

## Establishing “new normal”

**The reported FY 2022/23 profits established the base for the “new normal” earnings trajectory following the abnormally high profits in 2021/22. Food products staged a nice turnaround. We believe a dividend according to policy would be a positive message to investors.**

### Profits back to long-term trend

The 2022/23 Net profit of EUR 18m is up from EUR 14m two years ago and EUR 10m three years ago i.e., the long-term positive earnings trend is intact (not including the record EUR 75m Net profit last year). At the webinar, management stated an EBITDA of EUR 70-90m as the “new normal”, which is in-line with our new 2023/24-2025/26 estimates.

### Food products back in black

After two years of EBIT losses, the Food segment posted a profit of EUR 7.9m in 2022/23. The turnaround was driven by a strong H2-22/23 EBIT of EUR 6.4m vs. a loss of EUR 1.6m in H2-21/22. The Flour & Instant Food segment was the main profitability driver improving its FY 2022/23 Gross profit by 75% y-on-y to EUR 16.1m.

### First test of dividend policy

The 2022/23 dividends (to be proposed in Oct.) will be the first test of the new dividend policy to payout 20% of net profits. Even though the company is in an investment phase, we believe the min. 20% will be paid out, equal to a yield of 1.8%. More important than the yield, is the message that the dividend policy is followed.

### Key figures (MEUR)

	21/22	22/23	23/24E	24/25E	25/26E
Net sales	1,895.7	1,999.3	1,958.4	2,004.4	2,047.6
Net sales growth	101.1%	5.5%	-2.1%	2.4%	2.2%
EBITDA	132.2	67.0	71.1	74.7	79.9
EBITDA margin	7.0%	3.4%	3.6%	3.7%	3.9%
EBIT	103.6	41.1	45.1	48.8	53.5
EBIT margin	5.5%	2.1%	2.3%	2.4%	2.6%
EV/Sales	0.2	0.3	0.3	0.3	0.2
EV/EBITDA	3.5	8.2	7.4	6.9	6.0
EV/EBIT	4.5	13.3	11.7	10.6	9.0
P/E adj.	2.4	12.4	9.3	8.1	6.7
P/BV	0.7	0.8	0.7	0.6	0.6
EPS adj.	0.47	0.11	0.13	0.15	0.18
EPS growth adj.	422.41%	-76.41%	20.64%	15.20%	20.20%
Div. per share	0.03	0.02	0.03	0.03	0.04
Dividend yield	2.75%	1.80%	2.15%	2.48%	2.98%

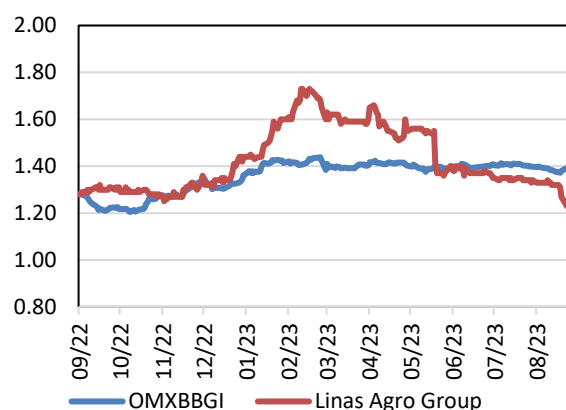
Source: Company data, Enlight Research estimates

### Fair value range (EUR)

Bull (term. EBIT marg. 3.5%)	2.21
Base (term. EBIT marg. 3.0%)	1.82
Bear (term. EBIT marg. 2.5%)	1.44

### Key Data

Price (EUR)	1.24
Ticker	LNA1L
Country	Lithuania
Listed	Vilnius (Lithuania)
Market Cap (EURm)	200
Net debt (EURm)	314
Shares (m)	161.1
Free float	20%



### Price range

52-week high	1.73
52-week low	1.23

### Analyst

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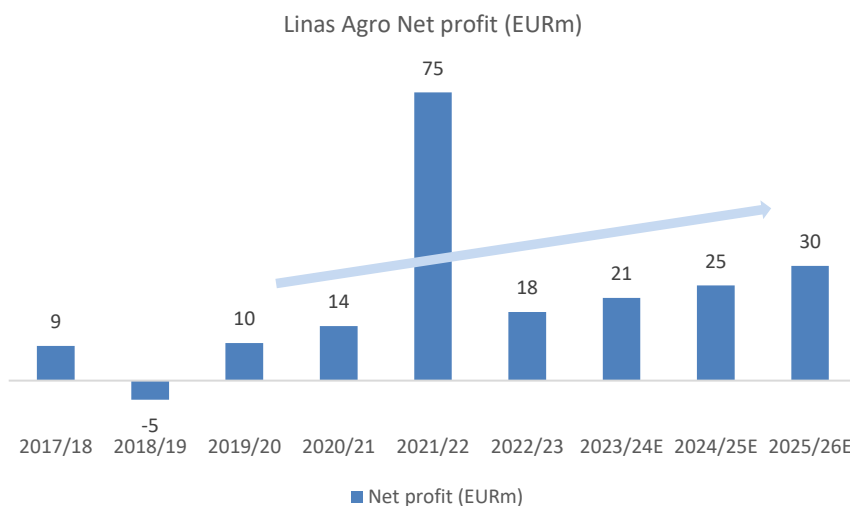
### Coverage frequency

