

## Food segment boost earnings

**Akola closed their FY 23/24 on a strong note as the Food segment improved earnings. The increased share of earnings from the Food segment creates a more balanced earnings profile. The Free Cash Flow yield reveals the long-term dividend potential. We raise our estimates and Fair value.**

### Strong finish accentuates turnaround

The Q4-23/24 Group EBITDA was 16% above forecast mainly due to the Food segment whose EBIT was more than double our estimate. This was the second quarter in a row with improved Group EBITDA vs. same period last year, following four quarters with lower EBITDA. This report confirms our view that the turnaround from the “weakish” 2022/23 is intact and the targeted EBITDA of EUR 70-90m can be achieved in the forecast period 2024/25-2026/27.

### More balanced earnings profile

The acquisition of KG and a recovery of the poultry operations has increased the Food segment’s share of Gross profit to 34% in 2023/24 from 9% in 2021/22. In our view, the Food segment earnings are less volatile than Grain trading, and hence, Akola’s earnings profile has improved, even considering the ongoing acquisition of the grain exporter Elagro (not in forecast, could add ~3% to EBITDA).

### Base case Fair value EUR 1.56

We raise our Base case DCF FV to EUR 1.56 (prev. 1.49) on the back of higher estimates and a higher assumed Terminal EBIT margin. We see potential for significantly higher dividends in 4-5 years following the expansion phase.

#### Key figures (MEUR)

	2023	2024	2025E	2026E	2027E
Net sales	1,999.6	1,506.2	1,522.7	1,613.4	1,678.0
Net sales growth	5.5%	-24.7%	1.1%	6.0%	4.0%
EBITDA	67.3	74.8	79.8	82.0	86.7
EBITDA margin	3.4%	5.0%	5.2%	5.1%	5.2%
EBIT	41.5	47.4	51.3	54.7	57.0
EBIT margin	2.1%	3.2%	3.4%	3.4%	3.4%
EV/Sales	0.3	0.3	0.3	0.3	0.3
EV/EBITDA	8.1	6.8	6.0	5.7	5.2
EV/EBIT	13.2	10.8	9.4	8.6	8.0
P/E adj.	12.2	8.4	8.7	7.0	6.4
P/BV	0.8	0.7	0.6	0.6	0.5
EPS	0.11	0.14	0.13	0.16	0.18
EPS growth	-75.98%	24.15%	-6.14%	23.39%	10.00%
Div. per share	0.03	0.02	0.03	0.03	0.04
Dividend yield	1.89%	1.75%	2.30%	2.84%	3.12%

Source: Company data, Enlight Research estimates

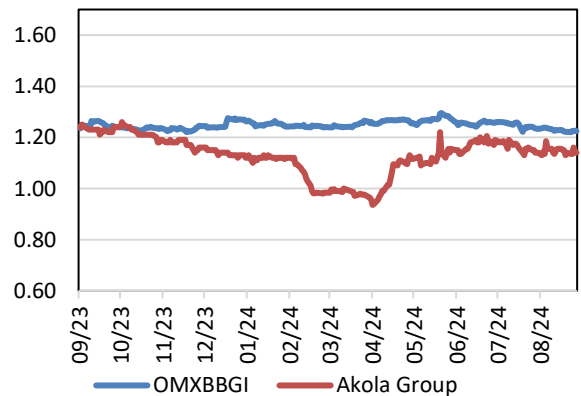
#### Fair value range (EUR)

Bull (term. EBIT marg. 4.0%)	1.98
Base (term. EBIT marg. 3.5%)	1.56
Bear (term. EBIT marg. 3.0%)	1.13

#### Key Data

Price (EUR)	1.14
Ticker	AKO1L
Country	Lithuania
Listed	Vilnius (Lithuania)
Market Cap (EURm)	191
Net debt (EURm)	280
Shares (m)	167.2
Free float	20 %

