

## Food giant in the making

**Strong Food segment earnings offset other lower than expected results from other segments. The Food segment could become a leading food producer in the Baltics. A standalone valuation of the Food segment could motivate nearly the full Akola Group market cap. We raise our estimates and Fair value.**

### Food EBIT +50%

The Food segment Q1-24/25 EBIT grew 50% to EUR 11m, which was 67% above our estimate of EUR 6.6m (EBIT margin was 10.3% vs. est. 6.5%). The strong result almost fully offset lower than expected EBIT from the Partners for farmers and the Farming segment. We expect the Food segment sales to reach EUR 425m (+7%) this FY i.e., it is becoming a leading Baltic food producer.

### Food could motivate whole market cap

Based on regional peers (Scandi Standard, Raisio), a reasonable EV/EBIT multiple for Akola's Food segment could be 12.7x, which adjusted for half the Net debt, indicates a market cap of EUR 177m (just EUR 14m below the current Akola Group market cap).

### Estimates and Fair value raised

We raise our EPS estimates by 11-15% in the forecast period 2024-26. Our Base case Fair value is raised slightly to EUR 1.60/shr. (prev. 1.56). We see potential for share appreciation if the value of the food segment is revealed or the strong cash flows are used to pay down debt or pay dividends (post expansion investment phase).

### Key figures (MEUR)

	2023	2024	2025E	2026E	2027E
Net sales	1,999.6	1,506.2	1,500.6	1,585.4	1,635.2
Net sales growth	5.5%	-24.7%	-0.4%	5.7%	3.1%
EBITDA	59.7	73.5	81.8	85.8	91.6
EBITDA margin	3.0%	4.9%	5.5%	5.4%	5.6%
EBIT	33.9	46.1	53.1	58.5	61.8
EBIT margin	1.7%	3.1%	3.5%	3.7%	3.8%
EV/Sales	0.3	0.3	0.3	0.3	0.3
EV/EBITDA	9.3	6.9	6.0	5.5	4.9
EV/EBIT	16.4	11.1	9.2	8.0	7.2
P/E adj.	19.1	9.0	7.9	6.3	5.6
P/BV	0.8	0.7	0.6	0.6	0.5
EPS	0.07	0.13	0.15	0.18	0.20
EPS growth	-84.70%	82.42%	10.94%	24.10%	13.14%
Div. per share	0.03	0.03	0.03	0.04	0.04
Dividend yield	1.89%	2.54%	2.55%	3.16%	3.57%

Source: Company data, Enlight Research estimates

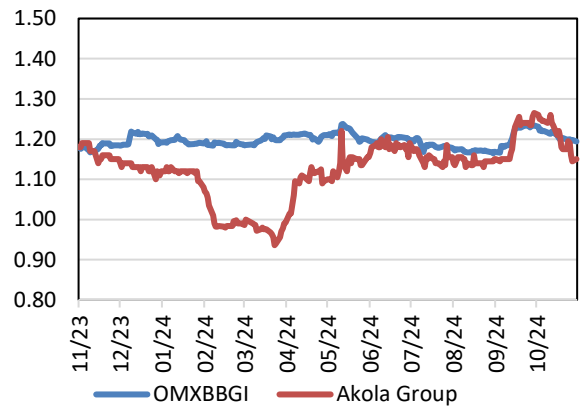
### Fair value range (EUR)

Bull (term. EBIT marg. 4.0%)	2.02
Base (term. EBIT marg. 3.5%)	1.60
Bear (term. EBIT marg. 3.0%)	1.18

### Key Data

Price (EUR)	1.14
Ticker	AKO1L
Country	Lithuania
Listed	Vilnius (Lithuania)
Market Cap (EURm)	191
Net debt (EURm)*	286
Shares (m)	167.7
Free float	20%

