

Correction could be over

Following the share price decline, the Akola Group (AKO) share is trading at its long-term average PE. The Q2-23/24 result was below our estimate mainly due to low commodity trading volumes – we look for a pickup in H2-23/24. The positive earnings trend is still intact on stronger Food segment margins.

+1 year long correction

Since the 27 February high (1.73/shr.), the AKO share is down around 43%, which means the 2023/24 PE of 8.3x is around the long-term historical average of 8.4x. The correction has come even though the positive earnings trend appears intact with an estimated Net profit this FY(2023/24E) of EUR 20m vs. EUR 18m last FY(2022/23).

Looking for higher Grains & Oilseeds volumes

A key forecast assumption is higher Grains & Oilseeds trading volumes in H2-23/24 vs. H1-23/24. We estimate an 8% increase in H2 vs. H1 to 710K tons from 655K tons, leading to an H2 y-on-y volume decline of 19%, a strong improvement from the H1 y-on-y decline of 46%.

Positive earnings trend intact

Even though we lower our estimates, we forecast this FY Net profit to increase 10% to EUR 20m driven by higher Food segment margins (would confirm the positive long-term earnings trend). Our Base case DCF Fair value is EUR 1.49/shr. (prev. 1.82), implying an upside around 50%. It is impossible to call a share price bottom but we believe we could be at or near the bottom.

Key figures (MEUR)

	2022	2023	2024E	2025E	2026E
Net sales	1,895.7	1,999.6	1,459.4	1,546.8	1,622.8
Net sales growth	101.1%	5.5%	-27.0%	6.0%	4.9%
EBITDA	132.2	67.3	72.6	87.7	90.1
EBITDA margin	7.0%	3.4%	5.0%	5.7%	5.6%
EBIT	103.6	41.5	46.1	49.5	51.5
EBIT margin	5.5%	2.1%	3.2%	3.2%	3.2%
EV/Sales	0.2	0.3	0.3	0.2	0.2
EV/EBITDA	3.5	8.1	5.3	4.3	4.0
EV/EBIT	4.5	13.1	8.4	7.6	6.9
P/E adj.	2.4	12.1	8.3	6.5	6.0
P/BV	0.7	0.8	0.6	0.5	0.5
EPS adj.	0.47	0.11	0.12	0.15	0.16
EPS growth	422.41%	-75.82%	5.28%	27.29%	8.62%
Div. per share	0.03	0.03	0.02	0.03	0.03
Dividend yield	2.75%	1.90%	2.41%	3.07%	3.33%

Source: Company data, Enlight Research estimates

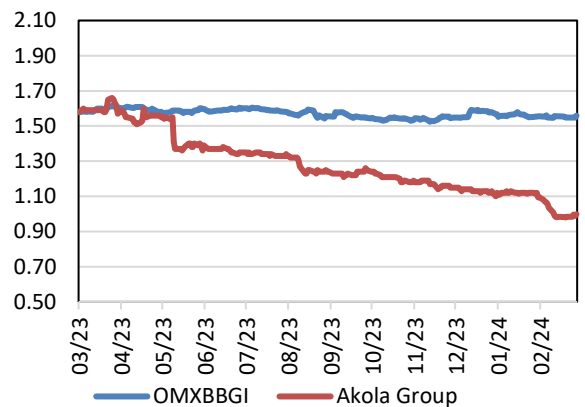
Fair value range (EUR)

Bull (term. EBIT marg. 3.5%)	1.87
Base (term. EBIT marg. 3.0%)	1.49
Bear (term. EBIT marg. 2.5%)	1.11

Key Data

Price (EUR)	0.99
Ticker	AKO1L
Country	Lithuania
Listed	Vilnius (Lithuania)
Market Cap (EURm)	165
Net debt (EURm)*	214
Shares (m)	167.2
Free float	20%

