Diversifying into conventional farming

Q2/23 Sales and Earnings were below estimates. The company is taking actions to tackle the soft demand for organic products. The partial FMCG divestment improves the liquidity. We lower the estimates and Fair value.

Taking actions

As a result of lower demand for organic products, Auga will convert about one third of its arable organic land into sustainable conventional land. This could lower the working capital by EUR 10-15m to EUR 25-30m and improve the EBITDA by around EUR 5m annually. Meanwhile, the organic subsidies might increase by around EUR 4m (not in forecast) as the government removed the cap following the exodus from organic farming.

FMCG product line divestment

The divestment of the ready-to-eat product line for EUR 16m is expected to result in a capital gain of EUR 8m in Q3/23, which will offset part of the expected loss and improve the liquidity. We estimate interest rate expenses to decline to EUR 5.1m next year from an estimated EUR 8.8m this year.

Sum-of-the-parts Valuation

We value the existing operations at EUR 0.36/shr (prev. 0.40) which is our Bear case value. Our Base case probability weighed value for the innovation projects (bio-tractor, feed technology) is EUR 0.12/shr (prev. 0.13) for a total motivated Base case Fair value of EUR 0.48 (prev. 0.53/shr).

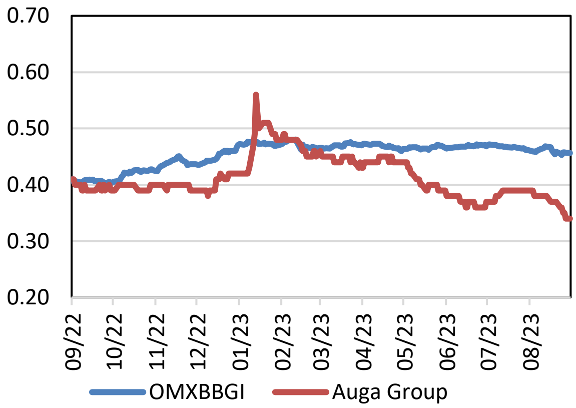
Key figures (MEUR)

	2021	2022	2023E	2024E	2025E
Net sales	71.7	80.1	81.7	81.8	84.4
Net sales growth	-13.7%	11.7%	2.1%	0.0%	3.3%
EBITDA	9.1	19.6	14.8	15.5	15.4
EBITDA margin	12.7%	24.5%	18.1%	18.9%	18.3%
EBIT	-9.8	3.1	-1.1	3.7	4.6
EBIT margin	-13.7%	3.9%	-1.3%	4.5%	5.5%
EV/Sales	3.0	2.5	2.0	1.8	1.6
EV/EBITDA	23.5	10.4	10.9	9.4	8.7
EV/EBIT	neg	65.7	neg	39.8	29.2
P/E adj.	neg	neg	neg	neg	115.0
P/BV	1.4	1.2	1.0	1.1	1.0
EPS adj.	-0.07	-0.02	-0.01	-0.01	0.00
EPS growth adj.	nm	nm	nm	nm	nm
Div. per share	0.00	0.00	0.00	0.00	0.00
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Company data, Enlight Research estimates

Fair value range (EUR)	
Bull	0.59
Base	0.48
Bear	0.36

Key Data	
Price (EUR)	0.34
Ticker	AUG1L
Country	Lithuania
Listed	Vilnius (Lithuania)
Market Cap (EURm)	78
Net debt (EURm)	120
Shares (m)	229.7
Free float	45%



