

Fuel cost to reverse in H2/22

Q2 Revenues were above estimates, but spiking fuel costs lead to lower than expected earnings. We believe the negative fuel costs in H1/22 will reverse in H2/22. We lower our earnings estimates, but still see a positive net profit this year and dividends next year.

Fuel cost reversal

The H1/22 net loss was EUR 2.1m, of which at least EUR 2.2m was due to higher fuel prices. Based on the European jet fuel forward curve and increased fuel costs hedging, we believe the fuel costs effect in H2/22 could be neutral to positive and we forecast an H2/22 net profit of EUR 2.7m, resulting in a full-year 2022 net profit of EUR 0.6m.

Dividends 2023

We forecast dividends to be resumed next year (first year since 2018) when we expect a dividend of EUR 0.15/shr. (5.8% yield), followed by EUR 0.20/shr. (7.7% yield) in 2024. Given our positive 2022 EPS estimate of EUR 0.08, one could argue for dividends this year, but we now take a more conservative stance.

Base case Fair value EUR 4.33

Due to lower estimates and assumed terminal EBIT margin, our Base case DCF Fair value per share is lowered to EUR 4.33 (prev. EUR 5.06), indicating a long-term upside of over 50%. We find investors were overly positive on the earnings recovery ahead of the report but have turned overly negative after it, especially given the decline in jet fuel price.

Key figures (MEUR)

	2020	2021	2022E	2023E	2024E
Net sales	32.9	109.0	203.1	223.4	230.1
Net sales growth	-81.7%	231.4%	86.3%	10.0%	3.0%
EBITDA	-3.1	2.6	3.1	4.7	5.6
EBITDA margin	-9.5%	2.3%	1.5%	2.1%	2.5%
EBIT	-3.6	2.4	3.0	4.5	5.3
EBIT margin	-10.8%	2.2%	1.5%	2.0%	2.3%
EV/Sales	1.1	0.4	0.2	0.1	0.1
EV/EBITDA	-12.0	15.2	9.8	6.7	5.4
EV/EBIT	-10.5	16.2	10.1	7.1	5.7
P/E adj.	-4.0	32.8	33.6	7.1	5.9
P/BV	1.7	2.0	1.3	1.1	1.0
EPS adj.	-0.74	0.12	0.08	0.37	0.44
EPS growth adj.	-236.45%	-115.81%	-33.46%	374.00%	20.19%
Div. per share	0.00	0.00	0.00	0.15	0.20
Dividend yield	0.00%	0.00%	0.00%	5.77%	7.69%

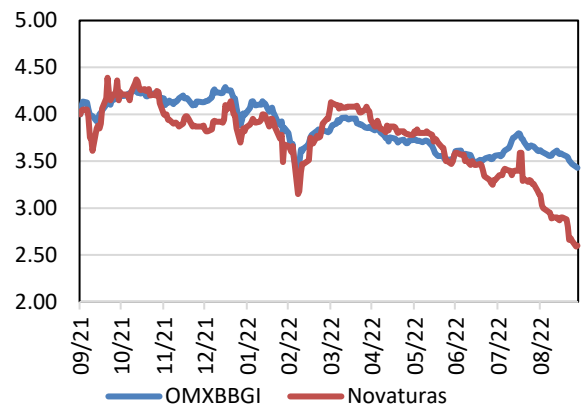
Source: Company data, Enlight Research estimates

Fair value range (EUR)

Bull (term. EBIT marg. 5.5%)	5.34
Base (term. EBIT marg. 4.5%)	4.33
Bear (term. EBIT marg. 3.5%)	3.33

Key Data

Price (EUR)	2.60
Ticker	NTU1L
Country	Lithuania
Listed	Vilnius (Lithuania)
Market Cap (EURm)	20
Net debt (EURm)	5.5
Shares (m)	8
Free float	53%



