

Lithuania is looking good

Q2 revenue and profit were above expectations as the strong Lithuanian economy supports loan growth and profits. We raise our estimates and reiterate our view that Siauliu Bank's (SAB) valuation spread to Estonian banks is unjustified, especially given the sluggish Estonian economy.

Lithuania best in Europe

Lithuania's (LT) June Consumer Confidence reading was the best in Europe (Estonia's was second worst). Consensus 2024 GDP growth is +1.7% for LT vs. -0.5% for Estonia (EE). Consensus 2024 CPI is 1.0% for LT vs. 3.5% for EE. LT is implementing tax beneficial investment accounts in 2025. EE is implementing corporate tax in 2026 (many Estonians use corporations to invest in equities i.e., this is negative for EE equities).

Stronger macro visible in financials

In Q2/24, SAB's loan book grew 14% y-on-y (3 %-pts higher than Coop Pank (CPA) with an unchanged NIM vs. prev. quarter, despite a 7 bps 3M Euribor decline (NIM declined for LHV and CPA). We believe the positive trend for SAB will continue (driven by strong macro).

Valuation discount unjustified

SAB's P/BV of 0.8x implies a discount of around 19% to CPA and 53% to LHV. We believe the discount is unjustified given the solid Q2/24 report, the strong LT economy, and SAB owners' willingness to pay more than div. policy minimum. Our Base case FV is EUR 0.98/shr.

Key figures (MEUR)

	2022	2023	2024E	2025E	2026E
Net interest income	106.8	156.9	160.2	173.3	190.4
Commissions	18.7	20.3	27.0	29.0	33.0
Total operating income	142.6	198.2	216.8	222.3	243.3
Profit before loan losses	81.5	111.0	111.0	113.1	138.4
Loan losses	-4.9	-15.2	-10.3	-12.3	-11.7
Profit after loan losses	76.5	95.7	100.8	100.8	126.7
Tier 1 ratio excl. hybrids	18.14%	19.89%	20.34%	19.92%	19.73%
Loan loss ratio	0.21%	0.59%	0.33%	0.35%	0.30%
Coverage ratio	150.7%	143.7%	136.4%	136.4%	136.4%
P/E	6.5	5.8	5.8	5.8	4.6
P/NAV	0.93	0.85	0.81	0.73	0.65
EPS	0.11	0.12	0.12	0.12	0.16
EPS growth %	15.19%	12.65%	4.47%	0.04%	25.67%
Div. per share	0.03	0.05	0.04	0.04	0.05
Dividend yield	3.86%	7.00%	5.19%	5.19%	6.52%
ROE %	15.19%	15.29%	14.54%	13.28%	15.03%

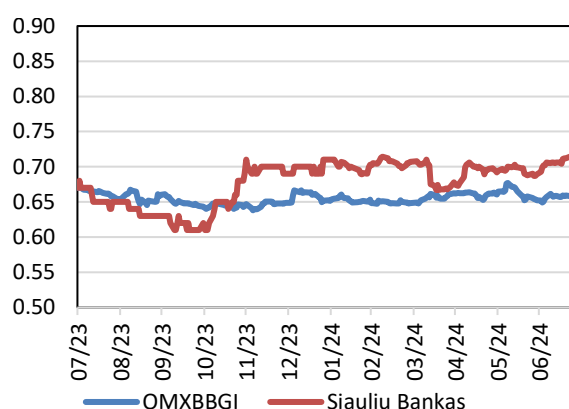
Source: Company data, Enlight Research estimates

Fair value range

Bull (P/BV 1.3x)	1.16
Base (P/BV 1.1x)	0.98
Bear (P/BV 0.9x)	0.81

Key Data

Price (EUR)	0.72
Ticker	SAB1L
Country	Lithuania
Listed	Vilnius (Lithuania)
Market Cap	478
Net debt	n.a.
Shares (m)	663
Free float	74%



