Akola Group

Food Processing - Integrated
November 26, 2025

Enlight Research

Baltics - Lithuania
Commissioned Research - Q1 2025/26 Update

Baltic's top performer

Q1-25/26 marks the second quarter in a row with double-digit earnings beat. The EBITDA guidance remains with a clear upside. The share performance is the best in the Baltics among large caps. We see further upside following clarity on capital allocation. We raise estimates and Fair value.

Double-digit earnings beat

Q1-25/26 Sales was 4.5% below forecast, but EBIT and Net profit beat our estimate by 65% and 100%, respectively, following strong performance for Partners For Farmers (124% EBIT beat) and Food products (28% EBIT beat). We lower our sales forecast 2-3% this and next year while our EBIT estimate is raised 16% this year and 9% next year.

Guidance remains with upside

The FY EBITDA guidance of EUR 70-90m was not raised despite the strong Q1. We stick our neck out and forecast EUR 110m EBITDA for this and coming two years (unchanged vs. last FY). We note that last FY, guidance was raised in the 9M report.

Capital allocation is key

The share is up around 50% in 2025. We believe capital allocation clarity is key for future share price performance. One EUR 19m investment project is "on hold" and EUR 90m in investments (two projects) are "under evaluation". We trust prudent investment decisions will be made and raise our Base case Fair value to EUR 2.16/shr. (prev. 1.79) implying an upside around 23%.

Key figures (MEUR)

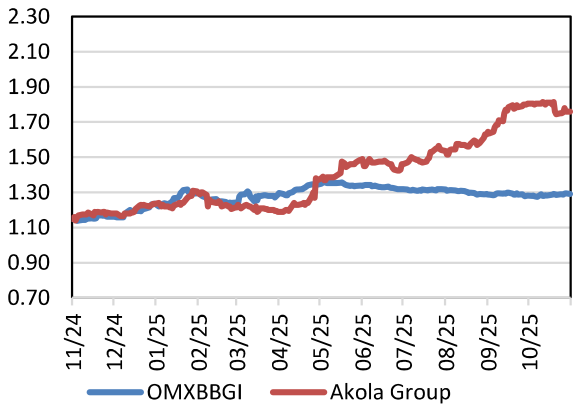
	2024	2025	2026E	2027E	2028E
Net sales	1,506.2	1,580.7	1,625.6	1,743.1	1,841.8
Net sales growth	-24.7%	4.9%	2.8%	7.2%	5.7%
EBITDA	73.5	110.2	110.0	110.2	110.2
EBITDA margin	4.9%	7.0%	6.8%	6.3%	6.0%
EBIT	46.1	78.9	76.7	75.4	74.6
EBIT margin	3.1%	5.0%	4.7%	4.3%	4.1%
EV/Sales	0.3	0.4	0.4	0.4	0.4
EV/EBITDA	6.9	5.8	6.3	6.2	6.0
EV/EBIT	11.1	8.2	9.0	9.1	8.9
P/E adj.	9.0	4.6	6.5	6.9	7.0
P/BV	0.7	0.7	0.8	0.7	0.7
EPS	0.13	0.32	0.27	0.26	0.25
EPS growth	82.96%	147.42%	-16.46%	-5.46%	-1.10%
Div. per share	0.03	0.09	0.06	0.07	0.08
Dividend yield	2.54%	6.04%	3.39%	3.95%	4.52%

Source: Company data, Enlight Research estimates

Fair value range (EUR)	
Bull (term. EBIT marg. 4.5%)	2.65
Base (term. EBIT marg. 4.0%)	2.16
Bear (term. EBIT marg. 3.5%)	1.67

Key Data	
Price (EUR)	1.77
Ticker	AKO1L
Country	Lithuania
Listed	Vilnius (Lithuania)
Market Cap (EURm)	296
Net debt (EURm)*	377
Shares (m)	167.2
Free float	20%