2x per year

## Key takeaways

### Profits back to long-term trend

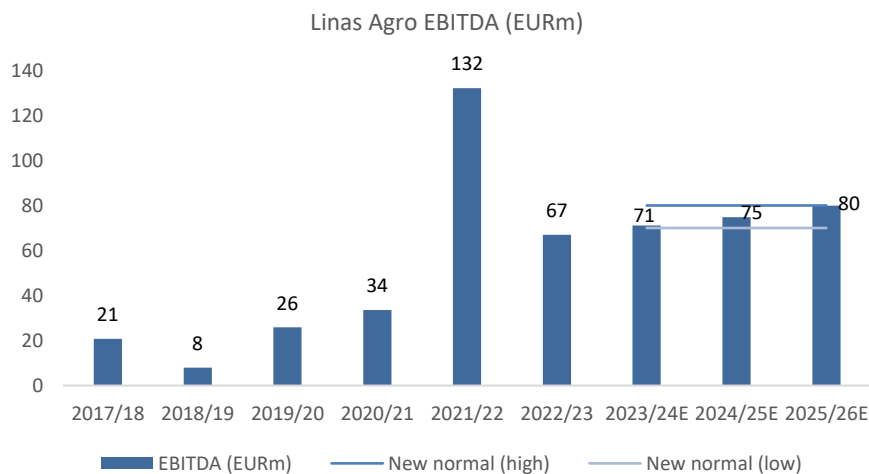
The Fiscal year 2021/22 EUR 75m Net profit was abnormal as record commodity prices created extremely good grain trading conditions. Furthermore, strong demand for products and services for farming boosted profits. Although the 2022/23 Net profit of EUR 18m was below our forecast of EUR 22m (we got a bit carried away by previous year’s record profit), it confirms a return to the long-term positive trend started three years ago (see below chart). For this fiscal year 2023/24, we forecast a Net profit increase of 21% to EUR 21m



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

### “New normal” EBITDA EUR 70-90m

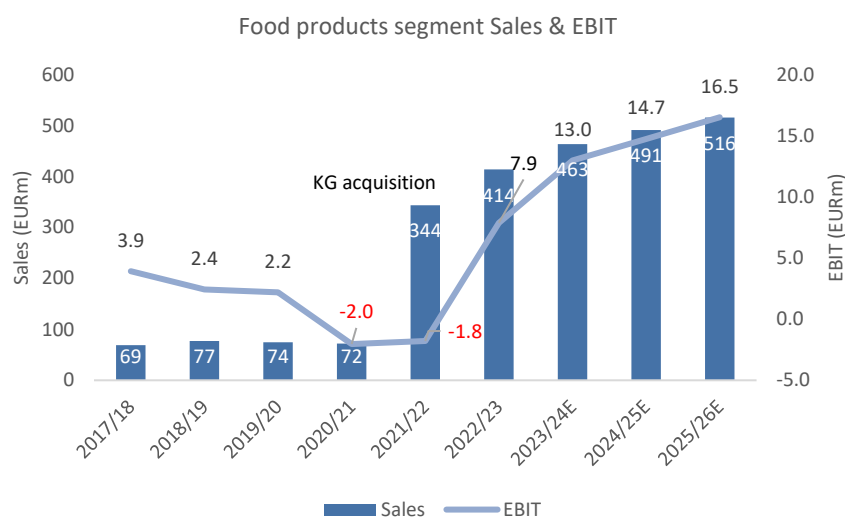
At the earnings call webinar, the company stated an annual EBITDA of EUR 70-90m as the “new normal” following the KG acquisition (consolidated starting 2021/22) vs. EUR 20-30m before the acquisition. This can be compared to the record year 2021/22 EBITDA of EUR 132m and last year’s (just reported) EBITDA of EUR 67m i.e., slightly below the stated “new normal”. This year, we forecast an EBITDA of EUR 71m followed by EUR 75m in 2024/25E, and EUR 80m in 2025/26E i.e., we believe the EBITDA will be within the stated “new normal” EBITDA range in the forecast period 2023-25.