Price range

52-week high	4.39
52-week low	2.59

Analyst

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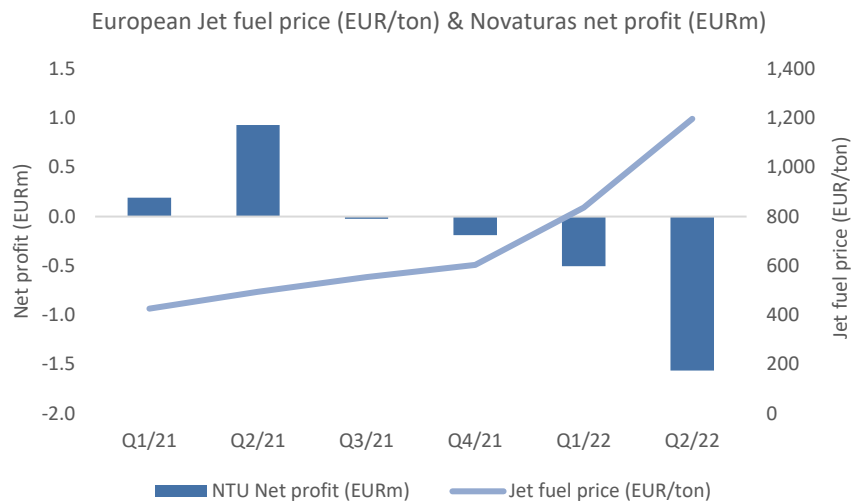
Coverage frequency

4x per year

Key takeaways

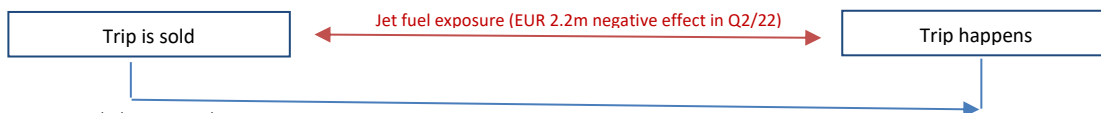
Jet fuel price hurt Q2

The Q2/22 Sales grew 113% compared to the previous quarter (Q1/22) and 165% compared to the same quarter last year (Q2/21) as pent-up travel demand continued to be released. In fact, the Q2/22 Sales of EUR 62.4m were 15% higher than the pre-pandemic Q2/19 Sales of EUR 54.5m. Despite the strong Sales growth, the Q2/22 Net profit was negative EUR 1.6m due to a significant jump in the jet fuel price. The Q2/22 European Jet fuel price grew 43% compared to the previous quarter (Q1/22) and 142% compared to the same quarter last year (Q2/21). The Company does not report fuel costs, but in the Q2 webinar presentation, it was stated that the jet fuel price spike resulted in a loss of approximately EUR 2.2m. This means that the fuel price adjusted Q2/22 Net profit was EUR 0.6m rather than the reported Net loss of EUR 1.6m. The fuel price loss occurs because the company has exposure to the fuel price from the time the ticket is sold (at fixed price) until the departure (when fuel is bought). The oil price exposure can be hedged but in Q2/22, we believe a very small part of the sold ticket exposure was hedged. However, for the remainder of the year, we believe the company will hedge a much larger part of the fuel price exposure, i.e. there should be minimal negative effect from the fuel price for the remainder of the year.



Source: Company reports (reported net profit), Enlight Research (estimated net profit), Onyx (jet fuel price)

