

Epic year

2024 was epic for Siauliu Bankas (soon to be renamed Artea Bankas) with new owners optimizing the capital structure and implementing investor friendly policies resulting in a positive share price revaluation. Still, the share is only around book so there could be further upside.

The year that went

In May 2024, the new owners (INVALIDA INVL, Willgrow, Tesonet) took control of Siauliu Bankas (SAB) through a share purchase from EBRD. Since then, the dividend policy minimum has been doubled to 50%, excess capital has been used for buy-backs, and the investment story has been marketed internationally at Erste Bank and WOOD conferences (both have initiated equity research).

Less Euribor headwind

In 2024, central bank deposits interest income made up 14% of SAB's NII compared to 31% for LHV. Hence, we estimate the impact of lower Euribor rates to decrease SAB's NIM by 0.98 %-pts this year vs. a 1.77 %-pts for LHV.

The coming years

The SAB share is +39% since the new owners took control. We see more upside as the 2025E P/BV ratio of 1.08x is still not demanding vs. local peer LHV (1.72x) and Eastern European peers (e.g. Polish banks 1.48x). Especially given that our estimated 2025 adj. ROE of 13.7% is expected to increase in the coming years. We raise our Base case FV to EUR 1.11/shr. (prev. 0.98).

Key figures (MEUR)	2023	2024	2025E	2026E	2027E
Net interest income	156.9	160.2	151.6	176.4	199.3
Commissions	20.3	29.1	32.0	35.2	39.5
Total operating income	196.5	223.7	212.1	240.5	268.1
Profit before loan losses	111.0	107.3	92.6	116.9	148.7
Loan losses	-15.2	-10.9	-13.1	-15.1	-16.8
Profit after loan losses	95.7	96.4	79.5	101.9	131.9
Tier 1 ratio excl. hybrids	19.89%	17.30%	15.75%	17.16%	16.68%
Loan loss ratio	0.59%	0.34%	0.35%	0.35%	0.35%
Coverage ratio	143.7%	115.3%	120.7%	120.7%	120.7%
P/E	5.5	6.9	9.7	7.4	5.6
P/BV	0.8	0.9	1.1	0.9	0.9
	2023	2024	2025E	2026E	2027E
EPS	0.13	0.12	0.10	0.13	0.17
EPS growth %	18.10%	-4.88%	-17.36%	31.29%	31.01%
Div. per share	0.05	0.06	0.05	0.06	0.08
Dividend yield	7.00%	7.40%	5.15%	6.76%	8.85%
ROE %	15.29%	13.97%	11.09%	13.36%	15.62%

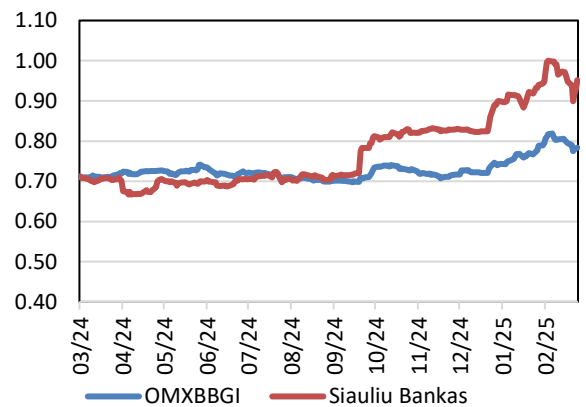
Source: Company data, Enlight Research estimates

Fair value range

Bull (P/BV 1.45x)	1.29
Base (P/BV 1.25x)	1.11
Bear (P/BV 1.05x)	0.94

Key Data

Price (EUR)	0.96
Ticker	SAB1L
Country	Lithuania
Listed	Vilnius (Lithuania)
Market Cap	633.16
Net debt	n.a.
Shares (m)	663
Free float	92.7%



Price range

52-week high	1.00
52-week low	0.67

Analyst

ResearchTeam@enlightresearch.net

Coverage frequency

4x per year

Key takeaways

Epic year and....