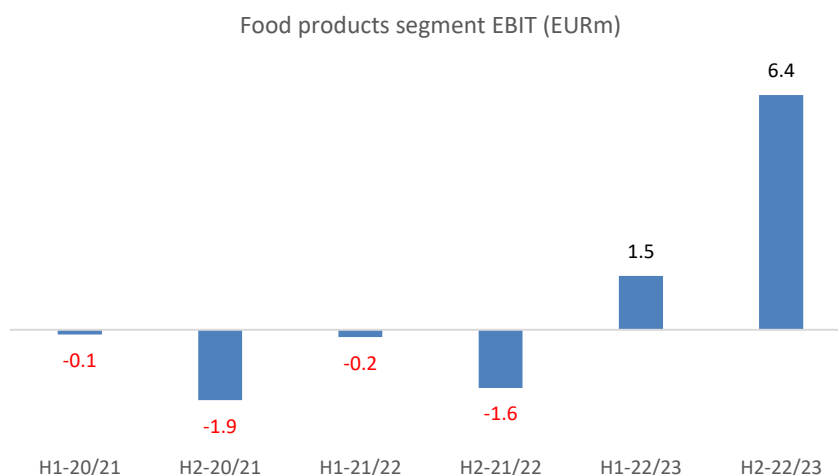
Source: Company (historical, new normal), Enlight Research (estimates)

### Food products outlook positive

After two years of EBIT losses both before and after the KG acquisition, the Food products segment returned to profitability last year with an EBIT of EUR 7.9m corresponding to a margin of 1.9%. The turnaround was especially strong in H2-22/23 when the EBIT improved to EUR 6.4m vs. negative EUR 1.6m in the same period last year. The main reason for the Food product segment’s fiscal year turnaround was the Flour & Instant foods sub-segment that improved its 2022/23 Gross profit by 75% y-on-y from EUR 9.2m to EUR 16.1m this year. The existing instant noodles food plant is running at full capacity and the demand is strong, which is why the company plans to invest around EUR 40m to almost double the capacity from 265m units to 505m units by 2024. The poultry segment is still challenging with a 10% Gross profit decline in 2022/23 (was not profitable at the bottom line in 2022/23 according to statement made in webinar). It is still too early to say if the poultry segment can return to profitability in 2023/24 but lower energy prices give hope (Lithuanian electricity price was down 52% y-on-y in Q2/23). This fiscal year (2023/24), we forecast the Food products segment to increase Sales by 12% to EUR 463m with an EBIT of EUR 13.0m compared to EUR 7.9m last fiscal year (estimated EBIT margin improvement from 1.9% to 2.8%). Worth noting is that the Food products segment had an EBIT margin of 3-6% in 2017/18-2019/20 so our 3.0% margin this year is realistic in our view.



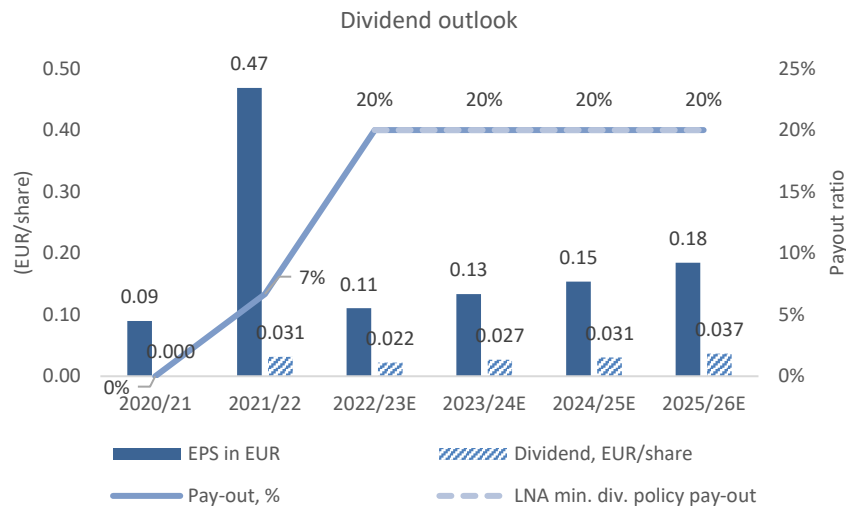
Source: Company (historical), Enlight Research (estimates)



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

**First test of Dividend policy**

Linus Agro’s dividend policy was approved on 15 June this year i.e., the reported fiscal year (FY) 2022/23 will be the first year with the dividend policy in place. According to the policy, no less than 20% of the Group's consolidated net profit shall be allocated to dividends. We believe the dividend policy will be followed and estimate a FY 2022/23 dividend of EUR 0.02 per share, equal to 20% dividend pay-out ratio (would be proposed and paid in 2023/24). Our dividend yield estimate for FY 2023/24 is 2.2% (net yield 1.8%) followed by a gradual increase to 3.0% (net yield 2.6%) in 2025/26. Linus Agro is still in an investment phase. Hence, our forecast yield is not high at 2-3%. However, we regard it as a positive sign if the dividend policy is followed - even at minimum payout level like we forecast. The proposed dividend is expected to be published in the AGM announcement in the beginning of October this year.



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

## Valuation

### Peer valuation

We have excluded the Ukrainian companies Astarta and Agroton from our peer universe. Based on estimated EV/EBITDA 2023 (LNA's current forecast fiscal year 2023/24), LNA is trading at discount of around 17% to the peer group (7.2x vs. peer avg. of 8.7x). In our view, LNA's increased focus on food products (following KG acquisition) could motivate a premium to peers as shown by Fodelia's and Raisio's premium multiples.

