

Sustainable 6% yield

The Q4/25 Net profit was significantly below estimate due to, in our view, an overly conservative downward adjustment by the external property valuator. We make minor changes to estimates and Fair value. The proposed 2025 dividend marks ten consecutive years of dividends.

Net profit below due to revaluation

The Q4/25 Rental income increased 4.0% y/y to EUR 8.4m, which was 3.8% or EUR 0.3m below our estimate. The Q4/25 Net loss was EUR 1.2m vs. our estimated profit of EUR 4.4m. The EUR 5.6m deviation was mainly due to a EUR 4.0m downward adjustment by the external property valuator and a EUR 1.2m higher than estimated tax.

Overly conservative valuation

In the recurring year-end valuation, the external valuator, Colliers, lowered EFTEN's property value by EUR 4.0m. We find the adjustment overly conservative given EFTEN's running yield of 8.4%. Especially given Baltic Horizon's running yield of 5.7% done by the same external valuator (Colliers). We believe 7.5% is a reasonable yield for EFTEN which implies 12% higher property value.

Steady 6% yield

The proposed 2025 dividend of EUR 1.20/shr. (6.1% yield) is 8.1% higher than last year and marks ten (eight since IPO) consecutive years of dividends. We forecast the yield to stay around 6% in 2026-28. Our Base case Fair value is EUR 22.69/shr. (prev. 22.86), implying 15% upside.

Key figures (MEUR)

	2024	2025	2026E	2027E	2028E
Net sales	31.1	32.0	32.9	33.6	34.3
Net sales growth	1.5%	3.0%	2.7%	2.1%	2.3%
EBITDA	26.5	26.8	27.4	28.0	28.6
EBITDA margin	85.1%	83.7%	83.4%	83.4%	83.4%
EBIT	26.4	26.8	27.3	27.9	28.6
EBIT margin	84.8%	83.6%	83.2%	83.3%	83.2%
EV/Sales	10.8	11.2	11.1	11.0	10.8
EV/EBITDA	12.7	13.4	13.3	13.2	13.0
EV/EBIT	12.7	13.4	13.4	13.2	13.0
P/E adj.	15.1	18.0	13.1	13.0	12.8
P/BV	0.9	0.9	1.0	0.9	0.9
EPS	1.25	1.06	1.51	1.53	1.55
EPS growth	1256.40%	-15.32%	42.08%	1.37%	1.49%
Div. per share	1.11	1.20	1.20	1.21	1.22
Dividend yield	5.9%	6.1%	6.1%	6.2%	6.2%

Source: Company data, Enlight Research estimates

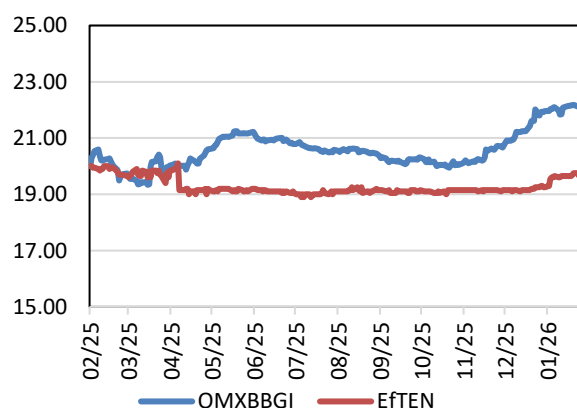
Fair value range (EUR)

Bull (P/BV 1.2x)	24.76
Base (P/BV 1.1x)	22.69
Bear (P/BV 1.0x)	20.63

Key Data

Price (EUR)	19.75
Ticker	EFT1T
Country	Estonia
Listed	Tallinn
Market Cap (EURm)	228
Net debt (EURm)*	137
Shares (m)	11.5
Free float	80%