*End of current forecast year estimate



Price range	
52-week high	1.82
52-week low	1.14

Analyst

ResearchTeam@enlightresearch.net

Coverage frequency

4x per year

Key takeaways

Double-digit earnings beat

Although Q1-25/26 Sales was 4.5% or EUR 19m below estimate (mainly due to Feed sales), the EBIT was 65% or EUR 11m above estimate, while the Net profit was double our forecast (EUR 18m vs. estimated 9m). The two largest core segments (Partners for Farmers, Food products) beat our EBIT estimates by a wide margin. The Partners for Farmers segment Q1-25/26 EBIT was 124% or EUR 7.3m above forecast (EUR 13.3m vs. est. 5.9m), while the Food products EBIT was 28% or EUR 2.9m above forecast (EUR 13.4 vs. est. 10.5m). Furthermore, the Farming segment beat our Q1-25/26 EBIT estimate by EUR 1.0m (break-even vs. est. loss of EUR 1.1m). The Q1-25/26 EPS grew 50% from EUR 8c to EUR 12c. We lower our Sales estimate by 3.0% this FY and 1.5% next FY. Our EPS estimate is raised by 16.1% this FY and 9.2% next FY. Our Dividend per share is raised by EUR 1c this FY to EUR 0.06 indicating a yield of 3.4% (payout ratio 22%). Overall, a strong start of the year with the second best Q1-25/26 EBIT (EUR 27m) in the company's history.

Group deviations	Q1-25/26	Q1-25/26	Difference	
P&L	Estimate	Actual	EURm	%
Total Sales	412.7	394.0	-18.7	-4.5%
Cost of sales	-366.9	-338.1	28.8	-7.8%
Gross profit	**45.8**	**55.9**	**10.1**	**22.0%**
Operating expenses	-29.7	-29.3	0.4	-1.5%
Other income	1.7	0.9	-0.7	-44.8%
Other expenses	-1.5	-0.7	0.8	-55.9%
Operating profit	**16.2**	**26.9**	**10.6**	**65.3%**
Financial net	*-4.0*	*-3.7*	*0.3*	*-6.8%*
Pre-tax profit	**12.2**	**23.1**	**10.9**	**88.9%**
Tax	-1.8	-3.6	-1.7	94.7%
Net profit	**10.4**	**19.6**	**9.1**	**87.8%**
Minority	-1.7	-1.3	0.4	-25.0%
Net profit to shr holders	**8.7**	**18.3**	**9.6**	**109.9%**

Source: Company reports

Estimate changes Sales (EURm)	2025/26E	2026/2027E	2027/2028E
Old estimate	1,675	1,769	na
New estimate	1,626	1,743	1,842
Change	-50	-26	Na
Change (pct)	-3.0%	-1.5%	Na

EBITDA (EURm)	2025/26E	2026/2027E	2027/2028E
Old estimate	101.9	105.5	na
New estimate	110.0	110.2	110.2
Change	8.1	4.7	na
Change (pct)	7.9%	4.5%	na

EPS (EUR)	2025/26E	2026/2027E	2027/2028E
Old estimate	0.23	0.23	na
New estimate	0.27	0.26	0.25
Change	0.04	0.02	na
Change (pct)	16.1%	9.2%	na

Dividend (EUR)	2025/26E	2026/2027E	2027/2028E
Old estimate	0.05	0.05	na
New estimate	0.06	0.07	0.08
Change	0.01	0.02	na
Change (pct)	28.4%	49.0%	na

