rates throughout the Estonian recession with Care homes, National, and Other segments at 100%, and Logistics and Retail not falling below 98%. The Office segment has been more challenging as the occupancy fell from 88.7% in Q4/24 to 82.3% in Q1/25. However, the Office segment seems to be bottoming out posting a sequential Q1/25 to Q2/25 occupancy rate increase of 1.5 percentage points from 82.3% to 83.8%. In the Q2 report, management wrote that, "...after a long pause, the first faintly positive signs were also observed in the Estonian office segment." We expect the Office segment improvement to continue with an occupancy rate of 85.0% in Q3//25 and 85.9% in Q4/25. For the full-year 2025, we forecast an Office segment occupancy of 85.9%, which is still down from end of 2024's rate of 88.7%. Next year, however, we estimate an Office occupancy of 87.3% which is slightly down compared to the end of 2024. Our estimated 2025 Occupancy rate for the whole group is 96.6%, which is slightly lower than the 2024 rate of 97.4%. In 2026, we forecast the Group occupancy rate to increase to 97.0% (see Forecast section for group numbers).



Source: Company reports



Source: Company reports

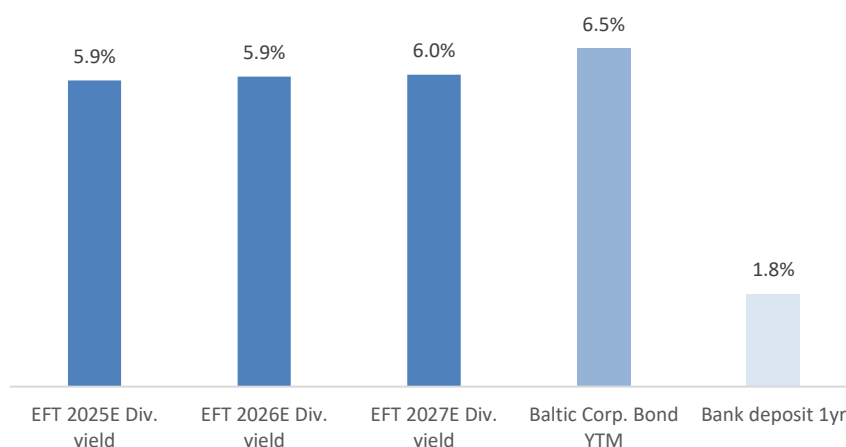
### Attractive yield but hard to compete with exuberant corporate bonds

In our view, EfTEN's recession and interest rate resilient properties enables an attractive dividend yield despite the current real estate slump, proven by the 2022 and 2023 dividend yield of 5.8%, and 5.3%, respectively (based on year-end closing prices). Our estimated dividend yield is 5.9% this and next year, and 6.0% in 2027. This can be compared to the average yield to maturity (YTM) of 6.6% for First North Baltic corporate bonds and 1.8% for 12-month bank deposits. Given EfTEN's strong dividend track record and expected gradual yield improvement, we regard EfTEN's dividend yield as more attractive than the Baltic corporate bond yield. But we recognize the Baltic bond market is exuberant and hence expect little change in the near term.

Dividend yield calculation (EURm)	2022	2023	2024	2025E	2026E	2027E
<b>Adj. Free cash flow for Dividend calculation</b>	<b>6.2</b>	<b>11.3</b>	<b>11.1</b>	<b>13.2</b>	<b>13.6</b>	<b>14.0</b>
80% of free cash flow	4.9	9.1	8.887	10.6	10.9	11.2
Gross dividend adj.	0.0	1.1	0.2	1.0	0.5	0.5
Dividend tax expense	-0.3	-1.2	-1.3	-1.4	-1.4	-1.5
<b>Potential net dividend according to policy</b>	<b>4.6</b>	<b>8.9</b>	<b>7.7</b>	<b>10.2</b>	<b>9.9</b>	<b>10.2</b>
Potential incremental cash flow	1.0	2.2	6.3	3.3	3.8	3.5
Income tax on incremental cash flow	-0.2	-0.3	-1.3	-0.7	-0.8	-0.7
<b>Potential net dividend w/ incremental cash flow</b>	<b>5.4</b>	<b>10.8</b>	<b>12.7</b>	<b>12.8</b>	<b>13.0</b>	<b>13.0</b>
Shares end of period (m)	10.8	10.8	11.4	11.4	11.4	11.4
<b>Potential net dividend per share</b>	<b>1.15</b>	<b>1.00</b>	<b>1.11</b>	<b>1.12</b>	<b>1.13</b>	<b>1.14</b>
Share price (EUR)	19.75	18.90	19.10	19.10	19.10	19.10
Dividend yield	5.8%	5.3%	5.8%	5.9%	5.9%	6.0%