*End of current forecast year estimate



Price range

52-week high	20.10
52-week low	18.90

Analyst

ResearchTeam@enlightresearch.net

Coverage frequency

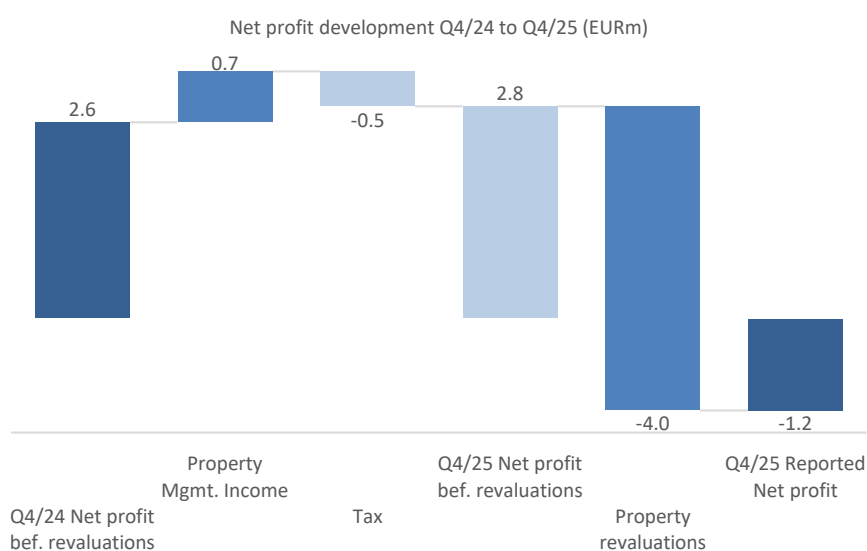
4x per year

Key takeaways

Re-valuation main reason for lower than estimated profit

The Q4/25 Rental income increased 4.0% y/y to EUR 8.4m, which was 3.8% or EUR 0.3m below our forecast of EUR 8.7m. The Q4/25 Income from property management (before property value changes) was 6.8% or EUR 0.4m below estimate (EUR 5.5m vs. est. EUR 5.9m). The Q4/25 Net loss was EUR 1.2m vs. our estimated profit of EUR 4.4m. The EUR 5.6m deviation at the Net profit line was mainly due to a negative re-valuation of properties of EUR 4.0 (we did not expect any revaluation) and EUR 1.2m higher tax than estimated. Worth noting is that the revaluation does not affect the cash flow (non-cash item). As previously communicated, management proposed to pay EUR 1.20 per share dividend from 2025's profit equal to a yield of 6.1%.

We lower our Rental income by around 0.5% for this and next year, while our EBIT is lowered by 2.1% for this and next year. Our EPS is lowered by 0.7% for this year and 1.5% for next year. We forecast in unchanged dividend at 1.20 (prev. 1.21) per share for 2026 and a EUR 1c increase in 2027 and 2028. We do not expect any re-valuation for the remainder of 2026 (external valuation is done every half and full year). Worth noting is that our forecast does not include the recently announced (10 February) sale of the DSV logistics property in Riga (closing expected in Q1/26). Following closing, the assets are expected to decrease by 9.0m and bank borrowings by EUR 3.3m. The expected net cash proceeds to EFTEN is EUR 5.6m (EUR 0.59/shr.). We find it encouraging that the agreed sales price of EUR 9.0m was EUR 0.5m above the book value as it proves the conservative nature of EFTEN's properties, which is truly unique in the world of real estate.



Source: Company reports

Estimate changes

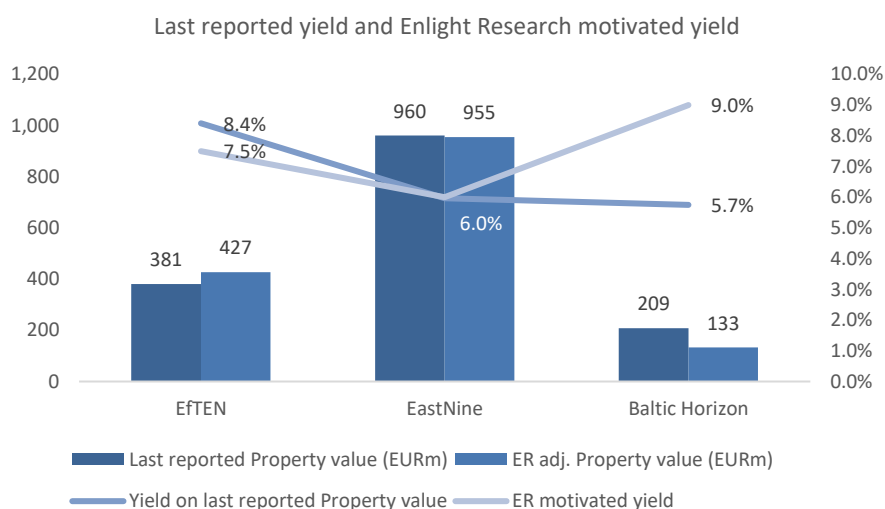
Dividend (EUR)	2025*	2026E	2027E	2028E
Old estimate	1.20	1.21	1.22	na
New estimate	1.20	1.20	1.21	1.22
Change (EUR)	0.00	-0.01	0.00	na
Change	0.0%	-0.9%	-0.4%	na