Novaturas' exposure to jet fuel price

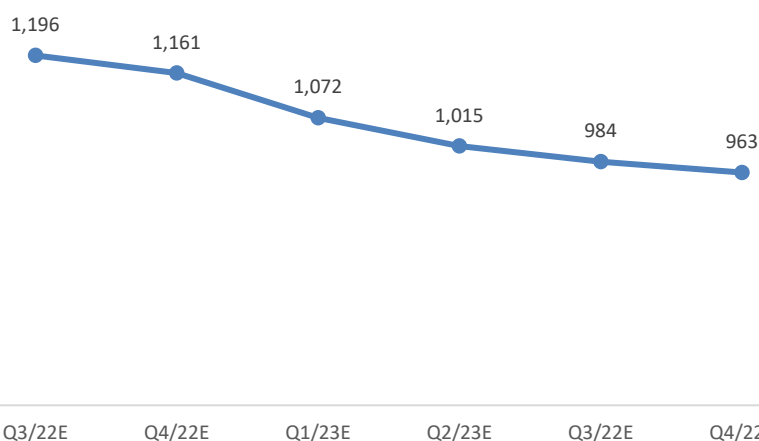


Source: Enlight Research

Fuel price not likely to hurt H2/22

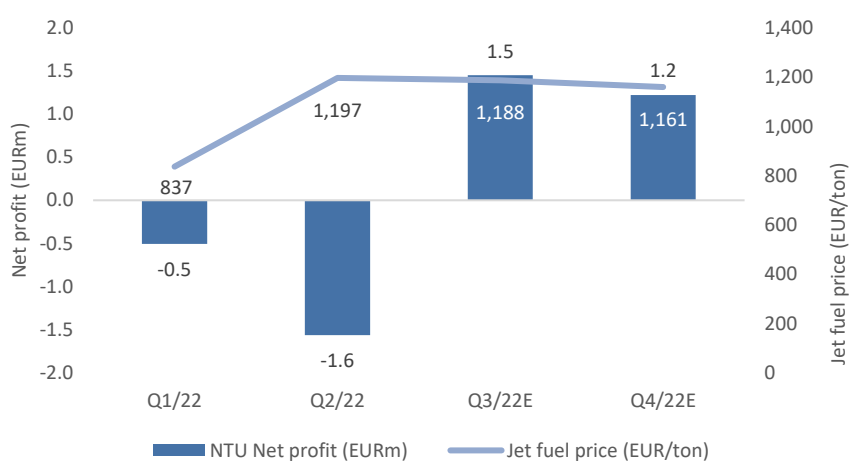
We do not believe that the jet fuel price will hurt Novaturas' profits in H2/22. The main reason for this is that we expect the company to hedge 60-70% of the fuel price exposure in H2/22, i.e., lock in the fuel price at the time of the ticket sale (we estimate only 20-30% was hedged in Q2/22). Furthermore, the European jet fuel forward curve indicates lower prices in H2/22, which means that the unhedged part (30-40%) could result in a positive contribution to profits. Compared to current levels (USD 1,267/ton), the European jet fuel price forward indicates a decline of 25% by Q4/22 (USD 963/ton). Based on a higher level of fuel hedging and expected lower fuel price as well as continued strong travel demand, we forecast a Q3/22 and Q4/22 Net profit of EUR 1.5m, and EUR 1.2m respectively. This means our H2/22 Net profit forecast is EUR 2.7m vs. the H1/22 reported Net loss of EUR 2.1m. For the full-year 2022, our Net profit forecast is EUR 0.6m.

European Jet fuel price forward curve (USD/ton)



Source: Onyx

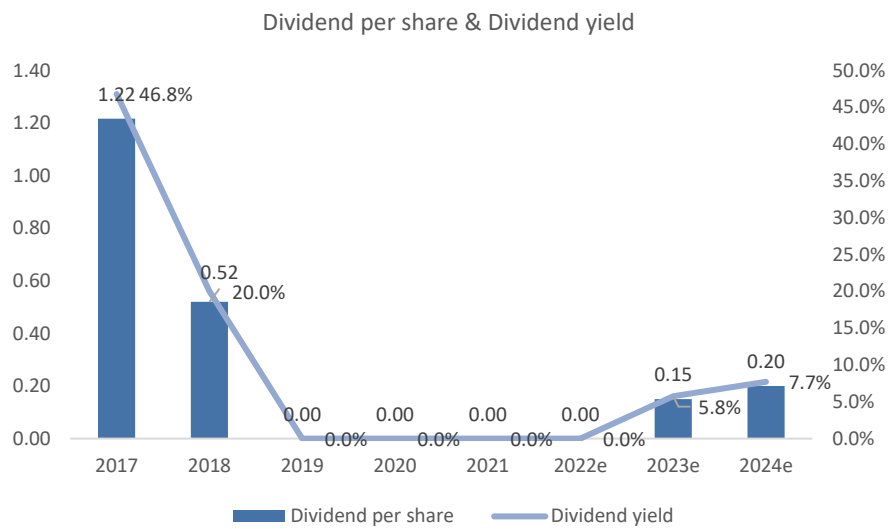
European Jet fuel price (EUR/ton) & Novaturas net profit (EURm)



Source: Company (historical net profit), Enlight Research (estimated net profit), Onyx (Jet fuel price)

Dividends could arrive next year

We believe Novaturas can start paying dividends next year, which would mark the first year of dividends since 2018. For 2023, we expect a dividend of EUR 0.15 per share, equal to a yield of 5.8% (based on a share price of EUR 2.60). Our 2023 forecast pay-out ratio is 41%, which is below the long-term dividend policy target to pay out 70-80% of net profits. For 2024, we forecast a dividend of EUR 0.20 per share (pay-out ratio 45%), indicating a yield of 7.7%.