\*End of 2024 estimate



### Price range

52-week high	1.27
52-week low	0.94

### Analyst

ResearchTeam@enlightresearch.net

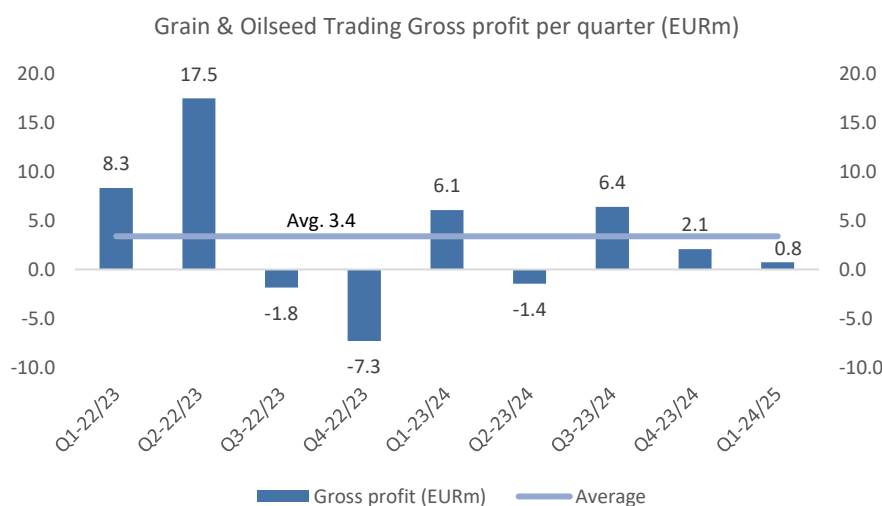
### Coverage frequency

4x per year

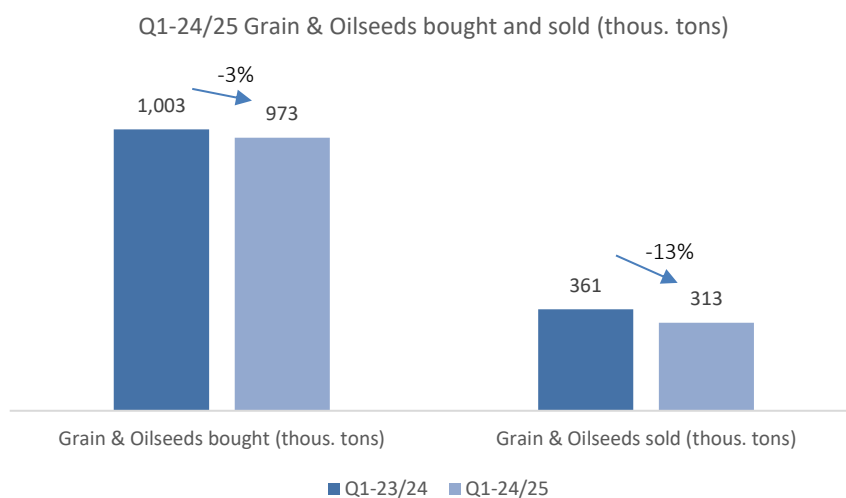
## Key takeaways

### Group EBIT in-line due to strong Food segment

The Q1-24/25 Group EBIT of EUR 18.8m was roughly in-line with our estimated EUR 19.1m. The Q1-24/25 Food segment EBIT of EUR 11.0m was 67% or EUR 4.4m above our estimated EUR 6.6m. The strong Food segment almost fully offset the lower than expected EBIT for the segments Partners for Farmers (EUR 2.2m below est.), and Farming (EUR 3.0m below est.). The Grain & Oilseeds trading environment is challenging, but the company is disciplined, reducing sold quantities by 13% y-on-y to focus on profitability. Hence, a small trading Gross profit of EUR 0.8m was posted in the quarter. This is far below the EUR 3.4m average in the last nine quarters. We expect an improvement in the trading operations for the remainder of the year, both from sales of inventory (implied by the larger quantities bought vs. sold) and sales from the soon to be acquired Latvian company, Elagro Trade, which should add some EUR 2-3m in EBITDA on an annualized basis (expected to be consolidated in Q2-24/25). To summarize, the Group EBIT was in-line with expectations due to the strong Food segment.