\*End of 2024 estimate



#### Price range

52-week high	1.26
52-week low	0.94

#### Analyst

ResearchTeam@enlightresearch.net

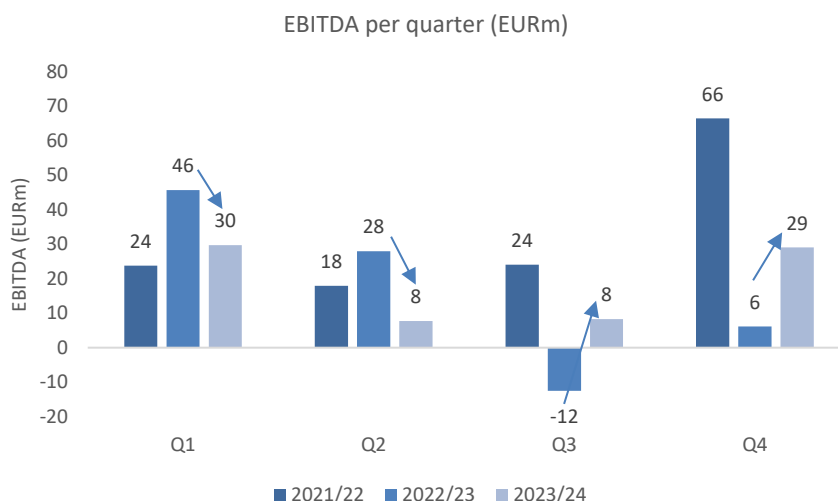
#### Coverage frequency

4x per year

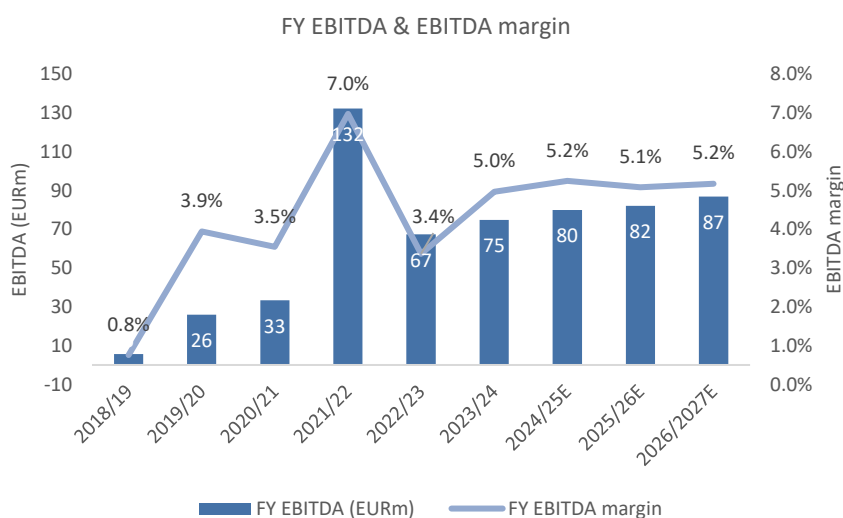
## Key takeaways

### Strong finish of the year accentuates turnaround

The Q4-23/24 EBITDA of EUR 29.1m was 16.4% or EUR 4.1m above our estimate of EUR 25.0m, mainly due to the Food products segment. This marks the second quarter in a row with improved EBITDA compared to last year (previous four quarters had lower EBITDA vs. previous year). The full-year 2023/24 EBITDA of EUR 75m is within the stated annual EBITDA target of EUR 70-90m (was below last FY when the EBITDA was EUR 67m). We believe the strong Q4-23/24 confirms our view that the turnaround from the “weakish” 2022/23 is intact, following the abnormally strong 2021/22 (Russia – Ukraine war spiked commodity prices). In the forecast period 2024/25-2026/27, we expect an EBITDA of EUR 80-87m with margins of 5.1-5.2%, which is in line with the long-term target of EUR 70-90m. The turnaround has been appreciated by investors. Since our last Akola report on 28 March 2024, “Correction could be over”, the share is up around 17%. This can be compared to the Baltic Benchmark Index which has been roughly flat during the same period.