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

Valuation

Peer valuation

We divide our peer group into the following three subgroups: (1) Traditional tour operators, (2) Digital only tour operators, and (3) Online travel agencies (OTAs). As the 2020-2022 multiples are misleading due to the pandemic, we focus on the 2023 estimated multiples. As expected, the OTAs and the Digital only tour operators trade at higher multiples compared to Traditional tour operators with an average 2023E EV/EBITDA of 6.9x, and 3.8x respectively, vs. 2.5x for Traditional tour operators. Novaturas is trading at a significant discount (60%) to Traditional tour operators based on 2023E P/Sales, while it is trading at a significant premium based on EV/EBITDA (165%). If Novaturas were to improve its margins, we believe the market would reward it with a higher P/Sales multiple, while the EV/EBITDA premium would likely decrease. Worth noting is that the peers are substantially bigger and often have a different business model so a straight comparison might not be relevant.

Travel & leisure peers

Online Travel Agencies (OTAs)													
Company	Ticker	Ccy	Price (last)	Mcap (m) (last)	EV (m) (last)	P/Sales 2021	P/Sales 2022E	P/Sales 2023E	P/Sales 2024E	EV/EBITDA 2021	EV/EBITDA 2022E	EV/EBITDA 2023E	EV/EBITDA 2024E
Booking Holdings Inc	BKNG	USD	1726.88	68,567	66,522	6.3	4.1	3.6	3.2	22.9	12.7	10.6	9.2
Expedia Group Inc	EXPE	USD	95.91	15,111	15,810	1.8	1.3	1.2	1.1	10.7	6.4	5.4	4.8
Trivago	TRVG	EUR	1.28	462	314	1.3	0.9	0.7	0.6	9.1	3.3	2.9	2.7
eDreams Odigeo SA	EDR	EUR	4.11	499	791	4.5	1.3	0.9	0.7	neg	263.6	15.0	7.5
Lastminute.com NV	LMN	EUR	16.73	184	38	1.2	0.5	0.4	0.4	2.0	0.6	0.6	0.5
Average						3.0	1.6	1.4	1.2	11.2	57.3	6.9	4.9
Median						1.8	1.3	0.9	0.7	9.9	6.4	5.4	4.8

Digital only tour operators													
Company	Ticker	Ccy	Price (last)	Mcap (m) (last)	EV (m) (last)	P/Sales 2021	P/Sales 2022E	P/Sales 2023E	P/Sales 2024E	EV/EBITDA 2021	EV/EBITDA 2022E	EV/EBITDA 2023E	EV/EBITDA 2024E
OnTheBeach Group	OTB	GBP	1.01	167	150	5.5	1.2	1.0	0.9	neg	6.8	3.8	3.3

Traditional tour operator													
Company	Ticker	Ccy	Price (last)	Mcap (m) (last)	EV (m) (last)	P/Sales 2021	P/Sales 2022E	P/Sales 2023E	P/Sales 2024E	EV/EBITDA 2021	EV/EBITDA 2022E	EV/EBITDA 2023E	EV/EBITDA 2024E
TUI Group (TUI AG)	TUI1	EUR	1.37	2,437	6,364	0.5	0.2	0.1	0.1	neg	4.6	3.3	3.1
Jet2 Group (Jet2 PLC)	JET2	GBP	7.12	1,527	869	3.9	1.2	0.3	0.3	neg	neg	1.6	1.6
Average						2.2	0.7	0.2	0.2	neg	4.6	2.5	2.3
Median						2.2	0.7	0.2	0.2	neg	4.6	2.5	2.3

Novaturas	NTU	EUR	2.60	20	31	0.2	0.1	0.1	0.1	12.0	9.8	6.5	5.5
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Source: Company reports, MarketScreener (consensus estimates), Enlight Research (Novaturas estimates), Prices on 29 September 2022

DCF valuation

Our Base case DCF Fair value per share is adjusted downward to EUR 4.33 (prev. 5.06), indicating an upside of around 60%. Apart from lower estimates (see Estimate changes), a lower assumed terminal EBIT margin (from 5.0% to 4.5%) decreases our Fair value. Our Bear case Fair value per share is EUR 3.33 (prev. 3.36), while our Bull case Fair value per share is EUR 5.34 (prev. 6.76). The only difference in our Bear and Bull case vs. the Base is one percentage point higher/lower assumed terminal EBIT margin vs. the Base case EBIT margin of 4.5%.