*Year-end estimated



Price range

52-week high	1.66
52-week low	0.98

Analyst

ResearchTeam@enlightresearch.net

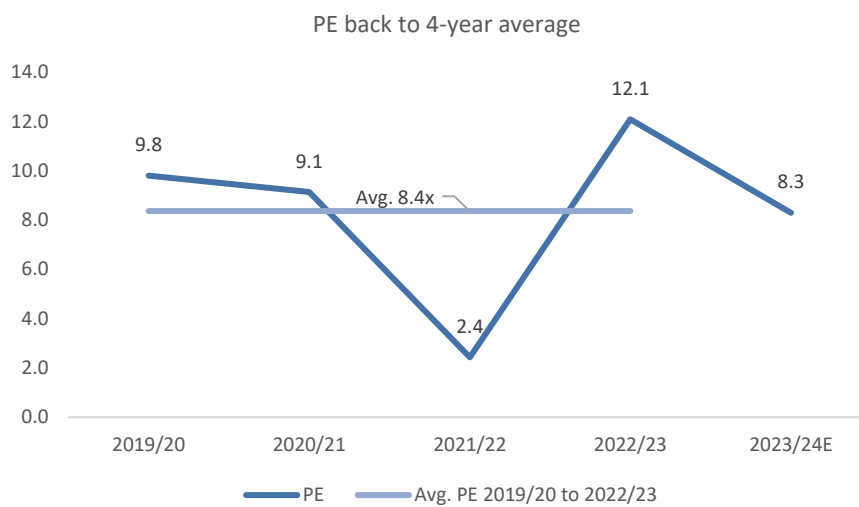
Coverage frequency

2x per year

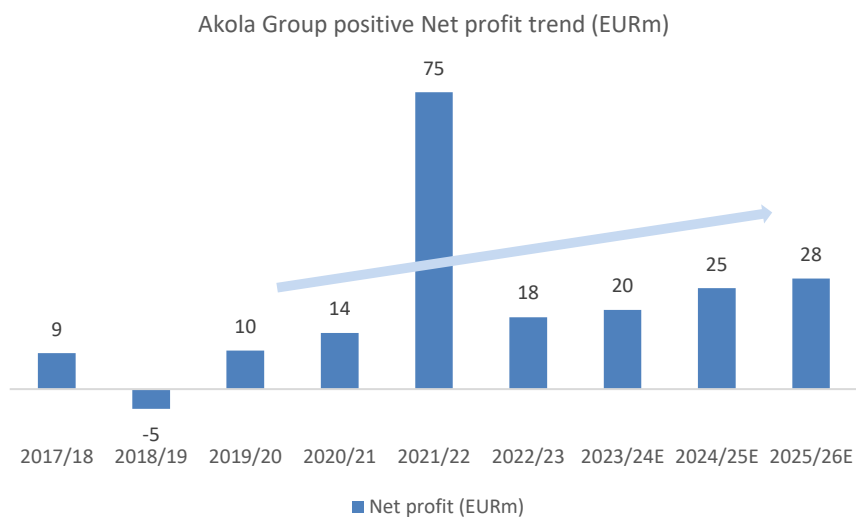
Key takeaways

Correction could be over

Since the high on 27 February 2023, the share is down 43% (from EUR 1.73/shr. to EUR 0.99/shr.), and the PE ratio on our 2023/24 estimate of 8.3x, is around the long-term historical average of 8.4x (down from 12.1x at end of 2022/23). Consequently, we believe the share price correction could be over, although it is close to impossible to call a bottom. Worth noting is that the long-term positive Net profit development is intact with an estimated Net profit this FY of EUR 20m vs. EUR 18m in 2022/23 (see Net profit chart below).



