

Still growing fast

Our H2/21 Sales estimates were too optimistic, but all segments still posted double-digit growth. The recent share issue provides a cash buffer to continue the growth.

Growth below estimates but still fast

The H2/21 Sales grew 23% y-on-y to EUR 1.9m. While healthy, it was 25% or EUR 0.6m below our forecast Sales growth of 75% y-on-y to EUR 2.5m. The 2021 Sales growth of 41% to EUR 3.5m was also healthy albeit below our forecast Sales growth of 66% to EUR 4.1m. Both core segments showed double-digit y-on-y growth in H2/21 (P2P lending +14%, and PIS +52%).

Share issue provide cash buffer

At the end of 2021, the cash belonging to the company was EUR 0.543m. Given our estimated 2022 Cash flow after investments of negative EUR 0.405m, the cash at the end of the year would be EUR 0.138m, which is not a sufficient buffer in our view. We expect the recent EUR 0.4m share issue (completed in March) to keep the cash belonging to the company above EUR 0.5m at the end of each year in the forecast period 2022-24, which we believe is sufficient.

Base case Fair value EUR 2.67/shr

Our sales estimates are lowered by 35% this year and 42% next year and we now foresee a positive Net profit in 2023 (prev. 2021). Our Base case DCF Fair value is EUR 2.67/shr (3.61), while our Bear and Bull case indicate EUR 2.26/shr, and EUR 3.07/shr, respectively.

Key figures (MEUR)

	2020	2021	2022E	2023E	2024E
Net sales	2.5	3.5	4.5	6.0	7.5
Net sales growth	44.1%	40.9%	27.3%	34.4%	25.5%
EBITDA	0.0	0.1	0.2	0.4	0.8
EBITDA margin	0.8%	2.3%	4.9%	7.2%	10.2%
EBIT	-0.2	-0.2	-0.1	0.1	0.4
EBIT margin	-6.5%	-5.9%	-2.2%	1.8%	5.8%
EV/Sales	5.1	3.1	2.6	2.0	1.7
EV/EBITDA	615.3	136.4	52.1	28.1	16.5
EV/EBIT	-78.3	-51.9	-116.9	112.6	29.0
P/E adj.	-43.2	-48.8	-139.7	84.5	25.6
P/BV	7.8	6.0	5.7	5.3	4.4
EPS adj.	-0.06	-0.05	-0.02	0.03	0.09
EPS growth adj.	nm	nm	nm	nm	230.58%
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%

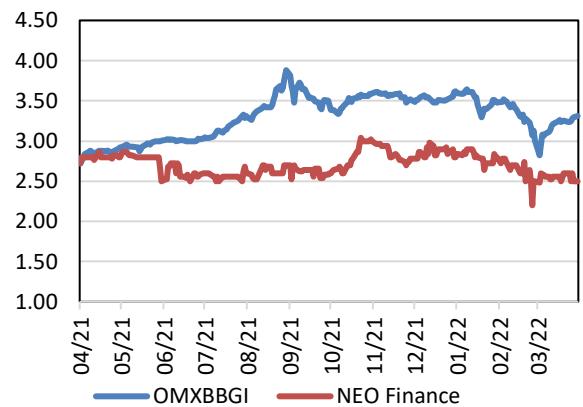
Source: Company data, Enlight Research estimates

Fair value range (EUR)

Bull (term. EBIT marg. 17%)	3.07
Base (term. EBIT marg. 15%)	2.67
Bear (term. EBIT marg. 13%)	2.26

Key Data

Price (EUR)	2.42
Ticker	NEOFI
Country	Lithuania
Listed	FN Lithuania
Market Cap (EURm)	9.8
Net debt (EURm)	0.5
Shares (m)	4.2
Free float	12%