Price range	
52-week high	0.56
52-week low	0.33

Analyst

ResearchTeam@enlightresearch.net

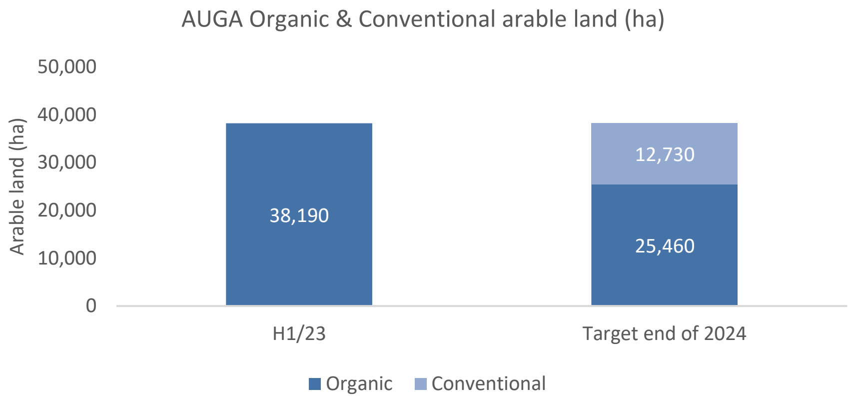
Coverage frequency

4x per year

Key takeaways

Diversifying into sustainable conventional farming

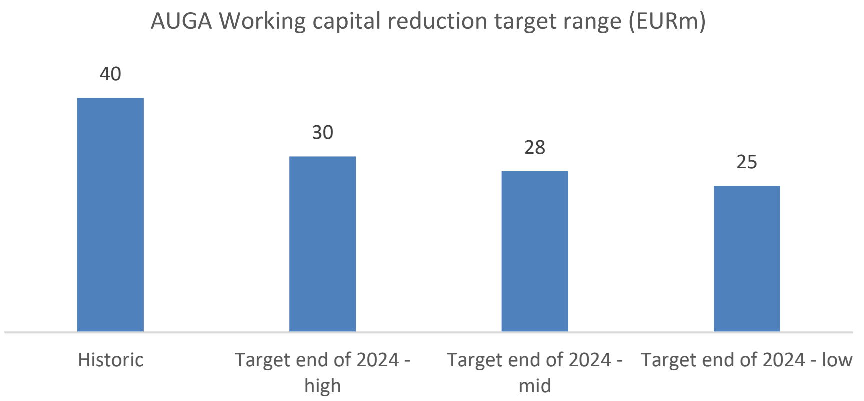
The high cost of organic food following recent years' inflation means consumers switch to non-organic food. At the Q2 webinar, Auga management stated that the consumption of organic food has declined substantially. This is consistent with Estonian listed food retailer, Tallinna Kaubamaja, reporting that consumers chose products on sale. According to Alcimed, the French organic food market declined by 6.3% y-on-y in 2022 and the decline was especially visible among large retailers (we believe the market situation is similar in the Baltics). Auga needs to and are adjusting to the new market situation. The plan is to convert one third of its arable land from organic to sustainable conventional farming. This means about 13K ha out of 38K ha will be farmed under sustainable conventional methods. The conversion is expected to be completed by the end of 2024. We believe this is a necessary adjustment to the market situation. Furthermore, sustainable conventional farming has clear benefits with regards to working capital which should positively impact cash flows



Source: Company

Benefits of sustainable conventional farming

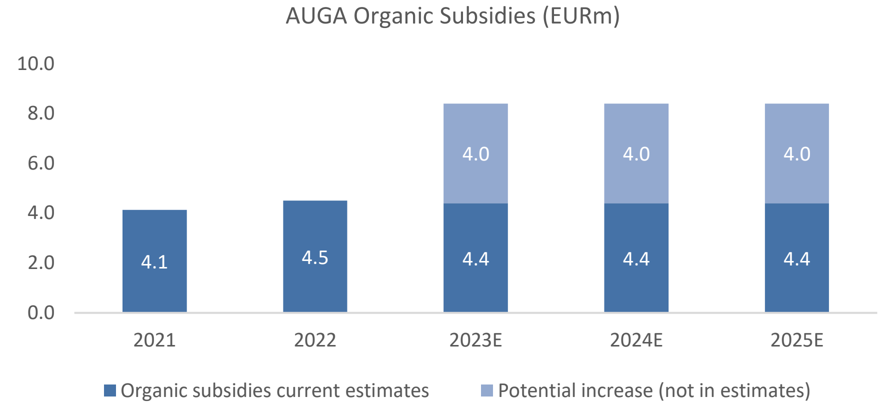
The diversification into sustainable conventional farming could reduce the working capital need by EUR 10-15m from EUR 40m to EUR 25-30m by 2024 (figure mentioned by management at the webinar), which could improve the EBITDA by around EUR 5m annually (figure mentioned by management at the webinar). The reason for the lower working capital is that there is a functioning liquid spot market for conventional crops which enables the company to sell a larger share (typically 30-40%) of the harvest immediately after harvesting thereby reducing the amount in storage (working capital).