2024 was the year new owners (INVALIDA INVL, Willgrow, and Tesonet) took control of Siauliu Bankas (SAB), soon to be renamed Artea Bankas, and together with management, swiftly implemented the following shareholder friendly changes:

- **Dividend policy payout doubled** to minimum 50% from minimum 25%, which, at the time of announcement, almost doubled our estimated dividend yield to 7.5% (net 6.4%) as we estimated 30% payout. This also signified a return to SAB being a dividend stock.
- **Buyback program launched** with goal to become more capital efficient and achieve a fair valuation of the share. In the first tranche, 6.0m shares were bought back at an average price of EUR 0.820 per share for a total amount of EUR 4.920m (completed on 18 October 2024). In the second tranche, 5.1m shares were bought back at an average price of EUR 0.853 per share for a total amount of EUR 4.345m (completed on 24 January 2025). This leaves 2.652m shares outstanding under the current ECB approved buy-back program that could be used until 15 August this year. At the webinar, management stated that the buy-back program could be resumed in May this year. In 2024, the yield from buybacks was 0.7% for a total yield (incl. dividends) of 8.1%.

Share buy-back Program II		Shares (m)	Share price (EUR)	Value (EURm)
19 Oct 2024	Share capital reduction, outstanding	7.745	0.841	6.511
19 Oct 2024	Variable remuneration, outstanding	0.000		0.069
19 Oct 2024	Total outstanding	7.745		6.580
4 Nov 2024 - 24 Jan 2025	Shares bought	5.093	0.853	4.345
Expire 15 Aug 2025	Total outstanding	2.652	0.843	2.235

Source: Company reports

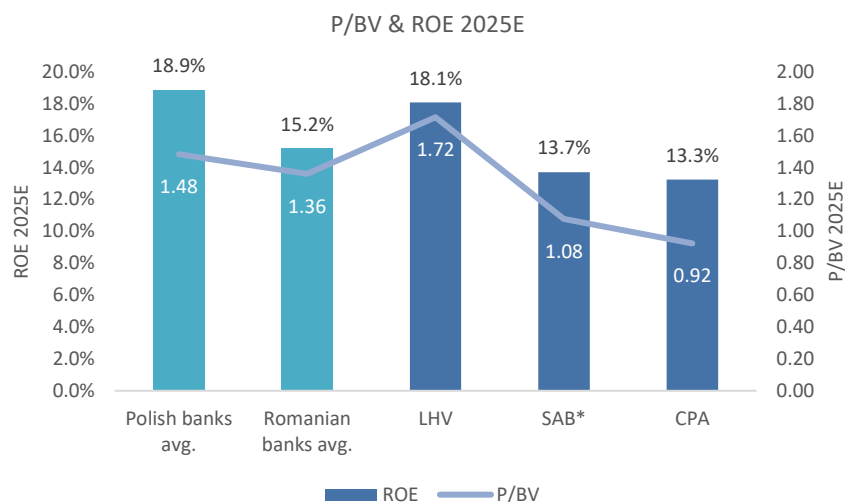
- **Investment case marketed** to international banks and investors. With the new capital efficient strategy and shareholder friendly policies in place, management has started to actively market the SAB investment story. Some examples of 2024 marketing events are Erste's and WOOD's annual investor conferences. Both Erste and WOOD has initiated research coverage of SAB (the first non-deal related research coverage by international banks on a Baltic stock in a very long time – perhaps ever). In the near term, SAB will participate in the following international events: March 18, 2025, Morgan Stanley Conference (London), May 26, 2025: Erste Bank Conference (Warsaw).

.... this is just the beginning

The SAB share has rallied 39% (excluding 8.1% dividend/buyback yield) since the new owners took control on 31 May last year, widely outperforming the Baltic Benchmark Index 9% gain (including dividends). This might be the beginning of a long-term positive trend driven by the following factors:

- **Valuation is still not demanding** with a 2025E P/BV of 1.08x, corresponding to a 37% discount to Baltic peer LHV (1.72x). Given our forecast 2025 ROE of 13.7% (adjusted for extraordinary costs), a fair P/BV multiple for SAB could

be 1.25x, according to our DDM based model. This implies a share price of EUR 1.11, indicating a 16% upside. Also worth noting is that bank multiples in other Eastern European markets are higher.



