

A decorative graphic consisting of two parallel diagonal lines, one red and one blue, extending from the top left towards the bottom left of the slide.

## Invalda LT, AB – development oriented towards value creation

June 3 2014

CEO Meets Investor, NASDAQ OMX Baltic event

## **Questions answered in this presentation**

1. What is Invalda LT?
2. What are we doing?
3. Why are we changing?
4. What have we done already?
5. What are the nearest steps of Invalda LT?
6. How will the redesigned business model look like?
7. Why will we be successful?
8. What is the benefit for the investor?
9. What is our aim with this presentation?
10. Your questions



## **1. What is Invalda LT?**

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# What is Invalda LT

(1)

- Lithuanian investment group seeking to become one of the leading asset managers in the region.
- Established in 1991.
- Since 1995 listed on NASDAQ  
OMX Vilnius stock exchange.  
Since listing price of the shares  
increased more than 50 times.

INVALDA



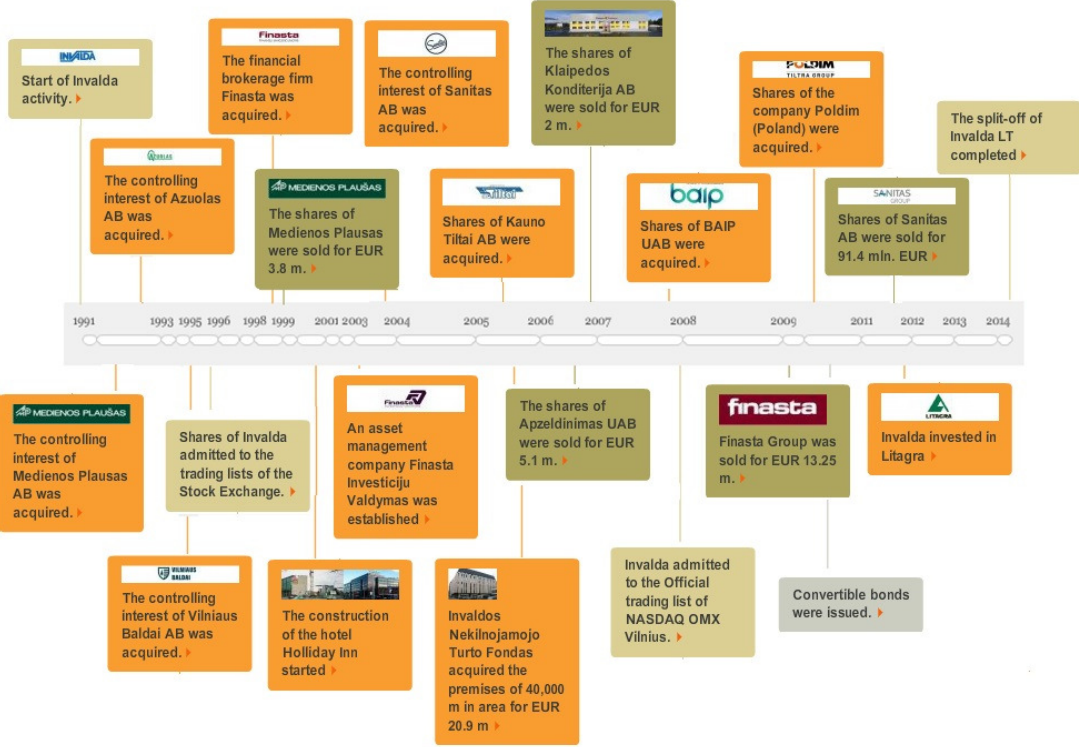
Mission – to grow and create value



# What is Invalda LT?

(2)

- Since the beginning of its activities, Invalda LT has completed more than 50 M&A and capital raising transactions with a value larger than EUR 1 billion.





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# What are we doing?

- Creating one of the leading asset management groups in the region.
- In order to achieve this, we are:
  - ✓ Reorganizing current business model of Invalda LT;
  - ✓ Investing into organic growth of asset management business;
  - ✓ Considering acquisitions in asset management business.



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## Why are we changing?