Source: Enlight Research (estimates)

*EUR 1.20 proposed by management

Overly conservative valuation

In the routine year-end external valuation, the valuator, Colliers, decreased the Fair value of EFTEN's properties by EUR 4.0m. We find this valuation adjustment overly conservative, especially given the last reported annualized running yield of 8.4% (Q4/25 Net rental income x 4 divided by last reported property value). This can be compared to EastNine's and Baltic Horizon's running yield of 6.0% and 5.7%, respectively. In our view, EastNine's lower yield could be motivated given its focus on prime locations. However, Baltic Horizon's running yield of 5.7% is too optimistic in our view. The market appears to price in a much higher yield for Baltic Horizon. Assuming our adjusted book value, the Baltic Horizon running yield is 9.0%, which we believe is reasonable. In our view, a reasonable yield for EFTEN is 7.5% (vs. running yield 8.4%), which implies 12% or EUR 47m higher property value compared to Colliers' valuation (our lower yield is underpinned an estimated positive yield gap of 4.4 pct. points as per below table). Colliers is the external valuator for both EFTEN and Baltic Horizon and we look forward to seeing valuation consistency. To summarize, we believe EFTEN's Q4/25 property valuation decrease was overly pessimistic, especially given how market peers are valued. Hence, we do not see any further valuation downside for EFTEN this year.



Source: Company reports (last reported yield), Enlight Research (motivated yield)

Enlight Research adj. P/BV multiple	EFTEN	EastNine	Baltic Horizon
Last reported Book value (EURm)	234	468	97
Enlight Research book value adjustment (EURm)	46	-6	-75
Enlight Research adjusted Book value (EURm)	280	462	22
Enlight Research Fair/adjusted Book value per share (EUR)	24.31	4.73	0.15
Share price (EUR)	19.75	4.58	0.15
P/BV at Enlight Research adj. Book value	0.81	0.97	1.01
P/BV at last reported Book value	0.97	0.96	0.23
Figures as of	Q4/25	Q4/25	Q3/25

Source: Company reports

Estimated yield gap	NOI yield*	Financing cost*	Spread %-pts
EFTEN	8.41%	3.99%	4.42%
EastNine	5.96%	4.30%	1.66%
Baltic Horizon	5.75%	6.20%	-0.45%