Source: Company (historical)

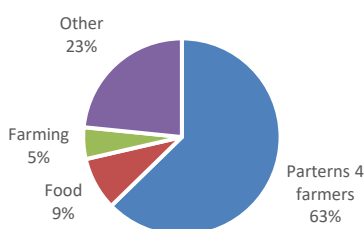


Source: Company (historical), Enlight Research (estimates)

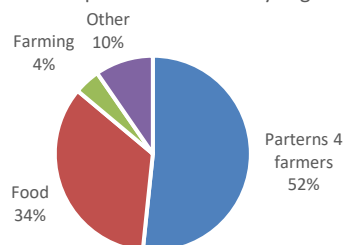
### Food segment creates more balanced earnings

In 2021/22, the Partners for Farmers segment made up 63% of the Group gross profit. This share has declined to 52% in the just reported 2023/24 fiscal year, while the Food segment’s share of the Group Gross profit has increased to 34% from 9% (pre-KG acquisition) between the same periods. The acquisition of the food producer, Kauno Grundai (KG), and the recovery of the poultry operations is behind the increasing share of earnings from food production (Poultry sub-segment Gross profit roughly doubled to EUR 35m in 2023/24). Worth noting is that only 9% of the 2023/24 Group Gross profit came from the volatile Grain trading sub-segment, while the Poultry sub-segment contributed 23% to the Group gross profit. In our view, the increasing share of Food segment sales and earnings is positive for Akola as it is more stable than the grain trading operations. This is also the case following the announced acquisition of one of the leading Latvian grain traders, SIA Elagro Trade, that could add around 3% or EUR 2m to the annual EBITDA. We will include this in our forecast once the acquisition is closed which is expected sometime this year.

2021/22 Gross profit distribution by Segment



2023/24 Gross profit distribution by Segment



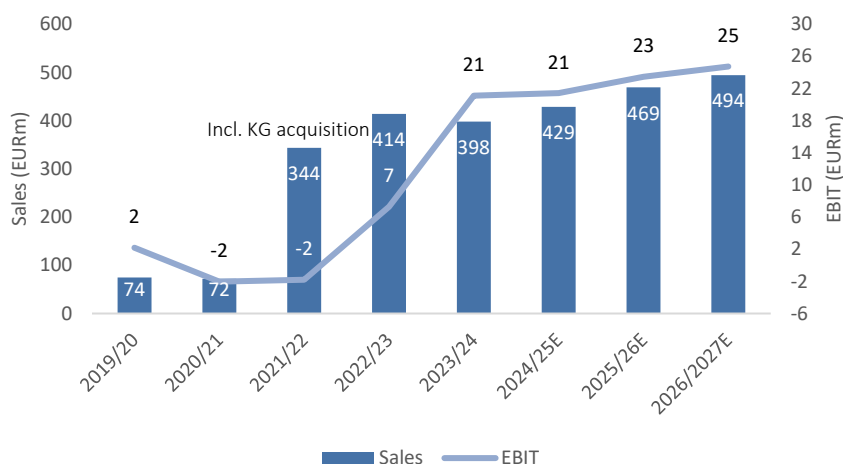
Source: Company (historical), Enlight Research (estimates)

#### Poultry segment

(EURm)	2021/22	2022/23	2023/24
Sales	261	291	285
Gross profit	16	17	35
Gross margin	6.3%	5.8%	12.1%