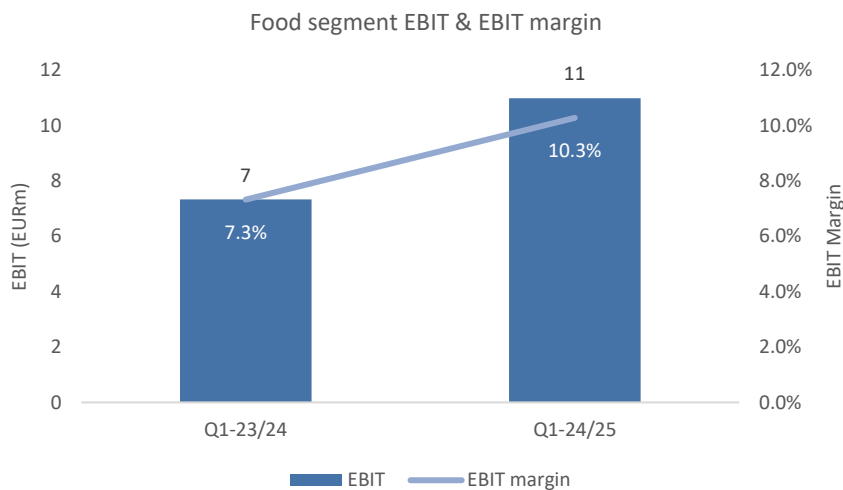
Source: Company



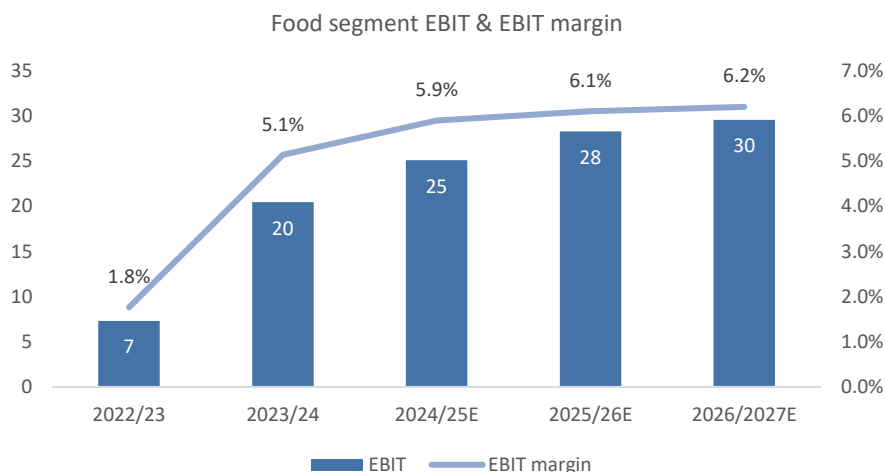
Source: Company (Actual), Enlight Research (Estimate)

### Food giant in the making

The Food segment grew Q1-24/25 Revenues 6.8% y-on-y to EUR 107m exceeding our estimate by 5.4% or EUR 5.4m. More importantly, the Food segment Q1-24/25 EBIT grew 50% y-on-y to EUR 11.0m, which was 67% or 4.4m above our forecast of EUR 6.6m as the EBIT margin hit a record high 10.3% (est. 6.5%). This meant 58% of the Q1-24/25 Group EBIT came from the Food segment, which can be compared to 30% in Q1-23/24. One reason for the increased Food segment’s share of sales and profits is a lower result from the Partners for Farmers segment but even taking this into consideration, the Food segment represents 40-50% of the normalized Group EBIT. In our view, the larger share of Food segment profits is positive as it should be less volatile compared to the grain & oilseeds trading profits i.e., it lowers the risk profile of the group. This fiscal year, we forecast the Food segment to post sales of EUR 425m (+7%) with an EBIT of EUR 25m (+23%).



