

## Expect a strong H2

**Q2 Earnings was below forecast mainly due to a write-down and grain & oilseeds trading seasonality. H1 was still solid and we look for the usual pick-up in H2. We lower our Fair value and estimates somewhat but are still above guidance.**

### Q2 below, but H1 solid

Q2-25/26 Sales was 9.6% below estimate while the EBIT of EUR 2.8m was below estimated EUR 13.2m. The negative EUR 10.4m EBIT deviation was mainly due to an inventory write-down (est. EUR 3-4m) and usual grain and oilseeds trading seasonality. The H1-25/26 EBIT was still solid at EUR 29.6m vs. EUR 28.8m in H1-24/25.

### Seasonally strong H2

We forecast an H2-25/26 EBIT of EUR 36.9m up from EUR 29.6m in H1-25/26. The forecast improvement is driven by the seasonally strong grain & oilseeds trading, leading to an estimated H2-25/26 Partners for Farmers EBIT of EUR 11.5m vs. EUR 2.7m in H1-25/26. The expected H2 pickup vs. H1 is consistent with previous two fiscal years.

### Lowered estimates but still above guidance

Our EBITDA estimates are lowered by 7-9% this and next fiscal year while our Base case DCF Fair value is lowered by 3% to EUR 2.10/shr. (prev. 2.16) implying an upside of around 17%. Our new 2025/26 EBITDA estimate of EUR 100m (prev. 110m) is still above the EUR 70-90m guidance.

### Key figures (MEUR)

	2024	2025	2026E	2027E	2028E
Net sales	1,506.2	1,580.7	1,560.8	1,654.2	1,713.6
Net sales growth	-24.7%	4.9%	-1.3%	6.0%	3.6%
EBITDA	73.5	110.2	100.4	102.3	104.6
EBITDA margin	4.9%	7.0%	6.4%	6.2%	6.1%
EBIT	46.1	78.9	66.6	68.5	69.8
EBIT margin	3.1%	5.0%	4.3%	4.1%	4.1%
EV/Sales	0.3	0.4	0.4	0.4	0.4
EV/EBITDA	6.9	5.8	6.7	6.5	6.1
EV/EBIT	11.1	8.2	10.2	9.8	9.2
P/E adj.	9.0	4.6	8.0	7.9	7.6
P/BV	0.7	0.7	0.8	0.8	0.7
EPS	0.13	0.32	0.22	0.23	0.23
EPS growth	82.96%	147.42%	-31.29%	1.10%	3.81%
Div. per share	0.03	0.09	0.06	0.07	0.08
Dividend yield	2.54%	6.04%	3.37%	3.93%	4.49%

Source: Company data, Enlight Research estimates

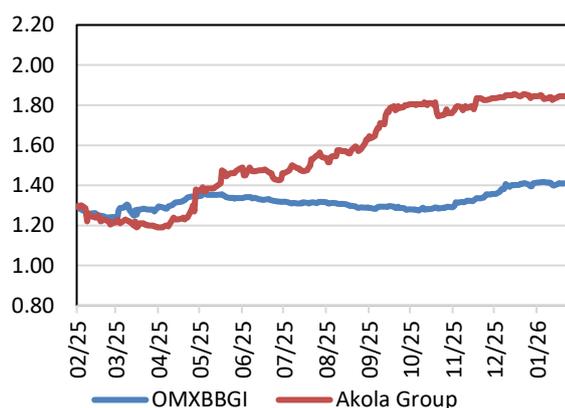
### Fair value range (EUR)

Bull (term. EBIT marg. 4.5%)	2.56
Base (term. EBIT marg. 4.0%)	2.10
Bear (term. EBIT marg. 3.5%)	1.64

### Key Data

Price (EUR)	1.78
Ticker	AKO1L
Country	Lithuania
Listed	Vilnius (Lithuania)
Market Cap (EURm)	299
Net debt (EURm)*	359
Shares (m)	167.2
Free float	20 %

