

Cybersecurity going strong

The NRD Systems and the Novian business area had a challenging 2021, while the Cybersecurity business area posted a record year. This report highlights INVL Technology's largest business area, Novian.

Cybersecurity posting a record year

The Cybersecurity business area increased 2021 Sales by 66% and EBIT by 145%, posting record Sales and EBIT. The 2021 Sales decline of EUR 1.5m, and EBIT decline of EUR 0.4m for NRD Systems and Novian was fully offset by Cybersecurity resulting in roughly unchanged Sales and EBIT in 2021.

Novian moving up the value chain

The Novian business area make up around half of INVL Technology portfolio companies' revenue. The largest part of Novian (~74% of sales) is the company, Novian Technologies (former – BAIP), that was acquired in 2007 (INVL Technology's first holding). Since 2007, Novian Technologies has transformed from a seller of hardware ("box mover") into an IT Consultant, which has increased the EBIT margin to 4.8% in 2021 from 1.9% in 2018.

Base Case share price unchanged

Our Base case sum-of-the-parts (SOTP) valuation indicate a share price of EUR 3.00/shr (~10% upside). This implies a P/Sales multiple of 1.2x based on all portfolio companies' sales, which we regard as conservative for a technology company. We foresee a continued positive NAV development in the forecast period 2022-24E.

Key figures (MEUR)

	2020	2021	2022E	2023E	2024E
Holding company					
FV Financial assets*	32.652	35.365	41.616	47.199	50.397
Change Financial assets	6.740	2.713	6.251	5.583	3.198
Other income	0.150	1.440	0.170	0.170	0.170
Total income	6.890	4.153	6.421	5.753	3.368
Operating expenses	-0.588	-0.728	-0.787	-0.787	-0.787
Accrued perf. fee	-1.535	-0.804	-0.867	-0.922	-0.954
Net profit	4.767	2.621	4.767	4.043	1.627
Portfolio companies					
Revenue (m)	37.0	37.6	43.1	48.3	52.0
EBIT (m)	1.6	1.6	2.5	3.4	4.2
Revenue growth	12.3%	1.6%	14.8%	12.0%	7.6%
EBIT margin	4.2%	4.1%	5.8%	7.1%	8.1%
P/Sales	0.88	0.87	0.76	0.68	0.63

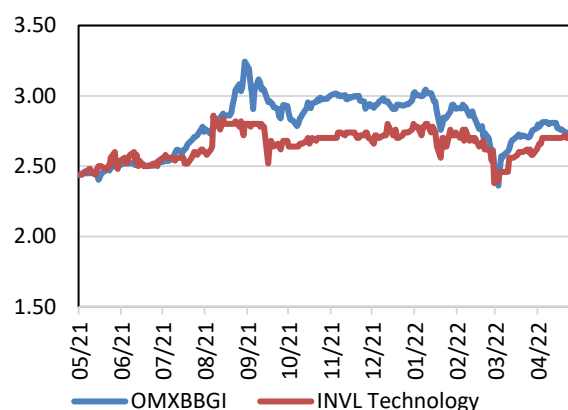
Source: Company data, Enlight Research estimates, *external valuation (history), Enlight Research (estimate)

Fair value range (EUR)

Bull (P/Sales 1.5x)	3.74
Base (P/Sales 1.2x)	3.00
Bear (P/Sales 0.9x)	2.24

Key Data

Price (EUR)	2.74
Ticker	INC1L
Country	Lithuania
Listed	Vilnius (Lithuania)
Market Cap (EURm)	33
Net debt (EURm)	-0.7
Shares (m)	12.2
Free float	36%



Price range

52-week high	2.86
52-week low	2.38

Analyst

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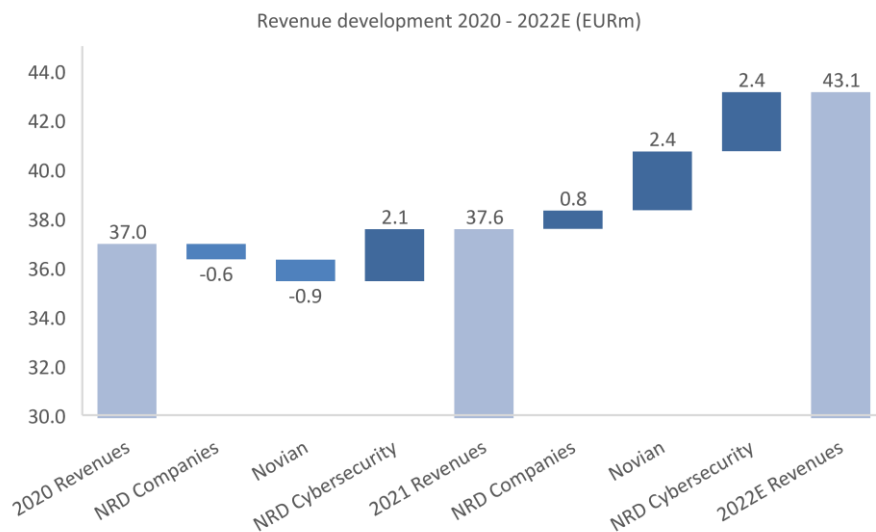
Coverage frequency

