

AB K2 LT

PRESENTATION

K2|LT
krematoriumas

M&A
INTERNATIONAL
BALTICS

Nasdaq



Management, Board and shareholders

MANAGEMENT



Vytenis Labanauskas

Director/founder/shareholder

Vytenis has also 10 years of experience as a general manager in UAB Sveikas Žmogus, where he was developing media projects.



Vidas Andrikis

Assistant director/founder/shareholder

Vidas is a former vice minister of environment and is a representative for Lithuania in European Compost Network.

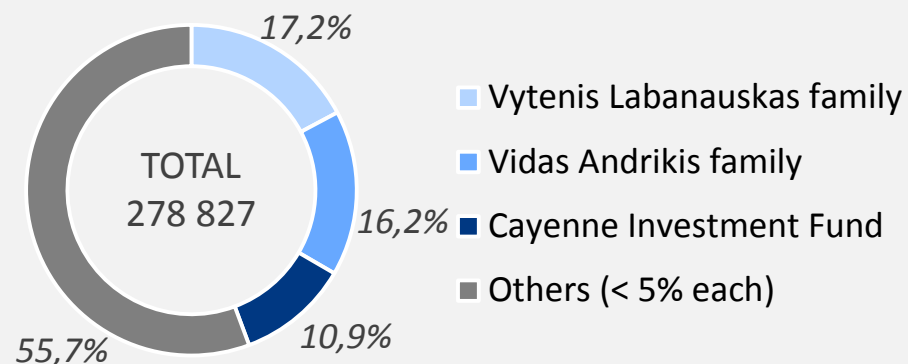
MEMBERS OF THE BOARD

Vidas Andrikis – Chairman of the Board, Founder

Tadas Mankevičius – Wealth manager in INVL Finasta (independent member)

Gediminas Uloza – Director of UAB Pramonės Energija (independent member)

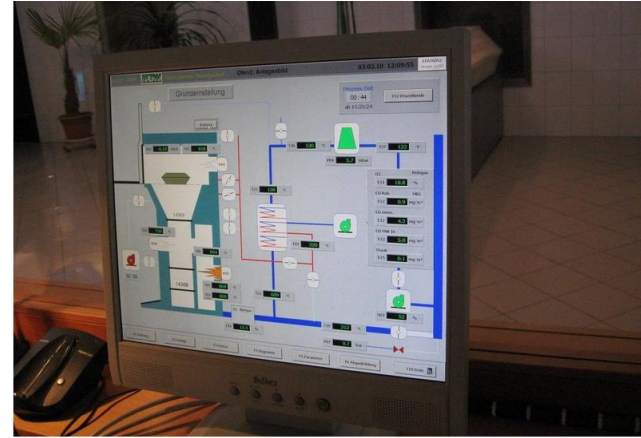
SHAREHOLDERS



Photos



Photos



Achievements

K2|LT
krematoriumas



General overview

Established in 2008, AB K2 LT is the first and only crematorium operator in Lithuania.

The crematorium is situated at the centre of Lithuania: city of Kėdainiai.

Due to lengthy bureaucratic procedures, the first cremation was performed only at the end of 2011. Since then, the company has been rapidly growing.

Since May 2015, K2 LT was listed on Nasdaq's First North Baltic.

The company has 7 employees.

EUR 000'	2012	2013	2014
Revenue	504	741	962
Gross profit	356	583	783
<i>margin, %</i>	<i>71%</i>	<i>79%</i>	<i>81%</i>
EBITDA	272	460	556
<i>margin, %</i>	<i>54%</i>	<i>62%</i>	<i>58%</i>
Net profit	55	216	349
Assets	1'963	2'035	1'838
Equity	93	309	576
Net debt	1'684	1'359	970
No. of cremations	1'423	2'118	2'770