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

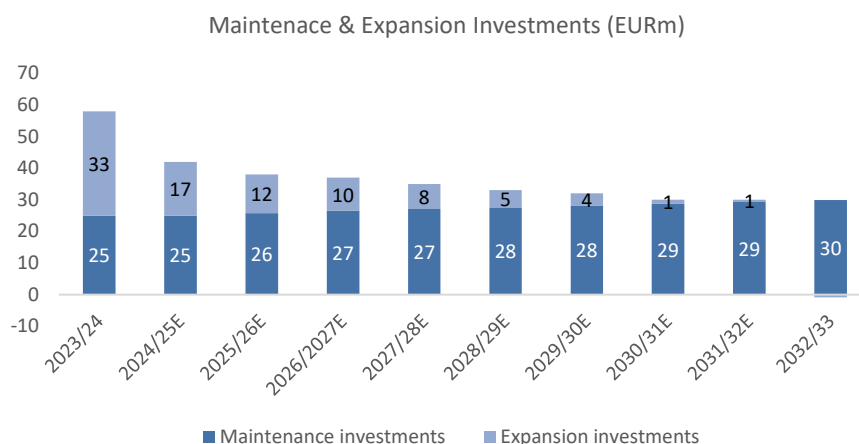
#### Food products segment Sales & EBIT



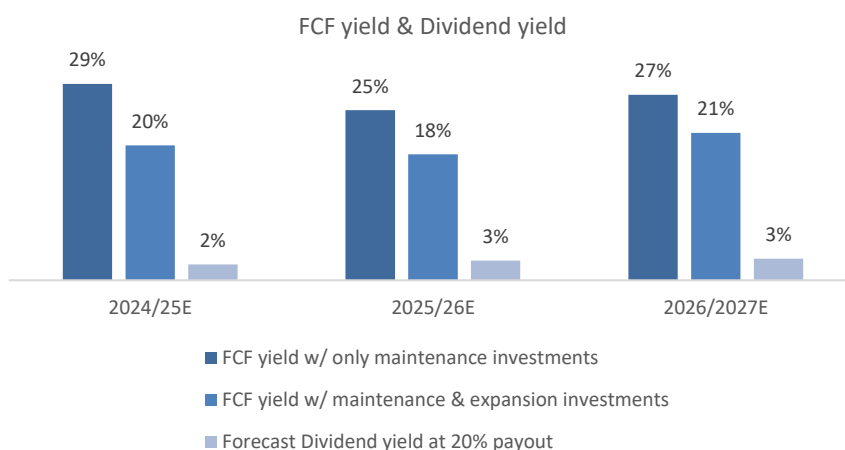
Source: Company (historical), Enlight Research (estimates)

### Free Cash Flow yield reveal dividend potential

In medium-term (4-5 years), we believe Akola will re-invest a substantial part of its Free Cash Flow (FCF) to grow the company rather than maximise dividends i.e., a substantial part of the FCF will be used for expansion investments. Despite this, the estimated FCF yield (FCF/Market cap) is 17-21% in the forecast period, which reveals the dividend potential. This Fiscal year (2024/25E), we forecast EUR 79m in Cash flow before Investments. We estimate EUR 25m of this will go to maintenance investments leaving EUR 54m in Cash flow after maintenance investments. We estimate EUR 17m in expansion investments leaving EUR 37m in Free Cash Flow after total Investments, which implies 20% FCF yield (FCF/Market cap). The estimated FCF yield for 2025/26 and 2026/27 is 18%, and 21%, respectively (lower in 2025-26 is mainly due to higher inventory as sales grow). To illustrate, if 30% of the FCF yield would be paid out as dividend, then the gross yield would be 5.9% this year (net 5.0%). Excluding the expansion investments, the estimated FCF yield this year would be 8.6% (net 7.3%). To summarize, we believe the long-term dividend potential is substantially higher once the expansion investment phase is over which is revealed by the FCF yield. We do not expect this to happen in the coming 3 years but rather in 4-5 years.



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



Source: Enlight Research (estimates)

## Valuation

### Peer valuation

We have excluded the Ukrainian companies Astarta and Agroton from our peer universe and added the Swedish chicken based food products company, Scandi Standard. Based on our estimated EV/EBITDA 2024 (this is AKO's current forecast fiscal year 2024/25), AKO is trading at discount of around 26% to the peer group (6.0x vs. peer avg. of 8.1x).

#### 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	74.60	832	1,322	9.2	14.7	10.6	10.1	9.6
Scandi Standard	SCST	SEK	88	5749	7489	10.4	8.6	8.1	7.5	6.9
Orior AG	ORON	CHF	51.45	337	472	7.9	8.0	7.8	7.3	6.9
Fodelia	FODELIA	EUR	6.54	53	57	19.8	12.4	10.7	8.7	7.9
Raisio Oyj K	RAIVV	EUR	2.14	338	282	9.9	8.6	8.3	7.5	7.1
Podravka D.D.	PODR	EUR	156.50	1114	1239	13.2	13.3	11.8	10.6	10.3
Adecoagro	AGRO	USD	11.55	1,286	1,789	4.1	3.8	3.4	3.5	3.7
Bonduelle	BON	EUR	6.51	212	484	3.3	4.7	4.4	4.1	3.9
<b>Average</b>						<b>9.7</b>	<b>9.2</b>	<b>8.1</b>	<b>7.4</b>	<b>7.0</b>
Akola Group	AKO1L	EUR	1.14	191	481	7.1	6.4	6.0	5.9	5.5