2x per year

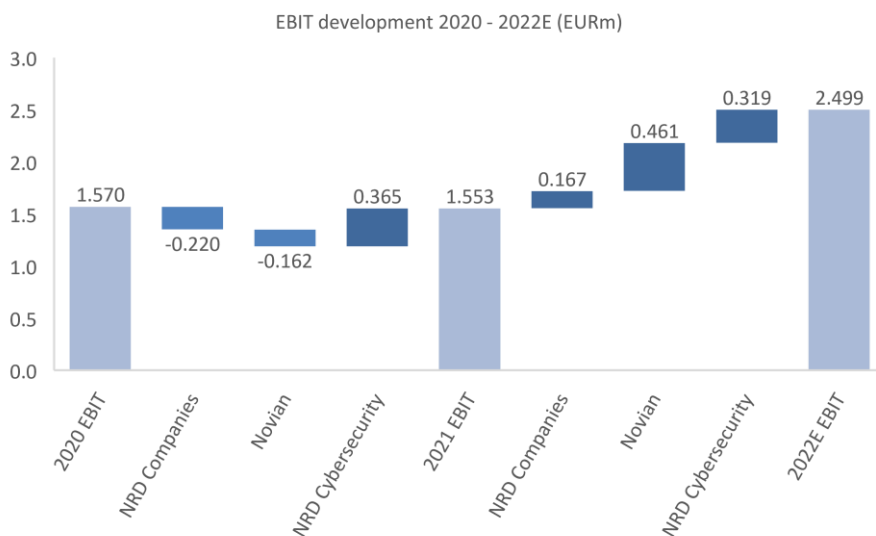
Key takeaways

Cybersecurity supported 2021 Sales and Profits

The year 2021 was a challenging year for the NRD Companies and the Novian segments with a combined Sales and EBIT decline of EUR 1.5m, and EUR 0.382m, respectively. However, these declines were offset by the Cybersecurity segment who increased Sales and EBIT by EUR 2.1m, and EUR 0.365m, respectively. This means the full-year 2021 Sales and EBIT were roughly unchanged vs. 2020, with a Sales increase of 1.6% and EBIT decline of 1.1%. We believe the main reason for the roughly flat Sales and EBIT for the NRD Companies and Novian segments are long-term effects of not begin able to conduct new sales activities due to the pandemic. This year, we expect a recovery for the NRD Companies and Novian segments, as well as another strong year for the Cybersecurity segment. For the Group, we forecast 2022 Sales to grow 15% with and EBIT of EUR 2.5m (up from EUR 1.6m in 2021).



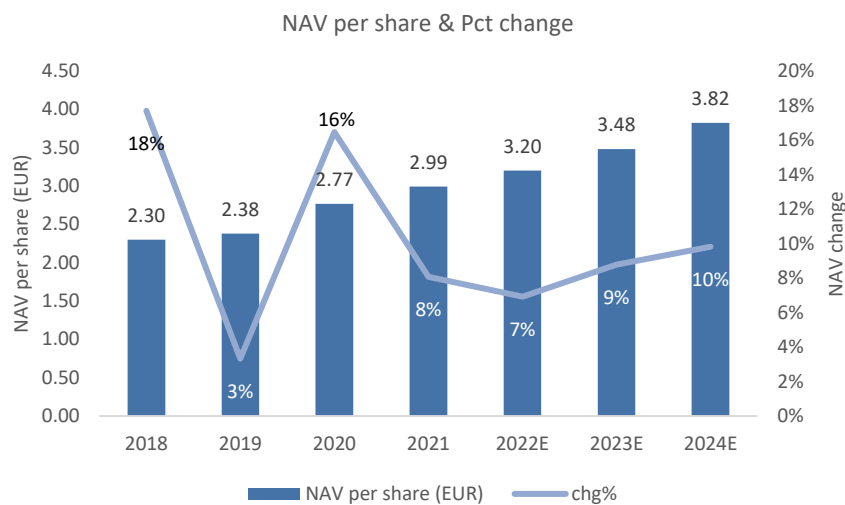
Source: Company report (historical), Enlight Research (estimates)



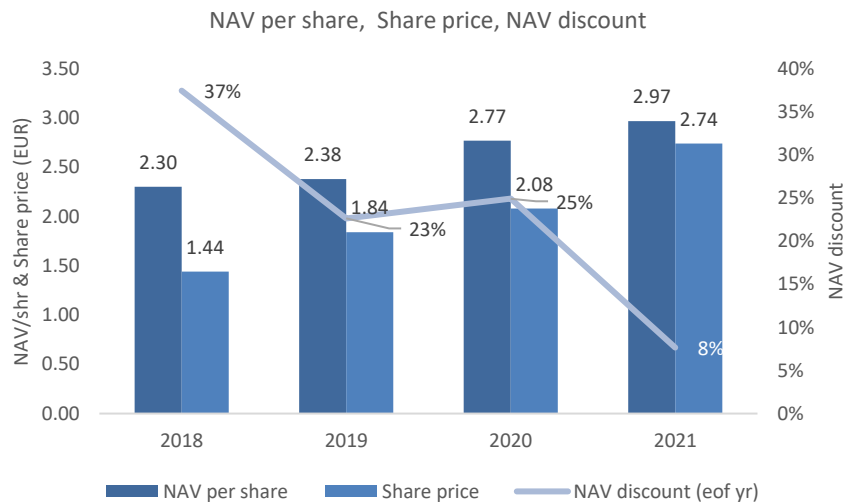
Source: Company report (historical), Enlight Research (estimates)

Positive NAV trend

In 2021, the reported NAV per share increased by 8% to EUR 2.99, which is not as high as the 16% increase seen in 2020, but higher than the 3% increase seen in 2019. Between 2018-21 the NAV per share increased by 30% to EUR 2.99 from EUR 2.30. During the same years, the share price has increased by 90% as the NAV discount has decreased from 37% in 2018 to 8% by the end of 2021. We believe the lower NAV discount is a result of more investors becoming aware of INVL Technology’s investment story as well as increased confidence in the valuations of the holding companies. In the forecast period 2022-24E, we expect a continued positive NAV development with annual increases of 7-10%.