\*End of current forecast year estimate



### Price range

52-week high	1.86
52-week low	1.19

### Analyst

ResearchTeam@enlightresearch.net

### Coverage frequency

4x per year

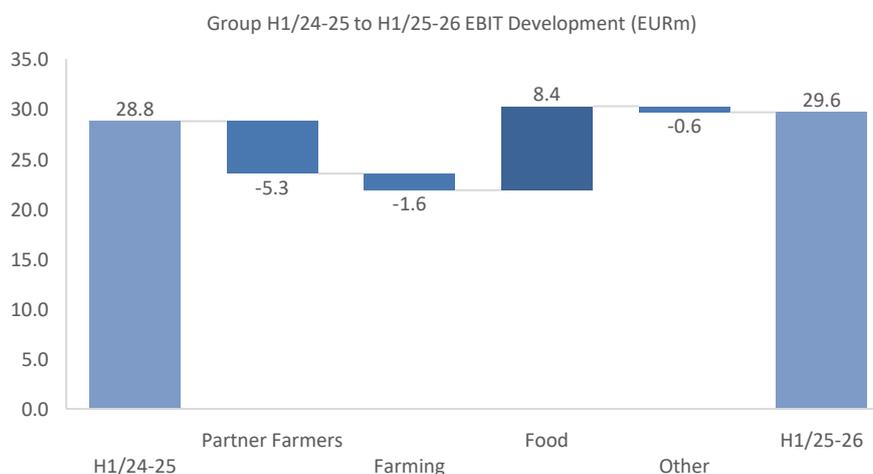
## Key takeaways

### Q2 below estimates, but H1 still solid

Q2-25/26 Sales of EUR 360m was 9.6% or EUR 38m below forecast while the EBIT of EUR 2.8m was EUR 10.4m below estimated EUR 13.2m. The main reason for the negative EBIT deviation was the Partners for Farmers (PFF) segment's Q2-25/26 EBIT loss of EUR 10.5m vs. our expected profit of EUR 4.2m as the Feed sub-segment segment made an inventory write-down in the quarter due to a revaluation of amino acids held. The revaluation amount was not specified, but we estimate it at EUR 3-4m (based on the Feed sub-segment's Q2-25/26 EUR 3.9m y/y lower Gross profit). We believe most of the remaining PFF segment's EUR 10m negative EBIT deviation came from grain and oilseeds trading, which could be made up in H2-25/26 (see next Key take). The Farming and the Other products Q2-25/26 EBIT were EUR 1.5m and EUR 1.7m, respectively, below our estimates i.e., relatively small deviations in euro terms. The Food products segment continue to perform strongly with the Q2-25/26 EBIT topping our forecast by EUR 6.5m. We lower our Sales forecast by 4% this year and 5% next year. Our EBITDA is lowered by 9% this year to EUR 100m, and by 7% next year to EUR 102m – both above the guidance of EUR 70-90m (see third key take). To summarize, Q2-25/26 was below forecast but H1-25/26 was still solid as the Food segment continues to perform (diversification benefits). We look for the usual seasonal H2 pickup.

Group deviations P&L	Q2-25/26 Estimate	Q2-25/26 Actual	Difference	
			EURm	%
Total Sales	397.7	359.6	-38.0	-9.6%
Cost of sales	-353.9	-323.3	30.6	-8.7%
<b>Gross profit</b>	<b>43.7</b>	<b>36.3</b>	<b>-7.4</b>	<b>-17.0%</b>
Operating expenses	-30.6	-34.4	-3.8	12.3%
Other income	1.6	1.6	0.0	0.1%
Other expenses	-1.5	-0.8	0.7	-49.4%
<b>Operating profit</b>	<b>13.2</b>	<b>2.8</b>	<b>-10.4</b>	<b>-78.9%</b>
Financial net	-4.0	-4.1	-0.1	2.9%
<b>Pre-tax profit</b>	<b>9.2</b>	<b>-1.3</b>	<b>-10.5</b>	<b>nm</b>
Tax	-1.4	1.3	2.7	nm
Minority	-1.7	-2.1	-0.4	nm
<b>Net profit to shr holders</b>	<b>6.1</b>	<b>-2.2</b>	<b>-8.3</b>	<b>nm</b>
Depreciation	8.0	8.5	0.5	6.3%
<b>EBITDA</b>	<b>21.2</b>	<b>11.3</b>	<b>-9.9</b>	<b>-46.8%</b>

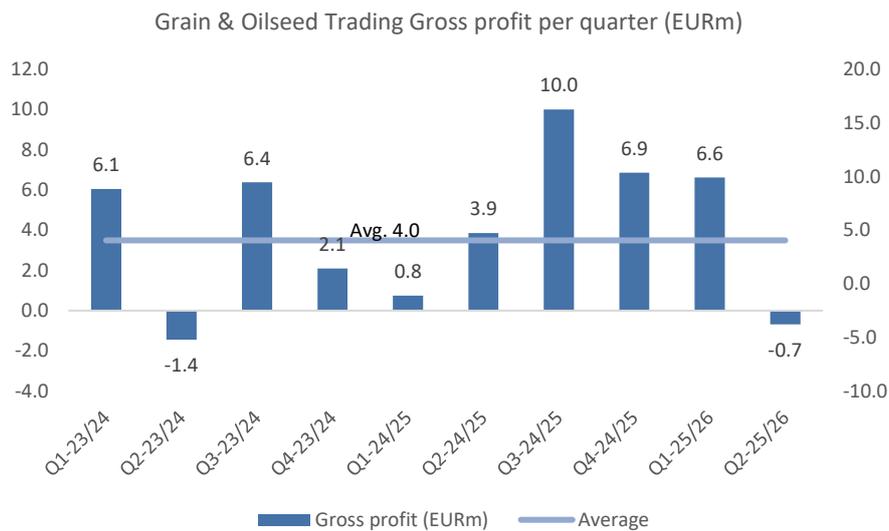
Source: Enlight Research (Estimate), Company reports (Actual)