Price range

52-week high	3.04
52-week low	2.20

Analyst

ResearchTeam@enlightresearch.net

Coverage frequency

1x per year

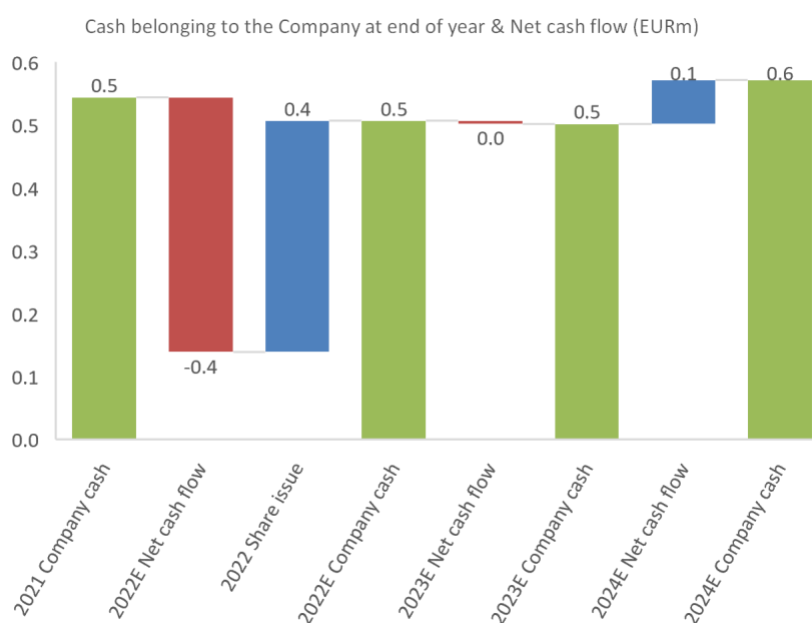
Key takeaways

Share issue to ensure sufficient cash buffer

In February this year, the company announced a rights issue of 167,332 shares at EUR 2.51 per share (total issue EUR 420K). In March this year, the company completed the share issue raising EUR 368K by issuing 146,586 shares (88% of shares offered) at EUR 2.51 per share. Of the EUR 368K raised, the founder and current main owner Evaldas Remeikis subscribed (through legal entity ERA Capital UAB) for 122,639 shares or EUR 308K, equal to 84% of the sold shares, while other insiders subscribed for 4% of the shares i.e., insiders subscribed for 88% of the sold shares. Following the issue, the number of shares will increase by 3.6% to 4,202,122 from 4,055,536. We believe the capital raised was mainly to keep a sufficient cash buffer – which we regard to be at least EUR 500K in cash. Worth noting is that around 90-95% of the cash reported on the balance sheet belong to the clients so out of the EUR 11.2m reported cash at the end of 2021, EUR 0.543m or 4.8% belonged to the company. Given our estimated Cash flow after investments this year of negative EUR 0.405m, we believe it was prudent to increase the cash buffer. Including the EUR 0.368m cash injection, we forecast the cash excluding clients’ money at the end of the year to exceed EUR 0.5m each year in 2022-24.

Share issue	Shares	Offer share price (EUR)	Value (EUR)
Pre-issue number of shares	4,055,536		
Offered shares	167,332	2.51	420,003
Subscribed shares	146,586	2.51	367,931
Subscription ratio	88%		88%
Subscribed by insiders	128,976	2.51	323,730
Subscribed by external investors	17,610	2.51	44,201
Post-issue number of shares	4,202,122		
Increase in number of shares	3.6%		

Source: Company press releases

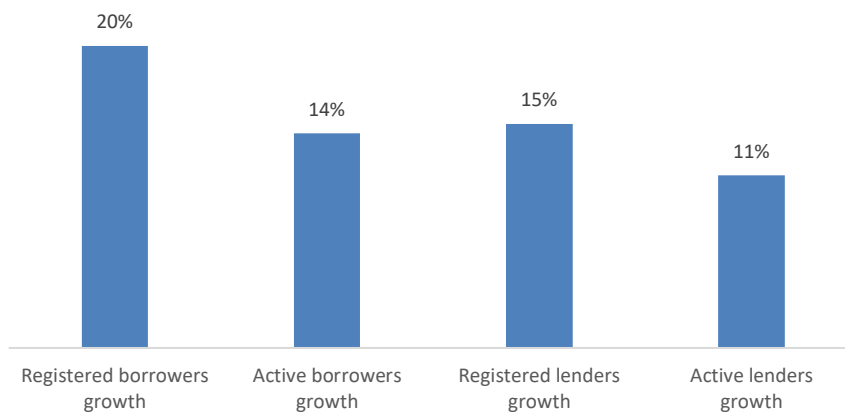


Source: Company reports (historical), Enlight research (estimates)