Source: MarketScreener, Enlight Research (Akola Group), share prices on 17 September 2024

### DCF valuation

Our Base case DCF Fair value per share is raised slightly to EUR 1.56 (prev. 1.49), which implies an upside around 35%. The main reason for the higher Fair value is raised estimates and a higher assumed Terminal EBIT margin of 3.5% (prev. 3.0%). Our Bear and Bull case Fair value per share is EUR 1.13 (prev. 1.11), and EUR 1.98 (prev. 1.87), 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)	1.13	1.56	1.98
Upside/Downside	-2%	35%	71%
Last price (EUR)	1.16	1.16	1.16

Source: Enlight Research

Sensitivity parameters	Base case		Test values & Results										
	Step												
Equity beta	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
Fair value (DCF)	1.56		3.92	3.21	2.66	2.22	1.86	<b>1.56</b>	1.30	1.08	0.89	0.72	0.57
Target debt ratio*	48.0 %	3.5 %	31%	34%	38%	41%	45%	<b>48%</b>	52%	55%	59%	62%	66%
Fair value (DCF)	1.56		0.89	1.00	1.12	1.25	1.40	<b>1.56</b>	1.73	1.93	2.14	2.39	2.66
Risk-free IR	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 %
Fair value (DCF)	1.56		2.49	2.26	2.06	1.88	1.71	<b>1.56</b>	1.42	1.29	1.17	1.06	0.95

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

## Estimate deviations

The Q4-23/24 Sales was 5% or EUR 18m below our forecast, mainly due to lower commodity prices which affects Grain trading sales. The Q4-23/24 Gross profit was 8% or EUR 3.5m above forecast on improved profitability for the Farming and Food product segment. The Q4-23/24 Operating profit was EUR 21% or 3.9m above forecast, while the Net profit was 70% or EUR 7.0m above forecast as both the financial net and the tax came in better than estimated.

Group deviations P&L	Q4-23/24	Q4-23/24	Difference	
	Estimate	Actual	EURm	%
Total Sales	400.1	381.8	-18.3	-4.6%
Cost of sales	-355.3	-333.5	21.8	-6.1%
<b>Gross profit</b>	<b>44.8</b>	<b>48.3</b>	<b>3.5</b>	<b>7.9%</b>
Operating expense	-27.5	-28.4	-0.9	3.3%
Other income	1.6	2.3	0.7	46.4%
Other expenses	-0.4	0.1	0.5	-124.4%
<b>Operating profit</b>	<b>18.5</b>	<b>22.4</b>	<b>3.9</b>	<b>20.9%</b>
<i>Financial net</i>	-5.0	-4.8	0.2	-4.4%
<b>Pre-tax profit</b>	<b>13.5</b>	<b>17.6</b>	<b>4.1</b>	<b>30.2%</b>
Tax	-3.4	-0.4	3.0	-87.7%
<b>Net profit</b>	<b>10.1</b>	<b>17.2</b>	<b>7.0</b>	<b>69.5%</b>
Depreciation	6.5	6.7	0.2	3.5%
<b>EBITDA</b>	<b>25.0</b>	<b>29.1</b>	<b>4.1</b>	<b>16.4%</b>

Revenue growth	Q4-23/24	Q4-23/24	Difference	
	Estimate	Actual	EURm	%-pts
Total sales y-on-y	-19.9%	-23.5%	na	-3.7

Margins	Q4-23/24	Q4-23/24	Difference	
	Estimate	Actual	EURm	%-pts
Gross margin	11.2%	12.7%	na	1.5
EBITDA margin	6.3%	7.6%	na	1.4
Operating margin	4.6%	5.9%	na	1.2
Pre-tax margin	3.4%	4.6%	na	1.2
Net margin	2.5%	4.5%	na	2.0

Source: Company reports, Enlight Research

## Estimate changes

We make minor downward adjustments (<1%) to our sales estimates in the forecast period 2024/25-2026/27E. Our EBIT forecast is raised by 18% this FY, 10% next FY, and 7% in 2026/27, mainly due to increased estimates for the Food segment. The Net profit is raised by 26% this FY, 21% next FY, and 16% in 2026/27 on lower assumed interest rates (assumed tax rate is also lowered to 15% from 20%). Our Dividend per share estimate is raised by EUR 0.01 this FY to EUR 0.03, unchanged at EUR 0.03 next FY, and raised by EUR 0.01 to EUR 0.04 in 2026/27.