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

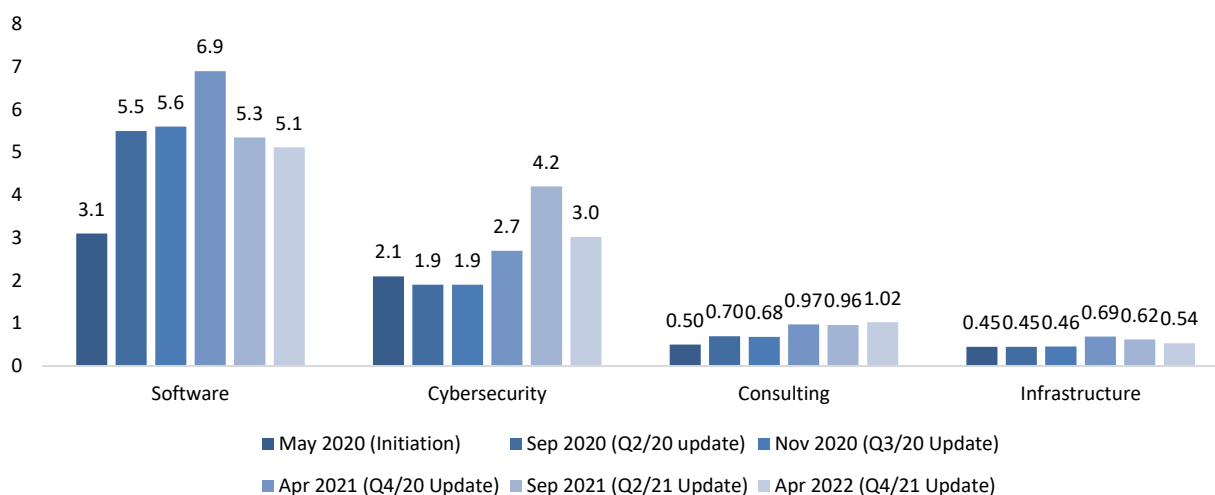


Source: Company report (historical), Enlight Research (estimates)

Peer valuation

Since our last update in September last year, the Software peers' P/Sales multiple has declined slightly to 5.1x from 5.3x. The Cybersecurity peer P/Sales multiple has also declined from a rather high 4.2x to 3.0x. The Consulting peer multiple has increased to 1.02x from 0.96x, while the Infrastructure peer multiple has declined to 0.54x from 0.62x.

Peer multiple development since Initiation May 2020 to Q4/21 Update



Source: MarketScreener, Enlight Research, Introduce Research, DnB research, prices on 7 April 2022

Peer tables

IT Infrastructure services

Company	Ticker	Ccy	Price (last)	Mcap (m)	P/Sales 2020	P/Sales 2021	P/Sales 2022E	P/Sales 2023E	EBIT marg. 2020	EBIT marg. 2021	EBIT marg. 2022E	EBIT marg. 2023E
Dustin	DUST	SEK	77.05	8,716	0.66	0.55	0.37	0.35	2.9%	3.6%	3.6%	4.1%
Proact IT	PACT	SEK	67.00	1,839	0.51	0.52	0.44	0.45	5.1%	4.9%	5.3%	5.5%
Atea	ATEA	NOK	124.20	13,830	0.35	0.33	0.33	0.31	2.2%	2.5%	2.8%	3.0%
CGit	CGIT B	SEK	108.50	171	2.22	1.26	1.22	1.14	3.7%	1.1%	2.1%	2.7%
Average					0.93	0.67	0.59	0.56	3.5%	3.0%	3.5%	3.8%
Median					0.58	0.54	0.40	0.40	3.3%	3.1%	3.2%	3.5%

Cybersecurity

Company	Ticker	Ccy	Price (last)	Mcap (m)	P/Sales 2020	P/Sales 2021	P/Sales 2022E	P/Sales 2023E	EBIT marg. 2020	EBIT marg. 2021	EBIT marg. 2022E	EBIT marg. 2023E
Clavister Holding	CLAV	SEK	5.82	329	2.6	2.6	2.1	1.8	-35.7%	-41.7%	-13.0%	-4.8%
Freja eID Group	FREJA	SEK	16.00	302	13.8	14.7	6.0	3.0	-197.3%	-228.6%	-48.1%	4.7%
Advenica	ADVE	SEK	15.44	566	6.7	5.6	4.7	4.4	-22.0%	-15.3%	0.8%	3.8%
Withsecure OYJ	FSC1V	EUR	4.72	824	3.7	3.5	3.2	3.0	10.4%	10.7%	10.0%	12.5%
Mandiant	FEYE	USD	22.37	5,194	5.5	10.8	9.2	7.5	8.3%	-23.0%	-13.8%	-0.1%
Cyber Security 1	CYB1	EUR	0.02	16	0.6	0.4	0.4	0.4	-17.4%	1.4%	7.5%	9.1%
Average					5.5	6.2	4.3	3.3	-42%	-49%	-9.4%	4.2%
Median					4.6	4.5	4.0	3.0	-20%	-19%	-6.1%	4.3%
Average excluding extremes						3.0	3.3		-5%	-7%	-1.7%	

Source: MarketScreener, Enlight Research, Introduce Research, DnB research, prices on 7 April 2022