Source: Company

Auga's organic subsidies could increase significantly in 2024-25

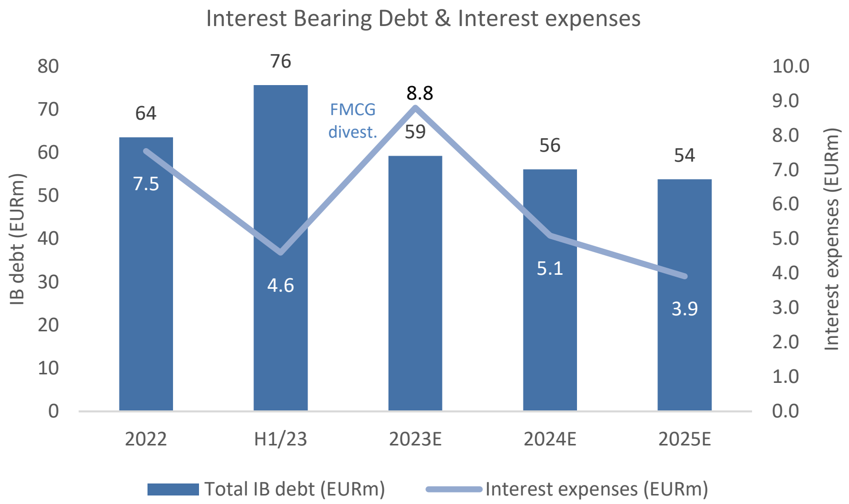
Due to the low demand for organic food products, the arable organic land has decreased by 18% in Lithuania this year, while the number of organic farms with over 200ha has decreased by 30%. As a result, there was a risk that not all organic EU subsidies would be utilized. Consequently, the Lithuanian government scrapped the subsidy cap for large farms (>200ha). According to the company, this could increase Auga's organic subsidies by EUR 4m next year, despite having converted one third of its arable land to conventional farming. We do not yet include this effect in our forecast but recognize the upside.



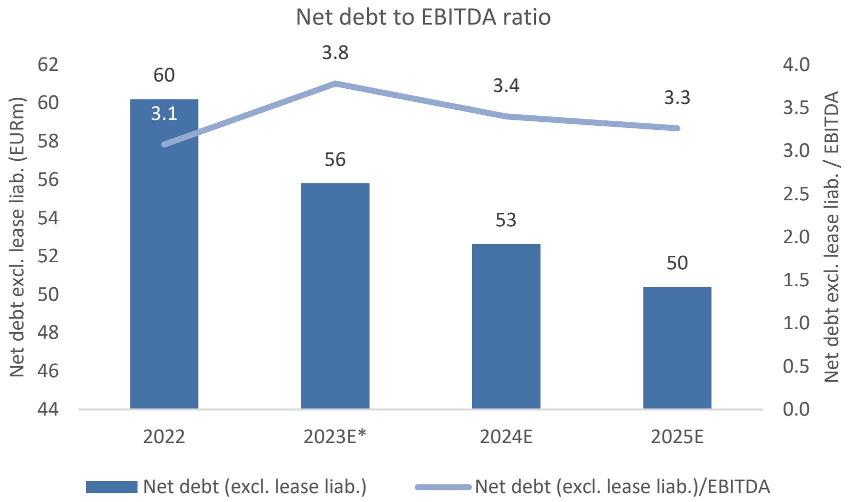
Source: Company (historic), Enlight Research (estimates)

Divestment of FMCG line to lower debt and interest expenses

We expect the divestment of the soup and preserved products product lines to result in a one-time capital gain of EUR 8m in Q3/23 (in-line with company guidance of EUR 7-8m positive effect on profit). The gain means that our 2023 estimated Net loss improves to a EUR 1.5m loss from EUR 9.5m loss. Perhaps more important, the EUR 16m in total consideration allows Auga to lower the interest bearing debt and thereby the interest expenses. We forecast the interest bearing debt excluding lease liabilities to decrease to EUR 59m by the end of 2023 from EUR 76m by the end of H1/23. In 2024, we forecast interest expenses of EUR 5.1m, down from EUR 8.8m in 2023. Furthermore, we expect the Net debt to EBITDA ratio to decline to 3.4x by the end of 2024 from an estimated 3.8x by the end of 2023. To summarize, we believe the divestment of the FMCG product lines helps to improve Auga's debt situation.



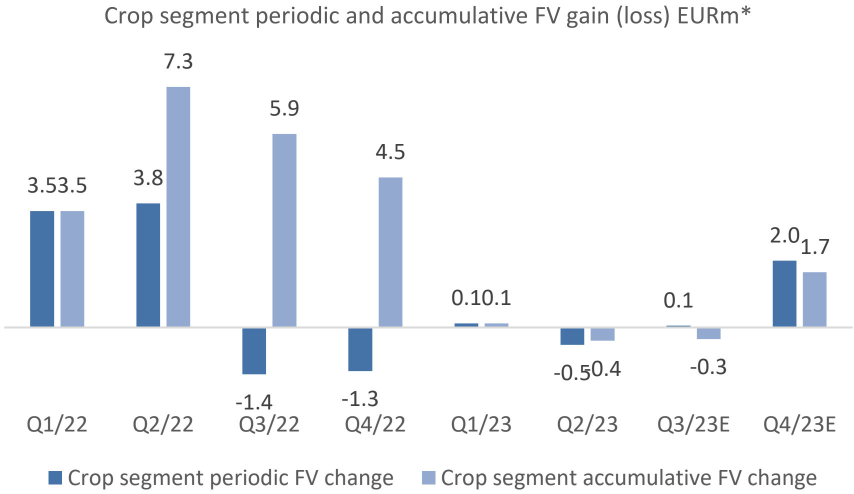
Source: Company (historic), Enlight Research (estimates)