Strong P2P lending growth

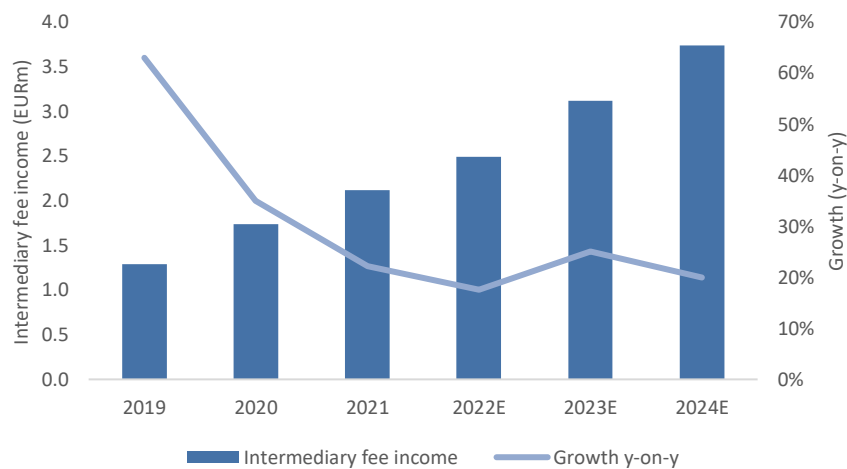
The double-digit growth in the number of borrowers and lenders continued in H2/21 and 2021, which drove the loans issued and the intermediary fees. In 2021, the number of registered borrowers increased by 20% y-on-y to 97,598, while the number of active borrowers increased by 14% y-on-y to 10,566. This means the share of active borrowers in percentage of registered borrowers was 10.8%. The number of registered and active lenders in 2021 increased by 15%, and 11%, respectively, for an active lenders ratio of 43.3%. The strong growth in the number of borrowers and lenders was reflected in the amount of loans granted and the intermediary fee. In H2/21, the amount of loans granted increased by 44% y-on-y to EUR 14.6m, and the intermediary fee increased by 42% to 1.4m. For the full-year 2021, the loans granted increased by 44% to 27.4m, and the intermediary fee increased by 30% to EUR 2.5m. Between 2019 and 2021, the P2P intermediary fee income has almost doubled. We forecast continued strong P2P lending growth resulting in an intermediary fee income growth of 18% this year to EUR 2.5m and 25% to EUR 3.1m in 2023. The pick-up in the growth rate in 2023 is due to our assumed successful integration of the P2P platform with the Payment solution platform (see next Key takeaway).

Number of active borrowers & lenders growth 2021 vs. 2020 (%)



Source: Company reports

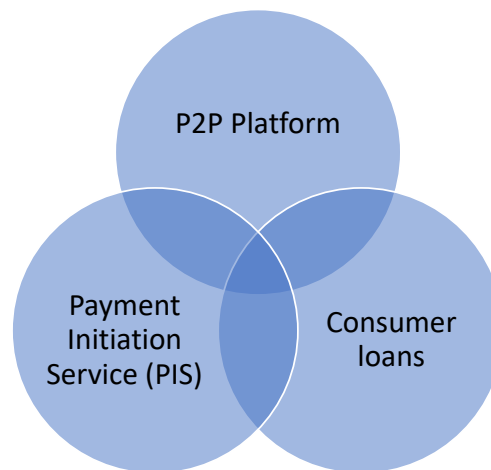
P2P Lending intermediary fee income & growth