Software												
Company	Ticker	Ccy	Price (last)	Mcap (m)	P/Sales 2020	P/Sales 2021	P/Sales 2022E	P/Sales 2023E	EBIT marg. 2020	EBIT marg. 2021	EBIT marg. 2022E	EBIT marg. 2023E
Agillic	AGILC	DKK	26.5	270	5.3	5.1	4.9	4.7	-17%	-21%	2%	4%
Artificial Solutions	ASAI	SEK	5.58	367	6.8	9.4	8.1	6.0	-157%	-181%	-169%	-113%
Briox	BRIX	SEK	4.46	203	45.5	32.9	19.1	13.5	-518%	-319%	-182%	-111%
Efecte Oyj	EFFECTE	EUR	12.4	77	5.2	4.3	3.7	3.2	-2%	2%	0%	2%
FormPipe Software	FPIP	SEK	38	2,051	5.1	4.3	4.0	3.7	13%	15%	14%	16%
Fortnox	FNOX	SEK	53	32,316	46.6	34.7	25.8	19.3	38%	34%	35%	39%
LeadDesk Oyj	LEADD	EUR	12.3	67	4.8	2.7	2.3	2.0	2%	-4%	1%	5%
Lime Technologies	LIME	SEK	287.8	3,823	11.3	9.5	8.1	7.1	25%	19%	21%	23%
Litium	LITI	SEK	16.35	233	4.8	4.0	3.2	2.4	-37%	-22%	-10%	8%
Siili Solutions Oyj	SIILI	EUR	13.65	96	1.2	1.0	0.9	0.9	6%	8%	9%	9%
Zutec	BUILD	SEK	5.16	228	4.2	5.2	4.6	4.2	-131%	-24%	2%	5%
Average					12.8	10.3	7.7	6.1	-71%	-45%	-25%	-10%
Median					5.2	5.1	4.6	4.2	-2.2%	-4.0%	1.8%	5.5%
Average excluding extremes					5.4	5.1	4.4	3.8				

IT Consulting												
Company	Ticker	Ccy	Price (last)	Mcap (m)	P/Sales 2020	P/Sales 2021	P/Sales 2022E	P/Sales 2023E	EBIT marg. 2020	EBIT marg. 2021	EBIT marg. 2022E	EBIT marg. 2023E
B3 Consulting Group	B3	SEK	110.5	948	1.11	1.03	0.91	0.85	4.9%	7.6%	6.8%	7.2%
CAG Group	CAG	SEK	89.2	628	1.18	0.96	0.90	0.86	6.9%	8.0%	8.5%	8.7%
Digia Oyj	DIGIA	EUR	7.35	194	1.39	1.24	1.19	1.14	10.1%	9.4%	9.3%	9.8%
Solteq Oyj	SOLTEQ	EUR	3.63	70	1.16	1.02	0.92	0.86	8.8%	10.3%	10.1%	12.1%
Time People Group	TPGR	SEK	32.4	235	1.14	1.21	1.17	1.15	6.3%	6.5%	6.5%	6.8%
Innofactor Plc	IFA1V	EUR	1.316	48	0.73	0.70	0.67	0.66	3.8%	9.4%	7.3%	8.1%
Average					1.12	1.03	0.96	0.92	6.8%	8.6%	8.1%	8.8%
Median					1.15	1.02	0.91	0.86	6.6%	8.7%	7.9%	8.4%

Source: MarketScreener, Enlight Research, Introduce Research, DnB research, prices on 7 April 2022

Base case Sum-of-the-parts (SOTP) Valuation

Our P/Sales 2021 Base case sum-of-the-parts (SOTP) valuation per share is kept at EUR 3.00. Our valuation might be considered conservative given that we assume 20% NAV discount vs. the current NAV discount of 8%. Furthermore, our sales weighted P/Sales multiple of 1.2x implies a discount of 54% to the weighted peer average P/Sales multiple of 2.6x.

Fair value Invalda Technology (Base case)

	Weighted Base case	P/Sales 2021 Peer avg.	(W)P/Sales discount	Sales 2019	Sales 2020	Sales 2021	Enlight FV (EURm)	Enlight FV/share (EUR)
Business area: Business climate improvement & e-governance								
NRD Companies	2.1	4.2	51%	6.6	7.0	6.3	13.1	1.07
Business area: IT services & software								
Novian Companies	0.9	2.1	57%	23.5	26.7	25.9	23.3	1.92
Business area: Cybersecurity								
NRD CS	1.5	3.0	50%	2.8	3.2	5.4	8.0	0.66
Business area: Business process outsourcing								
FINtime	na	na	na	na	na	na	0.234	0.02
Group total	1.2	2.6	54%	32.9	37.0	37.6	44.7	3.67
Sales growth				17%	5%	12%		
Add Net cash:							0.9	0.07
Group total:							45.6	3.74
Less assumed NAV discount:							20%	20%
Less assumed NAV discount (EUR):							9.1	0.75
Enlight Base case Fair Value:							36.5	3.00

Source: Historical figures (Company reports), Forecast figures (Enlight Research), Peer P/Sales average (MarketScreener, Enlight Research, Introduce). Based on peer valuation on 6 January 2022

Minor changes in Q1/22 vs. year-end 2021

The Q1/22 published on 29 April 2022 contained only minor changes compared to the year-end 2021 reported figures. The NAV per share increased by 1.9% or EUR 0.06 to EUR 3.05 from EUR 2.99 at the end of 2021, while the financial assets declined slightly by 1.0% or EUR 0.4m to EUR 35.0m from 35.4m during the same period.

Q1/22 vs. end of 2021

	End of 2021	Q1/22	Chg	Chg%
NAV per share	2.99	3.05	0.06	1.9%

	End of 2021	Q1/22	Chg	Chg%
NRD Companies	6.6	6.5	0.0	-0.7%
Novian	19.6	19.2	-0.4	-2.3%
NRD Cybersecurity	9.0	9.1	0.1	1.4%
FINtime	0.2	0.2	0.0	-0.9%
Financial assets	35.365	35.008	-0.4	-1.0%