Source: EfTEN (historic), Enlight Research (estimates)

EfTEN Dividend Yield vs. 1-yr Bank Deposit Yield



Source: Enlight Research (estimated dividend yield), 1-yr bank deposit (avg. SEB, Swedbank, Coop Pank, LHV pank)

## Valuation

### P/BV motivated share price

We believe a reasonable long-term P/BV multiple for EfTEN is 1.1x, which is our Base case multiple. Applying a P/BV of 1.1x to our 2025 estimated Book value per share of EUR 20.78 indicates a Fair value of EUR 22.86 per share (prev. 22.51). The only difference in our Bear (EUR 20.78/shr.) and Bull (EUR 24.94/shr.) case Fair values is that we apply a P/BV of 1.0x and 1.2x, respectively.

EfTEN Fair value scenarios	Bear	Base	Bull
Book value per share 2025E (EUR)	20.78	20.78	20.78
Fair P/BV multiple	1.0	1.1	1.2
Fair value per share (EUR)	20.78	22.86	24.94
Share price (EUR)	19.00	19.00	19.00
Upside/Downside	9%	20%	31%

Source: Enlight Research (Estimates)

### Peer comparison

We believe EfTEN's premium P/BV multiple (0.95x) vs. EastNine (0.90x) and BalticHorizon (0.35x) is well backed by its solid occupancy rate (96.3% vs. 97.1% for EastNine and 82.3% for BHG), high Net rental income yield (7.99% vs. 5.94% for EastNine, and 5.25% for BHG), and superior 2025 estimated dividend yield (5.9% vs. 2.6%\* for EastNine and most likely zero for BHG). We do not regard Baltic Horizon Group's (BHG) P/BV of 0.35x as attractive, mainly due to its low occupancy rate, future challenges with regards to re-financing, and aggressive valuation yield. In our view, EfTEN has established itself as the benchmark for listed Baltic real estate companies, which motivates a premium to peers.

Peer comparison based on last report	EFT	EAST	BHG
Occupancy rate, last reported	96.3%	97.1%	82.3%
Investment property value, last reported (EURm)	382	955	226
Net rental income, annualized (EURm)	31	57	12
Net rental income yield (annualized)	7.99%	5.94%	5.25%
LTV, last reported	41%	48%	61%
Book value per share, last reported (EUR)	19.98	4.64	0.68
Share price, latest (EUR)	19.10	4.19	0.24
P/BV	0.95	0.90	0.35
Est. Dividend 2025E (listing currency)	1.12	0.11	0.00
Dividend yield	5.90%	2.62%	0.00%
Based on report	Q2/25	Q2/25	Q1/25

Source: Company reports

\*2025 estimated dividend yield for EastNine (ABG Sundal Collier commissioned research)

## Estimate deviations

The Q2/25 Rental income was exactly as forecast. The Q2/25 Income from property mgmt. (profit before property value changes) was 1.6% or EUR 0.1m above estimate (EUR 5.1m vs. est. 5.0m) as Operating expenses were EUR 0.1m lower than expected. The Q2/25 Pre-tax profit was 12.5% or EUR 0.6m above forecast mainly due to a EUR 0.5m upward adjustment in property fair value (we expected zero). The Q2/25 EPS was 1c below our estimated EUR 0.36.