Source: Company reports

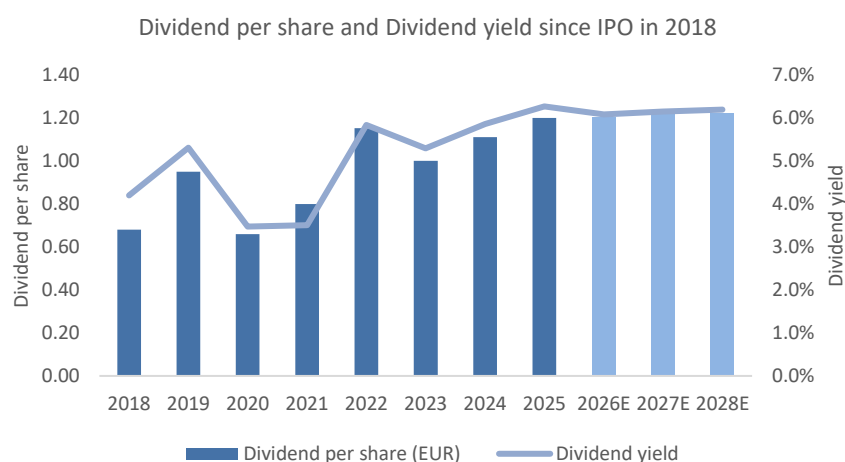
*Last reported

Yield estimated to stay above 6% in 2026-28

As previously communicated, management proposed a 2025 dividend of EUR 1.20/shr. corresponding to a yield of 6.1% and a healthy dividend growth of 8.1%. We estimate unchanged dividend (EUR 1.20/shr.) in 2026, which might be a bit conservative given the announced sale of DSV logistics property in Riga (net proceeds EUR 0.59/shr.). However, the proceeds might also be invested into new properties. We forecast a EUR 1c dividend increase in 2027 to EUR 1.21/shr. and 2028 to EUR 1.22/shr. bringing the yield to 6.2%. While our dividend forecast is not dependent on the proceeds from the sales of DSV logistics property in Riga, it does assume continued cash flow from re-financing (see “Potential incremental cash flow” in below table). EFTEN can refinance loans where the loan-to-value (LTV) is below management’s targets and where operating cash flows exceed loan principal and interest payments by more than two times. Worth noting is that EFTEN amortize their loans resulting in a constant decrease in LTV (all else equal). This provided EUR 6.3m in incremental cash flow in 2024 and we expect EUR 3.7m in incremental cash flow in 2025. The 2025 dividend is the tenth consecutive year of dividends (eight since IPO in 2018).

Dividend yield calculation (EURm)	2023	2024	2025E	2026E	2027E	2028E
Adj. Free cash flow for Dividend calculation	11.3	11.1	13.1	13.9	14.2	14.5
80% of free cash flow	9.1	8.9	10.5	11.1	11.3	11.6
Gross dividend adj.	1.1	0.0	2.3	1.3	1.3	1.3
Dividend tax expense	-1.2	-1.3	-1.8	-1.6	-1.6	-1.6
Potential net dividend according to policy	8.9	7.6	10.9	10.8	11.0	11.3
Potential incremental cash flow	2.2	6.3	3.7	3.8	3.7	3.7
Income tax on incremental cash flow	-0.3	-1.3	-0.8	-0.8	-0.7	-0.9
Potential net dividend w/ incremental cash flow	10.8	12.6	13.8	13.8	14.0	14.1
Shares end of period (m)	10.8	11.4	11.5	11.5	11.5	11.5
Potential net dividend per share	1.00	1.10	1.20	1.20	1.21	1.22
Share price (EUR)	18.90	19.80	19.75	19.75	19.75	19.75
Dividend yield	5.3%	5.5%	6.1%	6.1%	6.2%	6.2%

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



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

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 2026 estimated Book value per share of EUR 20.63 indicates a Fair value of EUR 22.69 per share (prev. 22.86), implying an upside of 15%. The only difference in our Bear (EUR 20.63/shr.) and Bull (EUR 24.76/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 2026E (EUR)	20.63	20.63	20.63
Fair P/BV multiple	1.0	1.1	1.2
Fair value per share (EUR)	20.63	22.69	24.76
Share price (EUR)	19.75	19.75	19.75
Upside/Downside	4%	15%	25%

Source: Enlight Research (Estimates)

Peer comparison

Both EfTEN and EastNine trade a P/BV of 1.0x, which we believe is motivated (Base case P/BV multiple for EfTEN is 1.1x, EastNine is not covered). Baltic Horizon's P/BV of 0.2x might look attractive but in our view, it is misleading due to the book value (property valuation) being overstated. We believe a reasonable valuation yield for Baltic Horizon is 9.0% (vs. current 5.7%) which implies a 36% or EUR 75m downward adjustment in the property value (this implies a P/BV of 1.0x). Worth noting is EfTEN's superior 2025 proposed dividend yield (6.1% vs. 2.6%* for EastNine and most likely zero for BHG) and that we expect the dividend to stay around current levels in the forecast period 2026-28. We believe EfTEN has established itself as the benchmark for listed Baltic real estate companies, which motivates a premium to book value.