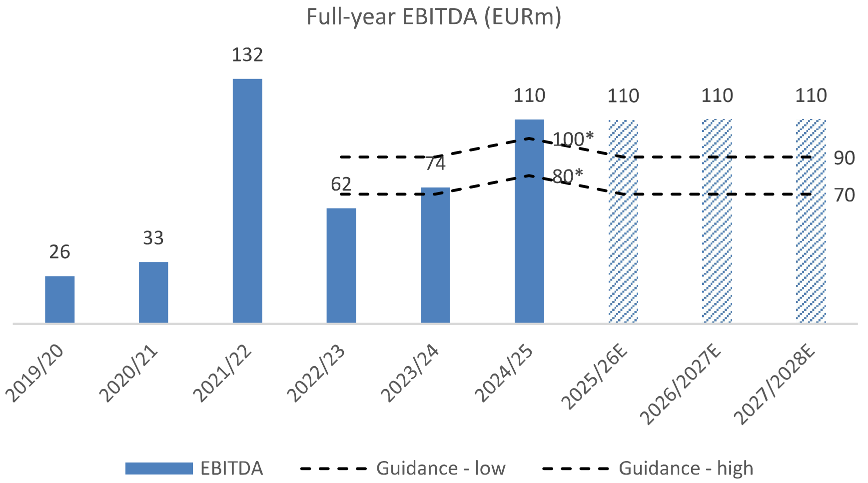
Source: Company reports

Guidance remains with clear upside

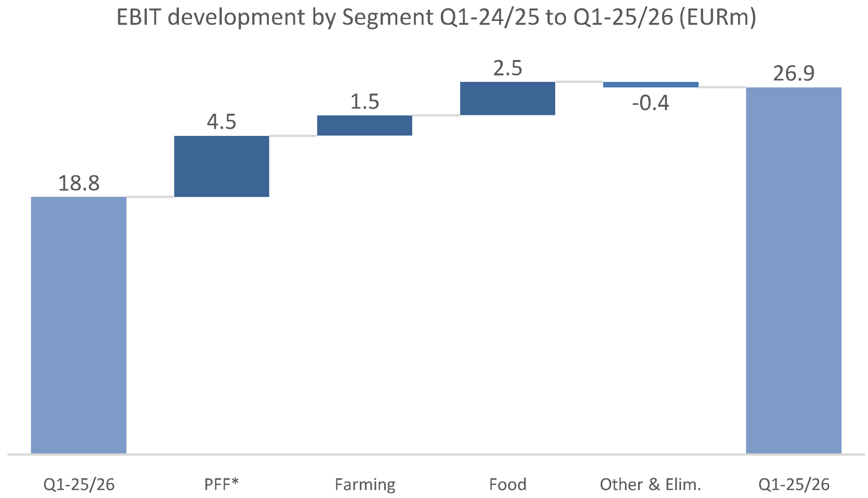
The normalized annual EBITDA guidance of EUR 70-90m was reiterated even though 52% of the low-end guidance and 40% of the high-end guidance was achieved in Q1-25/26. At the webinar, management gave the following reasons for not upping the guidance: (a) still large grain inventory to sell so too early to predict the whole FY (b) uncertainty about heating costs and market prices for poultry (c) uncertainty regarding Instant Foods and Ready-to-eat-food profitability, and (d) some pressure on Feedstuff margins. We understand management does not want to raise guidance this early in the FY. We note that a similar situation occurred last FY. Then management waited until the 9M-24/25 report before raising the FY guidance to EUR 80-100m (outcome was EUR 110m vs. est. EUR 94m). Like last FY, we stick our neck out and forecast EUR 110m in EBITDA for this FY and the coming two FYs i.e., above the EUR 70-90m guidance.

EBITDA guidance	Low	Mid	High
Annual EBITDA guidance (EURm)	70	80	90
Q1-25/26 reported EBITDA (EURm)	36	36	36
Q1-25/26 reported EBITDA / annual guidance	52%	45%	40%

Source: Company (guidance, historical)



Source: Company (guidance, historical), Enlight Research (estimate)
*Temporarily raised guidance



Source: Company

Capital allocation is key for share performance

The Akola share (AKO1L) is up around 53% year-to-date which makes it the winner among Baltic large caps. In addition to raised guidance, we believe the company's capital allocation is key to the future share price performance. The acquisition of the food processor, Kauno Grudai, has been a true success and in our opinion, the whole Akola Group market cap could be motivated by the food operations alone (see Q4-24/25 Update). Also, the EUR 26m acquisition of Elagro trade seems to be successful. On the other hand, the following investments have yet to prove themselves: expansion of the instant-food operations (EUR 32m investment), acquisition of Auga's ready-to-eat operations (price not disclosed), greenfield seed factory (EUR 10m investment), greenfield breadcrumbs factory (EUR 7m investment). Two minor investment projects totalling EUR 14m are ongoing with expected completion in 2026. One EUR 19m project (Biomethane plant in Kaisiadorys) is "on hold" which we regard as a positive sign of discipline. Two investment projects are under evaluation: EUR 20m construction of a new pet food production site and a EUR 70m feed production expansion. As "short-termish" minority shareholders, we are biased towards dividends ahead of major investments (although we don't complain when they work out). We estimate annual Free Cash Flow before investments of around EUR 90m in the coming three years. Assuming around EUR 30m in maintenance investments, the estimated Free Cash Flow available for dividends and debt service is EUR 60m or EUR 0.36 per share (20% free cash flow yield). This can be compared to our forecast period 2025/26-27/28 dividend per share of EUR 0.06-0.08 (3.4% to 4.5% gross yield).

Description	Type	Investment (EURm)	Status	Target ROCE	Target EBIT (EURm)
Elagro Trade	Acquisition	25.5	Completed in 2024	11.0%	2.8
New instant noodles & porridges factory	Green field	32.0	Completed. Opened Q4/24	11.0%	3.5
Seed factory, Latvia (Dotnuva seeds)	Green field	10.0	Completed. Opened Q2/25.	11.0%	1.1
New breadcrumbs factory	Green field	6.7	Completed. Opened Q2/25.	11.0%	0.7
Biomethane plant, Luksiu	Green field	8.8	Expected go live Q2/26 (project started in 2024)	11.0%	1.0
Dairy farm modernization projects	Modernization	5.0	Expected completion Q4/26	11.0%	0.6
Biomethane plant, Kaisiadorys	Green field	19.4	On Hold	11.0%	2.1
Pet food production	Green field	20.0	Under evaluation (2027/29)	11.0%	2.2
Feed production expansion	Green field	70.0	Under evaluation (2027/29)	11.0%	7.7