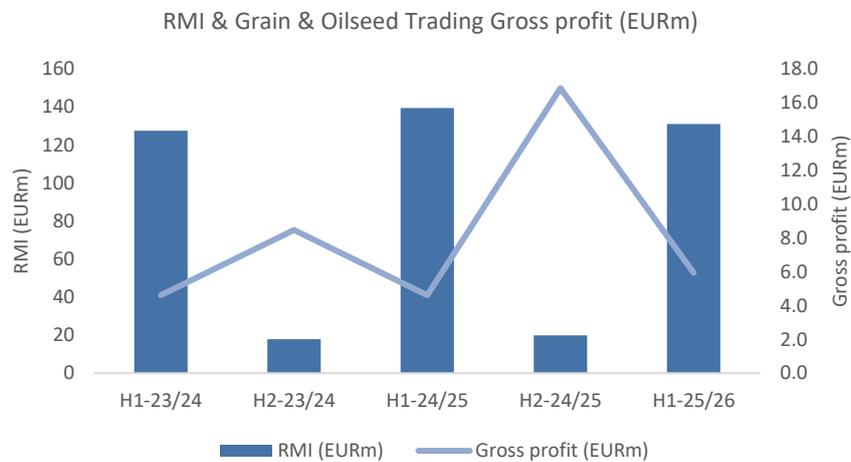
Source: Company reports

**Grain & Oilseeds Trading should have a strong second half**

We are not overly concerned about the PFF sub-segment, Grain & Oilseeds Trading, negative gross profit of EUR 0.7m in Q2-25/26 as the first half of the fiscal year is usually weaker than the second half. For example, in 2023/24, the H1 Gross profit was EUR 4.6m after a Q2 loss of EUR 1.4m. This was followed by a H2 profit of EUR 8.5m. A similar pattern was seen in 2024/25 when the H1 Gross profit was EUR 4.6m followed by a H2 Gross profit of EUR 16.9m. Hence, we believe the H1-25/26 Gross profit of EUR 5.9m will be followed by a much stronger H2-25/26 (we do not forecast sub-segment gross profit but a reasonable H2 figure could be EUR 10-15m). The trading seasonality can be seen in the Readily Marketable Inventories (RMI), which is inventory that can readily (<90 days) be converted to cash (mainly grain & oilseeds). In the previous two fiscal years, the ending H1 RMI has been EUR 128-139m while the ending H2 RMI has been EUR 18-20m i.e., a significant share of the RMI is typically sold in H2 leading to a higher gross and operating profit. The ending H1-25/26 RMI of EUR 131m is normal and we expect most of this inventory to be sold in H2-25/26 boosting the PFF segment H2-25/26 Operating profit to EUR 11.5m vs. EUR 2.7m in H1-25/26.



Source: Company reports



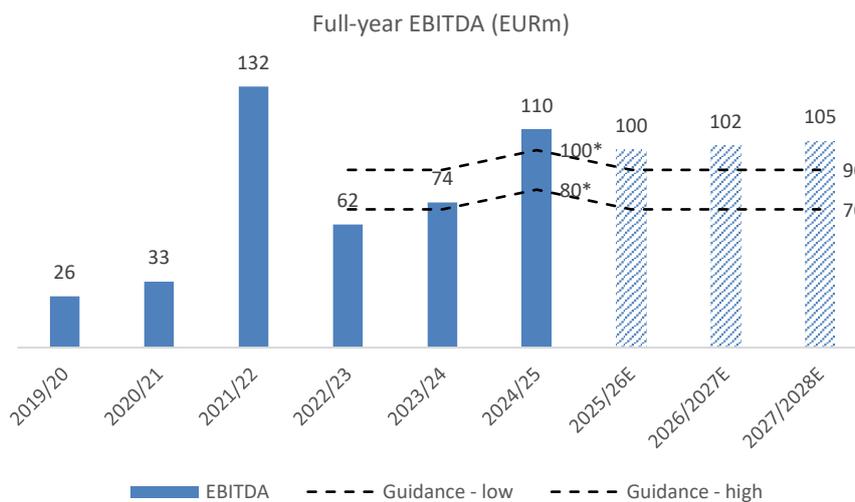
Source: Company reports

**Guidance reiterated**

The annual EBITDA guidance of EUR 70-90m was reiterated. The H1-25/26 EBITDA of EUR 47m means 59% of the mid-guidance has been met (67% of low-end and 52% of high-end). Our new 2025/26 EBITDA estimate of EUR 100m (prev. 110m) is still above the upper guidance of EUR 90m. This assumes usual seasonality with a stronger H2 vs. H1. We forecast an H2-25/26 EBITDA of EUR 53m vs. the H1-25/26 EBITDA of EUR 47m. Last fiscal year (2024/25), the H2 EBITDA was EUR 66m vs. the H1 EBITDA of EUR 44m, i.e., the seasonality was even stronger last year than we forecast this year. Management usually updates the guidance following the FY 9M report (next report), which is understandable given the seasonality and difficulty in predicting the trading business. Although we lower our 2025/26 Net profit forecast by 17.8% to EUR 37m, it is still the third best Net profit in the company’s history albeit not as strong as last year’s EUR 54m or the abnormal 2021/22’s EUR 75m.