Deviation by Segment	Estimate	Outcome	Diff	Diff %
Segment Sales	Q2/25	Q2/25	EURm	or %-pts
Office premises	1.8	1.8	0.0	-0.7%
National institutions	0.2	0.2	0.0	-0.5%
Retail premises	2.9	3.0	0.0	0.8%
Logistics premises	2.5	2.3	-0.2	-6.6%
Care home premises	0.1	0.1	0.0	-16.4%
Other assets & Rental income	0.3	0.5	na	na
<b>Total rental income</b>	<b>7.9</b>	<b>7.9</b>	<b>0.0</b>	<b>0.1%</b>
Growth y-on-y (%)	2.4%	2.5%	0.0	4.5%

Deviation for Group	Estimate	Outcome	Diff	Diff %
Income statement	Q2/25	Q2/25	EURm	or %-pts
<b>Rental income</b>	<b>7.9</b>	<b>7.9</b>	<b>0.0</b>	<b>0.1%</b>
Other operating income	0.3	0.3	0.1	24.8%
<b>Total income</b>	<b>8.1</b>	<b>8.2</b>	<b>0.1</b>	<b>0.9%</b>
Cost of services sold	-0.4	-0.4	0.0	3.9%
<b>Net operating income (NOI)</b>	<b>7.8</b>	<b>7.8</b>	<b>0.1</b>	<b>0.7%</b>
Sales, General & Admin. Expenses	-1.1	-1.1	-0.1	5.0%
Other operating expenses	0.0	0.0	0.0	nm
Other operating income	0.0	0.0	0.0	nm
Interest income	0.0	0.0	0.0	0.0%
Interest expense	-1.7	-1.7	0.0	2.3%
Other financial income/expense	0.0	0.1	0.1	0.0%
<i>Total operating expenses</i>	<i>-2.8</i>	<i>-2.7</i>	<i>0.0</i>	<i>-0.9%</i>
<b>Income from property mgmt.</b>	<b>5.0</b>	<b>5.1</b>	<b>0.1</b>	<b>1.6%</b>
Value changes Properties	0.0	0.5	0.5	nm
Value changes Fin. Instruments	0.0	0.0	0.0	nm
Other value changes	0.0	0.0	0.0	nm
<i>Total value changes</i>	<i>0.0</i>	<i>0.5</i>	<i>0.5</i>	<i>nm</i>
<b>Pre-tax profit</b>	<b>5.0</b>	<b>5.6</b>	<b>0.6</b>	<b>12.5%</b>
Current tax	-0.3	-1.5	-1.2	460.2%
Deferred tax	-0.6	-0.1	0.5	-84.8%
Minorities/Other	0.0	0.0	0.0	nm
<b>Net profit</b>	<b>4.1</b>	<b>4.0</b>	<b>-0.1</b>	<b>-2.0%</b>
EPS - basic	0.36	0.35	-0.01	-2.0%
EPS - diluted	0.36	0.35	-0.01	-2.0%

Growth	Q2/25	Q2/25	Diff	Diff %
			EURm	or %-pts
Rental income - y-on-y	2.3%	3.2%	na	38.4%
Total income - y-on-y	2.0%	2.7%	na	37.3%

Margins	Q2/25	Q2/25	Diff	Diff %
			EURm	or %-pts
Net operating margin (NOI)	95.4%	95.3%	na	-0.1%
Property mgmt. margin	61.6%	62.0%	na	0.7%
Pre-tax profit margin	61.6%	68.7%	na	11.5%
Net profit margin	50.5%	49.0%	na	-2.9%

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

## Estimate changes

Our 2025-27E Rental income estimates are changed slightly by around 1%. Our EBITDA and EBIT estimates roughly unchanged this year and raised by around 1% in 2026, and 2027. Our 2025 Pre-tax Profit is raised 4.1% this year and lowered slightly in 2026-27 (<1%). Our Dividend per share estimate is raised by 1c for 2025, and 2026, and by 2c for 2027.