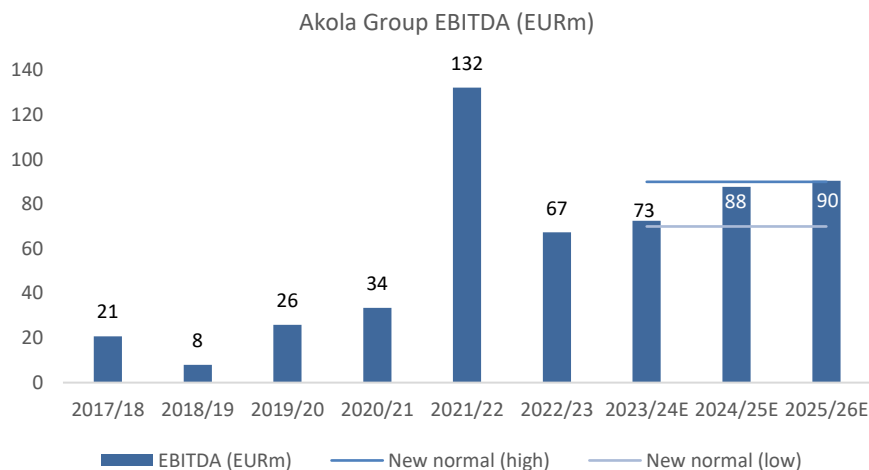
Source: Company (historical), Enlight Research (estimates)
 PE historical based on year-end prices, PE estimated based on current share price of EUR 0.99



Source: Company (historical), Enlight Research (estimates)
 2021/22 record profit due to record-high commodity prices

We are in-line with the “new normal” EBITDA

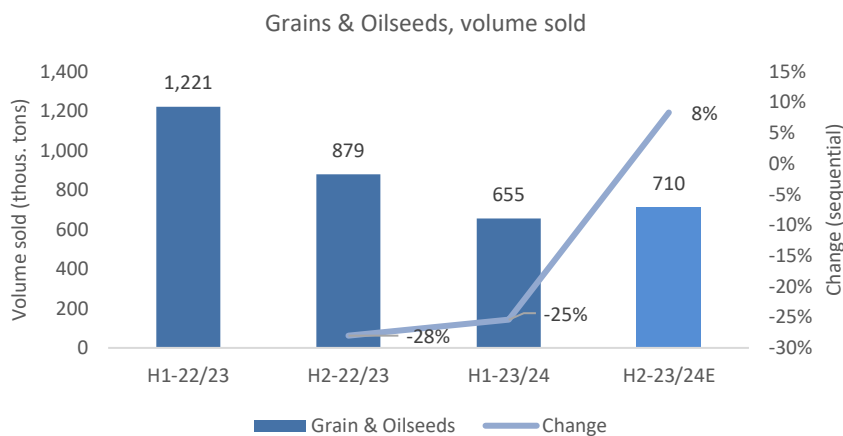
We forecast this FY 2023/24 EBITDA at EUR 73m, followed by EUR 88m in 2024/25, and EUR 90m in 2025/26. This is in line with management’s stated “new normal” EBITDA range of EUR 70-90m, which can be compared to the pre-KG acquisition (consolidated starting 2021/22) normal EBITDA range of EUR 20-30m.



Source: Company (historical, new normal), Enlight Research (estimates)
New normal high & low stated by management