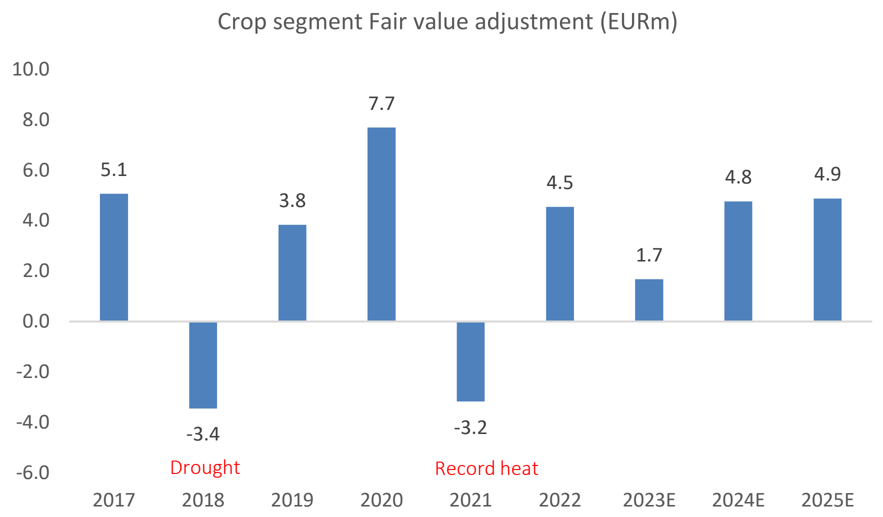
Source: Company (historic), Enlight Research (estimates)
*2023 EBITDA adj. for EUR 8m capital gain from FMCG product line divestment

Positive Crop segment Fair value expected by end of 2023

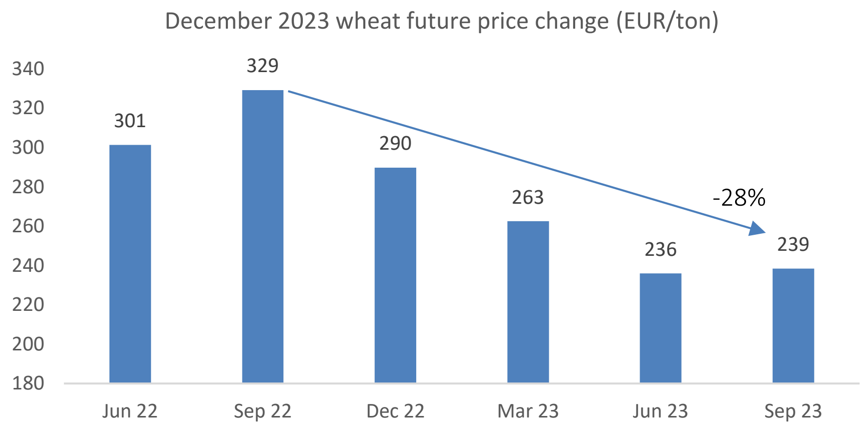
Following a weak 2021 with a EUR 3.2m negative crop Fair value adjustment (due to record heat), the 2022 crop Fair value adjustment of positive EUR 4.5m signified a return to healthy levels. This year started with a small EUR 0.4m Fair value loss in H1/23 vs. a Fair value gain of EUR 7.3m in H1/22. The main reason for the H1/23 Fair value loss is the ~28% decline in grain prices this year compared to the same period last year, but we also believe management is taking a conservative stance to avoid a repeat of H2/22 when the Fair value had to be lowered by EUR 3.0m. For 2023, we estimate a fair value gain of EUR 1.7m whereof most of this gain would come in Q4/23 (see quarterly Fair value adjustment forecast in below chart). Worth noting is that our crop Fair value estimates assume normal harvest without any extreme weather.