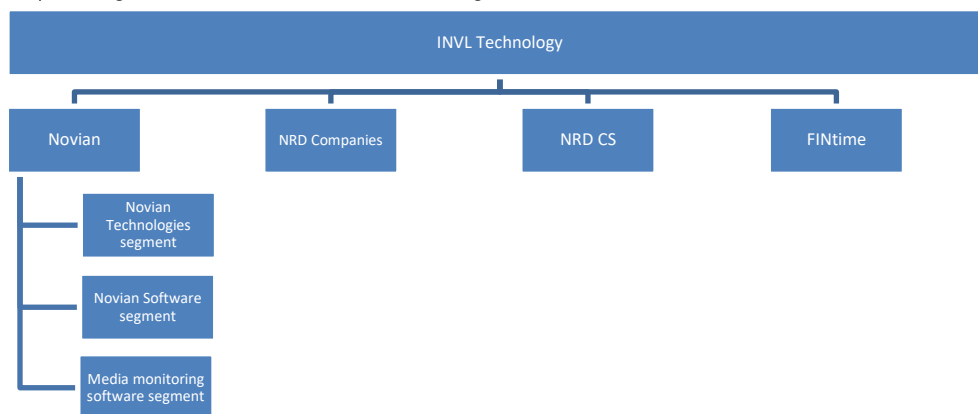
Source: Company reports

Novian highlight

Quick description

The Novian Business Area consist of two main segments – technologies (IT Consulting), and software (software development). Novian’s technologies segment has undergone a transformation from a hardware reseller into an IT Consultant with focus on systems integration. Novian’s software segment is focused on developing customized software modules, which gives scalability as much of the design and code can be re-used under fixed price contracts. In addition to Novian’s technologies and software segments, the media monitoring software company, Zissor, forms the smallest segment of the Novian Business Area. The Novian group is one of the few providers in the Baltics who can offer large-scale digitization projects (made possible by own developed software and prior experience).

Simplified organizational chart with detailed Novian segments

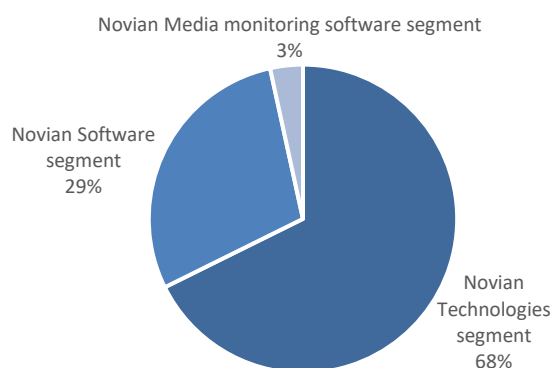


Source: Company report, Enlight Research

Novian history

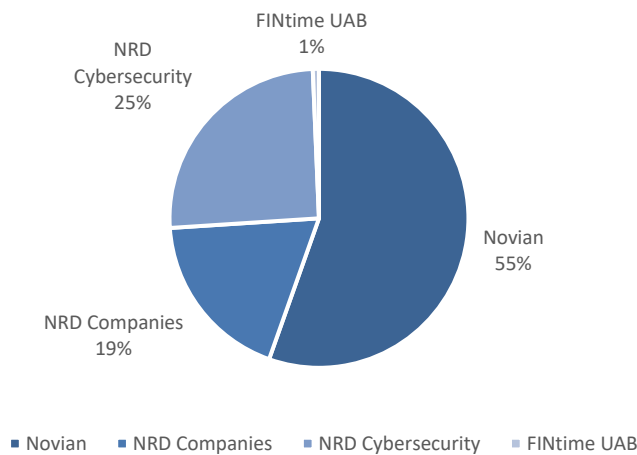
The main part of the Novian Business Area was formed in 2007 when the company, BAIP became INVL Technology’s first holding. Today, Novian’s technologies segment make up around 68% of the Novian Business Area’s sales and almost half of INVL Technology’s (all portfolio companies) sales. In terms of the external valuation (reported each quarter), the Novian Business Area make up around 60% of INVL Technology’s total financial assets.