### Estimate changes

Rental income (EURm)	2025E	2026E	2027E
Old estimate	31.5	32.2	33.5
New estimate	31.7	32.4	33.0
Change (EURm)	0.2	0.1	-0.4
Change	0.6%	0.5%	-1.3%

EBITDA (EURm)	2025E	2026E	2027E
Old estimate	26.5	27.1	27.7
New estimate	26.6	27.4	28.0
Change (EURm)	0.1	0.3	0.3
Change	0.3%	1.1%	1.2%

EBIT (EURm)	2025E	2026E	2027E
Old estimate	26.4	27.1	27.6
New estimate	26.5	27.4	27.9
Change (EURm)	0.1	0.3	0.3
Change	0.3%	1.2%	1.2%

Pre-tax profit (EURm)	2025E	2026E	2027E
Old estimate	19.5	20.5	21.0
New estimate	20.4	20.4	20.8
Change (EURm)	0.8	-0.1	-0.2
Change	4.1%	-0.6%	-0.9%

EPS (EUR)	2025E	2026E	2027E
Old estimate	1.45	1.52	1.56
New estimate	1.46	1.48	1.51
Change (EUR)	0.01	-0.04	-0.05
Change	0.4%	-2.8%	-3.2%

Dividend (EUR)	2025E	2026E	2027E
Old estimate	1.11	1.12	1.12
New estimate	1.12	1.13	1.14
Change (EUR)	0.01	0.01	0.02
Change	0.8%	1.3%	1.6%

Source: Enlight Research

## Forecast

### EFTEN Forecast

Key ratios	Q1/25	Q2/25	Q3/25E	Q4/25E	2024	2025E	2026E	2027E
Net leasable area (m2 thous.)	349	355	355	355	348	355	355	355
Growth y-on-y	3.1%	4.7%	4.9%	2.0%	2.5%	2.0%	0.0%	0.0%
Occupancy rate	95.7%	96.2%	96.4%	96.6%	97.4%	96.6%	97.0%	97.3%
Leased Net area (m2 thous.)	334	341	342	342	339	342	344	345
Growth y-on-y	2.3%	4.5%	5.2%	1.1%	6.4%	1.1%	0.4%	0.4%
Rent per m2 Net area (EUR)	22.96	23.15	23.39	23.73	91.79	92.55	94.18	95.73
Growth y-on-y	-1.8%	-1.9%	-1.4%	0.0%	-4.6%	0.8%	1.8%	1.6%

Income statement (EURm)	Q1/25	Q2/25	Q3/25E	Q4/25E	2024	2025E	2026E	2027E
Rental income	7.7	7.9	8.0	8.1	31.1	31.7	32.4	33.0
Other operating income	0.2	0.3	0.2	0.3	1.2	1.0	1.2	1.2
<b>Total income</b>	<b>7.9</b>	<b>8.2</b>	<b>8.2</b>	<b>8.4</b>	<b>32.2</b>	<b>32.7</b>	<b>33.6</b>	<b>34.2</b>
Cost of services sold	-0.5	-0.4	-0.4	-0.4	-1.6	-1.7	-1.7	-1.7
<b>Net operating income (NOI)</b>	<b>7.4</b>	<b>7.8</b>	<b>7.8</b>	<b>8.0</b>	<b>30.7</b>	<b>31.0</b>	<b>31.9</b>	<b>32.5</b>
Sales, General & Admin. Expenses	-1.1	-1.1	-1.0	-1.2	-4.4	-4.5	-4.5	-4.6
Other operating expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest income	0.1	0.0	0.0	-0.1	0.3	0.0	0.0	0.0
Interest expense	-1.8	-1.7	-1.7	-1.5	-8.7	-6.7	-7.0	-7.1
Other financial income/expense	-0.1	0.1	-0.1	0.1	-0.1	0.0	0.0	0.0
<i>Total operating expenses</i>	<i>-3.0</i>	<i>-2.7</i>	<i>-2.7</i>	<i>-2.8</i>	<i>-12.8</i>	<i>-11.1</i>	<i>-11.5</i>	<i>-11.7</i>
<b>Income from property mgmt.</b>	<b>4.4</b>	<b>5.1</b>	<b>5.1</b>	<b>5.2</b>	<b>17.8</b>	<b>19.8</b>	<b>20.4</b>	<b>20.8</b>
Value changes, Properties	0.0	0.5	0.0	0.0	-1.0	0.5	0.0	0.0
Value changes, Fin. Inst.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other value changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total value changes	0.0	0.5	0.0	0.0	-1.0	0.5	0.0	0.0
<b>Pre-tax profit</b>	<b>4.4</b>	<b>5.6</b>	<b>5.1</b>	<b>5.2</b>	<b>16.8</b>	<b>20.4</b>	<b>20.4</b>	<b>20.8</b>
Current tax	-0.1	-1.5	0.0	0.9	-0.3	-0.7	-0.6	-0.6
Deferred tax	-0.1	-0.1	-0.9	-1.9	-2.9	-3.0	-2.8	-2.9
Minorities/Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net profit</b>	<b>4.2</b>	<b>4.0</b>	<b>4.2</b>	<b>4.3</b>	<b>13.6</b>	<b>16.7</b>	<b>16.9</b>	<b>17.3</b>