DCF Valuation Scenarios	Bear	Base	Bull
WACC	13.5%	13.5%	13.5%
Terminal sales growth	2.0%	2.0%	2.0%
Terminal EBIT margin	3.5%	4.5%	5.5%
Fair Value per share	3.33	4.33	5.34
Upside/Downside (last price)	28%	66%	105%

Source: Enlight Research, Based on share price of EUR 2.60

Estimate deviations

Q2/22 Commission-based sales (Travel agencies, GDS) came in 17% above forecast driven by strong Travel agency sales. Q2/22 Commission-free sales (Own retail, Web sales) were 4% higher than the estimate due to solid Own retail sales. The Q2/22 Group sales were 13% above forecast, however the Gross profit was EUR 47% or EUR 4.6m below forecast, mainly due to the high fuel cost. The Q2/22 Net profit was EUR 3.4m below forecast (loss of EUR 1.6m vs. estimated profit of EUR 1.8m). The fuel price adjusted Net profit was EUR 0.6m (vs. reported Net loss of EUR 1.6m).

Sales by channel	Q2/22	Q2/22	EURm	%
Travel agencies	37.2	44.3	7.1	19.0%
Own retail	6.1	7.2	1.1	17.8%
Web sales	10.9	10.5	-0.4	-4.0%
GDS	1.1	0.6	-0.5	-48.9%
Total Sales	55.3	62.5	7.2	13.0%
Sales growth	Estimate Q2/22	Outcome Q2/22	Diff EURm	Diff %-pts
Travel agencies	125.1%	167.7%	42.7	
Own retail	125.3%	165.5%	40.2	
Web sales	192.2%	180.5%	-11.7	
GDS	94.7%	-0.4%	-95.1	
Total sales	135.0%	165.5%	30.4	
Type of sales	Estimate Q2/22	Outcome Q2/22	Diff EURm	Diff %
Commission-based sales	38.3	44.8	6.5	17.0%
Commission-free sales	17.0	17.7	0.6	3.8%
Total Sales	55.3	62.5	7.2	13.0%
P&L (EURm)	Estimate Q2/22	Outcome Q2/22	Diff EURm	Diff %
Sales	55.3	62.4	7.1	12.8%
Costs of sales	-45.6	-57.3	-11.7	25.7%
Gross profit (loss)	9.7	5.1	-4.6	-47.4%
Sales commission expenses	-3.3	-3.8	-0.5	16.5%
Sales after commissions	6.4	1.3	-5.2	-80.1%
Other oper. Inc/exp.	-3.9	-2.0	1.9	-49.8%
Operating profit	2.5	-0.7	-3.2	-126.8%
<i>Financial net</i>	-0.5	-0.9	-0.4	77.0%
Profit (loss) before taxes	2.0	-1.6	-3.6	-177.0%
Income tax	-0.2	0.0	0.2	-100.0%
Net profit	1.8	-1.6	-3.4	-186.9%
EBITDA	2.5	-0.7	-3.2	-126.2%
Sales growth	Estimate Q2/22	Outcome Q2/22	Diff %	
Group Sales	135.0%	165.5%	30.4	
Margins	Estimate Q2/22	Outcome Q2/22	Diff %-pts	
Gross margin	17.6%	8.2%	-9.4	
EBITDA margin	4.5%	-1.0%	-5.6	
EBIT margin	4.6%	-1.1%	-5.7	
PTP margin	3.7%	-2.5%	-6.2	
Net profit margin	3.3%	-2.5%	-5.8	

Source: Company (Outcome), Enlight Research (Estimate)

Estimate changes

We raise our Sales estimates by around 11% each year in the forecast period 2022-24E to reflect the stronger than expected pick-up in travel demand. For 2022, our EBIT forecast is lowered by 44% due to the higher than expected oil price as well as overall cost inflation. Our EPS for this year is lowered to EUR 0.08 from EUR 0.14. We now take a conservative approach and assume zero dividends this year (prev. 0.14/shr). For 2023, we forecast a dividend of EUR 0.15/shr (prev. 0.20/shr). For 2024, our dividend forecast is EUR 0.20/shr (prev. 0.22).