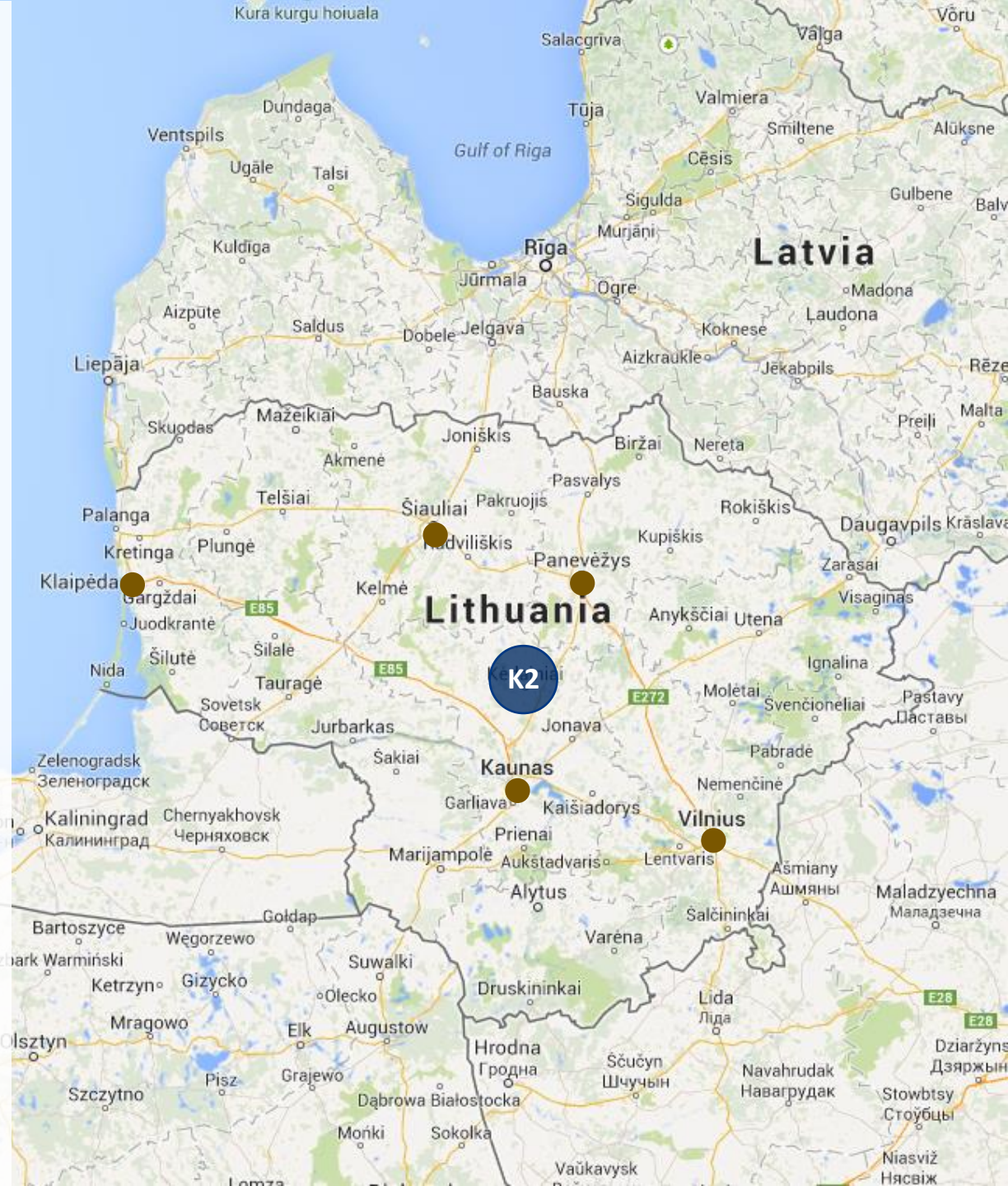
Location

The crematorium is situated at the centre of Lithuania: Kėdainiai free economic zone.

The location provides easy access to all of Lithuania's largest cities. For that reason many logistics centers are based in the region.