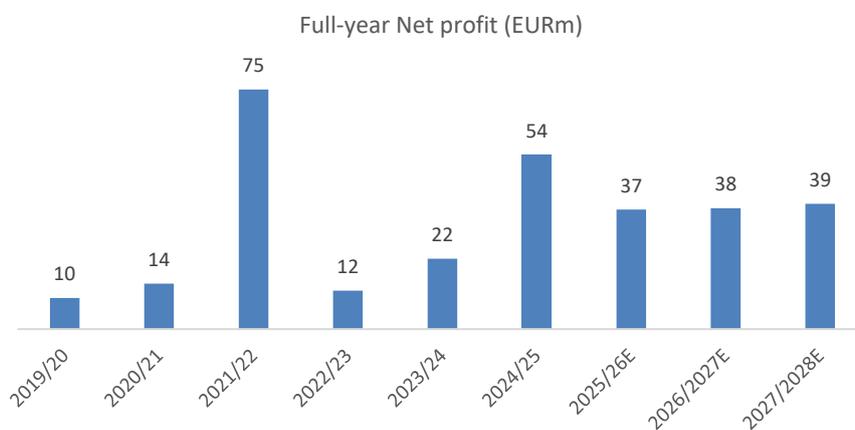
EBITDA guidance	Low	Mid	High
Annual EBITDA guidance (EURm)	70	80	90
H1-25/26 EBITDA (EURm)	47	47	47
H1-25/26 EBITDA / annual guidance	67%	59%	52%

Source: Company (guidance, historical)



Source: Company (guidance, historical), Enlight Research (estimate)

\*Temporarily raised guidance



Source: Company

## Valuation

### DCF valuation

Our Base case DCF Fair value per share is lowered to EUR 2.10 (prev. 2.16) mainly due to lower estimates. This implies an upside of around 18%. Our Bear and Bull case Fair value per share is EUR 1.64 (prev. 1.67), and EUR 2.56 (prev. 2.65), 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 4.3% 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)	1.64	2.10	2.56
Upside/Downside	-8%	18%	44%
Last price (EUR)	1.78	1.78	1.78

Source: Enlight Research

Sensitivity parameters	Base case	Step	Test values & Results										
			0.60	0.70	0.80	0.90	1.00	1.10	1.20	1.30	1.40	1.50	1.60
<b>Equity beta</b>	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
<i>Fair value (DCF)</i>	2.10		3.20	2.93	2.70	2.48	2.28	2.10	1.93	1.78	1.64	1.50	1.38
<b>Target debt ratio*</b>	48.4 %	3.0 %	33%	36%	39%	42%	45%	48%	51%	54%	57%	60%	63%
<i>Fair value (DCF)</i>	2.10		1.31	1.45	1.59	1.75	1.92	2.10	2.30	2.52	2.77	3.04	3.35
<b>Risk-free IR</b>	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 %
<i>Fair value (DCF)</i>	2.10		3.27	2.99	2.73	2.50	2.29	2.10	1.92	1.76	1.61	1.48	1.35

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

### Peer valuation

Based on the EV/EBITDA 2026 estimates (this is Akola's current forecast fiscal year 2025/26), Akola is trading with a slight discount (4%) to the peer group (6.7x vs. peer avg. 7.0x). Based on the EV/EBIT 2026 estimates, there is a significant 19% discount to the peer group (10.2x vs. peer avg. of 12.5x), which highlights Akola Group's strong EBIT margins.

#### Akola Group peer valuation

Company	Ticker	Ccy	Price (last)	Mcap (m)	EV/EBITDA 2024	EV/EBITDA 2025	EV/EBITDA 2026E	EV/EBITDA 2027E	EV/EBIT 2024	EV/EBIT 2025	EV/EBIT 2026E	EV/EBIT 2027E
Scandi Standard	SCST	SEK	127.2	8,311	11.2	10.0	8.9	8.4	20.5	17.3	14.8	13.2
Orior AG	ORON	CHF	11.42	75	10.6	6.5	6.0	5.8	neg.	21.8	16.7	14.9
Fodelia	FODELIA	EUR	4.62	38	8.0	9.0	7.6	6.4	na	17.4	12.7	9.7
Raisio Oyj K	RAIVV	EUR	2.76	436	10.8	9.5	9.0	8.4	15.3	12.6	11.9	11.0
Adecoagro	AGRO	USD	8.87	1,254	5.9	9.0	5.7	6.6	11.9	nm	9.2	17.7
Bonduelle	BON	EUR	10.20	328	5.5	5.1	5.0	4.7	11.4	10.3	9.8	9.0
<b>Average</b>					<b>8.7</b>	<b>8.2</b>	<b>7.0</b>	<b>6.7</b>	<b>14.8</b>	<b>15.9</b>	<b>12.5</b>	<b>12.6</b>
Akola Group	AKO1L	EUR	1.78	298	6.9	5.8	6.7	6.5	11.1	8.2	10.2	9.7