Source: Company reports

P2P and PIS integration key to attract borrowers

The main challenge for NEO Finance and other Lithuanian P2P providers is to attract borrowers. This is especially true for NEO Finance following its successful agreement with the institutional lender (investor), nordIX AG, who provides capital to lend out. Due to EU regulations, it is not possible for NEO Finance and other Lithuanian P2P providers to offer loans to borrowers in another EU country without establishing an office and obtaining the necessary licenses in that country. Given the size of Lithuania's population (2.8m), the number of potential borrowers is limited, while the competition from other P2P providers as well as other lenders (specialized banks e.g., Bigbank, Inbank, and consumer credit providers) is increasing. Consequently, we believe the success of the integrated P2P platform and Payment Initiation Service (PIS) platform is key (offer was launched in November 2021). This would enable NEO Finance's PIS clients such as online retailers the possibility to offer consumer loans which would be sourced through NEO Finance's P2P platform i.e., it is likely to boost the number of active borrowers.

NEO Finance possible future integrated P2P, PIS, with Consumer loan service offer

Source: Enlight Research

Valuation

Peer valuation

We divide our NEO Finance peers into two groups, the P2P lending peers, and the PIS peers. The P2P peers consist of smaller European players and much larger US players. Based on P/Sales 2022E, the P2P peers are largely homogenous with a Peer average of 1.7x (Raize stand out with P/Sales 3.7x). With a 2022 estimated P/Sales multiple of 2.3x, NEO Finance is trading at a premium to P2P peers of 32%, most likely reflecting the opportunity to enter the PIS segment (the premium is reduced to 12% based on 2023 estimated P/Sales).

The PIS peers consist of large US players (although Klarna founders are Swedish it is based in the US) and one European player (Adyen). NEO Finance P/Sales 2022E multiple of 2.3x implies a discount of 87% to Adyen (33.0x) while it is valued in-line with Block Inc., but a straight comparison is hardly relevant given the much larger size of these companies. Worth noting is that private companies' valuation is based on the last available information mentioned on public websites (these will most likely have come down given the latest market turbulence). The higher valuation for PIS peers vs. P2P peers highlights the importance of NEO Finance to succeed with the P2P and PIS integration (from a valuation perspective).

One could argue there is hidden value in the NEO finance P2P peer valuation stemming from a conservative way of reporting sales. While most peers report around half of their outstanding future intermediary fee income in the period the loan was signed, NEO Finance reports sales when the interest payment is made i.e., no future intermediary fees are reported in the income statement. According to our calculation, the sales would be 30-40% higher if the company would report according to industry standards. We have not accounted for these hidden sales in our estimates nor in our peer valuation but recognize there is a potential hidden value if the company were to change reporting principles.

P2P peers

Company	Ccy	Price (last)	Mcap (m) (last)	P/Sales 2020	P/Sales 2021	P/Sales 2022E	P/Sales 2023E	EV/EBITDA 2020	EV/EBITDA 2021	EV/EBITDA 2022E	EV/EBITDA 2023E
Raize	EUR	0.93	5	8.4	4.2	3.7	3.3	na	na	na	na
Funding Circle Hld.	GBP	0.62	221	2.1	1.1	1.3	1.1	neg.	0.5	1.8	1.2
LendingClub Corp.	USD	14.18	1,416	4.5	1.7	1.2	1.0	neg.	9.9	5.1	4.8
LendingTree	USD	68.17	909	1.0	0.8	0.8	0.7	10.5	9.7	9.0	6.6
Average				4.0	2.0	1.7	1.5	10.5	6.7	5.3	4.2
Median				3.3	1.4	1.2	1.0	10.5	9.7	5.1	4.8
Avg. excluding extremes				1.9	0.9	0.8	0.7	na	na	5.3	4.2