Source: Enlight Research (SAB, LHV, CPA), MarketScreener (Polish and Romanian peer average).
 *SAB ROE is company target excluding one-off items (cost of new core banking system and re-branding).

SAB potential revaluation journey from higher ROE

	2025E	2026E	2027E	2028-29E
Company Adj. ROE target*	13.7%	15.4%	16.5%	17.0%
Motivated P/BV	1.25	1.45	1.58	1.64
Fair value/shr.	1.11	1.51	1.77	1.93
Est. BV per share	0.89	1.04	1.12	1.18

Source: Company (adj. ROE target), Enlight Research (estimates)
 *Enlight Research ROE estimates are in-line with Company targets

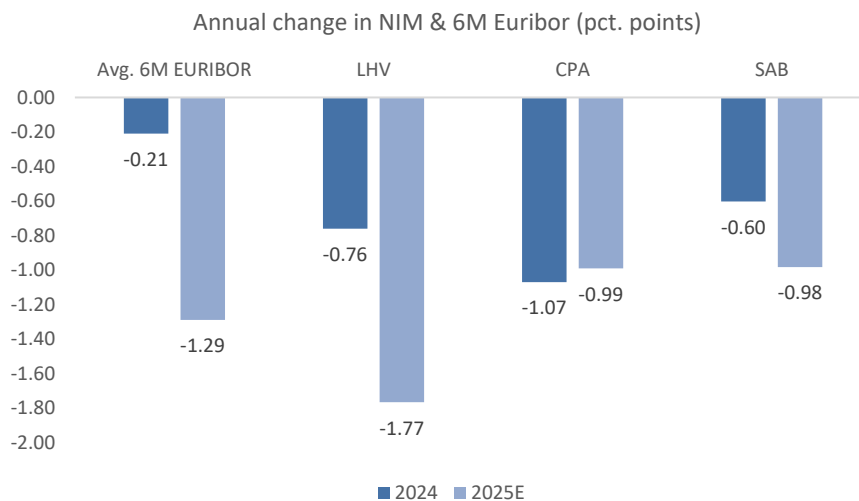
- New IT system likely to have positive long-term effect on ROE.** Banking today is to a large extent about IT systems. The company is currently implementing a new third party core banking system, Temenos. Based on the difference between the communicated targeted ROE and targeted adjusted ROE, the cost of the IT system is EUR 15m in 2025, EUR 12m in 2026, and EUR 3m in 2027 (also includes the cost of re-branding to Artea Bankas). The IT costs for the new systems are expensed directly in the Income Statement, as opposed to put in the Balance sheet and amortised. We believe the new core banking system is a key enabler to reach the 2028-29 ROE target of 17% or higher. Although some three years away, it is worth noting that reaching 17% ROE could motivate P/BV multiple of 1.64x according to our DDM based model (implying a Fair value per share of EUR 1.93).

ROE targets & One-off costs	2024	2025E	2026E	2027E	2028-29
ROE actual/target	14.0%	11.1%	13.5%	16.0%	>17%
ROE adjusted actual/target	15.1%	13.7%	15.4%	16.5%	>17%
Implied one-off costs	6.1	15.0	12.0	3.0	0

Source: Enlight Research estimates

Less Euribor headwind

In 2024, the average 6M Euribor rate decreased by 0.21 percentage points from 3.69% in 2023 to 3.48%. SAB’s Net Interest Margin (NIM) declined by 0.60 percentage points in 2024, which is less than LHV’s and CPA’s NIM decline of 0.76, and 1.07 percentage points, respectively. We believe the significantly larger NIM decline for LHV vs. SAB can be explained by a higher share of Net Interest Income coming from central banks deposits. In 2023, and 2024, Net interest income (NII) from Central Bank Deposits was LHV’s second largest NII stream, representing 27% and 31% of total NII, respectively. The corresponding figure for SAB is 11% (2023), and 14% (2024). Consequently, SAB should experience less headwind from a lower Euribor compared to LHV in 2025, although both guide for a 17% Net profit decline and a 17-18% loan book growth in 2025. We are a bit surprised by CPA’s relatively large 2024 NIM decline as we believe CPA’s share of income from central bank deposits is roughly the same or less than SAB’s. In 2025, we estimate LHV’s NIM to decline 1.77 percentage points, while CPA’s and SAB’s NIM is estimated to decline 0.99, and 0.98 percentage points, respectively. To summarize, SAB’s relatively low exposure to central bank deposit interest income means the probability to reach guidance is quite high, in our view.