Source: MarketScreener, Enlight Research (Akola Group), share prices on February 26, 2026

## Estimate deviations

Segment deviations				
Revenue	Q2-25/26	Q2-25/26	Difference	
	Estimate	Actual	EURm	%
Partners for farmers	265.5	226.1	-39.4	-14.8%
Farming	11.3	11.5	0.2	2.0%
Food products	117.2	117.7	0.5	0.4%
Other products	3.6	4.3	0.7	18.1%
<b>Total</b>	<b>397.7</b>	<b>359.6</b>	<b>-38.0</b>	<b>-9.6%</b>

Revenue growth	Q2-25/26	Q2-25/26	Difference	
	Estimate	Actual	EURm	%-pts
Partners for farmers	-6.4%	-11.3%	na	-4.9
Farming	6.6%	8.7%	na	2.1
Food products	8.1%	8.6%	na	0.5
Other products	2.0%	20.5%	na	18.5
<b>Total</b>	<b>-2.1%</b>	<b>-5.7%</b>		<b>-3.6</b>

Operating profit (bef. elim.)	Q2-25/26	Q2-25/26	Difference	
	Estimate	Actual	EURm	%
Partners for farmers	4.2	-10.5	-14.8	-347%
Farming	2.0	0.5	-1.5	-74%
Food products	8.2	14.3	6.1	75%
Other products	0.1	-1.6	-1.7	-1187%
<b>Total</b>	<b>14.6</b>	<b>2.8</b>	<b>-11.8</b>	<b>-81%</b>

Operating margin (bef. elim.)	Q2-25/26	Q2-25/26	Difference	
	Estimate	Actual	EURm	%-pts
Partners for farmers	1.6%	-4.6%	na	-6.2
Farming	18.0%	4.6%	na	-13.4
Food products	7.0%	12.2%	na	5.2
Other products	4.0%	-36.8%	na	-40.8
<b>Total</b>	<b>3.7%</b>	<b>0.8%</b>	<b>na</b>	<b>-2.9</b>

Group deviations P&L	Q2-25/26	Q2-25/26	Difference	
	Estimate	Actual	EURm	%
Total Sales	397.7	359.6	-38.0	-9.6%
Cost of sales	-353.9	-323.3	30.6	-8.7%
<b>Gross profit</b>	<b>43.7</b>	<b>36.3</b>	<b>-7.4</b>	<b>-17.0%</b>
Operating expenses	-30.6	-34.4	-3.8	12.3%
Other income	1.6	1.6	0.0	0.1%
Other expenses	-1.5	-0.8	0.7	-49.4%
<b>Operating profit</b>	<b>13.2</b>	<b>2.8</b>	<b>-10.4</b>	<b>-78.9%</b>
Financial net	-4.0	-4.1	-0.1	2.9%
<b>Pre-tax profit</b>	<b>9.2</b>	<b>-1.3</b>	<b>-10.5</b>	<b>-114.4%</b>
Tax	-1.4	1.3	2.7	-194.4%
Minority	-1.7	-2.1	-0.4	26.2%
<b>Net profit to shr holders</b>	<b>6.1</b>	<b>-2.2</b>	<b>-8.3</b>	<b>-135.3%</b>
Depreciation	8.0	8.5	0.5	6.3%
<b>EBITDA</b>	<b>21.2</b>	<b>11.3</b>	<b>-9.9</b>	<b>-46.8%</b>

Revenue growth	Q2-25/26	Q2-25/26	Difference	
	Estimate	Actual	EURm	%-pts
Total sales y-on-y	-2.1%	-5.7%	na	-3.6

Margins	Q2-25/26	Q2-25/26	Difference	
	Estimate	Actual	EURm	%-pts
Gross margin	11.0%	10.1%	na	-0.9
EBITDA margin	5.3%	3.1%	na	-2.2
Operating margin	3.3%	0.8%	na	-2.5
Pre-tax margin	2.3%	-0.4%	na	-2.7
Net margin	1.5%	-0.6%	na	-2.1

Source: Company reports, Enlight Research

## Estimate changes

<b>Estimate changes</b>			
<b>Sales (EURm)</b>	<b>2025/26E</b>	<b>2026/2027E</b>	<b>2027/2028E</b>
Old estimate	1,626	1,743	1,842
New estimate	1,561	1,654	1,714
Change	-65	-89	na
Change (pct)	-4.0%	-5.1%	na
<b>EBITDA (EURm)</b>	<b>2025/26E</b>	<b>2026/2027E</b>	<b>2027/2028E</b>
Old estimate	110.0	110.2	110.2
New estimate	100.4	102.4	104.6
Change	-9.6	-7.8	na
Change (pct)	-8.8%	-7.1%	na
<b>EPS (EUR)</b>	<b>2025/26E</b>	<b>2026/2027E</b>	<b>2027/2028E</b>
Old estimate	0.27	0.26	0.25
New estimate	0.22	0.23	0.23
Change	-0.05	-0.03	na
Change (pct)	-17.8%	-12.1%	na
<b>Dividend (EUR)</b>	<b>2025/26E</b>	<b>2026/2027E</b>	<b>2027/2028E</b>
Old estimate	0.06	0.07	0.08
New estimate	0.06	0.07	0.08
Change	0.00	0.00	na
Change (pct)	0.0%	0.0%	na

