

# Vilkyskiu Pienine AB

Ongoing resilience helped by higher volumes and geo expansion

# VLP1L.VL

Consumer Staples | Lithuania

Vilkyskių pieninė is Lithuanian based dairy product producer, specializing in producing cheese and other milk products. Company is one of the Top 4 largest dairy processor in Lithuania.

## Market data

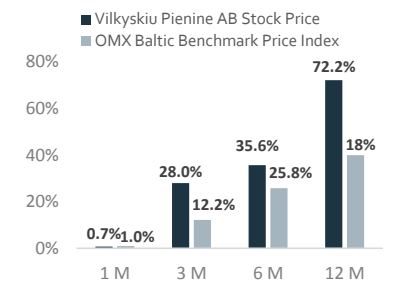
Price (€)	<b>2.74</b>
Market cap (mn €)	<b>32.8</b>
Free float (%)	<b>49.2</b>
Avg. daily volume - 30 days (€)	<b>4751</b>

## Alphinox Quantitative score

Score displays Company's financial conditions, growth pace and valuation based on latest results and stock price



## Stock Price Performance



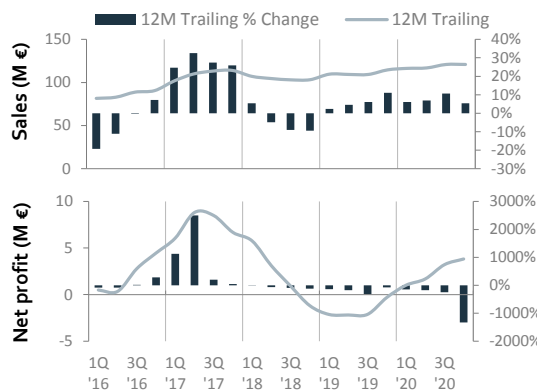
## Company Update

Sales of Vilvi Group remained almost flat during 4Q'20 with just 0.2% growth as compared to the same quarter last year. The company managed to significantly expand its profitability: gross profit was up by 31%, operating income increased 9 times and it successfully recovered from last year losses by reporting EUR 721th in profits. Also, the whole FY 2020 was successful as Vilvi Group delivered 4% growth in sales and 67% growth in gross profit. Major increase in sales was seen in Cheese (48% of sales) and dry milk (17% of sales) products, while sales of Fresh milk products were lower. Geographically, performance was also uneven - while sales in Lithuania weakened (17% of sales), turnover in European Union and other countries increased. The company managed to stay resilient despite price drops in several product categories through expansion of its geographical reach to Asia as well as South and Central Americas.

## Growth

Sales	last Q	LTM	2019	2018
Company (M €)	32.4	121	115	103
Company	0.1%	5.4%	11.1%	-9.5%
Sector*	-22.6%	10.0%	-7.3%	-3.4%
Baltic Market	-10.1%	-7.2%	4.6%	7.7%

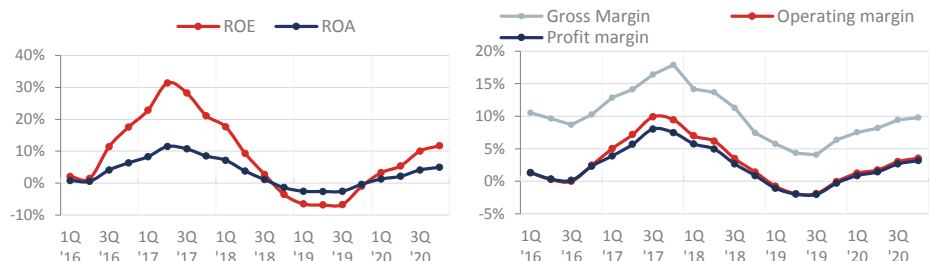
Profit	last Q	LTM	2019	2018
Company (M €)	0.7	3.8	-0.3	-1.2
Company	-	-	-	-
Sector*	-231%	10.8%	-116%	-120%
Baltic Market	-6.3%	-24%	-40%	5.4%



Key performance indicators			
	4Q '20	4Q '19	LTM
Employees	830	828	833
	+0.2%		
Raw milk purchased, tonnes	83	73	72
	+15%		
1Y sales revenue by markets, mn EUR			
	2020	2019	
Lithuania	20.2	22.5	-10%
European Union	63.7	61.6	+3.5%
Other countries	36.9	30.5	+21%

## Profitability

Last 12M	ROE	ROA	GM	OPM	PM
Company	12%	4.9%	9.8%	3.5%	3.2%
Sector*	0.4%	0.2%	17%	6.1%	3.5%
Baltic Market	8.5%	3.5%	26%	4.4%	3.8%
3y average	ROE	ROA	GM	OPM	PM
Company	9.0%	3.4%	11%	3.8%	2.8%
Sector*	-1.5%	-0.9%	10%	5.7%	2.3%
Baltic Market	5.5%	2.9%	21%	2.9%	2.2%

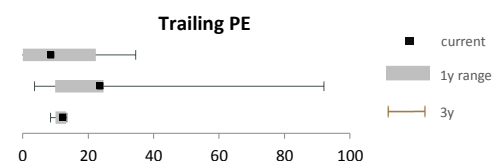


## Balance sheet & Cash flow

	last	Q-1	Q-2	Q-3	LTM	2019	2018		last	Q-1	Q-2	Q-3	LTM	2019	2018
Equity / Assets ratio	45%	44%	42%	40%	43%	40%	38%	Cash Flow to Debt	0.58	0.40	0.31	0.23	0.38	0.11	0.12
Debt / Equity ratio	54%	69%	76%	83%	70%	89%	88%	CAPEX / Sales	2%	1%	7%	-3%	2%	3%	1%
Cash ratio	0.01	0.03	0.01	0.01	0.01	0.01	0.01	FCF/OCF	79%	76%	69%	76%	75%	46%	79%

## Valuation

	Last	1y avg	3y avg		last	1y avg	3y avg	
P/E	8.57	6.57	-	P/B	0.99	0.81	0.90	Company
EV/EBITDA	5.84	7.38	12.29	P/CF	3.04	3.58	72.95	Sector
P/S	0.27	0.22	0.27	Dvd yield	0.0%	0.0%	1.4%	Market



\*Sector: average of respective GICS sector companies from NASDAQ OMX Baltic and NASDAQ OMX Nordic small cap indices, Market: NASDAQ OMX Baltic median

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