Novian sales distribution, 2021



Source: Company report

External valuation by Business Area, end of 2021

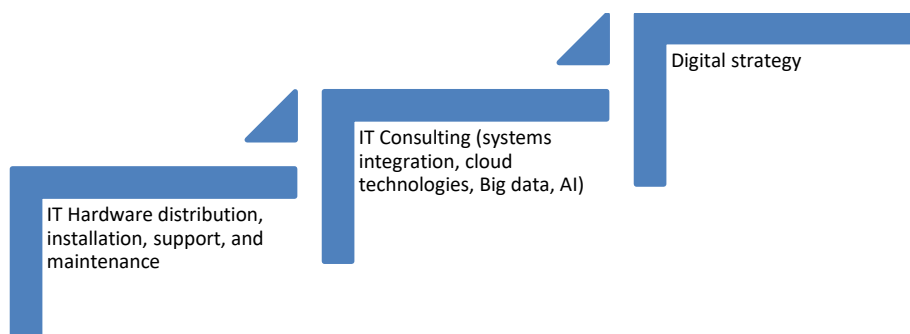


Source: Company report

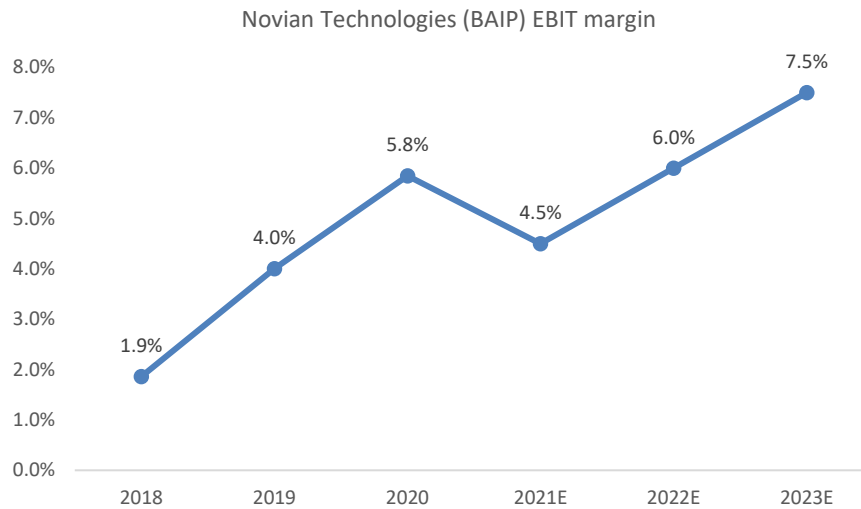
Novian’s technologies segment

When Novian Technologies company (formerly BAIP) was acquired, around 95% of revenues came from selling third party hardware (mainly PCs and servers) with the remainder being IT consulting services. Today, we estimate a significant part of revenues comes from IT consulting. The move up the value chain (higher share of consulting vs. hardware revenues) is reflected in Novian Technologies’ EBIT margin which improved from 1.9% in 2018 to 5.8% in 2020. However, the 9M/21 EBIT margin declined to 8.9% from 10.5% in the same period last year due mainly to pandemic related issues dampening new sales. We still believe the long-term positive sales mix trend (higher share of consulting vs. hardware) is intact, which should lead to higher long-term margins. The estimated EBIT margin average for our IT Consulting peer group is 9.1% vs. 3.7% for our Infrastructure services peer group. We forecast the Novian Technology EBIT margin to recover from 4.5% in 2021 to 6.0% in 2022, and 7.5% in 2023.

Novian Technologies service offer moving up the value chain



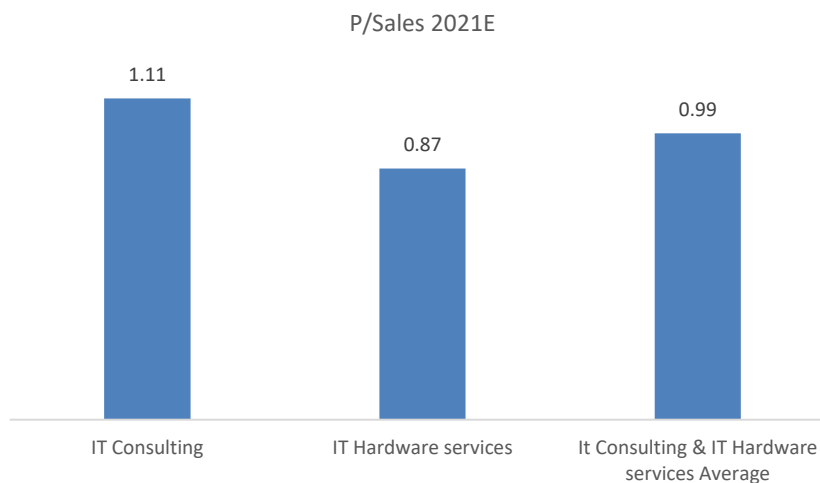
Source: Enlight Research



Source: Company report

IT Consulting commands a higher valuation multiple

Up until now, we have applied the IT Infrastructure peer average to our valuation of Novian’s technologies segment. However, given that an important part of this segment’s sales comes from IT Consulting, we believe a 50/50 weighted multiple of the IT Infrastructure peer group and the IT Consulting peer group is more appropriate. This means the motivated P/Sales 2021E multiple is 0.99x rather than 0.87x (IT Hardware services average). The multiple expansion has a positive Fair value effect for the Novian Business Areas of EUR 0.8m (from EUR 4.9m to EUR 5.7m) or EUR 0.07 per share (from EUR 0.40/shr to EUR 0.47/shr). Worth noting is that we apply a 70% small cap discount to our motivated P/Sales (see valuation section).



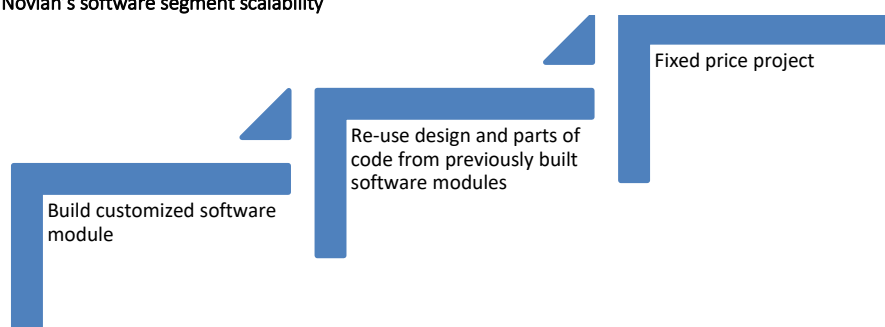
Source: MarketScreener

Novian’s software segment

Novian’s software segment makes up 21% of the Novian Business Area’s revenues, and 14% of INVL Technology’s (all portfolio companies) revenues. The Novian Business Area employs over 100 system developers and architects who do projects for both Novian’s technologies and software segments. This means it is one of the largest IT consultants in Lithuania. The software company Novian Systems has proprietary software e.g., a software that helps municipalities keep track of leased land (used by majority of municipalities in Lithuania). However, the focus of the

software development team is to develop customized modules that are used by clients in connection with third party software and hardware. A large part of these modules can be re-used in subsequent projects which given that projects are mostly based on fixed price, results in scalability. With the recently announced (October 2021) acquisition of the Lithuanian systems & software developer, Elsis PRO, the annual Sales and EBITDA of Novian’s software segment is set to increase by around EUR 2.6m and EUR 0.3m, respectively. Based on 2020 reported figures, the Elsis PRO acquisition would boost the sales of Novian’s software segment and the Novian Business Area by 57%, and 11%, respectively, while INVL Technology Group sales would increase by 8%.