### Group estimate changes

Sales (EURm)	2024/25E	2025/26E	2026/2027E
Old estimate	1,525	1,612	1,694
New estimate	1,523	1,613	1,678
Change	-2	1	-16
Change (pct)	-0.1%	0.1%	-0.9%

EBIT (EURm)	2024/25E	2025/26E	2026/2027E
Old estimate	43.5	49.9	53.4
New estimate	51.3	54.7	57.0
Change	7.8	4.8	3.6
Change (pct)	18.0%	9.5%	6.7%

Pre-tax Profit (EURm)	2024/25E	2025/26E	2026/2027E
Old estimate	24.2	32.2	36.6
New estimate	31.3	36.1	39.4
Change	7.1	3.9	2.8
Change (pct)	29.5%	12.0%	7.5%

Net profit (EURm)	2024/25E	2025/26E	2026/2027E
Old estimate	17.4	22.5	25.7
New estimate	21.9	27.2	29.9
Change	4.5	4.7	4.2
Change (pct)	26.0%	20.7%	16.2%

EPS (EUR)	2024/25E	2025/26E	2026/2027E
Old estimate	0.10	0.13	0.15
New estimate	0.13	0.16	0.18
Change	0.03	0.03	0.03
Change (pct)	31.2%	25.0%	19.1%

Dividend (EUR)	2024/25E	2025/26E	2026/2027E
Old estimate	0.02	0.03	0.03
New estimate	0.03	0.03	0.04
Change	0.01	0.00	0.01
Change (pct)	50.0%	0.0%	33.3%

Source: Enlight Research

## Forecast

INCOME STATEMENT								
(EURm)	Q1-24/25E	Q2-24/25E	Q3-24/25E	Q4-24/25E	2023/24	2024/25E	2025/26E	2026/2027E
Revenues	404	335	392	392	1,506	1,523	1,613	1,678
Cost of sales	-366	-301	-357	-339	-1,354	-1,363	-1,444	-1,502
<b>Gross profit</b>	<b>38</b>	<b>34</b>	<b>35</b>	<b>53</b>	<b>152</b>	<b>160</b>	<b>169</b>	<b>176</b>
Operating expense	-26	-29	-27	-28	-108	-111	-116	-121
Other income	2	2	2	2	10	8	8	8
Other expenses	5	2	0	-13	-6	-5	-7	-7
<b>Operating profit</b>	<b>19</b>	<b>9</b>	<b>10</b>	<b>14</b>	<b>47</b>	<b>51</b>	<b>55</b>	<b>57</b>
<i>Financial net</i>	-5	-5	-5	-5	-19	-20	-19	-18
<b>Pre-tax profit</b>	<b>14</b>	<b>4</b>	<b>5</b>	<b>9</b>	<b>28</b>	<b>31</b>	<b>36</b>	<b>39</b>
Tax	-3	-1	-1	-2	-2	-6	-5	-6
Minority	-1	-1	-1	-1	-3	-3	-4	-4
<b>Net profit</b>	<b>11</b>	<b>2</b>	<b>3</b>	<b>6</b>	<b>23</b>	<b>22</b>	<b>27</b>	<b>30</b>
Depreciation	8	7	7	7	27	29	27	30
<b>EBITDA</b>	<b>27</b>	<b>15</b>	<b>17</b>	<b>21</b>	<b>75</b>	<b>80</b>	<b>82</b>	<b>87</b>
Growth								
	Q1-24/25E	Q2-24/25E	Q3-24/25E	Q4-24/25E	2023/24	2024/25E	2025/26E	2026/2027E
Revenues y-on-y	-3.9%	-0.9%	7.1%	2.7%	-24.7%	1.1%	6.0%	4.0%
Margins								
	Q1-24/25E	Q2-24/25E	Q3-24/25E	Q4-24/25E	2023/24	2024/25E	2025/26E	2026/2027E
Gross profit margin	9.4%	10.1%	9.0%	13.5%	10.1%	10.5%	10.5%	10.5%
EBITDA margin	6.7%	4.5%	4.3%	5.3%	5.0%	5.2%	5.1%	5.2%
Operating profit margin	4.7%	2.6%	2.5%	3.5%	3.1%	3.4%	3.4%	3.4%
Pre-tax profit margin	3.5%	1.1%	1.2%	2.3%	1.9%	2.1%	2.2%	2.3%
Net profit margin	2.6%	0.6%	0.8%	1.6%	1.6%	1.4%	1.7%	1.8%
Tax rate	20%	20%	20%	20%	7%	20%	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 to 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.