Price range

52-week high	0.72
52-week low	0.61

Analyst

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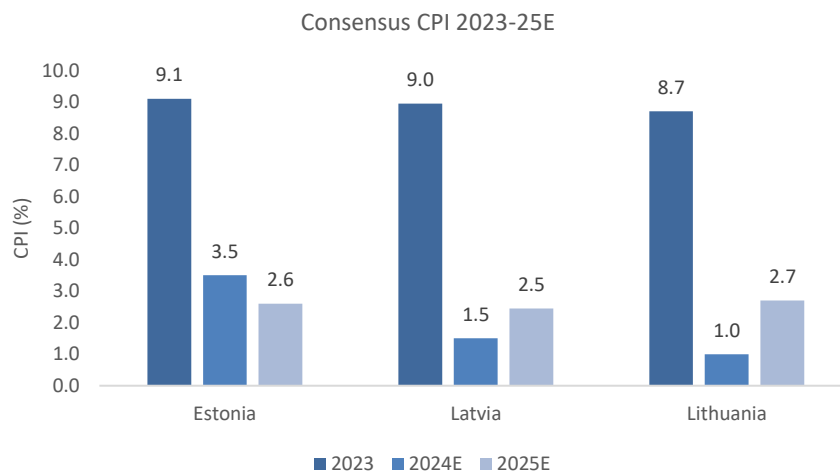
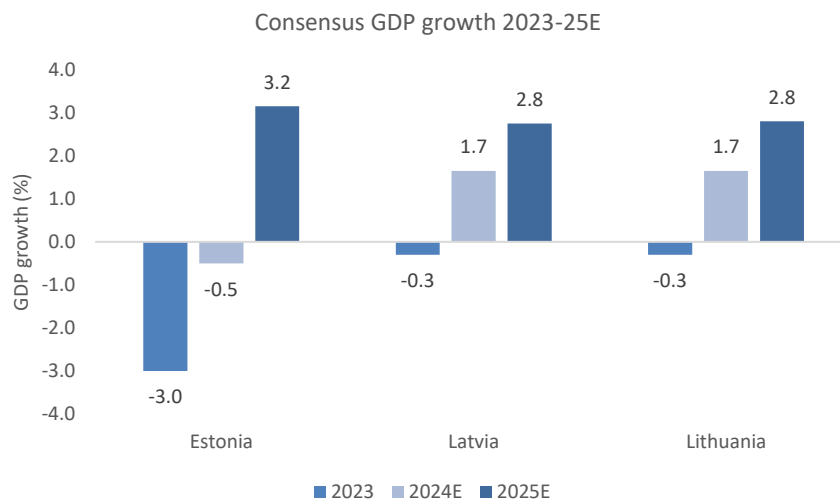
Coverage frequency

4x per year

Key takeaways

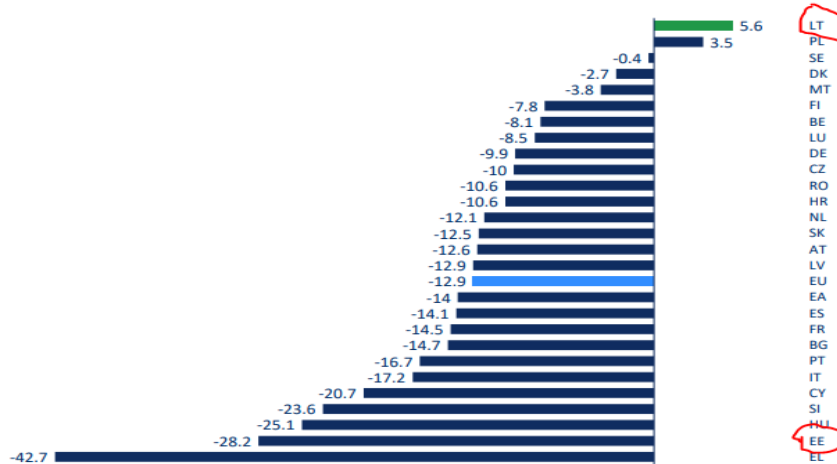
Lithuania in much better shape than Estonia

While the Lithuanian 2024 GDP is expected to grow 1.7%, the Estonian GDP is expected to decline 0.5%. The Lithuanian CPI is estimated at 1.0% in 2024. The Estonian CPI is estimated at 3.5%. The Lithuanian Consumer Confidence Index is the highest in Europe – the Estonian is the second lowest. Among mid-sized cities, Lithuania is ranked the third most attractive city in Europe by FDI INTELLIGENCE – Tallinn is number ten. We believe Lithuania’s economic outlook is more promising than Estonia’s and that this has positive implications for Siauliu Bankas and challenging implications for LHV and Coop pank. Furthermore, Lithuania has decided to implement tax beneficial investment accounts starting from 2025, which should support the Lithuanian equity market. Meanwhile, the Estonian government is on its way to implement a corporate income tax, which given that many Estonians use limited liability corporations (OÜs) as investment vehicles, will provide headwind for the Estonian equity market. In our view, Lithuania’s positive macro-economic momentum and market friendly policies, should be beneficial for Siauliu Bankas relative to LHV and Coop pank.