Peer comparison based on last report	EFT	EAST	BHG
Occupancy rate, last reported	96.8%	95.8%	85.6%
Investment property value, last reported (EURm)	381	960	209
Net rental income, annualized (EURm)	32	57	12
Net rental income yield (annualized)	8.4%	6.0%	5.7%
LTV, last reported	41%	47%	60%
Book value per share, last reported (EUR)	20.32	4.79	0.68
Share price, latest (EUR)	19.75	4.58	0.15
P/BV	1.0	1.0	0.2
Est. Dividend 2025E (listing currency)	1.20	0.12	0.00
Dividend yield	6.1%	2.6%	0.0%
Based on report	Q4/25	Q4/25	Q3/25

Source: Company reports

*2025 proposed dividend in EastNine Q4/25 report

Estimate deviations

Deviation by Segment	Estimate	Outcome	Diff	Diff %
Segment Sales	Q4/25	Q4/25	EURm	or %-pts
Office premises	1.8	1.8	0.0	-1.1%
National institutions	0.2	0.2	0.0	-3.3%
Retail premises	3.6	3.3	-0.3	-8.7%
Logistics premises	2.4	2.4	0.0	0.6%
Care home premises	0.1	0.1	0.0	-17.9%
Other assets & Rental income	0.5	0.6	na	na
Total rental income	8.7	8.4	-0.3	-3.8%
Growth y-on-y (%)	8.1%	4.0%	0.0	-50.6%
Deviation for Group	Estimate	Outcome	Diff	Diff %
Income statement	Q4/25	Q4/25	EURm	or %-pts
Rental income	8.7	8.4	-0.3	-3.8%
Other operating income	0.3	0.3	0.0	7.1%
Total income	9.0	8.7	-0.3	-3.4%
Cost of services sold	-0.4	-0.4	0.0	11.4%
Net operating income (NOI)	8.6	8.3	-0.3	-4.1%
Sales, General & Admin. Expenses	-1.2	-1.4	-0.2	16.4%
Other operating expenses	0.0	0.0	0.0	nm
Other operating income	0.0	0.0	0.0	nm
Interest income	0.1	0.0	0.0	-25.0%
Interest expense	-1.6	-1.5	0.1	-7.4%
Other financial income/expense	0.0	0.1	0.0	66.7%
<i>Total operating expenses</i>	<i>-2.7</i>	<i>-2.8</i>	<i>0.0</i>	<i>1.8%</i>
Income from property mgmt.	5.9	5.5	-0.4	-6.8%
Value changes Properties	0.0	-4.0	-4.0	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>-4.0</i>	<i>-4.0</i>	<i>nm</i>
Pre-tax profit	5.9	1.5	-4.4	-74.9%
Current tax	0.0	-0.1	-0.1	169.7%
Deferred tax	-1.5	-2.6	-1.1	76.3%
Minorities/Other	0.0	0.0	0.0	nm
Net profit	4.4	-1.2	-5.6	-127.6%
EPS - basic	0.38	-0.1	-0.49	-127.4%
EPS - diluted	0.38	-0.1	-0.49	-127.4%
Net profit excl. value changes	4.4	2.8	-1.58	-36.1%
EPS - basic excl. value changes	0.40	0.26	-0.15	-36.1%
EPS - diluted excl. value changes	0.40	0.26	-0.15	-36.1%
Growth	Q4/25	Q4/25	Diff	Diff %
Rental income - y-on-y	7.8%	4.1%	na	-47.4%
Total income - y-on-y	7.9%	3.5%	na	-55.5%
Margins	Q4/25	Q4/25	Diff	Diff %
Net operating margin (NOI)	96.0%	95.4%	na	-0.6%
Property mgmt. margin	65.5%	63.3%	na	-3.4%
Pre-tax profit margin	65.5%	17.0%	na	-74.0%
Net profit margin	48.8%	-14.0%	na	-128.6%