Source: Company reports

LHV: Net Interest Income

(EURm)	2021	2022	2023	2024
Corp. Loans	62	79	139	185
Mortgage Loans	21	28	63	76
Central Banks Deposits	2	9	87	132
Other Loans	33	30	36	34
Total	119	146	324	427

LHV: Net Interest Income distribution

(%)	2021	2022	2023	2024
Corp. Loans	52%	54%	43%	43%
Mortgage Loans	18%	19%	19%	18%
Central Banks	2%	6%	27%	31%
Other Loans	28%	21%	11%	8%
Total	100%	100%	100%	100%

Source: LHV Company reports

Valuation

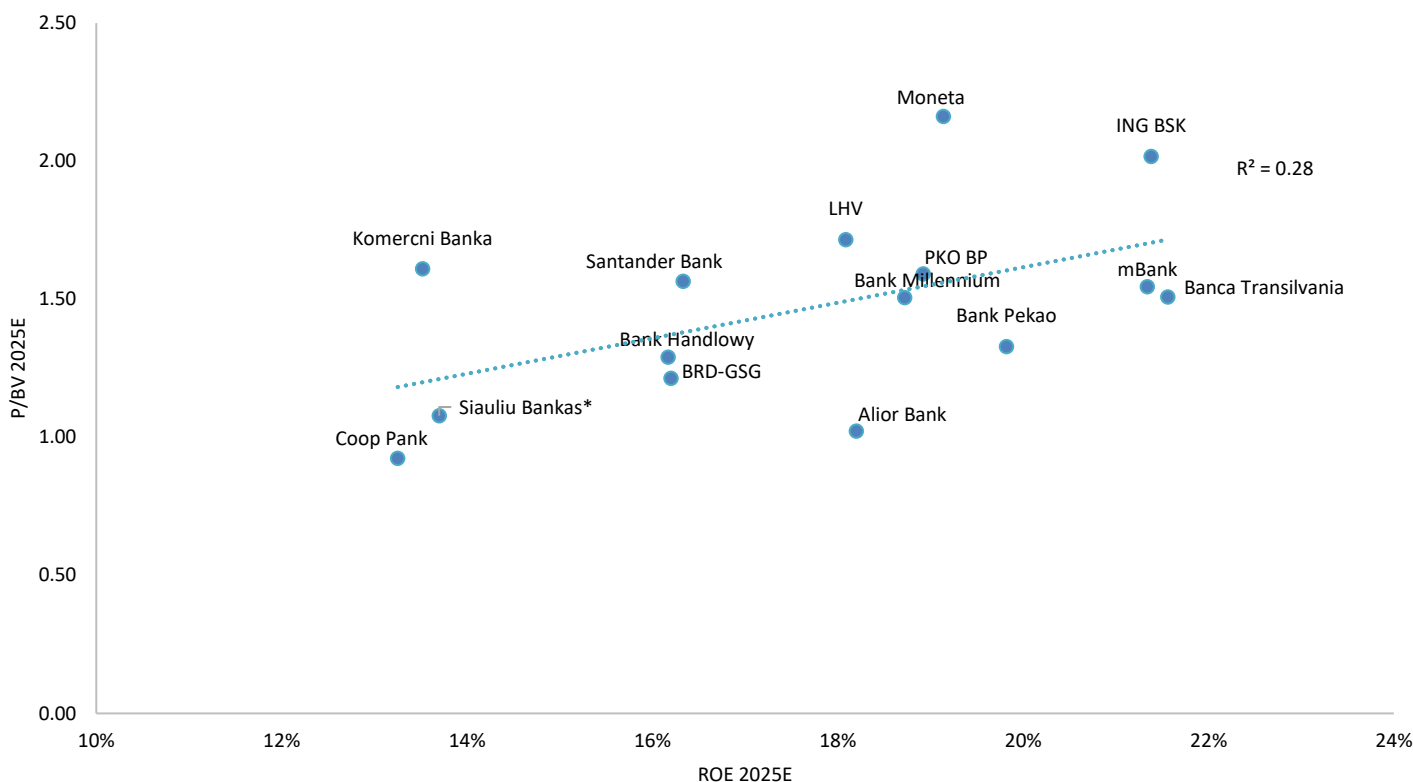
P/BV above 1x justified

Based on our DDM bank model and the 2025 estimated adjusted ROE of 13.7% (estimated to increase to 16.5% by 2027), we believe a fair Base case P/BV 2025 multiple for SAB is 1.25x, which indicates a share price of EUR 1.11, corresponding to a 16% upside. The only difference between our Bear and Bull case is the applied P/BV, which is 1.05x (Bear), and 1.45x (Bull), respectively (see below table). The low P/BV valuation in relation to its adj. ROE (excluding one-off costs) also looks attractive vs. the international peers, with SAB located below the trend line (see chart below).

Motivated share price (EUR)	Bear	Base	Bull
BV/Share 2025E	0.89	0.89	0.89
P/BV 2025E	1.08	1.08	1.08
Motivated P/BV 2024E	1.05	1.25	1.45
Motivated share price	0.94	1.11	1.29
Upside/downside	-3%	16%	35%
Share price (EUR)	0.96	0.96	0.96

Source: Enlight Research

P/BV 2025E VS ROE 2025E on 11 March 2025



Source: Enlight Research (SAB, LHV, CPA), MarketScreener consensus (all non-Baltic companies)