Source: Company (historical), Enlight Research (estimates)
*After Fair value gains booked in the previous year



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



Source: EURONEXT

Sum-of-the-parts valuation

Early stage projects are inherently hard to value. There are no listed companies with similar innovations like AUGA (biomethane tractor, feed technologies, sustainable food). However, there is one private company, Monarch Tractor, that has developed an EV tractor. According to Forbes, Monarch raised USD 116m at a valuation of USD 271m in 2021. In August this year, Forbes included Monarch Tractor in 2023 Forbes' Next Billion-Dollar Startups list, believing the valuation could reach USD 1bn. Monarch is a good example of how fast sales can scale having increased sales to USD 22m in 2022 from USD 5m in 2021. AUGA tractors are currently in field testing and the plan is to market it to farmers sometime next year i.e., the company is 1-2 years behind Monarch. Another peer we have found is Naio Technologies who makes self-driving farming vehicles (robots). According to dealroom.co, Naio is valued at USD 176m, and is estimated to have sales of USD 5.6m, implying a P/Sales multiple of 31x. If both of Auga's main innovation projects succeed (biometric tractor, feed technology), we believe a value of EUR 90m can be motivated (lowered from EUR 100m due to overall lower valuation multiples in financial markets). However, it is too early to price this in fully. Hence, in our Base case scenario, we apply a 30% probability of success resulting in a value of EUR 27m (prev. EUR 30m). Our Bear case assume no success of the AgTech projects and apply a value of zero i.e., our Bear case motivated value is solely based on our DCF valuation of existing segments of EUR 0.36 per share (Crop, Mushroom, Dairy, remaining part of FMCG as of Q3/23). Our Bull scenario assumes

60% probability of success resulting in a value of EUR 54m (prev. EUR 60m). To summarize, our value for existing operations is EUR 0.36 per share. Our Base case adds EUR 0.12 (prev. 0.13) per share to the existing segments' value of EUR 0.36 for a total motivated price of EUR 0.48 (prev. 0.53) per share. Our Bull case adds EUR 0.24 (prev. 0.26) per share to the existing segments' value of EUR 0.36 for a total motivated price of EUR 0.59 (prev. 0.66) per share. Going forward, we will adjust our probability of success for the innovation projects according to the progress.

SOTP valuation

Value per share (EURm)	Bear case	Base case	Bull case
AgTech projects value (EURm)	90	90	90
AgTech projects value, probability success	0%	30%	60%
AgTech projects, expected value (EURm)	0	27	54
Value, existing operations (EURm)	92	92	92
Total motivated value	**92**	**119**	**146**
AgTech projects, expected value per share (EUR)	0.00	0.12	0.24
Value, existing operations per share (EUR)	0.36	0.36	0.36
Total motivated value per share (EUR)	**0.36**	**0.48**	**0.59**
Current share price (EUR)	0.33	0.33	0.33
Implied upside	9%	44%	80%

Source: Enlight Research estimates, Monarch Tractor press release on Forbes' Next Billion-Dollar Startups list https://www.monarchtractor.com/news/identified-as-ag-unicorn-by-forbes

Estimate deviations

Deviation by segment

The Q2/23 Crop growing segment sales came in 7% or EUR 0.4m below our estimate, yet it was a significant 55% increase y-on-y, as last year there was small inventory at this time due low crop yields in 2021. The Q2/23 Mushroom segment sales of EUR 7.6m was 5% below forecast, and the Dairy segment was EUR 0.2m below estimate. The Q2/23 FMCG segment sales of EUR 2.2m was 30% or EUR 0.5m above estimate posting a growth of 69% y-on-y.

The Q2/23 Crop growing segment Gross profit of negative EUR 0.3m was EUR 3.7m below our EUR 3.4m estimate due a decrease in crop prices, primarily in wheat (conventional wheat price down 28% y-on-y). The Q2/23 mushroom segment Gross profit of EUR 0.4m was roughly in line with our EUR 0.5m estimate. The Dairy segment posted a negative Q2/23 Gross profit of EUR 0.1m vs. our expected profit of EUR 0.3m, due to lower raw milk prices. The FMCG segment Q2/23 Gross profit of EUR 0.6m was 44% or EUR 0.2m above our forecast.