Source: 2023 Actual, 2024-25 (consensus SEB, Swedbank, Siauliu Bankas)

Consumer Confidence (June 2024)



Source: Company Q2/24 webinar presentation (Eurostat, European Commission, Macrobond)

FDI European Cities and Regions of the Future 2024

Overall Ranking **Top 10 Mid-Sized European Cities of the Future 2023**

Rank	City	Country
1	Wroclaw	Poland
2	Zurich	Switzerland
3	Vilnius	Lithuania
4	Edinburgh	UJ
5	Belfast	UK
6	Bratislava	Slovakia
7	Utrecht	Netherlands
8	Bristol	UK
9	Gdansk	Poland
10	Tallinn	Estonia

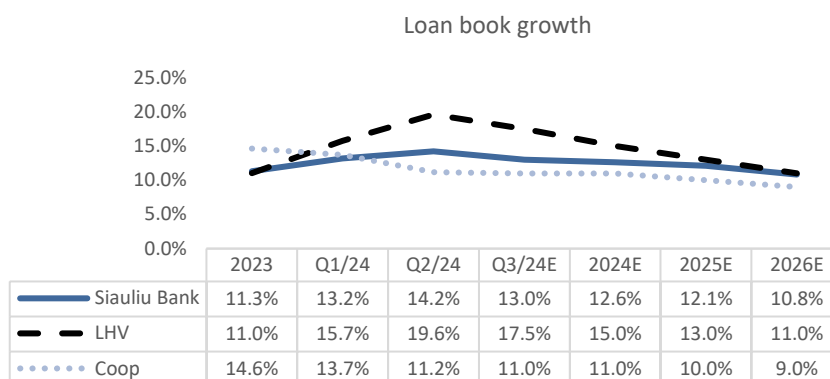
	Economic Potential	Human Capital	Cost Effectiveness	Business Friendliness
Mid-sized Cities	VILNIUS (3)	VILNIUS (2) RIGA (4) TALLINN (10)		VILNIUS (6)
Small Cities		KAUNAS (7)		KAUNAS (7)
Micro Cities			PANEVĖŽYS (7)	

Source: Company Q2/24 webinar presentation (FDI INTELLIGENCE, Invest Lithuania)

Strong economy visible in SAB's financials

Lithuania's strong economy is starting to have a positive impact on SAB. In Q2/24, SAB posted a loan book growth of 14.2% y-on-y, which is some three percentage points higher than Coop Pank's (CPA) loan book growth of 11.2% (in Q1/24, the difference was minor at 13.2% for SAB vs. 13.7% for CPA). We must note that LHV reported a Q2/24 loan book growth of 19.6% y-on-y. We consider LHV an outlier as it is probably the best managed bank in Europe (perhaps even the world), but this is also reflected in the valuation of 1.8x book on 2024E. Another strong figure for SAB was the Net Interest Margin (NIM), which was unchanged in Q2/24 vs. Q1/24 at 1.32%, despite the 3M Euribor decline of seven basis points (both CPA's and LHV's NIMs declined). The strong Lithuanian economy was also reflected in SAB's Cost of

Risk (CoR), which was 0.050% in Q2/24 (better than both CPA and LHV). To summarize, we believe SAB's financials will continue to show macro driven strength.