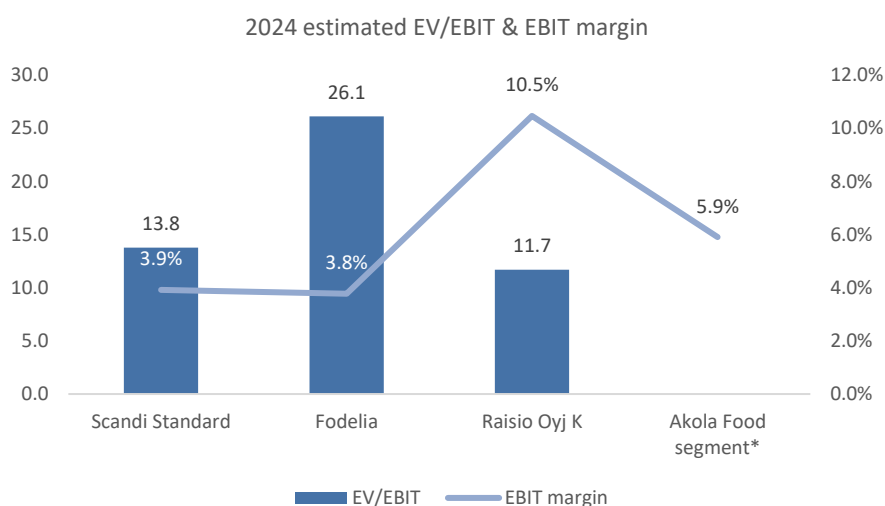
Source: Company



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

### Food segment value almost the whole market cap

The Swedish (Scandi Standard) and Finnish (Fodelia, Raisio) peers trade at an average 2024E EV/EBIT of 17.2x. Excluding the relatively highly valued Fodelia, the average is 12.7x. Applying an EV/EBIT of 12.7x to our 2024 estimated Food segment EBIT of EUR 25m, implies an EV of EUR 320m. Assuming 50% of the estimated end of 2024 Group Net debt of EUR 286m i.e., EUR 143m can be attributed to the Food segment, the implied Food segment market cap is EUR 177m. This is just EUR 14m below the whole Akola Group's market cap of EUR 191m (implying that the non-food businesses are valued at EUR 14m). Based on our 2024 estimated EBIT of EUR 28m for the non-food businesses, the implied EV/EBIT for the non-food businesses is 5.6x, which is quite far below the peer average of 13.4x. Worth noting is that Akola Group EV/EBIT 2024E of 11.1x implies a discount of 17% to the peer average 13.4x. Our simulation highlights the significant potential if the Food segment was valued in-line with Nordic peers.



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

\*Akola Food segment EV/EBIT not available

Food segment implied Market Cap		(EURm)
Akola Food segment 2024E EBIT		25
Akola Food segment EV at 12.7x EBIT		320
Less 50% Group Net debt 2024E		143
<b>Akola Food implied segment Market Cap</b>		<b>177</b>
Akola Group Market Cap		191
Implied Market Cap non-Food segments		14

Source: Enlight Research (estimates)

### Akola Group peer valuation

Company	Ticker	Ccy	Price (last)	Mcap (m) (last)	EV (last)	EV/EBITDA 2022	EV/EBITDA 2023	EV/EBITDA 2024E	EV/EBITDA 2025E	EV/EBITDA 2026E	EV/EBIT 2023	EV/EBIT 2024E	EV/EBIT 2025E	EV/EBIT 2026E
ScandiStandard	SCST	SEK	82.1	5363	7048	9.8	8.1	7.6	7.0	6.4	15.4	13.8	12.0	10.4
Orior AG	ORON	CHF	39.52	258	393	6.6	6.6	6.8	6.3	6.0	12.3	12.8	12.0	11.4
Fodelia	FODELIA	EUR	5.96	48	52	18.2	11.4	9.9	8.2	7.3	20.7	26.1	12.4	10.9
Raisio Oyj K	RAIVV	EUR	2.13	336	280	9.9	8.5	8.3	7.4	7.0	12.3	11.7	10.4	9.6
Adecoagro	AGRO	USD	11.15	1,124	1,653	3.8	3.5	3.4	3.4	3.5	6.2	5.7	6.5	7.2
Bonduelle	BON	EUR	6.52	209	554	5.1	4.8	4.7	4.5	4.2	10.1	10.1	9.1	7.9
<b>Average</b>						<b>8.9</b>	<b>7.2</b>	<b>6.8</b>	<b>6.1</b>	<b>5.7</b>	<b>12.9</b>	<b>13.4</b>	<b>10.4</b>	<b>9.6</b>
Akola Group	AKO1L	EUR	1.14	191	487	9.3	6.9	6.0	5.5	4.9	16.4	11.1	9.2	8.0

Source: MarketScreener, Enlight Research (Akola Group), share prices on 27 November 2024

## Valuation

### DCF valuation

Our Base case DCF Fair value per share is raised slightly to EUR 1.60 (prev. 1.56), which implies an upside around 40%. The main reason for the higher Fair value is raised estimates. Our Bear and Bull case Fair value per share is EUR 1.18 (prev. 1.13), and EUR 2.02 (prev. 1.98), respectively. The only difference between our different scenarios is the assumed terminal EBIT margin, which is 3.0% for our Bear case and 4.0% for our Bull case. See below table for DCF value sensitivity to different parameters.