PIS peers

Company	Ccy	Price (last)	Mcap (m) (last)	P/Sales 2020	P/Sales 2021	P/Sales 2022E	P/Sales 2023E	EV/EBITDA 2020	EV/EBITDA 2021	EV/EBITDA 2022E	EV/EBITDA 2023E
Adyen	EUR	1483.80	45,734	66.9	45.6	33.0	24.5	106.5	68.2	48.7	35.5
Klarna	USD	na	45,600	na	42.0	na	na	na	na	na	na
Stripe	USD	na	95,000	na	12.8	na	na	na	na	na	na
Block inc.	USD	84.15	38,816	4.1	2.2	2.1	1.8	80.5	37.6	52.5	30.5
Average				35.5	25.7	17.6	13.2	93.5	52.9	50.6	33.0
Median				35.5	27.4	17.6	13.2	93.5	52.9	50.6	33.0
Avg. excluding extremes				4.1	19.0	2.1	1.8	na	na	na	na
NEO Finance	EUR	2.42	10	4.1	2.9	2.3	1.7	nm	nm	48.5	24.7

Source: MarketSreener, Enlight Research (NEO Finance), CNBC (Klarna), Crunchbase (Stripe)

DCF valuation

Our Base case DCF Fair value per share is EUR 2.67 (prev. 3.61) indicating an upside of around 10%. Our Bear and Bull case Fair value per share are EUR 2.26 (prev. 2.90), and EUR 3.07 (prev. 4.21), respectively. Our assumed terminal EBIT margin for the Base case is 15.0% while it is 13% for the Bear case, and 17% for the Bull case (all other parameters are the same). The main reason for the lower Fair values is the downward estimate adjustments (see Estimate changes section).

DCF Valuation Scenarios	Bear	Base	Bull
WACC	8.9%	8.9%	8.9%
Terminal sales growth	2.5%	2.5%	2.5%
Terminal EBIT margin	13.0%	15.0%	17.0%
Fair Value per share	2.26	2.67	3.07
Upside/Downside (last price)	-7%	10%	27%
Last price	2.42	2.42	2.42

Source: Enlight Research

DCF Sensitivity parameters	Current	Step	Test values & Results										
			0.87	0.92	0.97	1.02	1.07	1.1	1.17	1.22	1.27	1.32	1.37
Equity beta	1.12	0.05	0.87	0.92	0.97	1.02	1.07	1.1	1.17	1.22	1.27	1.32	1.37
<i>Fair value (DCF)</i>	2.67		3.08	2.99	2.91	2.82	2.74	2.67	2.59	2.52	2.45	2.39	2.32
Target debt ratio	51.5 %	5.0 %	27%	32%	37%	42%	47%	52%	57%	62%	67%	72%	77%
<i>Fair value (DCF)</i>	2.67		1.75	1.90	2.06	2.24	2.44	2.67	2.92	3.21	3.53	3.91	4.34
Risk-free IR	2.5 %	0.5 %	0.0 %	0.5 %	1.0 %	1.5 %	2.0 %	2.5 %	3.0 %	3.5 %	4.0 %	4.5 %	5.0 %
<i>Fair value (DCF)</i>	2.67		3.65	3.42	3.20	3.01	2.83	2.67	2.51	2.37	2.24	2.12	2.01

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

Forecast vs. Outcome

The H2/21 Total income was 25%, or EUR 0.6m below our estimate (EUR 1.9m vs. estimate of EUR 2.5m). The main reason for the negative deviation was lower than expected P2P lending income. The EUR 0.6m negative deviation at the Total income line is reduced to EUR 0.4m at the Net profit line as the Cost of sales and the Income tax was lower than estimated while General & Administrative Expenses were higher than estimated.

Deviation table Income statement (EURm)	H2/21	H2/21	Diff.	
	Estimate	Outcome	EURm	%
Sales revenues	2.525	1.903	-0.622	-25%
Other operating income	0.000	0.000	0.000	-100%
Total income	2.525	1.903	-0.622	-25%
Cost of Sales	-1.554	-1.070	0.484	-31%
Gross profit	0.971	0.833	-0.138	-14%
General & admin expenses	-0.755	-1.034	-0.280	37%
Other activities	-0.008	-0.001	0.006	-81%
Operating profit before impairments	0.208	-0.203	-0.411	-197%
Interest expenses	0.000	-0.024	-0.024	nm
EAFI	0.208	-0.227	-0.436	-209%
Financial impairment costs	0.000	0.000	0.000	0%
Pre-tax profit after impairments	0.208	-0.227	-0.436	-209%
Income tax	-0.030	0.000	0.030	-100%
Other	0.000	0.036	0.036	nm
Net profit	0.178	-0.191	-0.369	-207%
Depreciation & amortization	0.132	0.158	0.026	19%
EBITDA actual/estimated	0.340	-0.045	-0.386	-113%