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

NIM

	Q1/24	Q2/24	Q3/24E	Q4/24E	2023	2024E	2025E	2026E
SAB	1.32%	1.32%	1.24%	1.20%	5.64%	5.14%	4.95%	4.68%
LHV	1.91%	1.87%	1.70%	1.50%	7.50%	6.96%	6.15%	5.35%
CPA	1.26%	1.23%	1.19%	1.15%	5.82%	4.89%	4.65%	4.55%

CoR

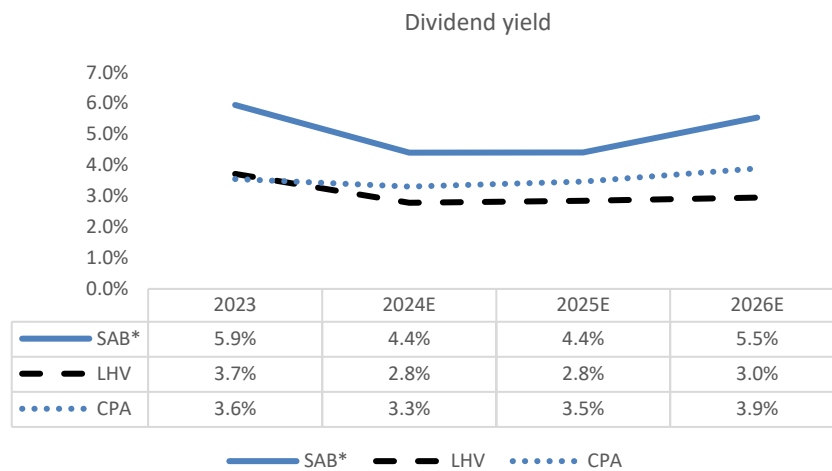
	Q1/24	Q2/24	Q3/24E	Q4/24E	2023	2024E	2025E	2026E
SAB	0.07%	0.05%	0.07%	0.12%	0.547%	0.330%	0.350%	0.300%
LHV	0.08%	0.13%	0.16%	0.17%	0.341%	0.550%	0.460%	0.400%
CPA	0.04%	0.08%	0.08%	0.10%	0.451%	0.300%	0.300%	0.300%

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

SAB pays superior dividends

SAB's dividend policy is to pay a minimum of 25% of net profit + share buy backs. Both CPA's and LHV's policy is to pay 25% of Pre-tax profit (including income tax). This might change in 2025 if the proposed corporate income tax of 2% is implemented in Estonia (currently zero). In 2023, SAB paid out 43% of the Net profit resulting in a yield of 7.0% (net after tax yield 5.9%) based on the 2023 closing price of EUR 0.693 per share. In the same year, CPA paid out 23% of Net profit (adj. for taxes) resulting in a yield of 3.6% based on the 2023 year end closing price of EUR 2.45 per share, while LHV paid out 29% of Net profit (adj. for taxes) resulting in a yield of 3.7% based on the 2023 year end closing price of EUR 3.50 per share. We believe SAB's owners have a will to payout a higher share of profits than the minimum stated in its dividend policy (also higher than CPA and LHV). Therefore, our 2024 estimated dividend payout ratio for SAB is 30% implying a yield of 5.2%. (net yield 4.4%). This can be compared to our estimated 2024 CPA and LHV dividend yield of 3.3%, and 2.8%, respectively. In addition, SAB has applied to the ECB to buy back up to 12m shares for no more than EUR 10m within one year from the receipt of the permission (the intention is to cancel the bought back shares). At the Q2/24 webinar, management said they expect a decision from the ECB during Q3/24. If approved, the buyback program could add 1.8 percentage points of yield within 12 months from the date of the approval. Assuming half of the EUR 10m trench is executed in 2024 and half in 2025, the Total net yield including buybacks would be

5.3% in 2024 and 2025. We have not reduced the number of shares in our model yet but will do so gradually as shares are bought back (if approved).



Source: Company reports (historic), Enlight Research (estimates)
 2023 yield based on year end 2023 share price. 2024-26E yield based on current share price.
 *After 15% dividend tax.

SAB Yield forecast

(EUR)	2022	2023	2024E	2025E	2026E
Dividend per share	0.027	0.049	0.037	0.037	0.047
Payout ratio	25%	43%	30%	30%	30%
Dividend yield (gross)	3.9%	7.0%	5.2%	5.2%	6.5%
Dividend yield (net after 15% tax)	3.3%	5.9%	4.4%	4.4%	5.5%
Buyback amount per share		0.001	0.008	0.008	0.000
Buyback yield		0.2%	0.9%	0.9%	0.0%
Total net yield	3.3%	6.1%	5.3%	5.3%	5.5%
Share price		0.693	0.721	0.721	0.721

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

P/BV below 1x unjustified

Based on 2024 estimated book value and the current share price, SAB is trading at a P/BV of 0.81 while still expected to show a healthy ROE of 13-15% in the forecast period 2024-26. We believe a bank with an ROE around 13-15% should be valued at a P/BV of 1.1x, which implies a SAB share price of EUR 0.98, equal to an upside of around 37%.