We expect Grains & Oilseeds traded volume to pick-up

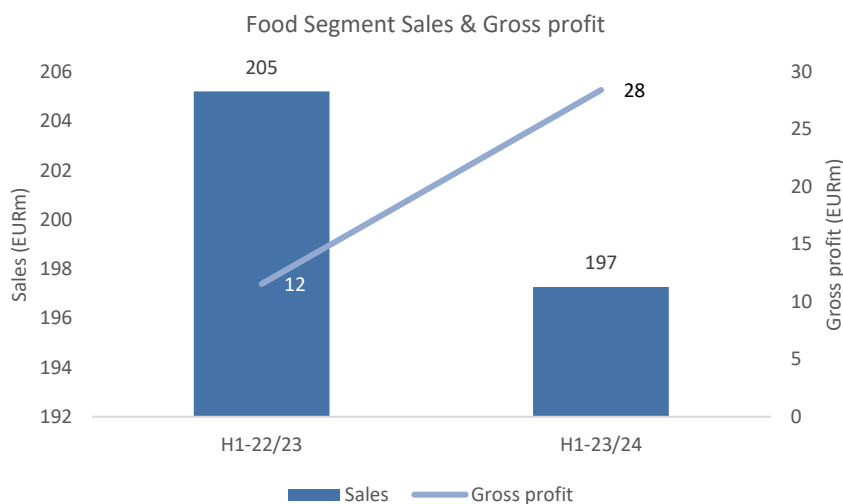
An important assumption in our forecast is a pick-up in the traded volume of Grains & Oilseeds the second half of this fiscal year vs. the first half of this fiscal year (just reported). Hence, we forecast an 8% sequential increase in the H2-23/24 Grains & Oilseeds volume sold to 710K tons from 655K tons. On a y-on-y basis, the forecast H2-23/24 decline in Grains & Oilseeds volume is 19%, which is a significant improvement from the H1-23/24 y-on-y decline of 46%. For the FY 2023/24, we forecast the volume of Grains & Oilseeds sold to decline 35% to 1,366K tons from 2,100K tons in FY 2022/23. Worth noting is that the y-on-y change in Feed and Inputs volumes sold were minimal and we expect it to remain so in H2-23/24 as well. We estimate FY 2023/24 Revenues and Operating profit for the Partners for Farmers segment (in which Grains & Oilseeds trading is included) of EUR 999m and EUR 26m, respectively (comparable not available due to new reporting structure).



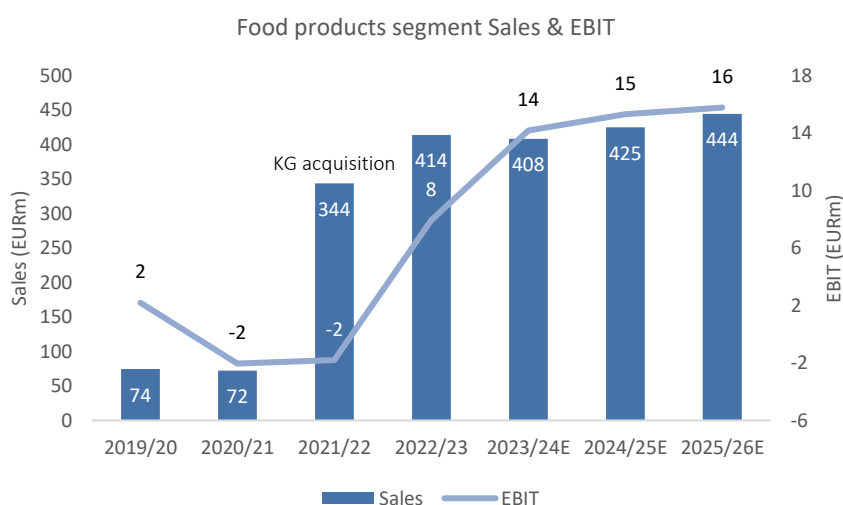
Source: Company (historical, new normal), Enlight Research (estimates)

Food products profitability improving

Despite the Food Product segment H1-23/24 Sales decline of 3.9% y-on-y to EUR 197m, the Gross profit grew by 146% y-on-y to EUR 28.4m. The EUR 16.9m Gross profit improvement came from all product areas (Poultry, Instant/Ready-made Foods, Flour & Breadcrumbs, Other). At the webinar, management stated that the Poultry segment was profitable at the Operating profit level, which was not the case in H1 last year. Hence, we note that a Poultry Gross profit of EUR 15.8m is sufficient to be profitable at the Operating line (last year's H1 Gross profit of EUR 11.2m was not enough to show an Operating profit). The H1-23/24 numbers include 5 months of the acquired Grybai LT (acquired from Auga). We estimate Grybai LT contributed EUR 1-2m in Gross profit i.e., even adjusted for Grybai LT, the Gross profit growth was well over 100% (129% assuming EUR 2m). Following the Food segment's H1-23/24 Operating profit of EUR 10.4m, we forecast an H2-23/24 Operating profit of EUR 3.8m (vs. loss of EUR 2.1m last year) for a FY-23/24 profit of EUR 14.2m equal to a 79% growth (driven by the turnaround from losses to profits in H2).