Distances by car to major cities:

- Riga 210 km;
- Vilnius 130 km;
- Kaunas 50 km;
- Klaipėda 210 km;
- Šiauliai 100 km;
- Panevėžys 60 km;



COLLABORATION

K2 LT business is based on collaboration: almost 90 % of deceased are brought by funeral service companies with which the company has business agreements, many of them running over 2 years.

EQUIPMENT

K2 LT uses a IFZW KE400 cremation system. It is one of the most modern and efficient equipment in the world manufactured by IFZW in Germany.

CAPACITY

KE400 has a maximum theoretical capacity of 6 000 cremations per year. Optimal capacity is 4 000 cremations per line.

SECOND LINE

During the shareholder meeting it was decided to install the second cremation line which will double the current capacity. Space for second cremation line is already provided.

EXPANSION

K2 LT have plans to open second crematorium in the capital of Lithuania – Vilnius. Search and evaluations of land plots is in progress.

DIVIDENDS

K2 LT is paying out substantial share of profits as dividends (about 90 %). Right after listing, K2 LT paid out EUR 320 651 dividends for FY 2014 to all new investors (92% of profit).

Case Study



HIGHLIGHTS

Shares were offered for **EUR 23 per share**
Equity value of **EUR 6.4 million**

65 new investors
Almost **70 %** of total shares **outstanding** were sold

Total offering size of over **EUR 4 million**
EUR 1 million was from **new share issue**

9.5x
EV/adj. EBITDA
5.0%
dividend yield

On 1st of October share price was **EUR 32.**
39 % increase

TIMELINE

Sell-side mandate
Target price: **EUR 5 million (EV)**

March
2014

20 potential investors signed **NDAs**

More interest from **local investors**

Jul

Three serious **bidders**.
But: elusive offers

Idea of **private placement and listing** was born

Nov

Dual track launch.
Shareholder **commitments.**

Sufficient market **demand**. Trade sale talks **discontinued**

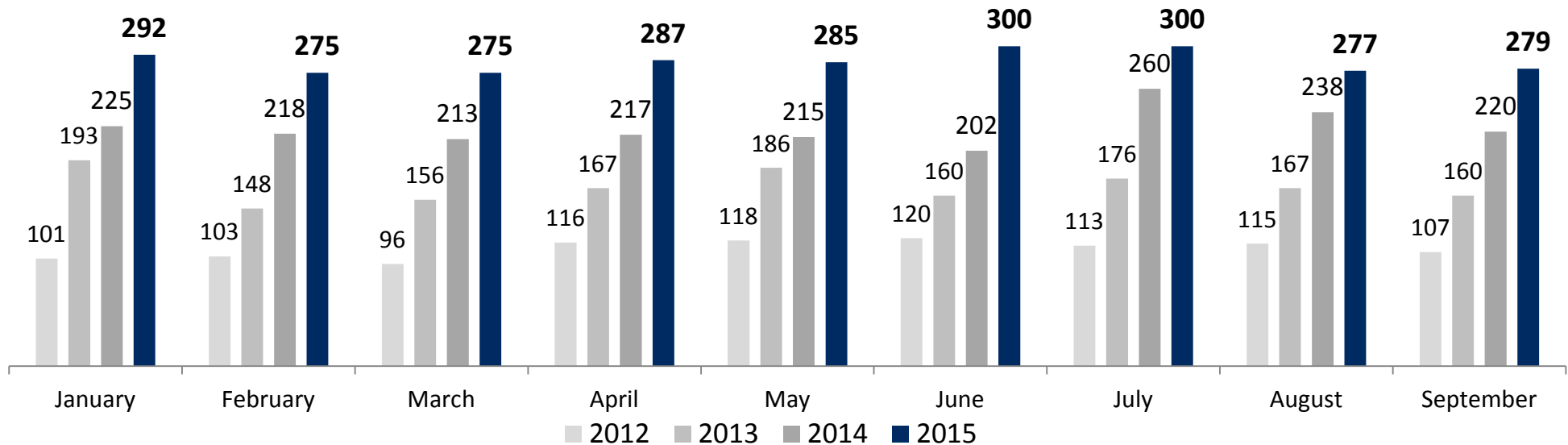
Feb

Preparations for listing
(change of **legal status**, share capital, etc.)