Motivated share price (EUR)	Bear	Base	Bull
BV/Share 2024E	0.90	0.90	0.90
P/BV 2024E	0.81	0.81	0.81
Motivated P/BV 2024E	0.90	1.10	1.30
Motivated share price	0.81	0.98	1.16
Upside/downside	12%	37%	61%
Share price (EUR)	0.72	0.72	0.72

Source: Enlight Research

Estimate deviations

The Q2/24 Net interest income (NII) was 6.3% or EUR 2.4m above forecast, while the Net fee and commission income was 8.5% or EUR 0.6m above our estimate. The Q2/24 Total operating income was 6.7% or EUR 3.4m above our estimate mainly due to better than expected NII.

The Q2/24 Pre-provision Operating profit of EUR 27.0m was 7.4% or EUR 2.2m below our forecast of EUR 29.2m due to higher Operating expenses. The Q2/24 Loan provisions of EUR 1.7m were EUR 2.8m better than estimated. The Q2/24 Pre-tax profit (after provisions) was 2.7% or EUR 0.7m above estimate. The Q2/24 Net profit was EUR 3.1% or EUR 0.6m above forecast.

Forecast deviation table Group

Group forecast	Q2/24	Q2/24	Deviation	
Income statement	Estimate	Outcome	EURm	%
Net interest income	38.6	41.1	2.4	6.3%
Net fee and commission income	6.7	7.3	0.6	8.5%
Other operating income	6.3	6.7	0.4	7.1%
Total operating income	51.6	55.0	3.4	6.7%
Salaries and related expenses	-10.4	-11.9	-1.5	14.1%
Depreciation & Amortization	-1.5	-1.9	-0.3	21.7%
Expenses related to insurance activities	-2.3	-3.9	-1.6	70.6%
Other operating expenses	-8.2	-10.4	-2.2	27.2%
<i>Total Operating expenses</i>	<i>-22.4</i>	<i>-28.0</i>	<i>-5.6</i>	<i>25.1%</i>
Pre-provision operating profit	29.2	27.0	-2.2	-7.4%
Provisions	-4.6	-1.7	2.8	-62.2%
Pre-tax profit	24.7	25.3	0.7	2.7%
Income tax expense	-4.7	-4.8	0.0	1.0%
Net profit	19.9	20.5	0.6	3.1%

Growth y-on-y	Q2/24	Q2/24	Deviation	
	Estimate	Outcome	EURm	%-points
Net interest income	-3.5%	2.5%	na	6.1
Net fee and commission income	32.1%	43.4%	na	11.3
Other operating income	78.2%	90.9%	na	12.7
Total operating income	6.1%	13.2%	na	7.1

Margins	Q2/24	Q2/24	Deviation	
	Estimate	Outcome	EURm	%-points
Profit bef. Provisions margin	56.6%	49.1%	na	-7.5
PTP margin	47.8%	46.0%	na	-1.8
Net profit margin	38.6%	37.3%	na	-1.3

Source: Company report (outcome), Enlight (estimate)

Estimate changes

We raise our Total Revenues by 7% this year and 5% in 2025 (unchanged for 2026). Our pre-provision Operating profit is lowered by 1-2% in the forecast period 2024-26. Our Pre-tax profit is raised by 7% this year, 2% in 2025, and 1% in 2026. Our EPS and Dividend per share is also raised by 7% this year, 2% in 2025, and 1% in 2026.

Estimate changes			
Total Revenues (EURm)	2024E	2025E	2026E
Old estimate	202.2	210.8	242.9
New estimate	216.8	222.3	243.3
Change	14.6	11.5	0.5
Change (pct)	7.2%	5.4%	0.2%
Pre-provisions Operating profit (EURm)	2024E	2025E	2026E
Old estimate	112.7	114.1	141.8
New estimate	111.0	113.1	138.4
Change	-1.6	-1.1	-3.4
Change (pct)	-1.4%	-0.9%	-2.4%
Pre-tax Profit (EURm)	2024E	2025E	2026E
Old estimate	94.6	98.6	125.4
New estimate	100.8	100.8	126.7
Change	6.2	2.2	1.3
Change (pct)	6.5%	2.2%	1.0%
EPS (EUR)	2024E	2025E	2026E
Old estimate	0.12	0.12	0.16
New estimate	0.12	0.12	0.16
Change	0.01	0.00	0.00
Change (pct)	6.5%	2.2%	1.0%
Dividend (EUR)	2024E	2025E	2026E
Old estimate	0.035	0.037	0.047
New estimate	0.037	0.037	0.047
Change	0.002	0.001	0.000
Change (pct)	6.5%	2.2%	1.0%