Growth	H2/21	H2/21	Diff.	
	Estimate	Outcome	EURm	%-pts
Sales growth y-on-y	74.6%	44.3%	nm	-30

Margins	H2/21	H2/21	Diff.	
	Estimate	Outcome	EURm	bps
Gross margin	38.5%	43.8%	nm	5
EBITDA margin	13.5%	-2.4%	nm	-16
Operating profit margin	8.3%	-10.6%	nm	-19
Pre-tax profit margin	8.3%	-11.9%	nm	-20
Net profit margin	7.1%	-10.0%	nm	-17

Source: Enlight Research, Company reports

Estimate changes

We lower our Sales estimates for 2022 and 2023 by 35% and 42%, respectively, mainly due to a downward adjustment in our P2P lending income. Our 2022-23E profit lines are adjusted downward by 8-12%. The reason for the less extensive adjustment in the profit lines vs. the Total income is that Costs are also adjusted downward, which offsets a large part of the Total income adjustment. As previously, we do not expect any dividends for the years 2021-23E.

Estimate changes			
Sales (EURm)	2021	2022E	2023E
Old estimate	na	6.8	10.2
New estimate	na	4.5	6.0
Change	na	-2	-4
Change (pct)	na	-34.5%	-41.5%
EBIT (EURm)	2021	2022E	2023E
Old estimate	na	0.521	1.093
New estimate	na	0.485	1.011
Change	na	-0.036	-0.082
Change (pct)	na	-7.0%	-7.5%
Pre-tax Profit (EURm)	2021	2022E	2023E
Old estimate	na	0.515	1.084
New estimate	na	0.455	1.002
Change	na	-0.060	-0.082
Change (pct)	na	-11.6%	-7.5%
Net profit (EURm)	2021	2022E	2023E
Old estimate	na	0.438	0.921
New estimate	na	0.387	0.852
Change	na	-0.051	-0.069
Change (pct)	na	-11.6%	-7.5%
Dividend (EUR)	2021E	2022E	2023E
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)	nm	nm	nm

Source: Enlight Research, Company reports

Forecast

We forecast continued double-digit Revenue growth in the forecast period 2022-24E. This year, we forecast a small Net profit loss of EUR 0.1m, while next year, we foresee a small profit of EUR 0.1m, which is expected to increase to EUR 0.4m in 2024. The key to our forecast is a successful integration of the P2P and PIS platforms to ensure sufficient growth in the number of borrowers.