Estimate changes			
Sales (EURm)	2022E	2023E	2024E
Old estimate	183	201	207
New estimate	203	223	230
Change	20	22	23
Change (pct)	11.2%	11.2%	11.2%
EBIT (EURm)	2022E	2023E	2024E
Old estimate	5.5	7.0	8.3
New estimate	3.0	4.5	5.3
Change	-2.4	-2.6	-3.0
Change (pct)	-44.4%	-36.5%	-36.1%
Pre-tax Profit (EURm)	2022E	2023E	2024E
Old estimate	3.6	6.0	7.3
New estimate	0.8	3.2	4.1
Change	-2.8	-2.8	-3.3
Change (pct)	-78.0%	-46.5%	-44.6%
EPS (EUR)	2022E	2023E	2024E
Old estimate	0.42	0.69	0.80
New estimate	0.08	0.37	0.44
Change	-0.34	-0.32	-0.36
Change (pct)	-81.7%	-46.5%	-44.6%
Dividend (EUR)	2022E	2023E	2024E
Old estimate	0.14	0.20	0.22
New estimate	0.00	0.15	0.20
Change	-0.14	-0.05	-0.02
Change (pct)	-100.0%	-25.0%	-9.1%

Source: Enlight Research

Forecast

Income Statement	Q1/22	Q2/22	Q3/22E	Q4/22E	2020	2021	2022E	2023E	2024E
Group sales	29.3	62.4	68.8	42.7	32.9	109.5	203.1	223.4	230.1
<i>Whereof commission based</i>	21.3	44.8	48.5	29.6	24.2	78.5	144.2	156.4	156.4
<i>Travel agencies</i>	20.5	44.3	47.1	28.6	23.7	75.3	140.5	152.3	152.3
<i>GDS</i>	0.7	0.6	1.4	1.0	0.6	3.2	3.7	4.0	4.1
<i>Whereof commission-free</i>	8.0	17.7	20.3	12.9	8.7	31.1	58.9	67.0	73.6
<i>Own retail</i>	3.2	7.2	7.9	5.0	3.8	12.1	23.4	26.8	29.9
<i>Web sales</i>	4.7	10.5	12.4	7.9	4.8	19.0	35.5	40.2	43.7
Cost of Sales	-26.5	-57.3	-61.9	-37.1	-29.3	-95.5	-182.8	-194.3	-195.6
Cost of sales/Group sales	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Gross profit	2.7	5.1	6.9	5.6	3.6	14.0	20.3	29.0	34.5
Sales commission expenses	-1.2	-3.8	-3.6	-2.3	-1.8	-6.3	-11.0	-11.4	-11.3
Sales commission rate	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Sales after commissions	1.5	1.3	3.3	3.3	1.8	7.7	9.3	17.6	23.2
Other Oper. Inc./exp.	-1.6	-2.0	-1.2	-1.5	-2.5	-5.3	-6.3	-13.2	-18.0
Other Oper. Inc./exp. of Sales	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.1
EBIT	-0.1	-0.7	2.1	1.8	-3.6	2.4	3.0	4.5	5.3
EBIT margin	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0
Financial net	-0.5	-0.9	-0.5	-0.4	-3.0	-1.5	-2.2	-1.3	-1.2
Pre-tax Profit	-0.6	-1.6	1.6	1.4	-6.6	0.9	0.8	3.2	4.1
Tax	0.1	0.0	-0.2	-0.1	0.8	0.0	-0.2	-0.3	-0.6
Net profit	-0.5	-1.6	1.5	1.2	-5.8	0.9	0.6	2.9	3.4
Depreciation	0.0	0.0	0.0	0.0	-0.4	-0.2	-0.1	-0.2	-0.3
EBITDA	-0.1	-0.7	2.1	1.8	-3.1	2.6	3.1	4.7	5.6
Sales growth y-on-y	Q1/22	Q2/22	Q3/22E	Q4/22E	2020	2021	2022E	2023E	2024E
Group sales growth	425.1%	165.0%	50.7%	22.5%	-81.7%	233.0%	85.4%	10.0%	3.0%
Commission-based sales growth	371.3%	162.2%	51.2%	19.4%	-81.9%	223.7%	83.7%	8.5%	0.1%
Travel agencies sales growth	442.9%	167.7%	51.2%	20.0%	-81.9%	218.4%	86.6%	8.4%	0.0%
GDS sales growth	0.2%	-0.4%	50.7%	3.4%	-82.7%	433.8%	15.6%	10.0%	3.0%
Commission-free sales growth	654.5%	174.2%	49.7%	29.2%	-81.0%	259.1%	89.6%	13.8%	9.9%
Own retail sales growth	477.1%	165.5%	60.5%	28.4%	-80.7%	214.4%	93.0%	14.8%	11.6%
Web sales growth	855.8%	180.5%	43.6%	29.7%	-81.3%	294.9%	87.4%	13.1%	8.7%
Margins	Q1/22	Q2/22	Q3/22E	Q4/22E	2020	2021	2022E	2023E	2024E
Gross profit margin	9.4%	8.2%	10.0%	13.1%	10.9%	12.8%	10.0%	13.0%	15.0%
EBITDA margin	-0.3%	-1.0%	3.0%	4.2%	-9.5%	2.3%	1.5%	2.1%	2.4%
EBIT margin	-0.3%	-1.1%	3.0%	4.1%	-10.8%	2.2%	1.5%	2.0%	2.3%
Pre-tax Profit margin	-2.1%	-2.5%	2.3%	3.2%	-19.9%	0.9%	0.4%	1.4%	1.8%
Net profit margin	-1.7%	-2.5%	2.1%	2.9%	-17.5%	0.8%	0.3%	1.3%	1.5%