*adj. ROE excluding one-off items

Estimate deviations

The Q4/24 Net interest income (NII) was 4.3% or EUR 1.8m below forecast, while the Net fee and commission income was 10.2% or EUR 0.7m above our estimate. The Q4/24 Total operating income was 7.1% or EUR 3.7m above our estimate mainly due to better than expected Other operating income (Net trading gains and Insurance revenues).

The Q4/24 Pre-provision Operating profit of EUR 21.9m was 9.3% or EUR 2.2m below our forecast of EUR 24.2m due to higher Other Operating expenses. The Q4/24 Loan provisions of EUR 4.0m were EUR 0.5m higher than estimated. The Q4/24 Pre-tax profit (after provisions) was 13.2% or EUR 2.7m below estimate. The Q4/24 Net profit was 14.4% or EUR 2.5m below estimate.

Forecast deviation table Group

Group forecast Income statement	Q4/24	Q4/24	Deviation	
	Estimate	Outcome	EURm	%
Net interest income	40.9	39.2	-1.8	-4.3%
Net fee and commission income	7.3	8.1	0.7	10.2%
Other operating income	4.7	9.5	4.8	100.7%
Total operating income	53.0	56.7	3.7	7.1%
Salaries and related expenses	-14.1	-14.1	0.0	0.2%
Depreciation & Amortization	-2.2	-2.2	0.0	0.6%
Expenses related to insurance activities	-4.8	-5.4	-0.6	11.9%
Other operating expenses	-7.7	-13.1	-5.4	69.8%
<i>Total Operating expenses</i>	<i>-28.8</i>	<i>-34.8</i>	<i>-6.0</i>	<i>20.8%</i>
Pre-provision operating profit	24.2	21.9	-2.2	-9.3%
Provisions	-3.5	-4.0	-0.5	14.2%
Pre-tax profit	20.7	17.9	-2.7	-13.2%
Income tax expense	-3.0	-2.8	0.2	-6.6%
Net profit	17.7	15.2	-2.5	-14.4%