Source: Company, Enlight Research (EBIT)

Source: Nasdaq Baltic website

Valuation

DCF valuation

Our Base case DCF Fair value per share is raised to EUR 2.16 (prev. 1.79) mainly due to higher estimates. This implies an upside of around 23%. Our Bear and Bull case Fair value per share is EUR 1.67 (prev. 1.29), and EUR 2.65 (prev. 2.29), respectively. The only difference between our different scenarios is the assumed terminal EBIT margin (4.0% in Base case), which is 3.5% for our Bear case and 4.5% for our Bull case. Worth noting is that last FY's 2024/25 EBIT was 5.0% and we forecast 4.7% this FY. See below table for DCF value sensitivity to different parameters.

DCF Valuation Scenarios	Bear	Base	Bull
WACC	8.8%	8.8%	8.8%
Terminal sales growth	3.0%	3.0%	3.0%
Terminal EBIT margin	3.5%	4.0%	4.5%
Fair Value per share (EUR)	1.67	2.16	2.65
Upside/Downside	-6%	22%	50%
Last price (EUR)	1.77	1.77	1.77

Source: Enlight Research

Sensitivity parameters	Base case	Step	Test values & Results										
Equity beta	1.10	0.10	0.60	0.70	0.80	0.90	1.00	**1.10**	1.20	1.30	1.40	1.50	1.60
Fair value (DCF)	*2.16*		*3.34*	*3.06*	*2.81*	*2.57*	*2.36*	***2.16***	*1.98*	*1.82*	*1.66*	*1.52*	*1.39*
Target debt ratio*	48.5 %	3.0 %	34%	37%	40%	43%	46%	**49%**	52%	55%	58%	61%	64%
Fair value (DCF)	*2.16*		*1.32*	*1.46*	*1.61*	*1.78*	*1.96*	***2.16***	*2.38*	*2.62*	*2.89*	*3.18*	*3.52*
Risk-free IR	3.5 %	0.5 %	1.0 %	1.5 %	2.0 %	2.5 %	3.0 %	**3.5 %**	4.0 %	4.5 %	5.0 %	5.5 %	6.0 %
Fair value (DCF)	*2.16*		*3.42*	*3.12*	*2.84*	*2.60*	*2.37*	***2.16***	*1.97*	*1.80*	*1.64*	*1.49*	*1.35*

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

Peer valuation

Based on our estimated EV/EBITDA 2026 (this is Akola's current forecast fiscal year 2025/26), Akola is trading roughly in line with the peer group. However, there is a significant 21% discount to the peer group on EV/EBIT (9.0x vs. peer avg. of 11.6x), which highlights Akola's strong EBIT margins.

Akola Group peer valuation

Company	Ticker	Ccy	Price (last)	Mcap (m) (last)	EV/EBITDA 2024	EV/EBITDA 2025E	EV/EBITDA 2026E	EV/EBITDA 2027E	EV/EBIT 2024	EV/EBIT 2025E	EV/EBIT 2026E	EV/EBIT 2027E
Scandi Standard	SCST	SEK	96.6	6,239	9.1	8.3	7.4	7.1	16.7	14.3	12.5	11.4
Orior AG	ORON	CHF	12.38	81	11.5	7.5	6.4	6.1	neg.	27.8	17.5	14.9
Fodelia	FODELIA	EUR	5.32	43	9.1	9.9	7.9	6.9	na	17.2	12.5	10.6
Raisio Oyj K	RAIVV	EUR	2.62	413	10.1	8.7	8.2	7.8	14.4	11.4	10.9	10.3
Adecoagro	AGRO	USD	7.84	784	2.8	3.3	3.1	3.0	5.6	6.5	6.6	7.3
Bonduelle	BON	EUR	9.85	316	5.4	5.0	4.8	4.7	11.3	10.8	9.4	8.7
Average					**8.0**	**7.1**	**6.3**	**5.9**	**12.0**	**14.7**	**11.6**	**10.5**
Akola Group	AKO1L	EUR	1.77	296	6.9	5.8	6.3	6.2	11.1	8.2	9.0	9.1

Source: MarketScreener, Enlight Research (Akola Group), share prices on Nov 25, 2025