Source: Company



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

Valuation

Peer valuation

We have excluded the Ukrainian companies Astarta and Agroton from our peer universe. Based on our estimated EV/EBITDA 2024 (this is AKO's current forecast fiscal year 2023/24), AKO is trading at discount of around 40% to the peer group (5.2x vs. peer avg. of 9.2x).

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
FirstFarms A/S	FFARMS	DKK	80.20	798	1,389	9.4	13.7	11.1	10.6	10.1
Orior AG	ORON	CHF	63.60	416	549	8.6	9.3	9.0	8.5	8.1
Fodelia	FODELIA	EUR	4.99	40	46	15.9	10.0	8.1	7.0	6.4
Raisio Oyj K	RAIVV	EUR	1.95	307	251	8.9	7.6	7.4	6.7	6.3
Podravka D.D.	PODR	EUR	159.50	1118	2060	21.9	22.4	20.7	19.1	17.2
Adecoagro	AGRO	USD	10.65	1,129	1,632	3.8	3.4	3.1	3.1	3.0
Bonduelle	BON	EUR	7.51	241	506	3.5	5.0	4.9	4.2	4.1
Average						10.3	10.2	9.2	8.4	7.9
Akola Group	AKO1L	EUR	0.99	165	379	2.9	5.6	5.2	4.3	4.2

Source: MarketScreener, Enlight Research (Akola Group), share prices on 24 March 2024

DCF valuation

Our Base case DCF Fair value per share is lowered to EUR 1.49 (prev. 1.82), which implies an upside around 50%. The main reason for the lower Fair value is lower estimates (see estimate changes section). Our Base cases assumes a terminal sales growth rate of 3.0% and a terminal EBIT margin of 3.0%. Our Bear and Bull case Fair value per share is EUR 1.11 (prev. 1.44), and EUR 1.87 (prev. 2.21), 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	3.0%	3.0%	3.0%
Terminal EBIT margin	2.5%	3.0%	3.5%
Fair Value per share (EUR)	1.11	1.49	1.87
Upside/Downside	12%	51%	89%
Last price (EUR)	0.99	0.99	0.99

Source: Enlight Research

Sensitivity parameters	Base case		Test values & Results										
	Step												
Equity beta	1.10	0.15	0.35	0.50	0.65	0.80	0.95	1.10	1.25	1.40	1.55	1.70	1.85
Fair value (DCF)	1.49		2.58	2.29	2.05	1.84	1.66	1.49	1.35	1.21	1.09	0.99	0.89
Target debt ratio*	48.0 %	5.0 %	23%	28%	33%	38%	43%	48%	53%	58%	63%	68%	73%
Fair value (DCF)	1.49		0.84	0.95	1.06	1.19	1.33	1.49	1.67	1.88	2.12	2.40	2.73
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)	1.49		2.17	2.01	1.86	1.73	1.61	1.49	1.39	1.29	1.20	1.12	1.04

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

Estimate deviations

Due to the change in reporting structure where some segments are not comparable, we only look at group deviations. The Q2-23/24 Sales was 27% or EUR 124m below our forecast, mainly due to lower than expected revenues from Grain trading. The Q2-23/24 Gross profit was 5% or EUR 1.6m below forecast i.e., a much smaller deviation compared to the revenue line. The Q2-23/24 Operating profit was EUR 22% or 0.5m below forecast (small deviation in absolute euro terms), while the Net profit was 24% or EUR 0.4m below forecast.