#### Linus Agro peer valuation

Company	Ticker	Ccy	Price (last)	Mcap (m) (last)	EV (last)	EV/EBITDA 2021	EV/EBITDA 2022	EV/EBITDA 2023E	EV/EBITDA 2024E	EV/EBITDA 2025E
FirstFarms A/S	FFARMS	DKK	74.00	582	1,087	9.5	7.4	10.4	9.9	9.4
Orior AG	ORON	CHF	73.95	483	598	9.3	9.3	9.2	8.9	8.7
Fodelia	FODELIA	EUR	4.52	36	42	17.6	14.8	9.9	7.7	6.7
Raisio Oyj K	RAIVV	EUR	2.08	329	335	11.0	11.8	10.5	9.1	8.4
Podravka D.D.	PODR	HRK	1094.70	7678	8533	14.4	12.1	11.5	10.8	9.7
Adecoagro	AGRO	USD	11.83	1,295	1,917	4.4	4.4	4.4	3.8	4.5
Bonduelle	BON	EUR	10.70	344	375	3.4	3.4	4.8	4.5	4.1
<b>Average</b>						<b>10.0</b>	<b>9.0</b>	<b>8.7</b>	<b>7.8</b>	<b>7.3</b>
Linus Agro Group	LNA1L	EUR	1.23	198	512	3.9	7.7	7.2	6.9	6.4

Source: MarketScreener, Enlight Research (Linus Agro), share prices on 11 September 2023

### DCF valuation

Our Base case DCF Fair value per share is lowered to EUR 1.82 (prev. 2.06), which implies an upside around 48%. The main reason for the lower Fair value are lower estimates (see estimate changes section). Our Base cases assumes a terminal sales growth rate of 2.0% and a terminal EBIT margin of 3.0%. Our Bear and Bull case Fair value per share is EUR 1.44 (prev. 1.71), and EUR 2.21 (prev. 2.41), respectively. The only difference between our different scenarios is the assumed terminal EBIT margin, which is 2.5% for our Bear case and 3.5% for our Bull case. See below table for DCF value sensitivity to different parameters.

DCF Valuation Scenarios	Bear	Base	Bull
WACC	9.3%	9.3%	9.3%
Terminal sales growth	2.0%	2.0%	2.0%
Terminal EBIT margin	2.5%	3.0%	3.5%
Fair Value per share (EUR)	1.44	1.82	2.21
Upside/Downside	17%	48%	80%
Last price (EUR)	1.23	1.23	1.23

Source: Enlight Research

Sensitivity parameters	Base case	Step	Test values & Results										
<b>Equity beta</b>	1.05	0.15	0.30	0.45	0.60	0.75	0.90	<b>1.05</b>	1.20	1.35	1.50	1.65	1.80
<i>Fair value (DCF)</i>	1.82		3.00	2.71	2.45	2.22	2.01	<b>1.82</b>	1.65	1.50	1.36	1.22	1.10
<b>Target debt ratio*</b>	45.0 %	5.0 %	20%	25%	30%	35%	40%	<b>45%</b>	50%	55%	60%	65%	70%
<i>Fair value (DCF)</i>	1.82		1.12	1.24	1.37	1.51	1.66	<b>1.82</b>	2.01	2.21	2.43	2.68	2.95
<b>Risk-free IR</b>	3.5 %	0.5 %	1.0 %	1.5 %	2.0 %	2.5 %	3.0 %	<b>3.5 %</b>	4.0 %	4.5 %	5.0 %	5.5 %	6.0 %
<i>Fair value (DCF)</i>	1.82		2.63	2.44	2.27	2.11	1.96	<b>1.82</b>	1.70	1.58	1.47	1.36	1.26

Source: Enlight Research, \*Debt/(Debt + Equity)

## Estimate deviations

### By segment

The Q4-22/23 Grain, Oilseeds, and Feed segment Revenues came in 24% or EUR 52m above forecast. The Product & services for farming reported 33% or EUR 29m higher than expected Revenues in Q4-22/23. The Food products segment Q4-22/23 Revenue was 8% or EUR 9m below forecast, while the Agri production and Other products segment Revenues were in-line with estimates. The Q4-22/23 Operating profit for the Grain, Oilseeds, and Feed and the Product & services for farming segments were EUR 13m below forecast which was somewhat offset by EUR 6m higher than forecast Operating profit from the other segments (Agri production, Food products, Other products).