Novian’s software segment scalability



Source: Enlight Research

Elsis PRO sales contribution

(EURm)	2020
Sales	2.6
Growth, y-on-y	
EBITDA	0.3
EBITDA margin	10.6%
Novian’s software segment Sales	4.5
Novian Business Area Sales	24.1
INVL Technology Group Sales	34.3
Elsis PRO sales boost to:	
Novian’s software segment Sales	57%
Novian Business Area Sales	11%
INVL Technology Group Sales	8%

Source: Company press release, Company reports

Q4 Estimates vs. Outcome

Portfolio companies estimates vs. outcome

The Q4/21 Group Sales of EUR 11.9m in-line with our EUR 11.8m estimate, as Novian (excl. Elsis pro), and Cybersecurity came in slightly higher than expected, while NRD Companies was in-line. The Q4/21 Group EBIT of EUR 0.6m was 67%, or EUR 1.1m below our estimate of EUR 1.7m. The main reason for the negative deviation was higher than expected eliminations. At the segment level, NRD Companies EBIT was higher than forecast while Novian (excl. Elsis pro), and Cybersecurity were lower than forecast.

Sales by portfolio company (EURm)	Q4/21	Q4/21	Diff. Q4/21	
	Estimate	Outcome	EURm	%
NRD Companies	1.488	1.488	0.000	0.0%
Novian (excl. ELSIS PRO)	8.147	8.236	0.089	1.1%
NRD CS	2.167	2.204	0.037	1.7%
Group sales (excl. Elsis PRO)	11.802	11.928	0.126	1.1%

Sales growth	Q4/21	Q4/21	Diff. Q4/21	
	Estimate	Outcome	EURm	%-pts
NRD Companies	-2.4%	-2.4%	nm	0.0
Novian (exc. ELSIS PRO)	20.9%	-12.1%	nm	-33.0
NRD CS	49.6%	52.2%	nm	2.6
Group sales growth (excl. Elsis PRO)	21.5%	22.8%	nm	130

EBIT by portfolio company (EURm)	Q4/21	Q4/21	Diff. Q4/21	
	Estimate	Outcome	EURm	%
NRD Companies	0.083	0.219	0.136	163.5%
Novian (excl. Elsis PRO)	0.476	0.372	-0.104	-21.8%
NRD CS	0.460	0.116	-0.344	-74.8%
Eliminations	0.692	-0.138	-0.830	-119.9%
Group EBIT (after Eliminations)	1.711	0.569	-1.142	-66.7%

EBIT margin by Segment	Q4/21	Q4/21	Diff. Q4/21	
	Estimate	Outcome	EURm	%-pts
NRD Companies	5.6%	14.7%	nm	9.1
Novian (excl. Elsis PRO)	5.8%	4.5%	nm	-1.3
NRD CS	21.2%	5.3%	nm	-16.0
Group EBIT margin (excl. Elsis PRO)	14.5%	4.8%	nm	-9.7

Source: Company reports, Enlight Research

Estimate changes

Portfolio companies Estimate changes

Our Total Sales estimate for all portfolio companies is raised by 13% for 2022 and 2023, mainly due to the acquired company Elsis Pro. Our Total EBIT estimate for all portfolio companies is lowered by 27-29% for 2022 and 2023. The significant downward EBIT adjustments comes after significant upgrades of 25-30% in our last report, which in hindsight, were too optimistic (we have underestimated the volatility of the EBIT between quarters).

Sales all portfolio companies (EURm)	2022E	2023E	2024E
Old estimate	38.3	42.8	nm
New estimate	43.1	48.3	52.0
Change	4.9	5.6	nm
Change (pct)	12.7%	13.0%	nm

EBIT all portfolio companies (EURm)	2022E	2023E	2024E
Old estimate	3.5	4.7	nm
New estimate	2.5	3.4	4.2
Change	-1.0	-1.3	nm
Change (pct)	-28.6%	-27.3%	nm

Source: Enlight Research

Holding company Estimate changes

We lower our Fair value (FV) of financial assets by 11.5% for 2022 and 14.8% for 2023. The change in FV of financial assets has significant impact on the Holding company estimated Total income and EBIT as this is mainly made up of FV changes. Important to note is that the Holding company Income statement mainly consist of non-cash flow items e.g., the Change in FV of financial assets will not be converted to cash until exits are made, while the performance fee provisions will not become a cash outflow until it is paid out at the end of the company life (2026 or later).

Fair value financial assets	2022E	2023E	2024E
Old estimate	47.0	55.4	nm
New estimate	41.6	47.2	50.4
Change	-5.4	-8.2	nm
Change (pct)	-11.5%	-14.8%	nm

Change FV financial assets	2022E	2023E	2024E
Old estimate	8.7	8.5	nm
New estimate	6.3	5.6	3.2
Change	-2.4	-2.9	nm
Change (pct)	-28.2%	-34.3%	nm

Total income	2022E	2023E	2024E
Old estimate	8.9	8.6	nm
New estimate	6.4	5.8	3.4
Change	-2.5	-2.8	nm
Change (pct)	-27.9%	-33.1%	nm

EBIT	2022E	2023E	2024E
Old estimate	6.5	6.2	nm
New estimate	4.8	4.0	1.6
Change	-1.7	-2.2	nm
Change (pct)	-26.7%	-34.8%	nm

Source: Enlight Research

Risk factors

Below is a list of what we believe are some of the most important risks, however, this list should not be regarded as a complete list of risks. For examples of additional risks, we refer to the listing document and company reports.

COVID-19 risk

So far, the effect of the Covid-19 on INVL Technology's portfolio companies has been limited. However, a prolonged period of travel restrictions due to Covid-19 will increasingly affect the sales of new products as it is dependent on face-to-face meetings.

Risk of change of technology

The technology sector is in constant change. Failure to adapt and learn a new technology could result in a drop in sale and earnings and hence lower the Fair value of the company.

The state of the M&A market

If the market for mergers and acquisitions is depressed during the exit phase (mainly 2026 with possible 2 years extension), the deal valuations could be lower than expected and it could be hard to sell portfolio companies.

Political risk

A significant share of clients are public institutions and hence the company has exposure to public sector contracts, which entails political risks.