Source: Enlight Research

Forecast

Group P&L (EURm)	Q1/24	Q2/24	Q3/24E	Q4/24E	2023	2024E	2025E	2026E
Interest revenue	59.5	61.1	61.4	61.1	195.7	243.1	262.6	288.6
Other similar income	5.9	7.1	6.5	6.7	21.2	26.2	28.0	30.4
Interest expense and similar charges	-25.9	-27.1	-27.8	-28.3	-60.1	-109.1	-117.3	-128.7
Net interest income	39.6	41.1	40.0	39.5	156.9	160.2	173.3	190.4
Net interest income margin	66.5%	67.2%	65.3%	64.7%	80.1%	65.9%	66.0%	65.9%
Fee and commission income	8.7	9.4	9.3	10.7	28.6	38.1	40.8	43.7
Fee and commission expense	-2.2	-2.2	-2.6	-4.1	-8.4	-11.1	-11.8	-10.7
Net fee and commission income	6.5	7.3	6.7	6.6	20.3	27.0	29.0	33.0
Total interest & fee income	46.1	48.3	46.7	46.1	177.1	187.2	202.3	223.3
Net gain from trading activities	7.2	3.7	3.7	2.4	13.7	17.0	10.0	10.0
Net gain (loss) FV subordinated loan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net gain (loss) derecognition financial assets	0.0	-0.1	0.1	0.0	0.8	0.0	0.0	0.0
Net gain (loss) disposal tangible assets	0.0	0.0	0.0	0.0	0.9	0.0	0.0	0.0
Revenue related to insurance activities	4.0	3.0	3.0	2.0	5.7	12.0	10.0	10.0
Other operating income	0.2	0.1	0.2	0.1	0.0	0.6	0.0	0.0
Total non-interest & non-fee income	11.4	6.7	6.9	4.6	21.1	29.6	20.0	20.0
Total revenues	57.4	55.0	53.7	50.7	198.2	216.8	222.3	243.3
Salaries and related expenses	-11.3	-11.9	-11.5	-12.2	-36.2	-46.8	-48.5	-53.6
Depreciation & Amortisation	-1.8	-1.9	-1.9	-1.9	-5.5	-7.5	-8.1	-8.9
Expenses related to insurance activities	-7.6	-3.9	-4.2	-4.9	-14.2	-20.6	-18.2	-20.1
Other operating expenses	-6.8	-10.4	-8.4	-5.3	-31.2	-30.9	-34.4	-22.3
<i>Total operating expenses</i>	<i>-27.4</i>	<i>-28.0</i>	<i>-25.9</i>	<i>-24.4</i>	<i>-87.2</i>	<i>-105.8</i>	<i>-109.2</i>	<i>-105.0</i>
Operating profit before impairments	30.0	27.0	27.7	26.3	111.0	111.0	113.1	138.4
Allowance impairment losses on loans	-2.2	-1.7	-2.3	-4.1	-15.2	-10.3	-12.3	-11.7
Allowance impairment losses on subsidiaries	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Total impairments</i>	<i>-2.2</i>	<i>-1.7</i>	<i>-2.3</i>	<i>-4.1</i>	<i>-15.2</i>	<i>-10.3</i>	<i>-12.3</i>	<i>-11.7</i>
Pre-tax profit	27.8	25.3	25.4	22.2	95.7	100.8	100.8	126.7
Income tax expense	-5.4	-4.8	-4.8	-3.2	-20.4	-18.1	-18.1	-22.8
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	22.5	20.5	20.6	19.0	75.4	82.6	82.7	103.9

Growth y-on-y	Q1/24	Q2/24	Q3/24E	Q4/24E	2023	2024E	2025E	2026E
Net interest income	11.7%	2.5%	-1.4%	-3.1%	46.9%	2.1%	8.2%	9.8%
Net fee and commission income	15.2%	7.1%	2.5%	-0.8%	8.3%	33.3%	7.4%	13.8%
Total revenues	23.4%	13.2%	9.3%	-6.1%	38.9%	9.4%	2.5%	9.5%