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

Estimate changes

Estimate changes				
Rental income (EURm)	2025	2026E	2027E	2028E
Old estimate	nm	33.0	33.8	na
New estimate	nm	32.9	33.6	34.3
Change (EURm)	nm	-0.2	-0.2	na
Change	nm	-0.5%	-0.6%	na
EBITDA (EURm)	2025	2026E	2027E	2028E
Old estimate	nm	28.0	28.6	na
New estimate	nm	27.4	28.0	28.6
Change (EURm)	nm	-0.6	-0.6	na
Change	nm	-2.1%	-2.1%	na
EBIT (EURm)	2025	2026E	2027E	2028E
Old estimate	nm	27.9	28.5	na
New estimate	nm	27.3	27.9	28.6
Change (EURm)	nm	-0.6	-0.6	na
Change	nm	-2.1%	-2.1%	na
Pre-tax profit (EURm)	2025	2026E	2027E	2028E
Old estimate	nm	20.9	21.4	na
New estimate	nm	20.9	21.2	21.5
Change (EURm)	nm	0.0	-0.2	na
Change	nm	0.0%	-0.8%	na
EPS (EUR)	2025	2026E	2027E	2028E
Old estimate	nm	1.52	1.55	na
New estimate	nm	1.51	1.53	1.55
Change (EUR)	nm	-0.01	-0.02	na
Change	nm	-0.7%	-1.5%	na
Dividend (EUR)	2025E	2026E	2027E	2028E
Old estimate	1.20	1.21	1.22	na
New estimate	1.20	1.20	1.21	1.22
Change (EUR)	0.00	-0.01	0.00	na
Change	0.0%	-0.9%	-0.4%	na

Source: Enlight Research

Forecast

EFTEN Forecast								
Key ratios	Q1/26E	Q2/26E	Q3/26E	Q4/26E	2025	2026E	2027E	2028E
Net leasable area (m2 thous.)	355	355	355	355	355	355	355	355
Growth y-on-y	1.5%	0.0%	0.1%	0.0%	2.0%	0.0%	0.0%	0.0%
Occupancy rate	96.8%	96.8%	96.8%	97.4%	96.8%	97.4%	97.8%	98.4%
Leased Net area (m2 thous.)	343	343	343	346	343	346	347	349
Growth y-on-y	2.7%	0.6%	0.6%	0.7%	1.4%	0.7%	0.4%	0.6%
Rent per m2 Net area (EUR)	23.63	23.70	23.96	24.29	93.29	95.12	96.76	98.47
Growth y-on-y	2.9%	2.4%	1.0%	-0.2%	1.6%	2.0%	1.7%	1.8%
Income statement (EURm)								
	Q1/26E	Q2/26E	Q3/26E	Q4/26E	2025	2026E	2027E	2028E
Rental income	8.1	8.1	8.2	8.4	32.0	32.9	33.6	34.3
Other operating income	0.2	0.3	0.2	0.3	1.1	1.0	1.0	1.0
Total income	8.3	8.4	8.4	8.7	33.1	33.9	34.6	35.3
Cost of services sold	-0.4	-0.4	-0.4	-0.5	-1.7	-1.7	-1.7	-1.8
Net operating income (NOI)	7.9	8.0	8.0	8.2	31.4	32.1	32.8	33.6
Sales, General & Admin. Expenses	-1.2	-1.1	-1.0	-1.6	-4.7	-4.8	-4.9	-5.1
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	0.1	0.0	0.0	0.1
Interest income	0.0	0.0	0.0	0.2	0.2	0.2	0.2	0.2
Interest expense	-1.6	-1.6	-1.6	-1.9	-6.7	-6.7	-7.0	-7.3
Other financial income/expense	0.0	0.0	0.0	0.1	0.2	0.1	0.1	0.1
<i>Total operating expenses</i>	<i>-2.8</i>	<i>-2.7</i>	<i>-2.6</i>	<i>-3.2</i>	<i>-10.9</i>	<i>-11.2</i>	<i>-11.6</i>	<i>-12.0</i>
Income from property mgmt.	5.1	5.3	5.4	5.1	20.5	20.9	21.2	21.5
Value changes, Properties	0.0	0.0	0.0	0.0	-3.5	0.0	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	0.0	0.0	0.0	-3.5	0.0	0.0	0.0
Pre-tax profit	5.1	5.3	5.4	5.1	17.0	20.9	21.2	21.5
Current tax	-0.3	-0.6	-0.2	-0.2	-1.8	-1.3	-1.4	-1.4
Deferred tax	-0.6	-0.3	-0.7	-0.6	-3.0	-2.2	-2.3	-2.3
Minorities/Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	4.3	4.4	4.5	4.2	12.2	17.4	17.6	17.9
Growth								
	Q1/26E	Q2/26E	Q3/26E	Q4/26E	2025	2026E	2027E	2028E
Rental income - q-on-q	-2.9%	0.3%	1.1%	2.1%	na	na	na	na
Rental income - y-on-y	5.8%	2.8%	0.8%	0.4%	3.0%	2.7%	2.1%	2.3%
Total income - q-on-q	-4.0%	1.5%	-0.2%	3.2%	na	na	na	na
Total income - y-on-y	7.4%	2.5%	0.3%	-0.4%	2.6%	2.4%	2.1%	2.3%
Margins								
	Q1/26E	Q2/26E	Q3/26E	Q4/26E	2025	2026E	2027E	2028E
Net operating margin (NOI)	95.0%	95.0%	95.0%	94.6%	94.9%	94.9%	95.0%	95.0%
Property mgmt. margin	61.8%	63.2%	64.2%	58.2%	61.9%	61.8%	61.4%	61.0%
Pre-tax profit margin	61.8%	63.2%	64.2%	58.2%	51.4%	61.8%	61.4%	61.0%
Net profit margin	51.3%	52.5%	53.3%	48.3%	37.0%	51.3%	51.0%	50.6%