#### Quarterly Segment deviations

Revenue	Q4-22/23	Q4-22/23	Difference	
	Estimate	Actual	EURm	%
Grain, Oilseeds, and Feed	215.5	267.7	52.2	24%
Product & services for farming	88.6	117.4	28.8	33%
Agricultural production	5.4	5.4	-0.1	-1%
Food products	112.9	103.9	-9.0	-8%
Other products	4.8	4.6	-0.2	-3%
<b>Total</b>	<b>427.1</b>	<b>499.0</b>	<b>71.9</b>	<b>17%</b>

Revenue growth	Q4-22/23	Q4-22/23	Difference	
	Estimate	Actual	EURm	%-pts
Grain, Oilseeds, and Feed	-31.3%	-14.7%	na	16.6
Product & services for farming	-25.7%	-1.6%	na	24.2
Agricultural production	-17.1%	-18.3%	na	-1.2
Food products	10.9%	2.1%	na	-8.8
Other products	-26.6%	-29.1%	na	nm
<b>Total</b>	<b>-22.0%</b>	<b>-8.9%</b>		<b>13.1</b>

Operating profit (bef. elim.)	Q4-22/23	Q4-22/23	Difference	
	Estimate	Actual	EURm	%
Grain, Oilseeds, and Feed	-3.1	-12.5	-9.4	301%
Product & services for farming	3.0	-0.8	-3.8	-125%
Agricultural production	4.9	9.7	4.8	98%
Food products	5.3	6.2	0.9	17%
Other products	-1.4	-0.8	0.6	-43%
<b>Total</b>	<b>8.7</b>	<b>1.9</b>	<b>-6.8</b>	<b>-78%</b>

Operating margin (bef. elim.)	Q4-22/23	Q4-22/23	Difference	
	Estimate	Actual	EURm	%-pts
Grain, Oilseeds, and Feed	-1.4%	-4.7%	na	-3.2
Product & services for farming	3.4%	-0.7%	na	-4.1
Agricultural production	90.2%	180.9%	na	90.8
Food products	4.7%	6.0%	na	1.3
Other products	-29.8%	-17.5%	na	12.3
<b>Total</b>	<b>2.0%</b>	<b>0.4%</b>	<b>na</b>	<b>-1.7</b>

Source: Company reports, Enlight Research

### Group estimate deviations

The Q4-22/23 Sales was 17% or EUR 72m better than expected. The Q4-22/23 Gross profit was 25% or EUR 8m below forecast as the Cost of Sales was 20% higher than estimated. The Q4-22/23 Operating profit was 27% or EUR 1.4m below forecast (EUR 3.9m vs. forecast EUR 5.3m), while the Net profit was EUR 1.3m below estimate (loss of EUR 1.2m vs. estimated profit of EUR 0.1). The Q4-22/23 EBITDA was 52% or EUR 6m lower than forecast (EUR 5.7m vs. forecast EUR 12.0m). The Grain, Oilseeds, and Feed segment as well as the Product & services for farming segment were the reasons for the lower than expected profits.

Group deviations P&L	Q4-22/23	Q4-22/23	Difference	
	Estimate	Actual	EURm	%
Total Sales	427.1	499.0	71.9	17%
Cost of sales	-395.6	-475.3	-79.7	20%
<b>Gross profit</b>	<b>31.4</b>	<b>23.6</b>	<b>-7.8</b>	<b>-25%</b>
Operating expense	-25.7	-26.2	-0.5	2%
Other income	2.1	6.0	3.9	180%
Other expenses	-2.6	0.5	3.0	-118%
<b>Operating profit</b>	<b>5.3</b>	<b>3.9</b>	<b>-1.4</b>	<b>-27%</b>
<i>Financial net</i>	<i>-5.0</i>	<i>-4.4</i>	<i>0.6</i>	<i>-13%</i>
<b>Pre-tax profit</b>	<b>0.3</b>	<b>-0.5</b>	<b>-0.8</b>	<b>nm</b>
Tax	-0.3	-0.7	-0.5	nm
<b>Net profit</b>	<b>0.1</b>	<b>-1.2</b>	<b>-1.3</b>	<b>nm</b>
Depreciation	6.7	5.1	-1.7	-25%
<b>EBITDA</b>	<b>12.0</b>	<b>5.7</b>	<b>-6.3</b>	<b>-52%</b>

Revenue growth	Q4-22/23	Q4-22/23	Difference	
	Estimate	Actual	EURm	%-pts
Total sales y-on-y	-22.0%	-8.9%	na	13.1

Margins	Q4-22/23	Q4-22/23	Difference	
	Estimate	Actual	EURm	%-pts
Gross margin	7.4%	4.7%	na	-2.6
EBITDA margin	2.8%	1.2%	na	-1.7
Operating margin	1.2%	0.8%	na	-0.5
Pre-tax margin	0.1%	-0.1%	na	-0.2
Net margin	0.0%	-0.2%	na	-0.3

Source: Company reports, Enlight Research

## Estimate changes

Our 2022/23, and 2024/25 Sales estimates are raised by 5-7% following the higher than estimates sales in Q4-22/23. Our EBIT estimate is lowered by 7% for the current fiscal year and 1% for the next fiscal year. The Net profit is lowered by 18% this fiscal year and by 14% for the next fiscal year (partly due to higher interest expenses). Our Dividend per share is lowered to EUR 0.03 (prev. 0.05) this FY, and to EUR 0.04 (prev. 0.06) next FY. For the last FY 2022/23, we forecast a dividend (to be proposed in October 2023) of EUR 0.02 per share (prev. 0.04).