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

Risk factors

Below should not be regarded as a complete list of risk factors for Novaturas. It is a list of risk factors that we deem to be most relevant given the current environment. For more risk factors, we recommend reading the Company prospectus.

Covid-19 development

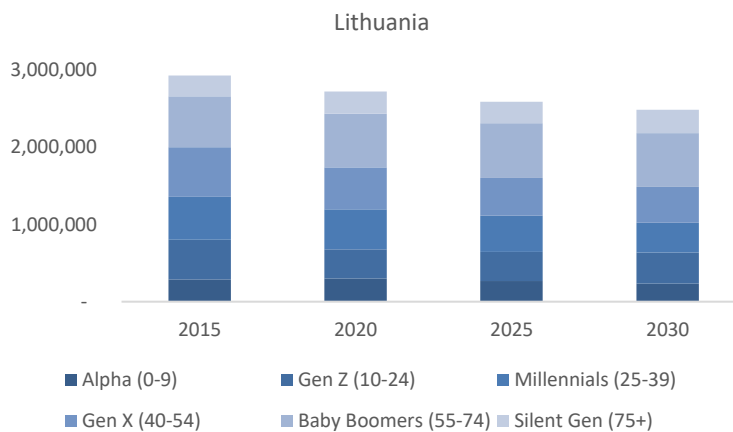
Our base case assumption is that there will be no future lockdowns due to the pandemic. If a complete lock-down occurs, our forecast is most likely too optimistic under all scenarios.

Digitalization

Digitalization is a key driver for our investment case. Failure to increase the online share of group sales will most likely mean that our EBIT margin is too optimistic, especially for our Base and Bull cases.

Demographic situation

While the current demographic situation is supportive with a relatively high share of the population being in the main target group (Millennials 25-39 years of age) for package travel, it should be mentioned that the absolute number of people in the age group between 25-39 years of age is expected to decrease in the coming 5-10 years.



Source: populationpyramid.net

Changes in customer preferences

The package travel market is subject to changing customer trends, demands and preferences. Customer preferences may vary depending on economic, social, and technological factors. There can be no assurance that the company will be able to recognize such changes and adapt its existing services in a timely fashion to suit such changes in customer preferences.

Russia – Ukraine conflict

The Russia – Ukraine conflict could affect people’s willingness and ability to travel, which could have a negative effect on Novaturas’ sales and earnings.

High inflation

Continued high inflation could affect people’s ability to spend money on leisure such as travel.

Income Statement	2020	2021	2022E	2023E	2024E
Net sales	33	109	203	223	230
Total operating costs	-36	-106	-200	-219	-224
EBITDA	-3	3	3	5	6
Depr. & Amort.	0	0	0	0	0
One-off EBIT items	0	0	0	0	0
EBIT	-4	2	3	4	5
Financial net	-3	-1	-2	-1	-1
Pre-tax profit	-7	1	1	3	4
Taxes	1	0	0	0	-1
Minority interest	0	0	0	0	0
Other items	0	0	0	0	0
Net profit	-6	1	1	3	3