Group deviations P&L	Q2-23/24	Q2-23/24	Difference	
	Estimate	Actual	EURm	%
Total Sales	461.7	338.1	-123.6	-27%
Cost of sales	-431.6	-309.6	122.0	-28%
Gross profit	30.0	28.5	-1.6	-5%
Operating expense	-26.8	-29.0	-2.2	8%
Other income	0.9	4.2	3.2	351%
Other expenses	-1.9	-1.9	0.1	-3%
Operating profit	2.2	1.7	-0.5	-22%
<i>Financial net</i>	-4.3	-4.6	-0.4	9%
Pre-tax profit	-2.0	-2.9	-0.9	43%
Tax	0.3	0.8	0.5	150%
Net profit	-1.7	-2.1	-0.4	24%
Depreciation	7.7	6.0	-1.7	-22%
EBITDA	9.9	7.7	-2.2	-22%

Revenue growth	Q2-23/24	Q2-23/24	Difference	
	Estimate	Actual	EURm	%-pts
Total sales y-on-y	-15.3%	-37.8%	na	-22.6

Margins	Q2-23/24	Q2-23/24	Difference	
	Estimate	Actual	EURm	%-pts
Gross margin	6.5%	8.4%	na	1.9
EBITDA margin	1.9%	2.3%	na	0.4
Operating margin	0.5%	0.5%	na	0.0
Pre-tax margin	-0.4%	-0.9%	na	-0.4
Net margin	-0.4%	-0.6%	na	-0.3

Source: Company reports, Enlight Research

Estimate changes

Our 2023/24, and 2024/25 Sales estimates are lowered by 17-20% following the lower than estimates sales in Q2-23/24. Our EBIT estimate is lowered by 6% for the current fiscal year and 8% for the next fiscal year. The Net profit is lowered by 20% this fiscal year and by 19% for the next fiscal year. Our Dividend per share is lowered by EUR 0.01 this FY and next FY to EUR 0.02 and EUR 0.03, respectively (our payout ratio is in line with the dividend policy minimum of 20%).

Group estimate changes

Sales (EURm)	2023/24E	2024/25E	2025/26E
Old estimate	1,825	1,872	1,921
New estimate	1,459	1,547	1,623
Change	-366	-325	-298
Change (pct)	-20.1%	-17.4%	-15.5%

EBIT (EURm)	2023/24E	2024/25E	2025/26E
Old estimate	49.1	53.8	nm
New estimate	46.1	49.5	51.5
Change	-3.0	-4.3	nm
Change (pct)	-6.2%	-8.0%	nm

Pre-tax Profit (EURm)	2023/24E	2024/25E	2025/26E
Old estimate	31.8	39.3	nm
New estimate	27.5	34.6	37.6
Change	-4.3	-4.7	nm
Change (pct)	-13.6%	-12.0%	nm

Net profit (EURm)	2023/24E	2024/25E	2025/26E
Old estimate	25.0	31.4	nm
New estimate	19.9	25.4	27.6
Change	-5.0	-6.0	nm
Change (pct)	-20.1%	-19.2%	nm

EPS (EUR)	2023/24E	2024/25E	2025/26E
Old estimate	0.15	0.19	nm
New estimate	0.12	0.15	0.16
Change	-0.03	-0.04	nm
Change (pct)	-20.1%	-19.2%	nm

Dividend (EUR)	2023/24E	2024/25E	2025/26E
Old estimate	0.03	0.04	nm
New estimate	0.02	0.03	0.03
Change	-0.01	-0.01	nm
Change (pct)	-20.1%	-19.2%	nm