Estimate deviations

Segment deviations

Revenue	Q1-25/26 Estimate	Q1-25/26 Actual	Difference EURm	%
Partners for farmers	281.6	256.6	-25.0	-8.9%
Farming	10.7	10.3	-0.4	-3.8%
Food products	116.7	123.0	6.2	5.3%
Other products	3.7	4.2	0.4	11.9%
Total	**412.7**	**394.0**	**-18.7**	**-4.5%**

Revenue growth	Q1-25/26 Estimate	Q1-25/26 Actual	Difference EURm	%-pts
Partners for farmers	7.1%	-2.4%	na	-9.5
Farming	0.0%	-3.8%	na	-3.8
Food products	9.2%	15.0%	na	5.8
Other products	3.0%	15.2%	na	12.2
Total	**7.4%**	**2.6%**		**-4.9**

Operating profit (bef. elim.)	Q1-25/26 Estimate	Q1-25/26 Actual	Difference EURm	%
Partners for farmers	5.9	13.3	7.3	124%
Farming	-1.1	0.0	1.0	-98%
Food products	10.5	13.4	2.9	28%
Other products	0.0	0.2	0.2	#DIV/0!
Total	**15.4**	**26.9**	**11.5**	**75%**

Operating margin (bef. elim.)	Q1-25/26 Estimate	Q1-25/26 Actual	Difference EURm	%-pts
Partners for farmers	2.1%	5.2%	na	3.1
Farming	-10.0%	-0.3%	na	9.7
Food products	9.0%	10.9%	na	1.9
Other products	0.0%	4.5%	na	4.5
Total	**3.7%**	**6.8%**	**na**	**3.1**

Group deviations P&L	Q1-25/26 Estimate	Q1-25/26 Actual	Difference EURm	%
Total Sales	412.7	394.0	-18.7	-4.5%
Cost of sales	-366.9	-338.1	28.8	-7.8%
Gross profit	**45.8**	**55.9**	**10.1**	**22.0%**
Operating expenses	-29.7	-29.3	0.4	-1.5%
Other income	1.7	0.9	-0.7	-44.8%
Other expenses	-1.5	-0.7	0.8	-55.9%
Operating profit	**16.2**	**26.9**	**10.6**	**65.3%**
Financial net	*-4.0*	*-3.7*	*0.3*	*-6.8%*
Pre-tax profit	**12.2**	**23.1**	**10.9**	**88.9%**
Tax	-1.8	-3.6	-1.7	94.7%
Net profit	**10.4**	**19.6**	**9.1**	**87.8%**
Depreciation	8.0	9.3	1.3	16.6%
EBITDA	**24.2**	**36.2**	**11.9**	**49.3%**

Revenue growth	Q1-25/26 Estimate	Q1-25/26 Actual	Difference EURm	%-pts
Total sales y-on-y	7.4%	2.6%	na	-4.9

Margins	Q1-25/26 Estimate	Q1-25/26 Actual	Difference EURm	%-pts
Gross margin	11.1%	14.2%	na	3.1
EBITDA margin	5.9%	9.2%	na	3.3
Operating margin	3.9%	6.8%	na	2.9
Pre-tax margin	3.0%	5.9%	na	2.9
Net margin	3.0%	5.0%	na	2.0

Source: Company reports, Enlight Research

Estimate changes

Estimate changes Sales (EURm)	2024/25	2025/26E	2026/2027E	2027/2028E
Old estimate	na	1,675	1,769	na
New estimate	na	1,626	1,743	1,842
Change	na	-50	-26	na
Change (pct)	na	-3.0%	-1.5%	na
EBITDA (EURm)	**2024/25**	**2025/26E**	**2026/2027E**	**2027/2028E**
Old estimate	na	101.9	105.5	na
New estimate	na	110.0	110.2	110.2
Change	na	8.1	4.7	na
Change (pct)	na	7.9%	4.5%	na
EPS (EUR)	**2024/25**	**2025/26E**	**2026/2027E**	**2027/2028E**
Old estimate	na	0.23	0.23	na
New estimate	na	0.27	0.26	0.25
Change	na	0.04	0.02	na
Change (pct)	na	16.1%	9.2%	na
Dividend (EUR)	**2024/25**	**2025/26E**	**2026/2027E**	**2027/2028E**
Old estimate	0.07	0.05	0.05	na
New estimate	0.09*	0.06	0.07	0.08
Change	0.02	0.01	0.02	na
Change (pct)	33.3%	28.4%	49.0%	na