Income statement (EURm)	H1/21	H2/21	H1/22E	H2/22E	2019	2020	2021	2022E	2023E	2024E
Revenue	1.6	1.9	2.1	2.4	1.7	2.5	3.5	4.5	6.0	7.5
Cost of Sales	-0.7	-1.1	-1.0	-1.2	-1.5	-1.6	-1.8	-2.2	-2.9	-3.4
Gross profit	0.9	0.8	1.0	1.2	0.2	0.9	1.7	2.2	3.1	4.1
General & admin expenses	-0.9	-1.0	-1.1	-1.2	-1.0	-1.1	-1.9	-2.3	-3.0	-3.7
Other activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating prof. bef. Impairments	0.0	-0.2	0.0	-0.1	-0.8	-0.2	-0.2	-0.1	0.1	0.4
Interest expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EAFI	0.0	-0.2	-0.1	-0.1	-0.8	-0.2	-0.2	-0.1	0.1	0.4
Financial impairment costs	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0
Pre-tax profit after impairments	0.0	-0.2	-0.1	-0.1	-0.9	-0.2	-0.2	-0.1	0.1	0.4
Income tax	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	-0.1
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	0.0	-0.2	-0.1	0.0	-0.8	-0.2	-0.2	-0.1	0.1	0.4
Growth	H1/21	H2/21	H1/22E	H2/22E	2019	2020	2021	2022E	2023E	2024E
Revenue growth y-on-y	70.4%	22.9%	28.8%	26.0%	69.7%	44.1%	40.9%	27.3%	34.4%	25.5%
Margins	H1/21	H2/21	H1/22E	H2/22E	2019	2020	2021	2022E	2023E	2024E
Gross margin	55.8%	43.8%	50.0%	50.0%	11.1%	36.0%	49.2%	50.0%	52.0%	55.0%
Operating profit margin	-0.3%	-10.6%	-2.3%	-2.1%	-47.3%	-6.5%	-5.9%	-2.2%	1.8%	5.8%
EAFI margin	-0.7%	-11.9%	-3.0%	-2.7%	-47.3%	-6.7%	-6.8%	-2.9%	1.7%	5.7%
Pre-tax profit margin	-0.7%	-11.9%	-3.0%	-2.7%	-51.1%	-7.9%	-6.8%	-2.9%	1.7%	5.7%
Net margin	-0.7%	-10.0%	-2.6%	-0.8%	-48.8%	-10.1%	-5.7%	-1.6%	2.0%	5.3%

Risk factors

Below risks is not a complete list of risks related to NEO Finance, but rather a list of risks that we view as the most important to highlight given the current environment and our investment case. For examples of additional risks, we recommend reading the IPO Information document.

Integration of P2P and PIS platform

Our investment case envisions an integration of the P2P lending platform and the PIS (payment initiation service) platform with consumer loan functionality added. If for some reason, this integration is not possible to implement, then our forecast is most likely too optimistic.

Consumer loan offer

The consumer loan service is not yet launched. The ability to launch this service might be dependent on regulatory approval. If for some reason a consumer loan service cannot be launched, our forecast is most likely too optimistic.

Institutional investors

Our forecast assumes that the company can attract additional institutional lenders (investors). If this is not possible, it is most likely not possible to grow the granted loans according to our forecast.

Borrowers

The competition for borrowers is high. Failure to attract borrowers could result in lower than expected intermediary income, and hence profits.

Regulatory risk

The Company operates in a regulated market under licenses granted by the Central Bank of Lithuania. A major change in the regulations and/or a breach resulting in a loss of a license could affect the prospects of the Company significantly.

Russia – Ukraine risk

The company has no significant exposure to Russia, Ukraine, or Belarus.

Income Statement	2020	2021	2022E	2023E	2024E
Net sales	2.5	3.5	4.5	6.0	7.5
Total operating costs	-2.5	-3.4	-4.2	-5.6	-6.7
EBITDA	0.0	0.1	0.2	0.4	0.8
Depreciation & Amort.	-0.2	-0.3	-0.3	-0.3	-0.3
One-off EBIT items	0.0	0.0	0.0	0.0	0.0
EBIT	-0.2	-0.2	-0.1	0.1	0.4
Financial net	0.0	0.0	0.0	0.0	0.0
Pre-tax profit	-0.2	-0.2	-0.1	0.1	0.4
Taxes	-0.1	0.0	0.0	0.0	-0.1
Minority interest	0.0	0.0	0.0	0.0	0.0
Other items	0.0	0.0	0.0	0.0	0.0
Net profit	-0.3	-0.2	-0.1	0.1	0.4

Balance Sheet	2020	2021	2022E	2023E	2024E
Cash and cash equivalent	7	11	11	13	15
Receivables	1	0	1	1	2
Inventories	0	0	0	0	0
Other current assets	0	0	0	0	0
Total current assets	8	12	12	14	17
Tangible assets	0	0	0	0	0
Goodwill & intangible assets	1	1	1	2	2
Lease & Investment properties	0	0	0	0	0
Long-term Investments	2	1	1	1	1
Associated companies	0	0	0	0	0
Other long-term assets	0	0	0	0	0
Total fixed assets	3	2	3	3	4
Total Assets	11	14	15	18	20
Accounts payable	0	0	0	0	0
Short-term IB debt	8	11	12	14	16
Other current liabilities	0	0	0	0	0
Total current liabilities	8	11	12	14	16
Long-term IB debt	1	1	1	1	1
Convertibles & Lease liab.	0	0	0	0	0
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.	1	1	1	1	2
Total Liabilities	9	12	13	16	18
Minority interest	0	0	0	0	0
Shareholders' equity	1	2	2	2	2
Total liabilities and equity	11	14	15	18	20