Intellectual Property risk

A significant share of the company's assets consists of intellectual property in the form of proprietary software and technology know-how. Therefore, the risk that somebody will try and steal intellectual property is present.

Valuation risk

The fair value of the holding companies is done by an independent external valuation firm. However, there is no guarantee that the final exit price of company will be according to the external valuation, nor to our valuation.

NAV discount risk

Even though the NAV of INVL Technology increases, there is no guarantee that the share price will increase in-line with the NAV as the NAV discount could increase as well.

Liquidity risk

The trading activity (liquidity) on the Nasdaq Baltic Exchange is low relative to most Western European markets. Therefore, it may be hard to buy and sell large amounts of INVL Technology shares without affecting the share price.

Russia – Ukraine risk

The company has no direct exposure to Russia or Ukraine. However, a general downturn in the economy due to the Russia – Ukraine war can affect the company's sales and profits.

Income Statement	2020	2021	2022E	2023E	2024E
Net sales	6.9	4.2	6.4	5.8	3.4
Total operating costs	-2.1	-1.5	-1.7	-1.7	-1.7
EBITDA	4.8	2.6	4.8	4.0	1.6
Depreciation & Amort.	0.0	0.0	0.0	0.0	0.0
One-off EBIT items	0.0	0.0	0.0	0.0	0.0
EBIT	4.8	2.6	4.8	4.0	1.6
Financial net	0.0	0.0	0.0	0.0	0.0
Pre-tax profit	4.8	2.6	4.8	4.0	1.6
Taxes	0.0	0.0	0.0	0.0	0.0
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	4.8	2.6	4.8	4.0	1.6
Balance Sheet	2020	2021	2022E	2023E	2024E
Cash and cash equivalent	2	1	2	2	1
Receivables	0	0	0	0	0
Inventories	0	0	0	0	0
Other current assets	1	1	1	1	1
Total current assets	3	2	7	11	13
Tangible assets	0	0	0	0	0
Goodwill & intangible assets	0	0	0	0	0
Lease & Investment properties	0	0	0	0	0
Long-term Investments	33	35	35	35	35
Associated companies	0	0	0	0	0
Other long-term assets	0	0	0	0	0
Total fixed assets	33	35	35	35	35
Total Assets	35	37	43	47	48
Accounts payable	0	0	0	0	0
Short-term IB debt	0	0	0	0	0
Other current liabilities	0	0	0	0	0
Total current liabilities	0	0	0	0	0
Long-term IB debt	0	0	0	0	0
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.	2	2	2	2	2
Total Liabilities	2	2	2	2	2
Minority interest	0	0	0	0	0
Shareholders' equity	34	36	41	45	47
Total liabilities and equity	35	38	43	47	48

Free Cash Flow	2020	2021	2022E	2023E	2024E
Operating profit	4.8	2.6	4.8	4.0	1.6
Depreciation & Amort.	0.0	0.0	0.0	0.0	0.0
Working capital chg.	1.2	0.0	0.0	0.0	0.0
Other Operating CF items	0.0	0.0	0.0	0.0	0.0
Operating Cash Flow	6.0	2.6	4.8	4.0	1.6
Net investments	-6.7	-2.7	0.0	0.0	0.0
Other items	1.5	0.0	0.0	0.0	0.0
Free Cash Flow	0.8	-0.1	4.8	4.0	1.6
Capital structure	2020	2021	2022E	2023E	2024E
Equity ratio	95.3%	95.6%	96.1%	96.4%	96.5%
Debt / Equity ratio	0.0%	0.0%	0.0%	0.0%	0.0%
Gearing %	-6.5%	-3.6%	-16.7%	-24.2%	-26.8%
Net debt/EBITDA	-0.5	-0.5	-1.4	-2.7	-7.7

Profitability	2020	2021	2022E	2023E	2024E
ROE	15.2%	7.5%	12.3%	9.4%	3.5%
FCF yield	3.1%	-0.3%	14.3%	12.1%	4.9%
EBITDA margin	69.2%	63.1%	74.2%	70.3%	48.3%
EBIT margin	69.2%	63.1%	74.2%	70.3%	48.3%
PTP margin	69.2%	63.1%	74.2%	70.3%	48.3%
Net margin	69.2%	63.1%	74.2%	70.3%	48.3%

Valuation	2020	2021	2022E	2023E	2024E
P/E	5.3	12.7	7.0	8.3	20.5
P/E adjusted	5.3	12.7	7.0	8.3	20.5
P/Sales	3.7	8.0	5.2	5.8	9.9
EV/Sales	3.4	7.7	4.1	3.9	6.2
EV/EBITDA	4.9	12.2	5.6	5.6	12.8
EV/EBIT	4.9	12.2	5.6	5.6	12.8
P/BV	0.8	0.9	0.8	0.7	0.7
P/BV tangible	0.8	0.9	0.8	0.7	0.7

Per share ratios	2020	2021	2022E	2023E	2024E
EPS	0.39	0.22	0.39	0.33	0.13
EPS, adjusted	0.39	0.22	0.39	0.33	0.13
Operating CF/share	0.49	0.22	0.39	0.33	0.13
Free Cash Flow/share	0.06	-0.01	0.39	0.33	0.13
BV/share	2.77	2.99	3.38	3.71	3.84
Tangible BV/share	2.77	2.99	3.38	3.71	3.84
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 LJB Investments	6.642	19.91 %
AB Invalda INVL	4.781	14.33 %
Irena Ona Miseikiene	4.017	12.04 %
AB Lietuvos draudimas	2.492	7.47 %
Kazimieras Tonkunas	1.851	5.55 %
Alvydas Banys	1.695	5.08 %

Key people	
CEO	Kazimieras Tonkunas
CFO	
IR	
Chairman	Kazimieras Tonkunas

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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