Source: Enlight Research
*Approved with ex-date on 13 November 2025

Detailed Forecast

PARTNERS FOR FARMERS (EURm)	Q1-24/25	Q2-24/25	Q3-24/25	Q4-24/25	Q1-25/26	Q2-25/26E	Q3-25/26E	Q4-25/26E	2024/25	2025/26E	026/2027E	2027/2028E
Revenue (external)	263	284	247	282	257	266	259	300	1,076	1,081	1,181	1,264
Revenue growth y-on-y	-15.2%	26.2%	-2.4%	4.2%	-2.4%	-6.4%	4.6%	6.4%	3.1%	-8.7%	11.8%	10.5%
Opertaing profit	8.8	3.6	8.4	8.1	13.3	4.2	3.9	6.2	28.9	27.6	29.8	30.3
Operating margin	3.3%	1.3%	3.4%	2.9%	5.2%	1.6%	1.5%	2.1%	2.7%	2.6%	2.5%	2.4%

FARMING (EURm)	Q1-24/25	Q2-24/25	Q3-24/25	Q4-24/25	Q1-25/26	Q2-25/26E	Q3-25/26E	Q4-25/26E	2024/25	2025/26E	026/2027E	2027/2028E
Revenue (external)	11	11	10	9	10	11	10	8	40	40	41	41
Revenue growth y-on-y	61.1%	-15.9%	6.3%	56.1%	-3.8%	6.6%	-2.9%	-3.3%	16.8%	-0.7%	1.5%	1.5%
Opertaing profit	-1.5	2.6	0.2	9.9	0.0	2.0	0.1	5.5	11.3	7.6	7.7	7.8
Operating margin	-14.1%	24.9%	2.2%	113.0%	-0.3%	18.0%	1.0%	65.0%	27.9%	19.0%	19.0%	19.0%

FOOD PRODUCTION (EURm)	Q1-24/25	Q2-24/25	Q3-24/25	Q4-24/25	Q1-25/26	Q2-25/26E	Q3-25/26E	Q4-25/26E	2024/25	2025/26E	026/2027E	2027/2028E
Revenue (external)	107	108	113	120	123	117	121	127	449	488	505	520
Revenue growth y-on-y	6.8%	11.5%	13.7%	18.7%	15.0%	8.1%	7.0%	5.6%	12.7%	8.8%	3.4%	2.9%
Opertaing profit	11.0	8.4	5.6	14.2	13.4	8.2	8.5	11.4	39.2	41.5	37.9	36.4
Operating margin	10.3%	7.7%	4.9%	11.8%	10.9%	7.0%	7.0%	9.0%	8.7%	8.5%	7.5%	7.0%

OTHER PRODUCTS & SERVICES (EURm)	Q1-24/25	Q2-24/25	Q3-24/25	Q4-24/25	Q1-25/26	Q2-25/26E	Q3-25/26E	Q4-25/26E	2024/25	2025/26E	026/2027E	2027/2028E
Revenue (external)	4	4	4	4	4	4	4	4	15	16	17	17
Revenue growth y-on-y	-9.3%	-2.1%	23.5%	18.7%	15.2%	2.0%	2.0%	1.7%	6.9%	5.0%	2.0%	2.0%
Opertaing profit	0.6	-0.3	-0.3	-0.4	0.2	0.1	0.1	-0.5	-0.4	0.0	0.0	0.0
Operating margin	15.9%	-9.2%	-7.0%	-9.8%	4.5%	4.0%	3.0%	-11.4%	-2.9%	0.0%	0.0%	0.0%

INCOME STATEMENT (EURm)	Q1-24/25	Q2-24/25	Q3-24/25	Q4-24/25	Q1-25/26	Q2-25/26E	Q3-25/26E	Q4-25/26E	2024/25	2025/26E	026/2027E	2027/2028E
Revenues	384	406	404	415	394	398	395	439	1,581	1,626	1,743	1,842
Cost of sales	-340	-364	-356	-351	-338	-354	-351	-382	-1,387	-1,426	-1,543	-1,634
Gross profit	**44**	**43**	**48**	**64**	**56**	**44**	**43**	**57**	**194**	**200**	**200**	**208**
Operating expenses	-26	-29	-28	-32	-29	-31	-28	-34	-115	-122	-129	-136
Other income	2	1	1	4	1	2	2	2	8	7	7	7
Other expenses	-2	0	-2	-4	-1	-2	-2	-4	-8	-8	-3	-5
Operating profit	**19**	**14**	**18**	**32**	**27**	**13**	**15**	**22**	**79**	**77**	**75**	**75**
Financial net	*-5*	*-3*	*-5*	*-4*	*-4*	*-4*	*-4*	*-4*	*-17*	*-16*	*-17*	*-16*
Pre-tax profit	**14**	**11**	**13**	**28**	**23**	**9**	**11**	**18**	**62**	**61**	**59**	**58**
Tax	-1	-1	-1	1	-4	-1	-2	-3	-1	-9	-9	-9
Minority	-1	-1	-1	-3	-1	-2	-2	-2	-6	-6	-7	-7
Net profit	**11**	**9**	**11**	**26**	**18**	**6**	**8**	**13**	**54**	**45**	**43**	**42**
Depreciation	8	7	5	7	9	8	8	8	31	33	35	36
EBITDA	**27**	**21**	**23**	**39**	**36**	**21**	**23**	**30**	**110**	**110**	**110**	**110**