Growth y-on-y	Q4/24	Q4/24	Deviation	
	Estimate	Outcome	EURm	%-points
Net interest income	0.4%	-4.0%	na	-4.4
Net fee and commission income	29.7%	42.8%	na	13.2
Other operating income	-36.9%	64.6%	na	101.4
Total operating income	-1.7%	8.7%	na	10.4

Margins	Q4/24	Q4/24	Deviation	
	Estimate	Outcome	EURm	%-points
Profit bef. Provisions margin	45.6%	38.6%	na	-7.0
PTP margin	39.0%	31.6%	na	-7.4
Net profit margin	33.4%	26.7%	na	-6.7

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

Estimate changes

We lower our Total Revenues by 5.9% for this year, while our 2026 Total Revenues is raised by 1.2%. Our pre-provision Operating profit is lowered by 16.9% for 2025 and 10.0% for 2026. Our Pre-tax Profit is lowered by 19.7% for 2025 and 12.8% for 2026. Both our EPS and Dividend per share are lowered by 21.0% this year and 15.3% next year.

Estimate changes			
Total Revenues (EURm)	2025E	2026E	2027E
Old estimate	225.5	237.6	na
New estimate	212.1	240.5	268.1
Change	-13.4	2.8	na
Change (pct)	-5.9%	1.2%	na
Pre-provisions Operating profit (EURm)	2025E	2026E	2027E
Old estimate	111.5	129.9	na
New estimate	92.6	116.9	148.7
Change	-18.9	-13.0	na
Change (pct)	-16.9%	-10.0%	na
Pre-tax Profit (EURm)	2025E	2026E	2027E
Old estimate	98.9	116.8	na
New estimate	79.5	101.9	131.9
Change	-19.5	-15.0	na
Change (pct)	-19.7%	-12.8%	na
EPS (EUR)	2025E	2026E	2027E
Old estimate	0.12	0.15	na
New estimate	0.10	0.13	0.17
Change	-0.03	-0.02	na
Change (pct)	-21.0%	-15.3%	na
Dividend (EUR)	2025E	2026E	2027E
Old estimate	0.062	0.076	na
New estimate	0.049	0.065	0.085
Change	-0.013	-0.012	na
Change (pct)	-21.0%	-15.3%	na

Source: Enlight Research

Forecast

Group P&L (EURm)	Q1/25E	Q2/25E	Q3/25E	Q4/25E	2024	2025E	2026E	2027E
Interest revenue	58.0	57.5	57.3	59.4	243.5	232.1	258.1	288.1
Other similar income	7.0	7.4	7.8	9.6	26.7	31.8	36.6	40.8
Interest expense and similar charges	-25.3	-24.0	-22.6	-40.5	-110.0	-112.3	-118.3	-129.6
Net interest income	39.7	40.9	42.5	28.6	160.2	151.6	176.4	199.3
Net interest income margin	68.5%	71.2%	74.1%	48.1%	65.8%	65.3%	68.3%	69.2%
Fee and commission income	8.9	9.7	9.8	13.4	38.0	41.8	46.0	51.3
Fee and commission expense	-2.3	-2.2	-2.3	-3.0	-8.9	-9.8	-10.8	-11.8
Net fee and commission income	6.7	7.5	7.5	10.4	29.1	32.0	35.2	39.5
Total interest & fee income	46.4	48.4	49.9	38.9	189.3	183.6	211.6	238.8
Net gain from trading activities	5.0	3.0	3.0	4.0	19.4	15.0	15.0	15.0
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	0.0	0.0	0.0	0.5	0.0	0.0	0.0
Net gain (loss) disposal tangible assets	0.0	0.0	0.0	0.0	0.6	0.0	0.0	0.0
Revenue related to insurance activities	4.0	3.0	3.0	3.5	13.1	13.5	13.9	14.3
Other operating income	0.0	0.0	0.0	0.0	0.8	0.0	0.0	0.0
Total non-interest & non-fee income	9.0	6.0	6.0	7.5	34.4	28.5	28.9	29.3
Total revenues	55.4	54.4	55.9	46.4	223.7	212.1	240.5	268.1
Salaries and related expenses	-12.9	-13.1	-13.6	-9.9	-49.5	-49.6	-56.1	-57.3
Depreciation & Amortisation	-2.2	-2.3	-2.3	-1.0	-8.0	-7.9	-8.9	-9.6
Expenses related to insurance activities	-5.3	-4.3	-4.4	-5.8	-20.7	-19.8	-20.5	-19.1
Other operating expenses	-11.0	-11.1	-11.5	-8.6	-38.1	-42.2	-38.1	-33.4
<i>Total operating expenses</i>	<i>-31.5</i>	<i>-30.8</i>	<i>-31.9</i>	<i>-25.4</i>	<i>-116.4</i>	<i>-119.5</i>	<i>-123.6</i>	<i>-119.4</i>
Operating profit before impairments	23.9	23.6	24.1	21.0	107.3	92.6	116.9	148.7
Allowance impairment losses on loans	-3.1	-3.2	-3.8	-3.0	-10.9	-13.1	-15.1	-16.8
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>-3.1</i>	<i>-3.2</i>	<i>-3.8</i>	<i>-3.0</i>	<i>-10.9</i>	<i>-13.1</i>	<i>-15.1</i>	<i>-16.8</i>
Pre-tax profit	20.8	20.4	20.3	18.0	96.4	79.5	101.9	131.9
Income tax expense	-3.7	-3.7	-3.6	-3.2	-17.7	-14.3	-16.3	-19.8
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	17.1	16.7	16.6	14.7	78.8	65.2	85.6	112.1