Growth	Q1/25	Q2/25	Q3/25E	Q4/25E	2024	2025E	2026E	2027E
Rental income - q-on-q	-4.5%	2.9%	1.2%	1.6%	na	na	na	na
Rental income - y-on-y	-1.3%	3.2%	2.3%	1.4%	1.5%	2.0%	2.2%	2.0%
Total income - q-on-q	-5.5%	4.5%	-0.2%	2.8%	na	na	na	na
Total income - y-on-y	-2.5%	2.7%	3.3%	0.3%	1.3%	1.4%	2.7%	1.9%

Margins	Q1/25	Q2/25	Q3/25E	Q4/25E	2024	2025E	2026E	2027E
Net operating margin (NOI)	93.6%	95.3%	95.0%	94.9%	95.1%	94.7%	94.9%	95.0%
Property mgmt. margin	55.9%	62.0%	62.1%	62.2%	55.3%	60.6%	60.6%	60.8%
Pre-tax profit margin	55.9%	68.7%	62.1%	62.2%	52.1%	62.3%	60.6%	60.8%
Net profit margin	53.0%	49.0%	50.8%	51.2%	42.1%	51.0%	50.3%	50.4%

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

## Risk factors

Below are the risk factors we find the most relevant given the current environment. For additional risk factors, we recommend reading the company reports and listing documents.

### Interest rate risk

Interest expenses has a great impact on the feasibility of cash flow assets. The sharp increase in the Euribor rates have pressured real estate valuations. A further increase in the interest rate could hurt the fund's net income and pressure the valuation of its property portfolio.

### Liquidity risk

A high interest rate environment can affect the liquidity of real estate, as transaction volumes usually decline. In Baltic markets, commercial real estate liquidity is lower than in e.g., Scandinavia and Western Europe

### Operational risk (occupancy change)

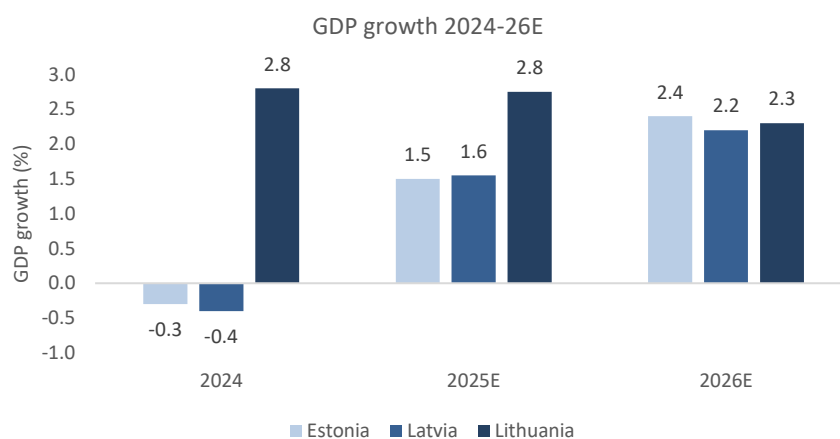
A significant downturn in the economy could lead to declining occupancy levels. This means less rental revenue for the fund. A lower occupancy rate could also lead to a breach of bank covenants.