DCF Valuation Scenarios	Bear	Base	Bull
WACC	8.9%	8.9%	8.9%
Terminal sales growth	3.0%	3.0%	3.0%
Terminal EBIT margin	3.0%	3.5%	4.0%
Fair Value per share (EUR)	1.18	1.60	2.02
Upside/Downside	4%	41%	77%
Last price (EUR)	1.14	1.14	1.14

Source: Enlight Research

Sensitivity parameters	Base case		Test values & Results										
	Step												
<b>Equity beta</b>	1.10	0.20	0.10	0.30	0.50	0.70	0.90	<b>1.10</b>	1.30	1.50	1.70	1.90	2.10
<i>Fair value (DCF)</i>	1.60		3.93	3.23	2.69	2.25	1.90	<b>1.60</b>	1.35	1.13	0.94	0.78	0.63
<b>Target debt ratio*</b>	47.9 %	3.5 %	30%	34%	37%	41%	44%	<b>48%</b>	51%	55%	58%	62%	65%
<i>Fair value (DCF)</i>	1.60		0.94	1.05	1.17	1.30	1.45	<b>1.60</b>	1.77	1.96	2.18	2.42	2.69
<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>	1.60		2.52	2.30	2.10	1.92	1.75	<b>1.60</b>	1.46	1.34	1.22	1.11	1.01

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

## Estimate deviations

The Q1-24/25 Sales was 5% or EUR 20m below our forecast, mainly due to lower commodity prices which affected trading sales. The Q1-24/25 Gross profit was 16% or EUR 6.1m above forecast, driven by improved profitability in the Food product segment. The Q1-24/25 Operating profit of EUR 18.8m was roughly in line with our forecast, while the Net profit of EUR 12.7m was 13% or EUR 1.5m above forecast as the tax came in lower than estimated.

Group deviations P&L	Q1-24/25	Q1-24/25	Difference	
	Estimate	Actual	EURm	%
Total Sales	403.9	384.1	-19.8	-4.9%
Cost of sales	-366.0	-340.0	26.0	-7.1%
<b>Gross profit</b>	<b>38.0</b>	<b>44.1</b>	<b>6.1</b>	<b>16.1%</b>
Operating expense	-26.3	-25.8	0.5	-1.8%
Other income	2.0	2.2	0.2	7.6%
Other expenses	5.4	-1.7	-7.0	-130.9%
<b>Operating profit</b>	<b>19.1</b>	<b>18.8</b>	<b>-0.3</b>	<b>-1.5%</b>
<i>Financial net</i>	-5.0	-5.1	-0.1	1.0%
<b>Pre-tax profit</b>	<b>14.1</b>	<b>13.8</b>	<b>-0.3</b>	<b>-2.4%</b>
Tax	-2.8	-1.0	1.8	-63.5%
<b>Net profit</b>	<b>11.3</b>	<b>12.7</b>	<b>1.5</b>	<b>12.9%</b>
Depreciation	8.0	8.2	0.2	2.3%
<b>EBITDA</b>	<b>27.1</b>	<b>27.0</b>	<b>-0.1</b>	<b>-0.4%</b>

Revenue growth	Q1-24/25	Q1-24/25	Difference	
	Estimate	Actual	EURm	%-pts
Total sales y-on-y	-3.9%	-8.7%	na	-4.8

Margins	Q1-24/25	Q1-24/25	Difference	
	Estimate	Actual	EURm	%-pts
Gross margin	9.4%	11.5%	na	2.1
EBITDA margin	6.7%	7.0%	na	0.3
Operating margin	4.7%	4.9%	na	0.2
Pre-tax margin	3.5%	3.6%	na	0.1
Net margin	2.8%	3.3%	na	0.5

Source: Company reports, Enlight Research

## Estimate changes

We make a small downward adjustment of 2-3% to our sales estimates for the forecast period 2024/25-2026/27E. Our 2024/25E EBIT forecast is raised 3% to EUR 53.1m. For the subsequent two fiscal years, the EBIT forecast is increased by 7-9% to EUR 58.5m and EUR 61.8m, respectively, primarily due to raised estimates for the Food segment. The Net profit is raised by 11% this FY, 12% next FY, and 15% in 2026/27. Our Dividend per share estimate remains unchanged at EUR 0.03 for this FY and is increased by EUR 0.01 to EUR 0.04 next FY. Our 2026/27 dividend per share is unchanged at EUR 0.04.