Source: Enlight Research

## Detailed Forecast

PARTNERS FOR FARMERS												
(EURm)	Q1-24/25	Q2-24/25	Q3-24/25	Q4-24/25	Q1-25/26	Q2-25/26	Q3-25/26E	Q4-25/26E	2024/25	2025/26E	2026/2027E	2027/2028E
Revenue (external)	263	255	276	282	257	226	264	273	1,076	1,020	1,092	1,131
Revenue growth y-on-y	-15.2%	13.4%	9.0%	4.2%	-2.4%	-11.3%	-4.3%	-3.3%	3.1%	-12.9%	4.6%	4.3%
Operating profit	8.8	-0.8	12.8	8.1	13.3	-10.5	4.5	7.0	28.9	14.3	22.9	23.8
Operating margin	3.3%	-0.3%	4.6%	2.9%	5.2%	-4.6%	1.7%	2.6%	2.7%	1.4%	2.1%	2.1%
FARMING												
(EURm)	Q1-24/25	Q2-24/25	Q3-24/25	Q4-24/25	Q1-25/26	Q2-25/26	Q3-25/26E	Q4-25/26E	2024/25	2025/26E	2026/2027E	2027/2028E
Revenue (external)	11	11	10	9	10	12	10	7	40	39	39	40
Revenue growth y-on-y	61.1%	-15.9%	6.3%	56.1%	-3.8%	8.7%	-5.1%	-18.6%	16.8%	-4.0%	1.5%	1.5%
Operating profit	-1.5	2.6	0.2	9.9	0.0	0.5	0.1	5.6	11.3	6.2	6.7	6.8
Operating margin	-14.1%	24.9%	2.2%	113.0%	-0.3%	4.6%	1.0%	78.6%	27.9%	16.0%	17.0%	17.0%
FOOD PRODUCTION												
(EURm)	Q1-24/25	Q2-24/25	Q3-24/25	Q4-24/25	Q1-25/26	Q2-25/26	Q3-25/26E	Q4-25/26E	2024/25	2025/26E	2026/2027E	2027/2028E
Revenue (external)	107	108	113	120	123	118	119	126	449	485	505	523
Revenue growth y-on-y	6.8%	11.5%	13.7%	18.7%	15.0%	8.6%	4.9%	4.5%	12.7%	8.1%	4.0%	3.7%
Operating profit	11.0	8.4	5.6	14.2	13.4	14.3	7.1	11.2	39.2	46.1	38.9	39.2
Operating margin	10.3%	7.7%	4.9%	11.8%	10.9%	12.2%	6.0%	8.9%	8.7%	9.5%	7.7%	7.5%
OTHER PRODUCTS & SERVICES												
(EURm)	Q1-24/25	Q2-24/25	Q3-24/25	Q4-24/25	Q1-25/26	Q2-25/26	Q3-25/26E	Q4-25/26E	2024/25	2025/26E	2026/2027E	2027/2028E
Revenue (external)	4	4	4	4	4	4	5	4	15	17	19	19
Revenue growth y-on-y	-9.3%	-2.1%	23.5%	18.7%	15.2%	20.5%	10.0%	7.6%	6.9%	13.0%	6.0%	3.0%
Operating profit	0.6	-0.3	-0.3	-0.4	0.2	-1.6	0.1	1.2	-0.4	0.0	0.0	0.0
Operating margin	15.9%	-9.2%	-7.0%	-9.8%	4.5%	-36.8%	3.0%	29.0%	-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	Q2-25/26	Q3-25/26E	Q4-25/26E	2024/25	2025/26E	2026/2027E	2027/2028E
Revenues	380	381	404	415	394	360	398	410	1,581	1,561	1,654	1,714
Cost of sales	-337	-342	-356	-351	-338	-323	-354	-350	-1,387	-1,366	-1,452	-1,508
<b>Gross profit</b>	<b>44</b>	<b>39</b>	<b>48</b>	<b>64</b>	<b>56</b>	<b>36</b>	<b>44</b>	<b>59</b>	<b>194</b>	<b>195</b>	<b>202</b>	<b>206</b>
Operating expenses	-26	-29	-28	-32	-29	-34	-32	-34	-115	-130	-134	-137
Other income	2	1	1	4	1	2	2	2	8	6	7	7
Other expenses	-2	-1	-2	-4	-1	-1	-2	-2	-8	-5	-6	-6
<b>Operating profit</b>	<b>18</b>	<b>11</b>	<b>18</b>	<b>32</b>	<b>27</b>	<b>3</b>	<b>12</b>	<b>25</b>	<b>79</b>	<b>67</b>	<b>68</b>	<b>70</b>
<i>Financial net</i>	-5	-3	-5	-4	-4	-4	-4	-4	-17	-16	-16	-15
<b>Pre-tax profit</b>	<b>13</b>	<b>7</b>	<b>13</b>	<b>28</b>	<b>23</b>	<b>-1</b>	<b>8</b>	<b>21</b>	<b>62</b>	<b>51</b>	<b>53</b>	<b>54</b>
Tax	-1	0	-1	1	-4	1	-1	-3	-1	-7	-8	-8
Minority	-1	-1	-1	-3	-1	-2	-2	-2	-6	-7	-7	-7