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

An increase in the interest rates could affect the net income and pressure the valuation of its property portfolio.

Liquidity risk

In the Baltics, commercial real estate liquidity is lower than in e.g., Scandinavia and Western Europe. This means it could take longer than expected to sell a property.

Operational risk (occupancy change)

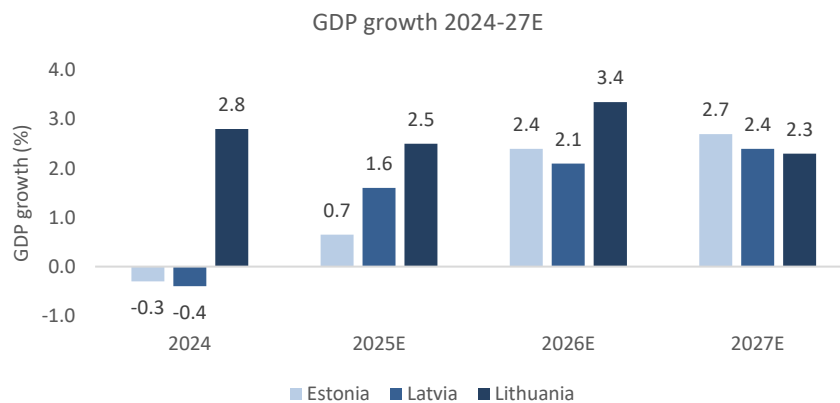
A significant downturn in the economy could lead to declining occupancy levels. This means less rental revenue for the fund. A lower occupancy rate could also lead to a breach of bank covenants.

New work habits

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

GDP growth

Slow or declining GDP growth can affect tenants' income and 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.

Income Statement	2024	2025	2026E	2027E	2028E
Net sales	31.1	32.0	32.9	33.6	34.3
Total operating costs	-4.6	-5.2	-5.5	-5.6	-5.7
EBITDA	26.5	26.8	27.4	28.0	28.6
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
EBIT	26.4	26.8	27.3	27.9	28.6
Financial net	-9.6	-9.7	-6.4	-6.7	-7.0
Pre-tax profit	16.8	17.0	20.9	21.2	21.5
Taxes	-3.2	-4.8	-3.6	-3.6	-3.7
Minority interest	0.0	0.0	0.0	0.0	0.0
Other items	0.0	0.0	0.0	0.0	0.0
Net profit	13.6	12.2	17.4	17.6	17.9

Balance Sheet	2024	2025	2026E	2027E	2028E
Cash and cash equivalent	21	20	21	21	22
Receivables	2	2	2	2	2
Inventories	0	0	0	0	0
Other current assets	0	0	0	0	0
Current assets	23	22	23	23	24
Tangible assets	374	381	388	395	402
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
Total fixed assets	376	384	391	397	404
Total Assets	399	406	413	421	428
Non-interest bearing current liabilities	0	0	0	0	0
Short-term debt	30	42	43	44	45
Other current liabilities	3	3	3	3	3
Total current liabilities	34	45	46	47	48
Long-term debt	119	112	115	117	120
Convertibles & Lease liab.	0	0	0	0	0
Deferred tax liabilities	11	13	13	13	13
Provisions	0	0	0	0	0
Other long-term liabilities	2	2	2	2	2
Total long-term liab.	132	126	129	132	135
Total Liabilities	166	172	176	179	183
Minority interest (BS)	0	0	0	0	0
Shareholders' equity	233	234	238	242	245
Total liabilities and equity	399	406	413	421	428