Growth	Q1-24/25	Q2-24/25	Q3-24/25	Q4-24/25	Q1-25/26	Q2-25/26E	Q3-25/26E	Q4-25/26E	2024/25	2025/26E	026/2027E	2027/2028E
Revenues y-on-y	-8.7%	20.1%	3.9%	15.8%	2.6%	-2.1%	-2.4%	5.9%	4.9%	2.8%	7.2%	5.7%

Margins	Q1-24/25	Q2-24/25	Q3-24/25	Q4-24/25	Q1-25/26	Q2-25/26E	Q3-25/26E	Q4-25/26E	2024/25	2025/26E	026/2027E	2027/2028E
Gross profit margin	11.5%	10.5%	11.8%	15.4%	14.2%	11.0%	11.0%	13.0%	12.3%	12.3%	11.5%	11.3%
EBITDA margin	7.0%	5.2%	5.7%	9.4%	9.2%	5.3%	5.8%	6.7%	7.0%	6.8%	6.3%	6.0%
Operating profit margin	4.9%	3.5%	4.5%	7.7%	6.8%	3.3%	3.8%	4.9%	5.0%	4.7%	4.3%	4.0%
Pre-tax profit margin	3.6%	2.8%	3.3%	6.8%	5.9%	2.3%	2.8%	4.0%	3.9%	3.8%	3.4%	3.2%
Net profit margin	2.9%	2.2%	2.8%	6.3%	4.6%	1.5%	2.0%	3.0%	3.4%	2.8%	2.5%	2.3%
Tax rate	7%	9%	5%	-2%	15%	15%	15%	15%	2%	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.

Capital allocation

With strong free cash flow it is of essence to allocate the capital correctly among investments and dividends. Allocating capital to below par projects could hurt profitability.

Income Statement	2024	2025	2026E	2027E	2028E
Net sales	1506.2	1580.7	1625.6	1743.1	1841.8
Total operating costs	-1432.7	-1470.5	-1515.6	-1633.0	-1731.6
EBITDA	**73.5**	**110.2**	**110.0**	**110.2**	**110.2**
Depreciation & Amort.	-27.5	-31.3	-33.3	-34.8	-35.7
One-off EBIT items	0.0	0.0	0.0	0.0	0.0
EBIT	**46.1**	**78.9**	**76.7**	**75.4**	**74.6**
Financial net	-19.1	-16.8	-15.7	-16.7	-16.2
Pre-tax profit	**27.0**	**62.1**	**61.0**	**58.7**	**58.3**
Taxes	-2.1	-1.4	-9.3	-8.8	-8.8
Minority interest	-3.0	-6.4	-6.4	-7.0	-7.2
Other items	0.0	0.0	0.0	0.0	0.0
Net profit	**21.9**	**54.3**	**45.3**	**42.9**	**42.4**

Balance Sheet	2024	2025	2026E	2027E	2028E
Cash and cash equivalent	16	14	14	15	16
Receivables	303	355	365	378	368
Inventories	223	227	228	235	249
Other current assets	63	80	80	80	80
Current assets	**605**	**676**	**686**	**708**	**713**
Tangible assets	206	241	258	268	267
Goodwill & intangible assets	18	24	24	24	25
Lease & Investment properties	37	44	49	56	61
Investments	2	4	4	4	4
Associated companies	0	0	0	0	0
Other non-current assets	19	26	26	26	26
Total fixed assets	**282**	**338**	**360**	**377**	**382**
Total Assets	**886**	**1014**	**1046**	**1086**	**1095**
Non-interest bearing current liabilities	185	172	177	190	184
Short-term debt	207	250	248	243	227
Other current liabilities	55	61	58	58	58
Total current liabilities	**447**	**483**	**483**	**491**	**470**
Long-term debt	60	89	88	86	81
Convertibles & Lease liab.	51	53	55	56	61
Deferred tax liabilities	1	2	2	2	2
Provisions	0	0	0	0	0
Other long-term liabilities	10	14	14	14	14
Total long-term liab.	**127**	**163**	**165**	**163**	**163**
Total Liabilities	**574**	**646**	**648**	**654**	**633**
Minority interest (BS)	17	24	24	24	24
Shareholders' equity	296	345	375	408	439
Total liabilities and equity	**886**	**1014**	**1046**	**1086**	**1095**