<b>Net profit</b>	<b>11</b>	<b>6</b>	<b>11</b>	<b>26</b>	<b>18</b>	<b>-2</b>	<b>5</b>	<b>16</b>	<b>54</b>	<b>37</b>	<b>38</b>	<b>39</b>
Depreciation	9	6	9	7	9	9	8	8	31	34	34	35
<b>EBITDA</b>	<b>27</b>	<b>17</b>	<b>27</b>	<b>39</b>	<b>36</b>	<b>11</b>	<b>20</b>	<b>33</b>	<b>110</b>	<b>100</b>	<b>102</b>	<b>105</b>
Growth												
	Q1-24/25	Q2-24/25	Q3-24/25	Q4-24/25	Q1-25/26	Q2-25/26	Q3-25/26E	Q4-25/26E	2024/25	2025/26E	2026/2027E	2027/2028E
Revenues y-on-y	-9.6%	12.7%	3.9%	15.8%	3.6%	-5.7%	-1.6%	-1.3%	4.9%	-1.3%	6.0%	3.6%
Margins												
	Q1-24/25	Q2-24/25	Q3-24/25	Q4-24/25	Q1-25/26	Q2-25/26	Q3-25/26E	Q4-25/26E	2024/25	2025/26E	2026/2027E	2027/2028E
Gross profit margin	11.4%	10.2%	11.8%	15.4%	14.2%	10.1%	11.0%	14.4%	12.3%	12.5%	12.2%	12.0%
EBITDA margin	7.1%	4.4%	6.8%	9.4%	9.2%	3.1%	5.0%	8.0%	7.0%	6.4%	6.2%	6.1%
Operating profit margin	4.8%	2.8%	4.5%	7.7%	6.8%	0.8%	3.0%	6.1%	5.0%	4.3%	4.1%	4.1%
Pre-tax profit margin	3.4%	2.0%	3.3%	6.8%	5.9%	-0.4%	2.0%	5.1%	3.9%	3.2%	3.2%	3.2%
Net profit margin	2.8%	1.5%	2.8%	6.3%	4.6%	-0.6%	1.3%	3.9%	3.4%	2.4%	2.3%	2.3%
Tax rate	7%	6%	5%	-2%	15%	98%	15%	15%	2%	13%	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						Free Cash Flow					
	2024	2025	2026E	2027E	2028E		2024	2025	2026E	2027E	2028E
Net sales	1506.2	1580.7	1560.8	1654.2	1713.6	Operating profit	46.1	78.9	66.6	68.5	69.8
Total operating costs	-1432.7	-1470.5	-1460.4	-1551.9	-1609.0	Depreciation & Amort.	27.5	31.3	33.8	33.8	34.8
<b>EBITDA</b>	<b>73.5</b>	<b>110.2</b>	<b>100.4</b>	<b>102.3</b>	<b>104.6</b>	Working capital chg.	42.2	-81.1	8.7	-2.9	-0.5
Depreciation & Amort.	-27.5	-31.3	-33.8	-33.8	-34.8	Other Operating CF items	-2.5	-5.4	-8.7	-10.3	-10.5
One-off EBIT items	0.0	0.0	0.0	0.0	0.0	<b>Operating Cash Flow</b>	<b>113.2</b>	<b>23.7</b>	<b>100.4</b>	<b>89.1</b>	<b>93.6</b>
<b>EBIT</b>	<b>46.1</b>	<b>78.9</b>	<b>66.6</b>	<b>68.5</b>	<b>69.8</b>	Net investments	-71.3	-77.1	-42.9	-45.3	-35.2
Financial net	-19.1	-16.8	-15.8	-15.9	-15.3	Other items	0.7	4.9	0.0	0.0	0.0
<b>Pre-tax profit</b>	<b>27.0</b>	<b>62.1</b>	<b>50.7</b>	<b>52.6</b>	<b>54.5</b>	<b>Free Cash Flow</b>	<b>42.5</b>	<b>-48.5</b>	<b>57.4</b>	<b>43.8</b>	<b>58.4</b>
Taxes	-2.1	-1.4	-6.6	-7.9	-8.2	Capital structure					
Minority interest	-3.0	-6.4	-6.8	-7.0	-7.2		2024	2025	2026E	2027E	2028E
Other items	0.0	0.0	0.0	0.0	0.0	Equity ratio	35.3%	36.3%	38.6%	40.1%	42.8%
<b>Net profit</b>	<b>21.9</b>	<b>54.3</b>	<b>37.3</b>	<b>37.7</b>	<b>39.1</b>	Debt / Equity ratio	107.4%	113.7%	101.6%	92.8%	81.5%
Balance Sheet							2024	2025	2026E	2027E	2028E
	2024	2025	2026E	2027E	2028E	Gearing %	96.6%	102.7%	92.0%	84.2%	73.8%
Cash and cash equivalent	16	14	14	14	15	Net debt/EBITDA	4.1	3.4	3.6	3.4	3.1
Receivables	303	355	351	359	343	Interest coverage ratio	2.4	4.7	4.2	4.3	4.6
Inventories	223	227	219	223	231	Profitability					