### Group estimate changes

Sales (EURm)	2024/25E	2025/26E	2026/2027E
Old estimate	1,523	1,613	1,678
New estimate	1,501	1,585	1,635
Change	-22	-28	-43
Change (pct)	-1.5%	-1.7%	-2.6%

EBITDA (EURm)	2024/25E	2025/26E	2026/2027E
Old estimate	79.8	82.0	86.7
New estimate	81.8	85.8	91.6
Change	1.9	3.9	4.9
Change (pct)	2.4%	4.7%	5.7%

EBIT (EURm)	2024/25E	2025/26E	2026/2027E
Old estimate	51.3	54.7	57.0
New estimate	53.1	58.5	61.8
Change	1.8	3.8	4.9
Change (pct)	3.4%	7.0%	8.5%

Pre-tax Profit (EURm)	2024/25E	2025/26E	2026/2027E
Old estimate	31.3	35.9	39.3
New estimate	33.1	39.6	44.4
Change	1.7	3.7	5.2
Change (pct)	5.4%	10.3%	13.2%

Net profit (EURm)	2024/25E	2025/26E	2026/2027E
Old estimate	21.9	27.1	29.8
New estimate	24.3	30.2	34.2
Change	2.4	3.1	4.4
Change (pct)	11.0%	11.6%	14.8%

EPS (EUR)	2024/25E	2025/26E	2026/2027E
Old estimate	0.13	0.16	0.18
New estimate	0.15	0.18	0.20
Change	0.01	0.02	0.03
Change (pct)	10.6%	11.3%	14.5%

Dividend (EUR)	2024/25E	2025/26E	2026/2027E
Old estimate	0.03	0.03	0.04
New estimate	0.03	0.04	0.04
Change	0.00	0.01	0.00
Change (pct)	0.0%	11.3%	0.0%

Source: Enlight Research

## Forecast

INCOME STATEMENT								
(EURm)	Q1-24/25	Q2-24/25E	Q3-24/25E	Q4-24/25E	2023/24	2024/25E	2025/26E	2026/2027E
Revenues	384	331	382	403	1,506	1,501	1,585	1,635
Cost of sales	-340	-293	-346	-357	-1,355	-1,336	-1,419	-1,464
<b>Gross profit</b>	<b>44</b>	<b>38</b>	<b>36</b>	<b>47</b>	<b>151</b>	<b>165</b>	<b>166</b>	<b>172</b>
Operating expense	-26	-29	-27	-30	-108	-111	-114	-118
Other income	2	2	2	2	10	8	8	8
Other expenses	-2	-3	-3	-1	-7	-8	-2	0
<b>Operating profit</b>	<b>19</b>	<b>8</b>	<b>8</b>	<b>17</b>	<b>46</b>	<b>53</b>	<b>58</b>	<b>62</b>
<i>Financial net</i>	-5	-5	-5	-5	-19	-20	-19	-17
<b>Pre-tax profit</b>	<b>14</b>	<b>3</b>	<b>3</b>	<b>12</b>	<b>27</b>	<b>33</b>	<b>40</b>	<b>44</b>
Tax	-1	-1	-1	-2	-2	-5	-6	-7
Minority	-1	-1	-1	-1	-3	-4	-4	-4
<b>Net profit</b>	<b>11</b>	<b>2</b>	<b>2</b>	<b>9</b>	<b>22</b>	<b>24</b>	<b>30</b>	<b>34</b>
Depreciation	8	7	7	7	27	29	27	30
<b>EBITDA</b>	<b>27</b>	<b>15</b>	<b>15</b>	<b>24</b>	<b>74</b>	<b>82</b>	<b>86</b>	<b>92</b>
<b>Growth</b>								
	Q1-24/25	Q2-24/25E	Q3-24/25E	Q4-24/25E	2023/24	2024/25E	2025/26E	2026/2027E
Revenues y-on-y	-8.7%	-2.0%	4.4%	5.7%	-24.7%	-0.4%	5.6%	3.1%
<b>Margins</b>								
	Q1-24/25	Q2-24/25E	Q3-24/25E	Q4-24/25E	2023/24	2024/25E	2025/26E	2026/2027E
Gross profit margin	11.5%	11.5%	9.5%	11.6%	10.0%	11.0%	10.5%	10.5%
EBITDA margin	7.0%	4.5%	4.0%	6.1%	4.9%	5.5%	5.4%	5.6%
Operating profit margin	4.9%	2.5%	2.2%	4.3%	3.1%	3.5%	3.7%	3.8%
Pre-tax profit margin	3.6%	1.0%	0.9%	3.1%	1.8%	2.2%	2.5%	2.7%
Net profit margin	2.9%	0.6%	0.5%	2.3%	1.5%	1.6%	1.9%	2.1%
Tax rate	7%	20%	20%	20%	8%	15%	15%	15%