	Q2/23	Q2/23	Difference	
Sales by Segment (EURm)	**Estimate**	**Outcome**	**EURm**	**%**
Crop growing	6.2	5.8	-0.4	-6.7%
Mushroom growing	8.0	7.6	-0.4	-5.3%
Dairy farming	3.8	3.6	-0.2	-4.9%
FMCG	1.7	2.2	0.5	29.7%
Group sales	**19.8**	**19.2**	**-0.5**	**-2.7%**
	Q2/23	**Q2/23**	**Difference**	
Sales growth	**Estimate**	**Outcome**	**EURm**	**Bps**
Crop growing	66.2%	55.1%	nm	-1109
Mushroom growing	10.4%	4.5%	nm	-589
Dairy farming	-7.1%	-11.6%	nm	-458
FMCG	30.0%	68.6%	nm	3858
Group sales growth	**20.2%**	**17.0%**	**nm**	-321
	Q2/23	**Q2/23**	**Difference**	
Gross profit by Segment (EURm)	**Estimate**	**Outcome**	**EURm**	**%**
Crop growing	3.4	-0.3	-3.7	-108.2%
Mushroom growing	0.5	0.4	0.0	-9.1%
Dairy farming	0.3	-0.1	-0.4	-126.6%
FMCG	0.4	0.6	0.2	44.0%
Group gross profit	**4.5**	**0.6**	**-3.9**	**-86.0%**
	Q2/23	**Q2/23**	**Difference**	
Gross margin by Segment	**Estimate**	**Outcome**	**EURm**	**Bps**
Crop growing	54.1%	-4.7%	na	-5881
Mushroom growing	5.7%	5.5%	na	-22
Dairy farming	7.3%	-2.0%	na	-936
FMCG	23.0%	25.5%	na	253
Group gross margin	**22.8%**	**3.3%**	**na**	**-1952**

Source: Company reports (outcome), Enlight Research (estimate)

Group deviation

The Q2/23 Group revenues was 2.7% or EUR 0.5m below our estimate, mainly due to the Crop growing and Mushroom segment. The Q2/23 Group Gross profit was 86% or EUR 3.9m below forecast, mainly due to a lower wheat price affecting the Fair value of crops. The negative deviation at the Pre-tax profit line increased to EUR 4.8m due higher than expected Operating expenses and Finance costs by EUR 0.8 and EUR 0.1m, respectively. The Q2/23 Net loss of EUR 5.6m was EUR 4.9m below our estimated Net loss of EUR 0.7m.

P&L (EURm)	Q2/23 Estimate	Q2/23 Outcome	Difference EURm	%
Revenues	19.8	19.2	-0.5	-2.7%
Cost of sales	-15.5	-17.4	-2.0	12.9%
Gain(loss) FV Bio. assets & Agri. Produce	0.2	-1.2	-1.4	-664.7%
Gross profit	**4.5**	**0.6**	**-3.9**	**-86.2%**
Operating expenses	-3.2	-3.9	-0.7	20.8%
Other income	0.1	0.0	-0.1	-80.8%
Operating profit	**1.4**	**-3.3**	**-4.7**	**-335.4%**
Finance cost	-2.2	-2.3	-0.1	5.4%
Share of associates	0.0	0.0	0.0	
Pre-tax Profit	**-0.8**	**-5.6**	**-4.8**	**588.8%**
Income tax	0.1	0.0	-0.1	-100.0%
Non-controlling interest	0.0	0.0	0.0	
Net profit	**-0.7**	**-5.6**	**-4.9**	**709.7%**
Depreciation, Amortization, Impairment	3.7	4.0	0.4	9.8%
EBITDA	5.1	0.8	-4.3	-84.6%

Growth	Q2/23 Estimate	Q2/23 Outcome	Difference EURm	Bps
Sales	20.2%	17.0%	-12.2%	-321

Margins	Q2/23 Estimate	Q2/23 Outcome	Difference EURm	Bps
EBITDA margin	25.7%	4.1%	nm	-2163
Gross margin	22.8%	3.2%	nm	-1957
Operating margin	7.0%	-17.0%	nm	-2403
Pre-tax Profit margin	-4.1%	-29.1%	nm	-2495
Net margin	-3.5%	-29.0%	nm	-2554

Source: Company reports (outcome), Enlight Research (estimate)

Estimate changes

We lower our Sales estimates by around 6% this year and 3% in 2024, and 2025. Our Gross profit estimate is lowered by 25% to EUR 12.6m this year, mainly due to lower crop prices, and higher costs. Our 2023 EBIT estimate is lowered by EUR 4.6m from positive EUR 3.6m to negative EUR 1.1m, mainly due to the crop segment and the dairy segment (both segments are negatively affected by a decrease in commodity prices). Our 2024 the EBIT estimate is lowered by 4% while it is raised by 2% in 2025. Our 2023 EPS estimate is improved to negative EUR 0.007 from negative 0.020 due a EUR 8m one-off gain from the FMCG product line divestment. Our 2024 EPS is improved by EUR 0.004 to negative EUR 0.006. Our 2025 EPS is improved from negative EUR 0.001 to positive EUR 0.004 i.e., we forecast a small Net profit in 2025.