<b>Income statement</b>						<b>Free Cash Flow</b>						
	2023	2024	2025E	2026E	2027E		2023	2024	2025E	2026E	2027E	
Net sales	1999.6	1506.2	1522.7	1613.4	1678.0	Operating profit	41.5	47.4	51.3	54.7	57.0	
Total operating costs	-1932.3	-1431.4	-1442.9	-1531.4	-1591.3	Depreciation & Amort.	25.8	27.5	28.5	27.3	29.8	
<b>EBITDA</b>	<b>67.3</b>	<b>74.8</b>	<b>79.8</b>	<b>82.0</b>	<b>86.7</b>	Working capital chg.	-62.0	42.3	9.8	-0.9	-0.4	
Depreciation & Amort.	-25.8	-27.5	-28.5	-27.3	-29.8	Other Operating CF items	-9.8	-2.4	-10.3	-8.2	-8.5	
One-off EBIT items	0.0	0.0	0.0	0.0	0.0	<b>Operating Cash Flow</b>	<b>-4.4</b>	<b>114.8</b>	<b>79.3</b>	<b>72.8</b>	<b>77.8</b>	
<b>EBIT</b>	<b>41.5</b>	<b>47.4</b>	<b>51.3</b>	<b>54.7</b>	<b>57.0</b>	Net investments	-14.4	-72.7	-42.1	-38.3	-37.2	
Financial net	-15.7	-19.1	-20.0	-18.7	-17.7	Other items	-0.4	0.6	0.0	0.0	0.0	
<b>Pre-tax profit</b>	<b>25.8</b>	<b>28.3</b>	<b>31.3</b>	<b>35.9</b>	<b>39.3</b>	<b>Free Cash Flow</b>	<b>-19.2</b>	<b>42.7</b>	<b>37.3</b>	<b>34.5</b>	<b>40.6</b>	
Taxes	-4.9	-1.9	-6.3	-5.4	-5.9	<b>Capital structure</b>						
Minority interest	-2.7	-3.0	-3.2	-3.5	-3.6		2023	2024	2025E	2026E	2027E	
Other items	0.0	0.0	0.0	0.0	0.0	Equity ratio	33.4%	35.8%	37.9%	39.3%	41.2%	
<b>Net profit</b>	<b>18.1</b>	<b>22.4</b>	<b>21.0</b>	<b>27.1</b>	<b>29.8</b>	Debt / Equity ratio	115.6%	104.7%	92.1%	83.7%	74.2%	
<b>Balance Sheet</b>						Gearing %	105.5%	94.2%	82.7%	75.0%	66.3%	
	2023	2024	2025E	2026E	2027E	Net debt/EBITDA	4.7	4.0	3.5	3.3	3.0	
Cash and cash equivalent	13	16	16	17	18	<b>Profitability</b>						
Receivables	329	314	305	323	332		2023	2024	2025E	2026E	2027E	
Inventories	267	224	225	219	218	ROE	6.6%	8.0%	7.0%	8.1%	8.3%	
Other current assets	50	52	52	52	52	FCF yield	-8.7%	21.6%	19.6%	18.1%	21.3%	
<b>Current assets</b>	<b>658</b>	<b>606</b>	<b>598</b>	<b>611</b>	<b>620</b>	EBITDA margin	3.4%	5.0%	5.2%	5.1%	5.2%	
Tangible assets	174	205	218	229	236	EBIT margin	2.1%	3.2%	3.4%	3.4%	3.4%	
Goodwill & intangible assets	11	18	18	18	18	PTP margin	1.3%	1.9%	2.1%	2.2%	2.3%	
Lease & Investment properties	31	37	30	32	34	Net margin	0.9%	1.6%	1.4%	1.7%	1.8%	
Investments	7	11	11	11	11	<b>Valuation</b>						
Associated companies	0	0	0	0	0		2023	2024	2025E	2026E	2027E	
Other non-current assets	13	17	17	17	17	P/E	12.2	8.4	8.7	7.0	6.4	