Growth y-on-y	Q1/25E	Q2/25E	Q3/25E	Q4/25E	2024	2025E	2026E	2027E
Net interest income	0.3%	-0.3%	5.0%	-27.1%	2.1%	-5.4%	16.3%	13.0%
Net fee and commission income	0.6%	0.2%	4.7%	-17.6%	43.6%	10.0%	10.0%	12.2%
Total revenues	-3.6%	-1.2%	2.7%	-18.2%	13.9%	-5.2%	13.4%	11.5%

Margin	Q1/25E	Q2/25E	Q3/25E	Q4/25E	2024	2025E	2026E	2027E
Operating margin bef. Loan prov.	43.1%	43.4%	43.0%	45.2%	48.0%	43.6%	48.6%	55.5%
Pre-tax profit margin	37.6%	37.5%	36.2%	38.7%	43.1%	37.5%	42.4%	49.2%
Net profit margin	30.9%	30.8%	29.7%	31.8%	35.2%	30.7%	35.6%	41.8%

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	2023	2024	2025E	2026E	2027E
Net interest income	156.9	160.2	151.6	176.4	199.3
Commissions	20.3	29.1	32.0	35.2	39.5
Result financial items	0.8	0.5	0.0	0.0	0.0
Trading income	11.9	19.4	15.0	15.0	15.0
Capital gains	0.9	0.6	0.0	0.0	0.0
Insurance	5.7	13.1	13.5	13.9	14.3
Other income	0.0	0.8	0.0	0.0	0.0
Total operating income	196.5	223.7	212.1	240.5	268.1
Costs	-85.5	-116.4	-119.5	-123.6	-119.4
Profit before loan losses	111.0	107.3	92.6	116.9	148.7
Loan losses	-15.2	-10.9	-13.1	-15.1	-16.8
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	95.7	96.4	79.5	101.9	131.9
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	95.7	96.4	79.5	101.9	131.9
Taxes on cont. operations	-20.4	-17.7	-14.3	-16.3	-19.8
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	75.4	78.8	65.2	85.6	112.1
Adjusted net earnings	75.4	78.8	65.2	85.6	112.1