### New work habits

The work from home trend might hurt the occupancy rate as it could lower the demand for office space.

### GDP growth

Decreased Baltic States GDP growth can result in lower tenants' income and reduce their ability to pay currently set rent levels.



Source: SEB, Swedbank

### Properties development

Property development entails risk of delays and higher costs. These risks can result in delayed rental income and longer property payback time.

### Tax risk

EfTEN owns real estate assets in Estonia, Latvia, and Lithuania where each country has its own tax system. Higher taxes could potentially decrease profits.

<b>Income Statement</b>					
	2023	2024	2025E	2026E	2027E
Rental income	30.6	31.1	31.7	32.4	33.0
Total operating costs	-4.5	-4.6	-5.1	-4.9	-5.0
<b>EBITDA</b>	<b>26.2</b>	<b>26.5</b>	<b>26.6</b>	<b>27.4</b>	<b>28.0</b>
Depreciation & Amort.	-0.1	-0.1	-0.1	-0.1	-0.1
One-off EBIT items	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>26.1</b>	<b>26.4</b>	<b>26.5</b>	<b>27.4</b>	<b>27.9</b>
Financial net	-22.2	-9.6	-6.1	-7.0	-7.1
<b>Pre-tax profit</b>	<b>3.9</b>	<b>16.8</b>	<b>20.4</b>	<b>20.4</b>	<b>20.8</b>
Taxes	-2.9	-3.2	-3.7	-3.5	-3.5
Minority interest	0.0	0.0	0.0	0.0	0.0
Other items	0.0	0.0	0.0	0.0	0.0
<b>Net profit</b>	<b>1.0</b>	<b>13.6</b>	<b>16.7</b>	<b>16.9</b>	<b>17.3</b>
<b>Balance Sheet</b>					
	2023	2024	2025E	2026E	2027E
Cash and cash equivalent	18	21	21	21	22
Receivables	2	2	2	2	2
Inventories	0	0	0	0	0
Other current assets	0	0	0	0	0
<b>Current assets</b>	<b>21</b>	<b>23</b>	<b>23</b>	<b>24</b>	<b>24</b>
Tangible assets	358	374	386	394	399
Goodwill & intangible assets	0	0	0	0	0
Lease & Investment properties	0	0	0	0	0
Investments	0	0	0	0	0
Associated companies	2	2	2	2	2
Other non-current assets	0	0	0	0	0
<b>Total fixed assets</b>	<b>360</b>	<b>376</b>	<b>388</b>	<b>396</b>	<b>401</b>
<b>Total Assets</b>	<b>381</b>	<b>399</b>	<b>411</b>	<b>420</b>	<b>425</b>
Non-interest bearing current liabilities	0	0	0	0	0
Short-term debt	17	30	32	33	33
Other current liabilities	3	3	3	3	3
<b>Total current liabilities</b>	<b>20</b>	<b>34</b>	<b>35</b>	<b>36</b>	<b>36</b>
Long-term debt	131	119	125	129	130
Convertibles & Lease liab.	0	0	0	0	0
Deferred tax liabilities	9	11	11	11	11
Provisions	0	0	0	0	0
Other long-term liabilities	2	2	2	2	2
<b>Total long-term liab.</b>	<b>142</b>	<b>132</b>	<b>138</b>	<b>142</b>	<b>143</b>
<b>Total Liabilities</b>	<b>162</b>	<b>166</b>	<b>173</b>	<b>178</b>	<b>179</b>
Minority interest (BS)	0	0	0	0	0
Shareholders' equity	219	233	238	242	246
<b>Total liabilities and equity</b>	<b>381</b>	<b>399</b>	<b>411</b>	<b>420</b>	<b>425</b>
<b>DCF valuation</b>					
	<b>Cash flow, mEUR</b>				
WACC (%)	6.52 %	NPV FCF (2023-2025)			39
Assumptions 2023-2029 (%)		NPV FCF (2026-2032)			100
Sales CAGR	2.51 %	NPV FCF (2033-)			263
Avg. EBIT margin	85.03 %	Non-operating assets			9
Fair value per share (EUR)	22.86	Interest-bearing debt			-149
Share price (EUR)	19.10	Fair value estimate			261