Margin	Q1/24	Q2/24	Q3/24E	Q4/24E	2023	2024E	2025E	2026E
Operating margin bef. Loan prov.	52.3%	49.1%	51.7%	51.8%	56.0%	51.2%	50.9%	56.9%
Pre-tax profit margin	48.4%	46.0%	47.4%	43.8%	48.3%	46.5%	45.3%	52.1%
Net profit margin	39.1%	37.3%	38.4%	37.5%	38.0%	38.1%	37.2%	42.7%

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

Risk factors

Macro risk

The banking sector in general is exposed to macroeconomic factors such as GDP growth, salary growth, unemployment etc. Siauliu Bankas is not exception and hence a sharp downturn in e.g., the GDP growth will most likely mean that our forecast is too optimistic.

Interest rate and liquidity risk

Siauliu Bankas as all commercial banks face an interest rate risk, with its core business reliant on generating a spread between lending and borrowing activities. Rapidly declining interest rates can potentially lead to a contraction in this spread and vice versa. Therefore, a sharp drop in interest rates could mean our Net interest margin forecast is too optimistic.

Non-performing loan risk

The majority of the SAB's assets consist of loans to corporations, government, and households. The bank needs to see consistent servicing of these loans to remain viable. If a large proportion of these loans are not repaid concurrently, the bank can be forced to write down its loan base, resulting in losses.

New IT systems and re-branding risk

SAB has announced that it will invest into a new IT system and re-branding project. There is no guarantee that these initiatives will go smoothly and there could be financial implications if problems arise.

Income Statement	2022	2023	2024E	2025E	2026E
Net interest income	106.8	156.9	160.2	173.3	190.4
Commissions	18.7	20.3	27.0	29.0	33.0
Result financial items	1.0	0.8	0.0	0.0	0.0
Trading income	4.4	13.7	17.0	10.0	10.0
Capital gains	0.8	0.9	0.0	0.0	0.0
Insurance	9.3	5.7	12.0	10.0	10.0
Other income	1.7	0.0	0.6	0.0	0.0
Total operating income	142.6	198.2	216.8	222.3	243.3
Costs	-61.2	-87.2	-105.8	-109.2	-105.0
Profit before loan losses	81.5	111.0	111.0	113.1	138.4
Loan losses	-4.9	-15.2	-10.3	-12.3	-11.7
Ass. companies' profit/loss	0.0	0.0	0.0	0.0	0.0
Life profit	0.0	0.0	0.0	0.0	0.0
Profit after loan losses	76.5	95.7	100.8	100.8	126.7
Core earnings	0.0	0.0	0.0	0.0	0.0
Investm. portfolio income	0.0	0.0	0.0	0.0	0.0
Other items	0.0	0.0	0.0	0.0	0.0
Non-recurring items	0.0	0.0	0.0	0.0	0.0
Pre-tax profit	76.5	95.7	100.8	100.8	126.7
Taxes on cont. operations	-12.9	-20.4	-18.1	-18.1	-22.8
Net income from disc. Op.	0.0	0.0	0.0	0.0	0.0
Minority interest	0.0	0.0	0.0	0.0	0.0
Net earnings	63.6	75.4	82.6	82.7	103.9
Adjusted net earnings	63.6	75.4	82.6	82.7	103.9