<b>Total fixed assets</b>	<b>236</b>	<b>288</b>	<b>295</b>	<b>308</b>	<b>316</b>	P/E, adjusted	12.2	8.4	8.7	7.0	6.4	
<b>Total Assets</b>	<b>894</b>	<b>894</b>	<b>893</b>	<b>919</b>	<b>937</b>	P/Sales	0.1	0.1	0.1	0.1	0.1	
Non-interest bearing current liabilities	199	185	187	198	206	EV/Sales	0.3	0.3	0.3	0.3	0.3	
Short-term debt	254	202	201	193	181	EV/EBITDA	8.1	6.8	6.0	5.7	5.2	
Other current liabilities	57	58	58	58	58	EV/EBIT	13.2	10.8	9.4	8.6	8.0	
<b>Total current liabilities</b>	<b>510</b>	<b>444</b>	<b>445</b>	<b>449</b>	<b>445</b>	P/BV	0.8	0.7	0.6	0.6	0.5	
Long-term debt	28	65	65	63	59	P/BV tangible	0.8	0.7	0.6	0.6	0.5	
Convertibles & Lease liab.	46	51	30	32	34	<b>Per share ratios</b>						
Deferred tax liabilities	1	2	2	2	2		2023	2024	2025E	2026E	2027E	
Provisions	0	0	0	0	0	EPS	0.11	0.14	0.13	0.16	0.18	
Other long-term liabilities	10	11	11	11	11	EPS, adjusted	0.11	0.14	0.13	0.16	0.18	
<b>Total long-term liab.</b>	<b>86</b>	<b>129</b>	<b>109</b>	<b>108</b>	<b>106</b>	Operating CF/share	-0.03	0.69	0.47	0.44	0.47	
<b>Total Liabilities</b>	<b>596</b>	<b>574</b>	<b>554</b>	<b>557</b>	<b>551</b>	Free Cash Flow/share	-0.12	0.26	0.22	0.21	0.24	
Minority interest (BS)	14	17	17	17	17	BV/share	1.76	1.81	1.93	2.06	2.21	
Shareholders' equity	284	303	322	344	369	Tangible BV/share	1.76	1.79	1.90	2.04	2.18	
<b>Total liabilities and equity</b>	<b>894</b>	<b>894</b>	<b>893</b>	<b>919</b>	<b>937</b>	Div. per share	0.03	0.02	0.03	0.03	0.04	
<b>DCF valuation</b>						Div. payout ratio	23.0%	14.3%	20.0%	20.0%	20.0%	
<b>Cash flow, mEUR</b>						Dividend yield	1.9%	1.8%	2.3%	2.8%	3.1%	
WACC (%)	8.92 %	NPV FCF (2023-2025)				49	<b>Shareholders</b>					
Assumptions 2023-2029 (%)		NPV FCF (2026-2032)				173		<b>Capital</b>				<b>Votes</b>
Sales CAGR	3.75 %	NPV FCF (2033-)				307	Akola ApS (Denmark)	125.303				65.75 %
Avg. EBIT margin	3.44 %	Non-operating assets				6	Darius Zupas	19.439				10.20 %
Fair value per share (EUR)	1.56	Interest-bearing debt				-318	UAB SB Asset Management	9.624				5.05 %
Share price (EUR)	1.14	Fair value estimate				261	<b>Key people</b>					
						CEO	Darius Zupas					
						CFO	Mazvydas Sileika					
						IR	Dovile Jakucione					
						Chairman						

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

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