Balance Sheet	2020	2021	2022E	2023E	2024E
Cash and cash equivalent	3	6	16	18	18
Receivables	0	0	1	1	1
Inventories	0	0	0	0	0
Other current assets	10	7	12	13	13
Total current assets	14	13	29	32	33
Tangible assets	0	0	0	0	0
Goodwill & intangible assets	31	31	31	31	31
Lease & Investment properties	0	0	0	0	1
Long-term Investments	0	0	0	0	0
Associated companies	0	0	0	0	0
Other long-term assets	0	0	0	0	0
Total fixed assets	32	32	32	32	32
Total Assets	45	45	61	64	65
Accounts payable	2	5	9	7	6
Short-term IB debt	6	2	6	7	7
Other current liabilities	12	10	10	10	10
Total current liabilities	20	17	25	24	23
Long-term IB debt	9	5	15	18	17
Convertibles & Lease liab.	3	7	5	4	4
Deferred tax liab.	0	0	0	0	0
Provisions	0	0	0	0	0
Other long-term liab.	0	0	0	0	0
Total long-term liab.	12	13	20	22	21
Total Liabilities	32	30	46	46	44
Minority interest	0	0	0	0	0
Shareholders' equity	14	15	16	19	21
Total liabilities and equity	45	45	61	64	65

DCF valuation	Cash flow, mEUR		
WACC (%)	13.53 %	NPV FCF (2022-2024)	3
Assumptions 2022-2028 (%)		NPV FCF (2025-2031)	12
Sales CAGR	3.98 %	NPV FCF (2032-)	28
Avg. EBIT margin	2.76 %	Non-operating assets	6
Fair value per share (EUR)	4.33	Interest-bearing debt	-15
Share price (EUR)	2.60	Fair value estimate	34

Free Cash Flow	2020	2021	2022E	2023E	2024E
Operating profit	-4	2	3	4	5
Depreciation	0	0	0	0	0
Working capital chg	-6	4	-2	-4	-1
Other Operating CF items	0	0	-1	0	-1
Operating Cash Flow	-10	7	1	1	4
Net investments	0	0	0	0	0
Other items	0	0	0	0	0
Free Cash Flow	-10	7	1	0	3

Capital structure	2020	2021	2022E	2023E	2024E
Equity ratio	30.3%	33.8%	25.6%	28.9%	32.1%
Debt / Equity ratio	127.8%	97.5%	169.8%	156.8%	136.6%
Gearing %	105.5%	59.6%	66.2%	60.5%	48.3%
Net debt/EBITDA	-4.6	3.5	3.3	2.4	1.8

Profitability	2020	2021	2022E	2023E	2024E
ROE	-33.9%	6.3%	3.9%	16.7%	17.5%
FCF yield	-42.6%	22.3%	2.7%	1.8%	17.0%
EBITDA margin	-9.5%	2.3%	1.5%	2.1%	2.5%
EBIT margin	-10.8%	2.2%	1.5%	2.0%	2.3%
PTP margin	-19.9%	0.9%	0.4%	1.4%	1.8%
Net margin	-17.5%	0.8%	0.3%	1.3%	1.5%

Valuation	2020	2021	2022E	2023E	2024E
P/E	-4.0	32.8	33.6	7.1	5.9
P/E adjusted	-4.0	32.8	33.6	7.1	5.9
P/Sales	0.7	0.3	0.1	0.1	0.1
EV/Sales	1.1	0.4	0.2	0.1	0.1
EV/EBITDA	-12.0	15.2	9.8	6.7	5.4
EV/EBIT	-10.5	16.2	10.1	7.1	5.7
P/BV	1.7	2.0	1.3	1.1	1.0
P/BV tangible	-1.3	-1.8	-1.3	-1.6	-1.9

Per share ratios	2020	2021	2022E	2023E	2024E
EPS	-0.74	0.12	0.08	0.37	0.44
EPS, adjusted	-0.74	0.12	0.08	0.37	0.44
Operating CF/share	-1.25	0.87	0.12	0.09	0.49
Free Cash Flow/share	-1.25	0.85	0.07	0.05	0.44
BV/share	1.76	1.93	2.01	2.38	2.67
Tangible BV/share	-2.12	-1.95	-1.87	-1.51	-1.22
Div. per share	0.00	0.00	0.00	0.15	0.20
Div. payout ratio	0.0%	0.0%	0.0%	40.9%	45.3%
Dividend yield	0.0%	0.0%	0.0%	5.8%	7.7%

Shareholders	Capital	Votes
ME Investicija	2.028	9.99 %
Ugnius Radvila	1.926	9.49 %
Rendez Vous OU	1.457	7.18 %
Moonrider OU	1.413	6.96 %
Rytis Sumakaris	1.392	6.86 %
Vidas Paliunas	1.392	6.86 %

Key people	
CEO	Vitalij Rakovski
CFO	Arunas Zilyys
IR	
Chairman	

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

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