Balance Sheet	2023	2024	2025E	2026E	2027E
ASSETS					
Deposits with fin. instit.	3.0	3.1	3.6	4.0	4.5
Debt securities	825.7	770.8	905.8	1,005.4	1,136.1
Lending to the public (net)	2,931.6	3,434.6	4,052.8	4,551.3	5,052.0
Investment assets	0.0	0.0	0.0	0.0	0.0
Tangible assets	16.8	15.3	17.6	19.5	22.0
Goodwill	4.3	4.3	4.3	4.3	4.3
Other intangible rights	40.8	39.3	45.2	50.2	56.7
Other assets	987.0	655.2	631.8	649.1	825.0
Total assets	4,809.3	4,922.6	5,661.0	6,283.7	7,100.6
LIABILITIES					
Deposits from fin. inst.	570.0	65.9	84.9	94.3	106.5
Deposits from the public	3,162.7	3,538.0	3,821.2	4,304.4	4,792.9
Wholesale funding	276.5	448.2	566.1	640.9	724.3
Subordinated debt	0.0	0.0	18.7	20.7	23.4
Provisions (insurance)	179.3	198.4	228.2	253.3	286.2
Other liabilities	77.7	87.0	351.5	279.7	422.5
Total liabilities (banks)	4,266.2	4,337.4	5,070.5	5,593.3	6,355.8
Share capital	192.3	192.3	192.3	192.3	192.3
Retained earnings	262.0	295.5	320.2	373.2	442.5
Other equity	88.9	97.4	78.0	125.0	110.0
Equity total	543.1	585.2	590.5	690.4	744.8
Total equity and liabilities	4,809.3	4,922.6	5,661.0	6,283.7	7,100.6

Key figures	2023	2024	2025E	2026E	2027E
CET1 ratio	19.89%	17.30%	15.75%	17.16%	16.68%
Tier 1 ratio	19.89%	19.15%	17.38%	18.66%	18.01%
Capital ratio	22.43%	22.77%	20.49%	21.51%	20.53%
ROE	15.29%	13.97%	11.09%	13.36%	15.62%
ROE Tangible	16.16%	15.16%	12.04%	14.54%	16.99%
RORWA	3.10%	3.06%	2.26%	2.68%	3.16%
ROA	1.68%	1.62%	1.23%	1.43%	1.68%
Loan loss ratio	0.59%	0.34%	0.35%	0.35%	0.35%
C/I	0.44	0.52	0.56	0.51	0.45
Loan loss res./lending	1.49%	1.45%	1.45%	1.45%	1.45%
NPL/lending	1.03%	1.26%	1.20%	1.20%	1.20%
Coverage ratio	143.68%	115.32%	120.65%	120.65%	120.65%

Share data	2023	2024	2025E	2026E	2027E
EPS, unadjusted	0.13	0.12	0.10	0.13	0.17
EPS diluted	0.13	0.12	0.10	0.13	0.17
BV/share	0.90	0.88	0.89	1.04	1.12
Tangible equity/Share	0.83	0.82	0.82	0.96	1.03
Div. per share	0.05	0.06	0.05	0.06	0.08

Pricing and key ratios	2023	2024	2025E	2026E	2027E
Share price	0.69	0.82	0.96	0.96	0.96
Market cap	417.67	546.31	633.16	633.16	633.16
P/E diluted	5.54	6.93	9.72	7.40	5.65
P/BV	0.77	0.93	1.07	0.92	0.85
P/Tangible equity	0.84	1.01	1.17	1.00	0.93
Payout ratio	38.78%	51.33%	50.00%	50.00%	50.00%
Dividend yield	7.00%	7.40%	5.15%	6.76%	8.85%

Shareholders	Capital	Votes
Invalda INVL	125.999	19.90 %
Willgrow	56.985	9.00 %
EBRD	46.221	7.30 %
Tesonet Global	33.558	5.30 %
Algirdas Butkus	32.291	5.10 %

Key people	
CEO	Vytautas Sinius
CFO	Donatas Savickas
IR	Arnas Sukys
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	$\frac{\text{Enterprise value}}{\text{Number of shares}}$
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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Enlight Research OÜ's main valuation methods are discounted cash flow valuation and peer valuation with common multiples such as Price to Earnings, Enterprise Value to EBITDA, dividend yield etc. Aforementioned methods are used to estimate a company's fair value according to the following three scenarios: Bull (positive), Base (main scenario), and Bear (negative).

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