Balance Sheet	2022	2023	2024E	2025E	2026E
ASSETS					
Deposits with fin. instit.	2.7	3.0	3.3	3.5	3.8
Debt securities	1,059.3	825.7	896.4	969.3	1,032.3
Lending to the public (net)	2,634.1	2,931.6	3,301.0	3,700.4	4,100.8
Investment assets	0.0	0.0	0.0	0.0	0.0
Tangible assets	18.0	16.8	18.3	19.7	20.9
Goodwill	1.4	4.3	4.3	4.3	4.3
Other intangible rights	6.9	40.8	44.5	47.9	51.0
Other assets	460.3	987.0	974.3	890.3	788.5
Total assets	4,182.7	4,809.3	5,242.2	5,635.3	6,001.6
LIABILITIES					
Deposits from fin. inst.	685.1	570.0	621.2	667.8	711.2
Deposits from the public	2,785.0	3,162.7	3,302.6	3,606.6	4,003.1
Wholesale funding	14.2	276.5	301.4	324.0	345.0
Subordinated debt	171.2	15.7	17.3	18.6	19.8
Provisions (insurance)	36.2	179.3	195.5	210.1	223.8
Other liabilities	48.1	62.0	210.7	156.8	-31.8
Total liabilities (banks)	3,739.8	4,266.2	4,648.6	4,983.9	5,271.1
Share capital	174.2	192.3	192.3	192.3	192.3
Retained earnings	213.2	262.0	312.5	370.3	449.4
Other equity	55.5	88.9	88.9	88.9	88.9
Equity total	442.9	543.1	593.6	651.5	730.5
Total equity and liabilities	4,182.7	4,809.3	5,242.2	5,635.3	6,001.6

Key figures	2022	2023	2024E	2025E	2026E
CET1 ratio	18.14%	19.89%	20.34%	19.92%	19.73%
Tier 1 ratio	18.14%	19.89%	20.34%	19.92%	19.73%
Capital ratio	20.20%	22.43%	22.53%	21.89%	21.51%
ROE	15.19%	15.29%	14.54%	13.28%	15.03%
ROE Tangible	15.21%	16.16%	15.85%	14.45%	16.30%
RORWA	2.81%	3.10%	3.14%	2.76%	3.13%
ROA	1.56%	1.68%	1.64%	1.52%	1.79%
Loan loss ratio	0.21%	0.59%	0.33%	0.35%	0.30%
C/I	0.43	0.44	0.49	0.49	0.43
Loan loss res./lending	1.30%	1.49%	1.50%	1.50%	1.50%
NPL/lending	0.86%	1.03%	1.10%	1.10%	1.10%
Coverage ratio	150.72%	143.68%	136.36%	136.36%	136.36%

Share data	2022	2023	2024E	2025E	2026E
EPS, unadjusted	0.11	0.12	0.12	0.12	0.16
EPS diluted	0.11	0.12	0.12	0.12	0.16
BV/share	0.74	0.82	0.90	0.98	1.10
Tangible equity/Share	0.72	0.75	0.82	0.90	1.02
Div. per share	0.03	0.05	0.04	0.04	0.05

Pricing and key ratios	2022	2023	2024E	2025E	2026E
Share price	0.69	0.69	0.72	0.72	0.72
Market cap	412.10	459.46	478.00	478.00	478.00
P/E diluted	6.48	5.81	5.79	5.78	4.60
P/BV	0.93	0.85	0.81	0.73	0.65
P/Tangible equity	0.95	0.92	0.88	0.80	0.71
Payout ratio	25.02%	42.66%	30.00%	30.00%	30.00%
Dividend yield	3.86%	7.00%	5.19%	5.19%	6.52%

Shareholders	Capital	Votes
Invalda INVL	94.146	19.90 %
ME Investicija	42.366	9.00 %
EBRD	34.363	7.30 %
Tesonet Global	24.949	5.30 %
Algirdas Butkus	23.066	5.10 %
Gintaras Kateiva	22.595	4.90 %

Key people	
CEO	Vytautas Sinius
CFO	Donatas Savickas
IR	Donatas Savickas
Chairman	Valdas Vitkauskas

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	$\frac{\text{Enterprise value}}{\text{Number of shares}}$
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
P/Tangible equity	$\frac{\text{Share price}}{\text{Book value per share} - \text{intangible assets}}$	CET1 Ratio	$\frac{\text{CET1 capital}}{\text{Risk-weighted assets}}$
Loan loss ratio	$\frac{\text{Loan losses}}{\text{Lending to public}}$	Coverage ratio	$\frac{\text{Loan loss reserve}}{\text{Non-performing loans}}$
ROE Tangible	$\frac{\text{ROE Tangible}}{\text{Tangible equity}}$	RORWA	$\frac{\text{Net earnings}}{\text{Risk-weighted assets, average}}$
C/I	$\frac{\text{Costs}}{\text{Total income}}$	Loan loss reserve / lending	$\frac{\text{Loan loss reserve}}{\text{Lending to public}}$
NPL/lending	$\frac{\text{Non-performing loans}}{\text{Lending to public}}$		

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