Group estimate changes

Sales (EURm)	2023E	2024E	2025E
Old estimate	86.7	83.9	87.1
New estimate	81.7	81.8	84.4
Change	-4.9	-2.1	-2.7
Change (pct)	-5.7%	-2.5%	-3.1%

Gross profit (EURm)	2023E	2024E	2025E
Old estimate	16.9	16.7	17.9
New estimate	12.6	16.7	18.0
Change	-4.2	-0.1	0.1
Change (pct)	-25.1%	-0.5%	0.5%

EBIT (EURm)	2023E	2024E	2025E
Old estimate	3.6	3.8	4.5
New estimate	-1.1	3.7	4.6
Change	-4.6	-0.2	0.1
Change (pct)	-130.3%	-4.1%	2.3%

EPS (EUR)	2023E	2024E	2025E
Old estimate	-0.020	-0.010	-0.001
New estimate	-0.007	-0.006	0.003
Change	0.013	0.004	0.004
Change (pct)	nm	nm	nm

Dividend (EUR)	2023E	2024E	2025E
Old estimate	0.00	0.00	0.00
New estimate	0.00	0.00	0.00
Change	0.00	0.00	0.00
Change (pct)	na	na	na

Source: Enlight Research

Risk factors

Below is a list of risk factors that we believe are important to highlight given the current environment. It should not be regarded as a complete list of risk factors. Additional risk factors can be found in the listing prospectus and annual reports.

Transformation into a sustainable food AgTech company

AUGA is in the early stages of its transformation into a sustainable food AgTech company. There is no guarantee that this transformation will succeed.

Transformation organic land to conventional land

AUGA is in the early stages of transforming part of its land to conventional from organic. There is no guarantee that this will succeed. Although in our view, it should be easier to transform from organic to conventional than the other way around.

Interest rates

Significantly higher interest rates will increase the company's interest expenses, which could affect our forecast negatively.

Re-financing

The company's EUR 20m Green bond (6% fixed coupon) will mature on 17 December 2024, which means it should be re-financed sometime next year.

Energy prices

High energy prices could significantly affect the production costs of the mushroom segment resulting in a lower than expected gross profit.

Weather

The risk of adverse meteorological conditions may significantly affect the yield of agricultural products and thereby negatively affect the financial result.

Quality of harvest

In addition to the harvest yield, the quality of the harvest is important as lower quality usually means lower prices. For example, if the share of feed wheat exceeds 50%, then our forecast is most likely too optimistic under our Base and Bull case scenarios.

Economic downturn

A prolonged and/or severe economic downturn could affect the demand for organic food products, which most likely would affect the company's result.

EU subsidies

The Group receives significant income from EU subsidies and if these were to be lowered or taken away, the result of the group would be negatively affected.

Livestock

The risk of a severe animal disease is not factored into our estimates. If one of Auga's dairy farms is hit by a severe animal disease, our dairy segment estimates will most likely have to be adjusted downwards.

Income Statement	2021	2022	2023E	2024E	2025E
Net sales	71.7	80.1	81.7	81.8	84.4
Total operating costs	-62.6	-60.5	-67.0	-66.3	-69.0
EBITDA	**9.1**	**19.6**	**14.8**	**15.5**	**15.4**
Depreciation & Amort.	-18.9	-16.5	-15.8	-11.8	-10.8
One-off EBIT items	0.0	0.0	0.0	0.0	0.0
EBIT	**-9.8**	**3.1**	**-1.1**	**3.7**	**4.6**
Financial net	-6.5	-7.5	-8.8	-5.1	-3.9
Pre-tax profit	**-16.3**	**-4.4**	**-9.9**	**-1.4**	**0.7**
Taxes	0.8	-0.9	0.3	0.1	0.0
Minority interest	0.0	-0.1	0.0	0.0	0.0
Other items	0.0	0.0	8.0	0.0	0.0
Net profit	**-15.4**	**-5.4**	**-1.5**	**-1.3**	**0.7**