### Group estimate changes

Sales (EURm)	2023/24E	2024/25E	2025/26E
Old estimate	1,861	1,870	nm
New estimate	1,958	2,004	nm
Change	97	134	nm
Change (pct)	5.2%	7.2%	nm

EBIT (EURm)	2023/24E	2024/25E	2025/26E
Old estimate	48.5	49.2	nm
New estimate	45.1	48.8	nm
Change	-3.4	-0.4	nm
Change (pct)	-7.0%	-0.8%	nm

Pre-tax Profit (EURm)	2023/24E	2024/25E	2025/26E
Old estimate	33.5	36.5	nm
New estimate	28.1	31.9	nm
Change	-5.4	-4.6	nm
Change (pct)	-16.0%	-12.6%	nm

Net profit (EURm)	2023/24E	2024/25E	2025/26E
Old estimate	26.0	28.7	nm
New estimate	21.5	24.7	nm
Change	-4.6	-3.9	nm
Change (pct)	-17.5%	-13.7%	nm

EPS (EUR)	2023/24E	2024/25E	2025/26E
Old estimate	0.21	0.21	nm
New estimate	0.13	0.15	nm
Change	-0.08	-0.06	nm
Change (pct)	-36.9%	-27.3%	nm

Dividend (EUR)	2023/24E	2024/25E	2025/26E
Old estimate	0.05	0.06	nm
New estimate	0.03	0.03	nm
Change	-0.02	-0.03	nm
Change (pct)	-46.7%	-48.8%	nm

Source: Enlight Research



**Forecast****Grains, Oilseeds, and Feed**

	Q1-23/24E	Q2-23/24E	Q3-23/24E	Q4-23/24E	2022/23	2023/24E
Revenue (external)	302.3	295.6	187.6	271.8	1,127.2	1,057.3
Revenue growth y-on-y	-12.0%	-10.0%	0.0%	1.6%	0.7%	-6.2%
Operating profit	4.5	4.7	3.6	2.5	16.8	15.3
Operating margin	1.5%	1.6%	1.9%	0.9%	1.5%	1.5%

**Product & services for farming**

	Q1-23/24E	Q2-23/24E	Q3-23/24E	Q4-23/24E	2022/23	2023/24E
Revenue (external)	121.4	95.1	57.3	111.5	405.6	385.3
Revenue growth y-on-y	-5.0%	-5.0%	-5.0%	-5.0%	8.2%	-5.0%
Operating profit	3.6	2.9	1.7	5.3	9.7	13.5
Operating margin	3.0%	3.0%	3.0%	4.7%	2.4%	3.5%

**Agricultural production**

	Q1-23/24E	Q2-23/24E	Q3-23/24E	Q4-23/24E	2022/23	2023/24E
Revenue (external)	10.6	10.2	9.7	5.5	35.0	36.0
Revenue growth y-on-y	3.0%	3.0%	3.0%	3.0%	32.7%	3.0%
Operating profit	1.1	0.4	0.6	8.8	12.5	10.8
Operating margin	10.0%	4.0%	6.0%	158.4%	35.8%	30.0%

**Food products**

	Q1-23/24E	Q2-23/24E	Q3-23/24E	Q4-23/24E	2022/23	2023/24E
Revenue (external)	118.0	112.0	116.9	116.4	413.7	463.4
Revenue growth y-on-y	12%	12%	12%	12%	20%	12%
Operating profit	4.1	1.1	1.2	6.6	7.9	13.0
Operating margin	3.5%	1.0%	1.0%	5.6%	1.9%	2.8%

**Other products**

	Q1-23/24E	Q2-23/24E	Q3-23/24E	Q4-23/24E	2022/23	2023/24E
Revenue (external)	2.9	4.6	4.2	4.7	17.9	16.4
Revenue growth y-on-y	na	na	na	na	-43%	-8%
Operating profit	0.1	0.1	0.1	0.1	0.8	0.3
Operating margin	2.0%	2.0%	2.0%	2.0%	4.5%	2.0%

**Income statement**

	Q1-23/24E	Q2-23/24E	Q3-23/24E	Q4-23/24E	2022/23	2023/24E
Revenues	555.3	517.4	375.7	510.0	1,999.3	1,958.4
Cost of sales	-513.6	-477.9	-346.4	-470.7	-1,862.6	-1,808.6
<b>Gross profit</b>	<b>41.6</b>	<b>39.6</b>	<b>29.3</b>	<b>39.3</b>	<b>136.8</b>	<b>149.8</b>
Operating expense	-26.1	-26.9	-23.7	-31.0	-98.8	-107.7
Other income	2.8	3.6	2.3	5.1	13.5	13.7
Other expenses	-4.4	-6.3	2.2	-2.3	-7.1	-10.7
<b>Operating profit</b>	<b>13.9</b>	<b>10.0</b>	<b>10.1</b>	<b>11.0</b>	<b>41.1</b>	<b>45.1</b>
<i>Financial net</i>	-4.3	-4.3	-4.3	-4.3	-15.8	-17.0
<b>Pre-tax profit</b>	<b>9.7</b>	<b>5.8</b>	<b>5.9</b>	<b>6.8</b>	<b>25.3</b>	<b>28.1</b>
Tax	-1.5	-0.9	-0.9	-1.0	-4.9	-4.2
Minority	-1.0	-0.5	-0.5	-0.4	-2.7	-2.4
<b>Net profit</b>	<b>7.2</b>	<b>4.4</b>	<b>4.5</b>	<b>5.4</b>	<b>17.8</b>	<b>21.5</b>
Depreciation	6.5	6.5	6.5	6.5	25.8	26.0
<b>EBITDA</b>	<b>20.4</b>	<b>16.5</b>	<b>16.6</b>	<b>17.5</b>	<b>67.0</b>	<b>71.1</b>