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



## **Risk factors**

Below risk factors are not a complete list of risks related to Akola 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 Akola 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 Akola Group's segments are dependent on the weather, which is inherently hard to predict. A good harvest (favourable weather) is positive for the Partners for Farmers and Farming segments and vice versa. The grain trading operations (part of Partners for Farmers segment) is also dependent on the weather, but it is not always the case that a good harvest is favourable.

### **Grain trading volumes**

Our forecast assumes a pick-up in the Grain trading volume in the second half of the fiscal year. If this does not materialize, our forecast is most likely too high.

Income Statement	2023	2024	2025E	2026E	2027E
Net sales	1999.6	1506.2	1500.6	1585.4	1635.2
Total operating costs	-1939.9	-1432.7	-1418.8	-1499.5	-1543.6
<b>EBITDA</b>	<b>59.7</b>	<b>73.5</b>	<b>81.8</b>	<b>85.8</b>	<b>91.6</b>
Depreciation & Amort.	-25.8	-27.5	-28.7	-27.4	-29.8
<b>EBIT</b>	<b>33.9</b>	<b>46.1</b>	<b>53.1</b>	<b>58.5</b>	<b>61.8</b>
Financial net	-15.7	-19.1	-20.1	-18.8	-17.4
<b>Pre-tax profit</b>	<b>18.1</b>	<b>27.0</b>	<b>33.1</b>	<b>39.6</b>	<b>44.4</b>
Taxes	-3.8	-2.1	-4.9	-5.9	-6.7
Minority interest	-2.4	-3.0	-3.8	-3.5	-3.6
Other items	0.0	0.0	0.0	0.0	0.0
<b>Net profit</b>	<b>12.0</b>	<b>21.9</b>	<b>24.3</b>	<b>30.2</b>	<b>34.2</b>

Balance Sheet	2023	2024	2025E	2026E	2027E
Cash and cash equivalent	13	16	16	17	17
Receivables	317	303	300	317	324
Inventories	267	223	222	216	213
Other current assets	59	63	63	63	63
<b>Current assets</b>	<b>656</b>	<b>605</b>	<b>601</b>	<b>612</b>	<b>617</b>
Tangible assets	174	206	219	230	237
Goodwill & intangible assets	11	18	18	18	18
Lease & Investment properties	31	37	30	32	33
Investments	1	2	2	2	2
Associated companies	0	0	0	0	0
Other non-current assets	14	19	19	19	19
<b>Total fixed assets</b>	<b>231</b>	<b>282</b>	<b>288</b>	<b>300</b>	<b>309</b>
<b>Total Assets</b>	<b>887</b>	<b>886</b>	<b>889</b>	<b>913</b>	<b>925</b>
Non-interest bearing current liabilities	199	185	185	195	201
Short-term debt	254	207	211	198	180
Other current liabilities	54	55	55	58	58
<b>Total current liabilities</b>	<b>506</b>	<b>447</b>	<b>450</b>	<b>451</b>	<b>439</b>
Long-term debt	28	60	61	57	52
Convertible & Lease liab.	46	51	30	32	33
Deferred tax liabilities	0	1	1	1	1
Provisions	0	0	0	0	0
Other long-term liabilities	9	10	10	10	10
<b>Total long-term liab.</b>	<b>88</b>	<b>127</b>	<b>107</b>	<b>105</b>	<b>101</b>
<b>Total Liabilities</b>	<b>595</b>	<b>574</b>	<b>557</b>	<b>556</b>	<b>540</b>
Minority interest (BS)	14	17	17	17	17
Shareholders' equity	278	296	315	340	368
<b>Total liabilities and equity</b>	<b>887</b>	<b>886</b>	<b>889</b>	<b>913</b>	<b>925</b>