Balance Sheet	2021	2022	2023E	2024E	2025E
Cash and cash equivalent	2	3	3	3	3
Receivables	7	8	6	6	6
Inventories	24	35	29	28	28
Other current assets	24	24	24	24	24
Current assets	**57**	**70**	**61**	**61**	**61**
Tangible assets	92	94	70	64	60
Goodwill & intangible assets	6	8	8	9	9
Lease & Investment properties	47	48	49	51	52
Investments	0	0	0	0	0
Associated companies	0	0	0	0	0
Other non-current assets	10	11	11	11	11
Total fixed assets	**155**	**161**	**139**	**135**	**132**
Total Assets	**212**	**231**	**200**	**195**	**193**
Non-interest bearing current liabilities	19	25	27	29	34
Short-term debt	19	40	10	6	2
Other current liabilities	6	5	5	14	18
Total current liabilities	**45**	**71**	**42**	**49**	**54**
Long-term debt	46	37	26	15	6
Convertibles & Lease liab.	38	40	49	51	52
Deferred tax liabilities	2	2	2	2	2
Provisions	0	0	0	0	0
Other long-term liabilities	3	4	4	4	4
Total long-term liab.	**88**	**83**	**82**	**72**	**64**
Total Liabilities	**134**	**154**	**124**	**121**	**118**
Minority interest (BS)	0	0	0	0	0
Shareholders' equity	79	77	76	74	75
Total liabilities and equity	**212**	**231**	**200**	**195**	**193**

DCF valuation		Cash flow, mEUR	
WACC (%)	7.96 %	NPV FCF (2023-2025)	73
Assumptions 2023-2029 (%)		NPV FCF (2026-2032)	35
Sales CAGR	7.52 %	NPV FCF (2033-)	89
Avg. EBIT margin	5.59 %	Non-operating assets	3
Fair value per share (EUR)	0.36	Interest-bearing debt	-117
Share price (EUR)	0.33	Fair value estimate	82

Free Cash Flow	2021	2022	2023E	2024E	2025E
Operating profit	-9.8	3.1	-1.1	3.7	4.6
Depreciation & Amort.	18.9	16.5	15.8	11.8	10.8
Working capital chg.	13.1	-7.4	10.4	12.1	8.1
Other Operating CF items	-0.2	0.1	0.0	-0.2	-0.2
Operating Cash Flow	**22.1**	**12.3**	**25.2**	**27.4**	**23.3**
Net investments	-14.3	-20.5	7.9	-6.8	-6.9
Other items	-0.1	1.4	8.0	0.0	0.0
Free Cash Flow	**7.6**	**-6.9**	**41.0**	**20.6**	**16.4**

Capital structure	2021	2022	2023E	2024E	2025E
Equity ratio	37.2%	33.5%	38.0%	38.2%	39.1%
Debt / Equity ratio	131.0%	151.8%	113.3%	95.6%	79.3%
Gearing %	127.3%	146.6%	108.2%	90.5%	74.4%
Net debt/EBITDA	11.0	5.8	5.6	4.4	3.6

Profitability	2021	2022	2023E	2024E	2025E
ROE	-18.0%	-7.0%	-2.0%	-1.8%	0.9%
FCF yield	6.8%	-7.7%	54.2%	27.2%	21.6%
EBITDA margin	12.7%	24.5%	18.1%	18.9%	18.3%
EBIT margin	-13.7%	3.9%	-1.3%	4.5%	5.5%
PTP margin	-22.7%	-5.5%	-12.1%	-1.7%	0.8%
Net margin	-21.5%	-6.8%	-1.8%	-1.7%	0.8%

Valuation	2021	2022	2023E	2024E	2025E
P/E	nm	nm	nm	nm	115.0
P/E, adjusted	nm	nm	nm	nm	115.0
P/Sales	1.6	1.1	1.0	1.0	0.9
EV/Sales	3.0	2.5	2.0	1.8	1.6
EV/EBITDA	23.5	10.4	10.9	9.4	8.7
EV/EBIT	neg	65.7	neg	39.2	28.7
P/BV	1.4	1.2	1.0	1.1	1.0
P/BV tangible	1.6	1.3	1.2	1.2	1.2

Per share ratios	2021	2022	2023E	2024E	2025E
EPS	-0.07	-0.02	-0.01	-0.01	0.00
EPS, adjusted	-0.07	-0.02	-0.01	-0.01	0.00
Operating CF/share	0.10	0.05	0.11	0.12	0.10
Free Cash Flow/share	0.03	-0.03	0.18	0.09	0.07
BV/share	0.35	0.34	0.33	0.32	0.33
Tangible BV/share	0.35	0.34	0.33	0.32	0.33
Div. per share	0.00	0.00	0.00	0.00	0.00
Div. payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%

Shareholders	Capital	Votes
UAB Baltic Champs Group	41.443	54.67 %
EBRD	6.481	8.55 %
Zilvinas Marcinkevicius	5.208	6.87 %

Key people	
CEO	Kestutis Juscius
CFO	TBA
IR	TBA
Chairman	Dalius Misiunas

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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