Private placement and listing

May
2015

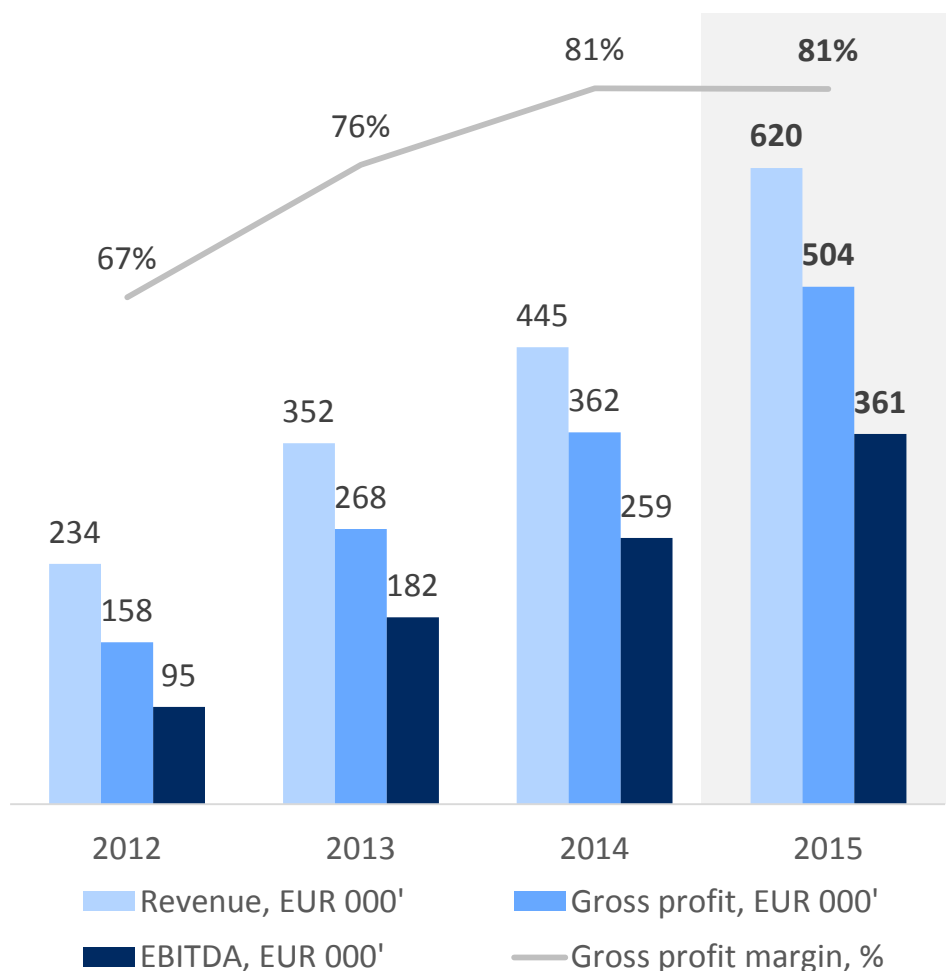
Monthly cremations



- During the first three quarters of 2015, AB K2 LT number of cremations reached 2 570, 28 % more than in the same period of 2014.
- 9 month cremation CAGR over 4 years stands at 27 %.
- It is expected that number of cremations will exceed 3 400 in 2015.

2015 half year results

Half year (6 mo.) financials



- 2015 half year (H1) revenues increased by **39 %** year-on-year (y-o-y) and reached **EUR 620 thousand**.
- H1 **gross profit** reached **EUR 504 thousand** and was **39 %** higher than a year before.
- Gross profit **margin** remained the same at **81 %**.
- It is expected that revenues will exceed **EUR 1.1 million** in 2015.



K2|LT
k r e m a t o r i u m a s

Thank you for your attention

Questions?