DCF valuation	Cash flow, mEUR		
WACC (%)	8.92 %	NPV FCF (2023-2025)	103
Assumptions 2023-2029 (%)		NPV FCF (2026-2032)	179
Sales CAGR	3.53 %	NPV FCF (2033-)	303
Avg. EBIT margin	3.62 %	Non-operating assets	1
Fair value per share (EUR)	1.60	Interest-bearing debt	-318
Share price (EUR)	1.14	Fair value estimate	268

Free Cash Flow	2023	2024	2025E	2026E	2027E
Operating profit	33.9	46.1	53.1	58.5	61.8
Depreciation & Amort.	25.8	27.5	28.7	27.4	29.8
Working capital chg.	-62.9	42.2	2.7	3.1	2.5
Other Operating CF items	-10.1	-2.5	-7.9	-8.8	-9.3
<b>Operating Cash Flow</b>	<b>-13.3</b>	<b>113.2</b>	<b>76.7</b>	<b>80.2</b>	<b>84.8</b>
Net investments	-9.3	-71.3	-42.0	-38.3	-37.2
Other items	3.1	0.7	0.0	0.0	0.0
<b>Free Cash Flow</b>	<b>-19.5</b>	<b>42.5</b>	<b>34.7</b>	<b>41.9</b>	<b>47.7</b>

Capital structure	2023	2024	2025E	2026E	2027E
Equity ratio	33.0%	35.3%	37.3%	39.1%	41.6%
Debt / Equity ratio	118.1%	107.4%	95.8%	84.3%	71.9%
Gearing %	107.9%	96.6%	86.1%	75.6%	64.3%
Net debt/EBITDA	5.3	4.1	3.5	3.1	2.7
Interest coverage ratio	2.2	2.4	2.6	3.1	3.6

Profitability	2023	2024	2025E	2026E	2027E
ROE	4.4%	7.7%	8.0%	9.2%	9.6%
FCF yield	-8.5%	21.5%	17.8%	21.5%	24.5%
EBITDA margin	3.0%	4.9%	5.5%	5.4%	5.6%
EBIT margin	1.7%	3.1%	3.5%	3.7%	3.8%
PTP margin	0.9%	1.8%	2.2%	2.5%	2.7%
Net margin	0.6%	1.5%	1.6%	1.9%	2.1%

Valuation	2023	2024	2025E	2026E	2027E
P/E	19.1	9.0	7.9	6.3	5.6
P/E, adjusted	19.1	9.0	7.9	6.3	5.6
P/Sales	0.1	0.1	0.1	0.1	0.1
EV/Sales	0.3	0.3	0.3	0.3	0.3
EV/EBITDA	9.3	6.9	6.0	5.5	4.9
EV/EBIT	16.4	11.1	9.2	8.0	7.2
P/BV	0.8	0.7	0.6	0.6	0.5
P/BV tangible	0.9	0.7	0.7	0.6	0.6

Per share ratios	2023	2024	2025E	2026E	2027E
EPS	0.07	0.13	0.15	0.18	0.20
EPS, adjusted	0.07	0.13	0.15	0.18	0.20
Operating CF/share	-0.08	0.68	0.46	0.48	0.51
Free Cash Flow/share	-0.12	0.25	0.21	0.25	0.28
BV/share	1.67	1.76	1.88	2.03	2.20
Tangible BV/share	1.66	1.74	1.85	2.00	2.17
Div. per share	0.03	0.03	0.03	0.04	0.04
Div. payout ratio	36.1%	22.9%	20.0%	20.0%	20.0%
Dividend yield	1.9%	2.5%	2.6%	3.2%	3.6%

Shareholders	Capital	Votes
Akola ApS (Denmark)	127.883	65.75 %
Darius Zubas	19.839	10.20 %
UAB SB Asset Management	9.822	5.05 %

#### Key people

CEO	Darius Zubas
CFO	Mazvydas Sileika
IR Chairman	Dovile Jakucione

<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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[ResearchTeam@EnlightResearch.net](mailto:ResearchTeam@EnlightResearch.net)