Free Cash Flow	2023	2024	2025E	2026E	2027E
Operating profit	26.1	26.4	26.5	27.4	27.9
Depreciation & Amort.	0.1	0.1	0.1	0.1	0.1
Working capital chg.	1.1	0.1	0.0	0.0	0.0
Other Operating CF items	-2.2	-2.9	-4.9	-4.7	-4.7
Operating Cash Flow	25.1	23.6	21.6	22.7	23.2
Net investments	-189.3	-15.9	-12.0	-8.0	-5.0
Other items	207.3	0.1	0.0	0.0	0.0
Free Cash Flow	43.0	7.8	9.6	14.7	18.2
Capital structure	2023	2024	2025E	2026E	2027E
Equity ratio	57.4%	58.5%	57.8%	57.6%	57.9%
Debt / Equity ratio	67.6%	64.1%	66.1%	66.8%	66.1%
Gearing %	59.3%	55.3%	57.3%	57.9%	57.2%
Net debt/EBITDA	5.0	4.9	5.1	5.1	5.0
Profitability	2023	2024	2025E	2026E	2027E
ROE	0.6%	6.0%	7.1%	7.1%	7.1%
FCF yield	21.1%	3.8%	4.4%	6.8%	8.3%
EBITDA margin	85.5%	85.1%	83.9%	84.8%	84.8%
EBIT margin	85.2%	84.8%	83.7%	84.5%	84.6%
PTP margin	12.6%	54.0%	64.3%	62.9%	63.0%
Net margin	3.3%	43.7%	52.6%	52.2%	52.3%
Valuation	2023	2024	2025E	2026E	2027E
P/E	204.5	15.1	13.1	12.9	12.7
P/E, adjusted	204.5	15.1	13.1	12.9	12.7
P/Sales	6.7	6.6	6.9	6.7	6.6
EV/Sales	11.4	10.8	11.2	11.1	10.9
EV/EBITDA	13.3	12.7	13.3	13.0	12.8
EV/EBIT	13.4	12.7	13.4	13.1	12.8
P/BV	0.9	0.9	0.9	0.9	0.9
P/BV tangible	0.9	0.9	0.9	0.9	0.9
Per share ratios	2023	2024	2025E	2026E	2027E
EPS	0.09	1.25	1.46	1.48	1.51
EPS, adjusted	0.09	1.25	1.46	1.48	1.51
Operating CF/share	2.32	2.18	1.89	1.99	2.03
Free Cash Flow/share	3.98	0.72	0.84	1.29	1.59
BV/share	20.21	21.54	20.78	21.14	21.51
Tangible BV/share	20.21	21.54	20.78	21.14	21.51
Div. per share	1.00	1.11	1.12	1.13	1.14
Div. payout ratio	1,082.0%	88.5%	76.9%	76.8%	75.6%
Dividend yield	5.3%	5.9%	5.9%	5.9%	6.0%
Shareholders	Capital			Votes	
LHV Pension Fund	25.950			11.88 %	
REF Aktsiad OÜ	23.258			10.64 %	
OÜ HOIUKONTO	23.128			10.58 %	
Altiusse KVI OÜ	22.070			10.10 %	
Vello Kunman	12.766			5.84 %	
Ivard OÜ	8.748			4.00 %	

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

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