DCF valuation	Cash flow, mEUR		
WACC (%)	6.49 %	NPV FCF (2023-2025)	43
Assumptions 2023-2029 (%)		NPV FCF (2026-2032)	88
Sales CAGR	2.49 %	NPV FCF (2033-)	264
Avg. EBIT margin	84.69 %	Non-operating assets	20
Fair value per share (EUR)	22.69	Interest-bearing debt	-154
Share price (EUR)	19.75	Fair value estimate	261

Free Cash Flow	2024	2025	2026E	2027E	2028E
Operating profit	26.4	26.8	27.3	27.9	28.6
Depreciation & Amort.	0.1	0.1	0.1	0.1	0.1
Working capital chg.	0.1	-0.1	0.0	0.0	0.0
Other Operating CF items	-2.9	-4.6	-4.6	-4.8	-4.9
Operating Cash Flow	23.6	22.1	22.7	23.2	23.7
Net investments	-15.9	-7.3	-7.0	-7.0	-7.0
Other items	0.1	0.1	0.0	0.0	0.0

Capital structure	2024	2025	2026E	2027E	2028E
Equity ratio	58.5%	57.7%	57.5%	57.4%	57.3%
Debt / Equity ratio	64.1%	65.8%	66.4%	66.9%	67.3%
Gearing %	55.3%	57.1%	57.7%	58.1%	58.5%
Net debt/EBITDA	4.9	5.0	5.0	5.0	5.0
Interest coverage ratio	3.1	4.3	4.3	4.2	4.1

Profitability	2024	2025	2026E	2027E	2028E
ROE	6.0%	5.2%	7.4%	7.4%	7.4%
FCF yield	3.8%	6.7%	6.9%	7.1%	7.3%
EBITDA margin	85.1%	83.7%	83.4%	83.4%	83.4%
EBIT margin	84.8%	83.6%	83.2%	83.3%	83.2%
PTP margin	54.0%	53.1%	63.7%	63.3%	62.7%
Net margin	43.7%	38.2%	52.9%	52.5%	52.1%

Valuation	2024	2025	2026E	2027E	2028E
P/E	15.1	18.0	13.1	13.0	12.8
P/E, adjusted	15.1	18.0	13.1	13.0	12.8
P/Sales	6.6	6.9	6.9	6.8	6.6
EV/Sales	10.8	11.2	11.1	11.0	10.8
EV/EBITDA	12.7	13.4	13.3	13.2	13.0
EV/EBIT	12.7	13.4	13.4	13.2	13.0
P/BV	0.9	0.9	1.0	0.9	0.9
P/BV tangible	0.9	0.9	1.0	0.9	0.9

Per share ratios	2024	2025	2026E	2027E	2028E
EPS	1.25	1.06	1.51	1.53	1.55
EPS, adjusted	1.25	1.06	1.51	1.53	1.55
Operating CF/share	2.18	1.92	1.97	2.01	2.06
Free Cash Flow/share	0.72	1.28	1.36	1.41	1.45
BV/share	21.54	20.32	20.63	20.96	21.29
Tangible BV/share	21.54	20.32	20.63	20.96	21.29
Div. per share	1.11	1.20	1.20	1.21	1.22
Div. payout ratio	88.5%	113.1%	79.7%	79.5%	78.8%
Dividend yield	5.9%	6.1%	6.1%	6.2%	6.2%

Shareholders	Capital	Votes
LHV Pension Fund Ettevõtlik	31.034	13.60 %
REF Aktsiad OÜ	25.557	11.20 %
Hoiukonto OÜ	24.873	10.90 %
Altiuse KVI OÜ	23.732	10.40 %
Vello Kunman	12.551	5.50 %
EFTEN Capital AS	5.705	2.50 %

Key people

CEO	Kristjan Tamla
CFO	Marilyn Hein
IR	Kristjan Tamla
Chairman	Viljar Arakas

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	$\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortization}}$	EAFF/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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