DCF valuation	Cash flow, mEUR		
WACC (%)	8.92 %	NPV FCF (2022-2024)	-2
Assumptions 2022-2028 (%)		NPV FCF (2025-2031)	3
Sales CAGR	16.83 %	NPV FCF (2032-)	10
Avg. EBIT margin	8.17 %	Non-operating assets	11
Fair value per share (EUR)	2.67	Interest-bearing debt	-12
Share price (EUR)	2.42	Fair value estimate	11

Free Cash Flow	2020	2021	2022E	2023E	2024E
Operating profit	-0.2	-0.2	-0.1	0.1	0.4
Depreciation & Amort.	0.2	0.3	0.3	0.3	0.3
Working capital chg.	-0.4	0.3	-0.5	-0.3	-0.3
Other Operating CF items	0.4	0.0	0.0	0.0	-0.1
Operating Cash Flow	0.0	0.4	-0.2	0.1	0.4
Net investments	-0.4	0.0	-0.6	-0.8	-0.9
Other items	0.0	0.0	0.0	0.0	0.0
Free Cash Flow	-0.5	0.4	-0.8	-0.7	-0.5

Capital structure	2020	2021	2022E	2023E	2024E
Equity ratio	12.9%	11.7%	11.7%	10.6%	11.1%
Debt / Equity ratio	656.9%	742.8%	742.0%	834.6%	791.1%
Gearing %	129.1%	58.9%	95.9%	125.6%	125.0%
Net debt/EBITDA	87.6	12.2	7.6	5.4	3.7

Profitability	2020	2021	2022E	2023E	2024E
ROE	-20.2%	-13.3%	-4.3%	6.7%	19.4%
FCF yield	-4.5%	4.1%	-8.5%	-6.7%	-4.9%
EBITDA margin	0.8%	2.3%	4.9%	7.2%	10.2%
EBIT margin	-6.5%	-5.9%	-2.2%	1.8%	5.8%
PTP margin	-6.7%	-6.8%	-2.9%	1.7%	5.7%
Net margin	-10.1%	-5.8%	-1.6%	2.0%	5.3%

Valuation	2020	2021	2022E	2023E	2024E
P/E	-43.2	-48.8	-139.7	84.5	25.6
P/E adjusted	-43.2	-48.8	-139.7	84.5	25.6
P/Sales	4.3	2.8	2.3	1.7	1.4
EV/Sales	5.1	3.1	2.6	2.0	1.7
EV/EBITDA	615.3	136.4	52.1	28.1	16.5
EV/EBIT	-78.3	-51.9	-116.9	112.6	29.0
P/BV	7.8	6.0	5.7	5.3	4.4
P/BV tangible	13.1	13.0	16.1	28.4	27.3

Per share ratios	2020	2021	2022E	2023E	2024E
EPS	-0.06	-0.05	-0.02	0.03	0.09
EPS, adjusted	-0.06	-0.05	-0.02	0.03	0.09
Operating CF/share	-0.01	0.10	-0.06	0.02	0.09
Free Cash Flow/share	-0.12	0.10	-0.20	-0.16	-0.11
BV/share	0.34	0.40	0.41	0.44	0.54
Tangible BV/share	0.34	0.40	0.41	0.44	0.54
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 ERA Capital	7.176	73.12 %
Grigory Gurevich	0.967	9.85 %
UAB Value Capital	0.360	3.67 %
Asian Pacific Green Energy PTE. LTD	0.241	2.46 %

Key people	
CEO	Paulius Tarbunas
CFO	
IR	Darius Borisas
Chairman	Evaldas Remeikis

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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