Source: Enlight Research

Forecast

INCOME STATEMENT								
(EURm)	Q1-23/24	Q2-23/24	Q3-23/24E	Q4-23/24E	2022/23	2023/24E	2024/25E	2025/26E
Revenues	420	338	311	390	2,000	1,459	1,547	1,623
Cost of sales	-372	-310	-280	-345	-1,862	-1,308	-1,384	-1,447
Gross profit	48	28	30	45	138	152	162	175
Operating expense	-25	-29	-24	-25	-96	-102	-108	-117
Other income	2	4	2	0	13	7	9	11
Other expenses	-4	-2	-2	-3	-7	-11	-14	-18
Operating profit	22	2	6	16	41	46	49	52
<i>Financial net</i>	-5	-5	-5	-5	-16	-19	-15	-14
Pre-tax profit	17	-3	2	11	26	27	35	38
Tax	-2	1	0	-3	-5	-5	-6	-7
Minority	-1	0	-1	-1	-3	-3	-3	-4
Net profit	14	-2	0	8	18	20	25	28
Depreciation	8	6	6	6	26	26	38	39
EBITDA	30	8	13	22	67	73	88	90
Growth								
	Q1-23/24	Q2-23/24	Q3-23/24E	Q4-23/24E	2022/23	2023/24E	2024/25E	2025/26E
Revenues y-on-y	-28.8%	-37.8%	-21.3%	-17.1%	5.5%	-27.0%	6.0%	4.9%
Margins								
	Q1-23/24	Q2-23/24	Q3-23/24E	Q4-23/24E	2022/23	2023/24E	2024/25E	2025/26E
Gross profit margin	11.5%	8.4%	9.8%	11.4%	6.9%	10.4%	10.5%	10.8%
EBITDA margin	7.1%	2.3%	4.1%	5.7%	3.4%	5.0%	5.7%	5.6%
Operating profit margin	5.2%	0.5%	2.1%	4.1%	2.1%	3.2%	3.2%	3.2%
Pre-tax profit margin	4.2%	-0.9%	0.6%	2.9%	1.3%	1.9%	2.2%	2.3%
Net profit margin	3.4%	-0.7%	0.2%	2.0%	0.9%	1.4%	1.6%	1.7%
Tax rate	13%	26%	25%	25%	19%	17%	17%	17%