Other current assets	63	80	80	80	80		2024	2025	2026E	2027E	2028E
<b>Current assets</b>	<b>605</b>	<b>676</b>	<b>662</b>	<b>676</b>	<b>669</b>	ROE	7.7%	17.0%	10.5%	9.9%	9.6%
Tangible assets	206	241	250	262	262	FCF yield	21.6%	-19.5%	19.2%	14.6%	19.5%
Goodwill & intangible assets	9	11	11	11	12	EBITDA margin	4.9%	7.0%	6.4%	6.2%	6.1%
Lease & Investment properties	37	44	47	53	57	EBIT margin	3.1%	5.0%	4.3%	4.1%	4.1%
Investments	2	4	4	4	4	PTP margin	1.8%	3.9%	3.3%	3.2%	3.2%
Associated companies	0	0	0	0	0	Net margin	1.5%	3.4%	2.4%	2.3%	2.3%
Other non-current assets	19	26	26	26	26	Valuation					
<b>Total fixed assets</b>	<b>273</b>	<b>326</b>	<b>338</b>	<b>355</b>	<b>359</b>		2024	2025	2026E	2027E	2028E
<b>Total Assets</b>	<b>878</b>	<b>1002</b>	<b>1000</b>	<b>1031</b>	<b>1028</b>	P/E	9.0	4.6	8.0	7.9	7.6
Non-interest bearing current liabilities	185	172	170	180	171	P/E, adjusted	9.0	4.6	8.0	7.9	7.6
Short-term debt	207	250	234	231	212	P/Sales	0.1	0.2	0.2	0.2	0.2
Other current liabilities	55	61	58	58	58	EV/Sales	0.3	0.4	0.4	0.4	0.4
<b>Total current liabilities</b>	<b>447</b>	<b>483</b>	<b>462</b>	<b>469</b>	<b>442</b>	EV/EBITDA	6.9	5.8	6.7	6.5	6.1
Long-term debt	60	89	83	82	75	EV/EBIT	11.1	8.2	10.2	9.8	9.2
Convertibles & Lease liab.	51	53	55	53	57	P/BV	0.7	0.7	0.8	0.8	0.7
Deferred tax liabilities	1	2	2	2	2	P/BV tangible	0.7	0.7	0.8	0.8	0.7
Provisions	0	0	0	0	0	Per share ratios					
Other long-term liabilities	10	14	14	14	14		2024	2025	2026E	2027E	2028E
<b>Total long-term liab.</b>	<b>127</b>	<b>163</b>	<b>160</b>	<b>156</b>	<b>153</b>	EPS	0.13	0.32	0.22	0.23	0.23
<b>Total Liabilities</b>	<b>574</b>	<b>646</b>	<b>622</b>	<b>626</b>	<b>595</b>	EPS, adjusted	0.13	0.32	0.22	0.23	0.23
Minority interest (BS)	17	24	24	24	24	Operating CF/share	0.68	0.14	0.60	0.53	0.56
Shareholders' equity	296	345	367	395	422	Free Cash Flow/share	0.25	-0.29	0.34	0.26	0.35
<b>Total liabilities and equity</b>	<b>886</b>	<b>1014</b>	<b>1013</b>	<b>1044</b>	<b>1040</b>	BV/share	1.77	2.06	2.20	2.36	2.52
DCF valuation						Shareholders					
	Cash flow, mEUR						Capital				Votes
WACC (%)	8.84%	NPV FCF (2026-2028)			137	Akola ApS (Denmark)	196.747				65.75 %
Assumptions 2024-2032 (%)	NPV FCF (2029-2035)			236	Darius Zupas	30.522				10.20 %	
Sales CAGR	3.66%	NPV FCF (2036+)			391	UAB SB Asset Management	15.351				5.13 %
Avg. EBIT margin	4.07%	Non-operating assets			-20						
Fair value per share (EUR)	2.10	Interest-bearing debt			-392						
Share price (EUR)	1.78	Fair value estimate			351						
Key people											
						CEO	Darius Zupas				
						CFO	Mazvydas Sileika				
						IR	Dovile Revutaite				
						Chairman	Tomas Tumenas				

<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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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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