**Growth**

	Q1-23/24E	Q2-23/24E	Q3-23/24E	Q4-23/24E	2022/23	2023/24E
Revenues y-on-y	-5.9%	-4.9%	2.5%	2.2%	5.5%	-2.0%

**Margins**

	Q1-23/24E	Q2-23/24E	Q3-23/24E	Q4-23/24E	2022/23	2023/24E
Gross profit margin	7.5%	7.7%	7.8%	7.7%	6.8%	7.7%
EBITDA margin	3.7%	3.2%	4.4%	3.4%	3.3%	3.6%
Operating profit margin	2.5%	1.9%	2.7%	2.2%	2.1%	2.3%
Pre-tax profit margin	1.7%	1.1%	1.6%	1.3%	1.3%	1.4%
Net profit margin	1.3%	0.8%	1.2%	1.1%	0.9%	1.1%

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

## **Risk factors**

Below risk factors are not a complete list of risks related to Linas Agro Group, but rather a list of risks that we view as the most important to highlight given the current environment. For examples of additional risks, we recommend reading the Company's Annual Reports.

### **Livestock**

The risk of a severe animal disease is not factored into our estimates. If one of Linas Agro Group's poultry or dairy farms is hit by a severe animal disease, our estimates will most likely have to be adjusted downwards.

### **Share liquidity**

The low free float of 20% means the liquidity in the share is lower relative to most similar sized companies. We would welcome a distribution from the main shareholders in order increase the share liquidity and thereby lower the risk in the share.

### **Russia – Ukraine risk**

The company managed to sell 3 out of 4 companies in Russia and Belarus, therefore limiting the geopolitical risk. The main challenge is to replace goods previously supplied from Russia and Belarus.

### **Weather dependent**

Most of Linas Agro's segments are dependent on the weather, which is inherently hard to predict. A good harvest (favourable weather) is positive for the Product & Services for farming and Agricultural production segments and vice versa. The grain trading segment is also dependent on the weather, but it is not always the case that a good harvest is favourable.