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						Free Cash Flow						
	2022	2023	2024E	2025E	2026E		2022	2023	2024E	2025E	2026E	
Net sales	1895.7	1999.6	1459.4	1546.8	1622.8	Operating profit	103.6	41.5	46.1	49.5	51.5	
Total operating costs	-1763.5	-1932.3	-1386.8	-1459.1	-1532.7	Depreciation & Amort.	28.6	25.8	26.5	38.2	38.5	
EBITDA	132.2	67.3	72.6	87.7	90.1	Working capital chg.	-183.0	-62.0	132.9	-8.1	-13.3	
Depreciation & Amort.	-28.6	-25.8	-26.5	-38.2	-38.5	Other Operating CF items	-18.8	-9.8	-8.0	-8.6	-8.9	
One-off EBIT items	0.0	0.0	0.0	0.0	0.0	Operating Cash Flow	-69.6	-4.4	197.5	71.1	67.8	
EBIT	103.6	41.5	46.1	49.5	51.5	Net investments	-93.0	-14.4	-76.4	-40.1	-25.1	
Financial net	-12.8	-15.7	-18.6	-14.9	-14.0	Other items	1.9	-0.4	0.0	0.0	0.0	
Pre-tax profit	90.8	25.8	27.5	34.6	37.6	Free Cash Flow	-160.7	-19.2	121.1	31.0	42.7	
Taxes	-13.6	-4.9	-4.8	-6.0	-6.5	Capital structure						
Minority interest	-2.4	-2.7	-2.8	-3.2	-3.5	Equity ratio	32.1%	33.4%	41.9%	43.4%	45.8%	
Other items	0.0	0.0	0.0	0.0	0.0	Debt / Equity ratio	109.7%	115.6%	74.4%	67.1%	56.7%	
Net profit	74.8	18.1	19.9	25.4	27.6	Gearing %	98.3%	105.5%	67.9%	61.1%	51.4%	
Balance Sheet						Net debt/EBITDA	2.1	4.7	2.9	2.3	2.0	
Cash and cash equivalent	21	13	10	10	11	Profitability						
Receivables	315	329	219	232	243	ROE	32.3%	6.6%	6.8%	8.2%	8.3%	
Inventories	244	267	190	193	203	FCF yield	-88.3%	-8.8%	73.2%	18.7%	25.8%	
Other current assets	53	50	50	50	50	EBITDA margin	7.0%	3.4%	5.0%	5.7%	5.6%	
Current assets	633	658	468	486	507	EBIT margin	5.5%	2.1%	3.2%	3.2%	3.2%	
Tangible assets	166	174	225	227	213	PTP margin	4.8%	1.3%	1.9%	2.2%	2.3%	
Goodwill & intangible assets	10	11	11	11	11	Net margin	4.0%	0.9%	1.4%	1.6%	1.7%	
Lease & Investment properties	25	31	28	31	32	Valuation						
Investments	2	7	7	7	7	P/E	2.4	12.1	8.3	6.5	6.0	
Associated companies	0	0	0	0	0	P/E, adjusted	2.4	12.1	8.3	6.5	6.0	
Other non-current assets	37	13	13	13	13	P/Sales	0.1	0.1	0.1	0.1	0.1	
Total fixed assets	240	236	283	288	276	EV/Sales	0.2	0.3	0.3	0.2	0.2	
Total Assets	873	894	751	774	783	EV/EBITDA	3.5	8.1	5.3	4.3	4.0	
Non-interest bearing current liabilities	206	199	145	154	161	EV/EBIT	4.5	13.1	8.4	7.6	6.9	
Short-term debt	234	254	176	166	146	P/BV	0.7	0.8	0.6	0.5	0.5	
Other current liabilities	79	57	57	57	57	P/BV tangible	0.7	0.8	0.6	0.5	0.5	
Total current liabilities	518	510	378	377	364	Per share ratios						
Long-term debt	22	28	20	19	16	EPS	0.47	0.11	0.12	0.15	0.16	
Convertibles & Lease liab.	40	46	28	31	32	EPS, adjusted	0.47	0.11	0.12	0.15	0.16	
Deferred tax liabilities	2	1	1	1	1	Operating CF/share	-0.44	-0.03	1.18	0.43	0.41	
Provisions	0	0	0	0	0	Free Cash Flow/share	-1.01	-0.12	0.72	0.19	0.26	
Other long-term liabilities	11	10	10	10	10	BV/share	1.69	1.78	1.79	1.92	2.06	
Total long-term liab.	75	86	59	61	61	Tangible BV/share	1.68	1.77	1.79	1.92	2.05	
Total Liabilities	593	596	437	438	425	Div. per share	0.03	0.03	0.02	0.03	0.03	
Minority interest (BS)	10	14	14	14	14	Div. payout ratio	6.7%	23.0%	20.0%	20.0%	20.0%	
Shareholders' equity	270	284	300	321	344	Dividend yield	2.8%	1.9%	2.4%	3.1%	3.3%	
Total liabilities and equity	873	894	751	774	783	Shareholders						
DCF valuation						Capital						
Cash flow, mEUR						Votes						
WACC (%)	9.32 %	NPV FCF (2023-2025)				173	Akola ApS (Denmark)				113.400	68.52 %
Assumptions 2023-2029 (%)		NPV FCF (2026-2032)				169	Darius Zugas				17.593	10.63 %
Sales CAGR	3.89 %	NPV FCF (2033-)				235	UAB INVL Asset Management				9.351	5.65 %
Avg. EBIT margin	3.12 %	Non-operating assets				1						
Fair value per share (EUR)	1.49	Interest-bearing debt				-328						
Share price (EUR)	0.99	Fair value estimate				250						

Key people	
CEO	Darius Zugas
CFO	Mazvydas Sileika
IR	Dovile Jakucione
Chairman	

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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