DCF valuation		Cash flow, mEUR	
WACC (%)	8.84 %	NPV FCF (2023-2025)	117
Assumptions 2023-2029 (%)		NPV FCF (2026-2032)	237
Sales CAGR	4.53 %	NPV FCF (2033-)	419
Avg. EBIT margin	4.15 %	Non-operating assets	-20
Fair value per share (EUR)	2.16	Interest-bearing debt	-392
Share price (EUR)	1.77	Fair value estimate	361

Free Cash Flow	2024	2025	2026E	2027E	2028E
Operating profit	46.1	78.9	76.7	75.4	74.6
Depreciation & Amort.	27.5	31.3	33.3	34.8	35.7
Working capital chg.	42.2	-81.1	-7.9	-8.0	-9.0
Other Operating CF items	-2.5	-5.4	-11.6	-11.3	-11.2
Operating Cash Flow	**113.2**	**23.7**	**90.5**	**90.9**	**90.0**
Net investments	-71.3	-77.1	-50.1	-45.3	-35.3
Other items	0.7	4.9	0.0	0.0	0.0
Free Cash Flow	**42.5**	**-48.5**	**40.4**	**45.5**	**54.7**

Capital structure	2024	2025	2026E	2027E	2028E
Equity ratio	35.3%	36.3%	38.1%	39.7%	42.2%
Debt / Equity ratio	107.4%	113.7%	104.4%	94.4%	84.1%
Gearing %	96.6%	102.7%	94.7%	85.8%	76.4%
Net debt/EBITDA	4.1	3.4	3.4	3.4	3.2
Interest coverage ratio	2.4	4.7	4.9	4.5	4.6

Profitability	2024	2025	2026E	2027E	2028E
ROE	7.7%	17.0%	12.6%	11.0%	10.0%
FCF yield	21.6%	-19.5%	13.6%	15.4%	18.5%
EBITDA margin	4.9%	7.0%	6.8%	6.3%	6.0%
EBIT margin	3.1%	5.0%	4.7%	4.3%	4.1%
PTP margin	1.8%	3.9%	3.8%	3.4%	3.2%
Net margin	1.5%	3.4%	2.8%	2.5%	2.3%

Valuation	2024	2025	2026E	2027E	2028E
P/E	9.0	4.6	6.5	6.9	7.0
P/E, adjusted	9.0	4.6	6.5	6.9	7.0
P/Sales	0.1	0.2	0.2	0.2	0.2
EV/Sales	0.3	0.4	0.4	0.4	0.4
EV/EBITDA	6.9	5.8	6.3	6.2	6.0
EV/EBIT	11.1	8.2	9.0	9.1	8.9
P/BV	0.7	0.7	0.8	0.7	0.7
P/BV tangible	0.7	0.8	0.8	0.8	0.7

Per share ratios	2024	2025	2026E	2027E	2028E
EPS	0.13	0.32	0.27	0.26	0.25
EPS, adjusted	0.13	0.32	0.27	0.26	0.25
Operating CF/share	0.68	0.14	0.54	0.54	0.54
Free Cash Flow/share	0.25	-0.29	0.24	0.27	0.33
BV/share	1.77	2.06	2.24	2.44	2.62
Tangible BV/share	1.74	2.02	2.20	2.40	2.58
Div. per share	0.03	0.09	0.06	0.07	0.08
Div. payout ratio	22.9%	27.7%	22.1%	27.3%	31.6%
Dividend yield	2.5%	6.0%	3.4%	4.0%	4.5%

Shareholders	Capital	Votes
Akola ApS (Denmark)	194.549	65.75 %
Darius Zubas	30.181	10.20 %
UAB SB Asset Management	15.179	5.13 %

Key people	
CEO	Darius Zubas
CFO	Mazvydas Sileika
IR	Dovile Revutaite
Chairman	Tomas Tumenas

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

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Enlight Research OÜ's main valuation methods are discounted cash flow valuation and peer valuation with common multiples such as Price to Earnings, Enterprise Value to EBITDA, dividend yield etc. Aforementioned methods are used to estimate a company's fair value according to the following three scenarios: Bull (positive), Base (main scenario), and Bear (negative).

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