<b>Income Statement</b>						<b>Free Cash Flow</b>					
	21/22	22/23	23/24E	24/25E	25/26E		21/22	22/23	23/24E	24/25E	25/26E
Net sales	1895.7	1999.3	1958.4	2004.4	2047.6	Operating profit	103.6	41.1	45.1	48.8	53.5
Total operating costs	-1763.5	-1932.4	-1887.3	-1929.7	-1967.7	Depreciation & Amort.	28.6	25.8	26.0	25.9	26.3
<b>EBITDA</b>	<b>132.2</b>	<b>67.0</b>	<b>71.1</b>	<b>74.7</b>	<b>79.9</b>	Working capital chg.	-183.0	-60.3	40.7	1.7	2.6
Depreciation & Amort.	-28.6	-25.8	-26.0	-25.9	-26.3	Other Operating CF items	-18.8	-10.1	-6.8	-7.3	-8.0
One-off EBIT items	0.0	0.0	0.0	0.0	0.0	<b>Operating Cash Flow</b>	<b>-69.6</b>	<b>-3.5</b>	<b>105.0</b>	<b>69.1</b>	<b>74.5</b>
<b>EBIT</b>	<b>103.6</b>	<b>41.1</b>	<b>45.1</b>	<b>48.8</b>	<b>53.5</b>	Net investments	-93.0	-14.3	-77.0	-40.1	-12.1
Financial net	-12.8	-15.8	-17.0	-16.9	-15.7	Other items	1.9	-0.5	0.0	0.0	0.0
<b>Pre-tax profit</b>	<b>90.8</b>	<b>25.3</b>	<b>28.1</b>	<b>31.9</b>	<b>37.8</b>	<b>Free Cash Flow</b>	<b>-160.7</b>	<b>-18.2</b>	<b>28.1</b>	<b>29.1</b>	<b>62.4</b>
Taxes	-13.6	-4.9	-4.2	-4.8	-5.7	<b>Capital structure</b>					
Minority interest	-2.4	-2.7	-2.4	-2.4	-2.4		21/22	22/23	23/24E	24/25E	25/26E
Other items	0.0	0.0	0.0	0.0	0.0	Equity ratio	32.1%	33.3%	34.8%	36.2%	39.4%
<b>Net profit</b>	<b>74.8</b>	<b>17.8</b>	<b>21.5</b>	<b>24.7</b>	<b>29.7</b>	Debt / Equity ratio	109.7%	116.0%	108.7%	100.3%	81.4%
<b>Balance Sheet</b>						Gearing %	98.3%	106.0%	99.6%	92.0%	74.4%
	21/22	22/23	23/24E	24/25E	25/26E	Net debt/EBITDA	2.1	4.7	4.4	4.1	3.4
Cash and cash equivalent	21	13	13	13	14	<b>Profitability</b>					
Receivables	315	327	294	301	307		21/22	22/23	23/24E	24/25E	25/26E
Inventories	244	266	255	251	246	ROE	32.3%	6.4%	7.4%	8.0%	8.9%
Other current assets	53	51	51	51	51	FCF yield	-88.3%	-8.3%	14.2%	14.7%	31.5%
<b>Current assets</b>	<b>633</b>	<b>657</b>	<b>612</b>	<b>616</b>	<b>618</b>	EBITDA margin	7.0%	3.4%	3.6%	3.7%	3.9%
Tangible assets	166	174	225	240	225	EBIT margin	5.5%	2.1%	2.3%	2.4%	2.6%
Goodwill & intang. assets	10	12	12	12	12	PTP margin	4.8%	1.3%	1.4%	1.6%	1.9%
Lease & Invest.. properties	25	31	37	40	41	Net margin	4.0%	0.9%	1.1%	1.2%	1.5%
Investments	2	7	7	7	7	<b>Valuation</b>					
Associated companies	0	0	0	0	0		21/22	22/23	23/24E	24/25E	25/26E
Other non-current assets	37	13	13	13	13	P/E	2.4	12.4	9.3	8.1	6.7
<b>Total fixed assets</b>	<b>240</b>	<b>236</b>	<b>294</b>	<b>311</b>	<b>297</b>	P/E, adjusted	2.4	12.4	9.3	8.1	6.7
<b>Total Assets</b>	<b>873</b>	<b>894</b>	<b>906</b>	<b>926</b>	<b>915</b>	P/Sales	0.1	0.1	0.1	0.1	0.1
Non-IR current liabilities	206	199	195	199	203	EV/Sales	0.2	0.3	0.3	0.3	0.2
Short-term debt	234	263	262	255	217	EV/EBITDA	3.5	8.2	7.4	6.9	6.0
Other current liabilities	79	58	58	58	58	EV/EBIT	4.5	13.3	11.7	10.6	9.0
<b>Total current liabilities</b>	<b>518</b>	<b>520</b>	<b>514</b>	<b>511</b>	<b>478</b>	P/BV	0.7	0.8	0.7	0.6	0.6
Long-term debt	22	28	28	27	23	P/BV tangible	0.7	0.8	0.7	0.6	0.6
Convertibles & Lease liab.	40	36	37	40	41	<b>Per share ratios</b>					
Deferred tax liabilities	2	1	1	1	1		21/22	22/23	23/24E	24/25E	25/26E
Provisions	0	0	0	0	0	EPS	0.47	0.11	0.13	0.15	0.18
Other long-term liabilities	11	10	10	10	10	EPS, adjusted	0.47	0.11	0.13	0.15	0.18
<b>Total long-term liab.</b>	<b>75</b>	<b>77</b>	<b>77</b>	<b>79</b>	<b>76</b>	Operating CF/share	-0.44	-0.02	0.65	0.43	0.46
<b>Total Liabilities</b>	<b>593</b>	<b>596</b>	<b>591</b>	<b>591</b>	<b>554</b>	Free Cash Flow/share	-1.01	-0.11	0.17	0.18	0.39
Minority interest (BS)	10	14	14	14	14	BV/share	1.69	1.76	1.87	1.99	2.15
Shareholders' equity	270	283	301	321	346	Tangible BV/share	1.68	1.75	1.86	1.99	2.14
<b>Total liabilities and equity</b>	<b>873</b>	<b>894</b>	<b>906</b>	<b>926</b>	<b>915</b>	Div. per share	0.03	0.02	0.03	0.03	0.04
<b>DCF valuation</b>						Div. payout ratio	6.7%	20.0%	20.0%	20.0%	20.0%
						Dividend yield	2.8%	1.8%	2.2%	2.5%	3.0%
						<b>Shareholders</b>					
								<b>Capital</b>		<b>Votes</b>	
WACC (%)	9.35 %	NPV FCF (2023-2025)			95	Akola ApS (Denmark)		135.763		68.52 %	
Assumptions 2023-2029 (%)		NPV FCF (2026-2032)			246	Darius Zubas		21.062		10.63 %	
Sales CAGR	2.08 %	NPV FCF (2033-)			276	UAB INVL Asset Management		11.195		5.65 %	
Avg. EBIT margin	2.68 %	Non-operating assets			4						
Fair value per share (EUR)	1.82	Interest-bearing debt			-328						
Share price (EUR)	1.23	Fair value estimate			293						
<b>Key people</b>											
						CEO		Darius Zubas			
						CFO		Mazvydas Sileika			
						IR		Dovile Jakucione			
						Chairman					

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

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