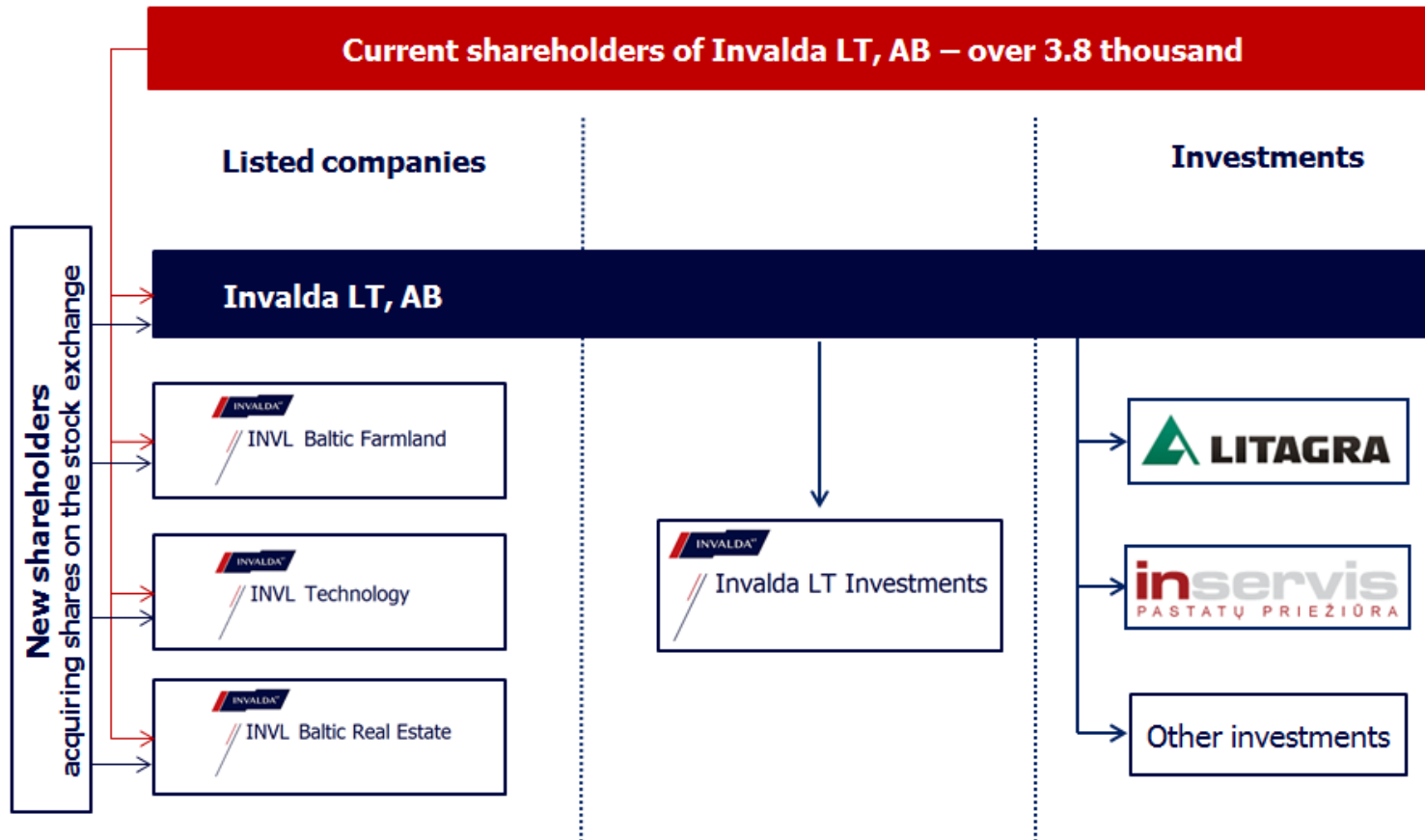
- We are seeking to have sustainable business model for value creation.
  - ✓ We believe that for investor it is important to choose an asset class or business line.
  - ✓ We believe that investors need transparency – investment strategy, time horizon, risk and return expectations.
  - ✓ We believe that transparency and regulation is integral part of asset management.

Evolution and continuous development is the only way to stay in the business and be successful in the long term.



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# What have we done already?



# What have we done already ?

## INVL Technology, AB

INVL Technology – a company investing in IT services and industries.

The first investment – 80% of BAIP Group.

[www.invlTechnology.it](http://www.invlTechnology.it)



Activity area of BAIP Group

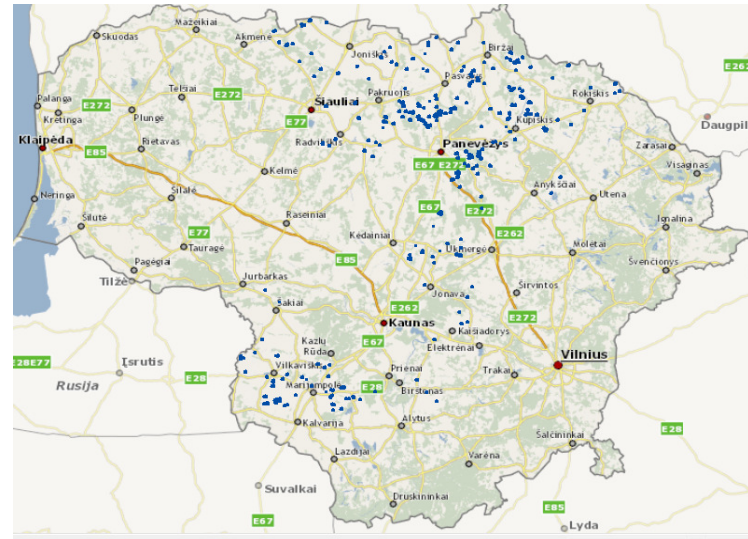


# What have we done already?

## INVL Baltic Farmland, AB

INVL Baltic Farmland manages shares of companies investing into agricultural land.

[www.invlBalticFarmland.lt](http://www.invlBalticFarmland.lt)



Plots owned by the group companies are highlighted in blue.

# What have we done already?

## INVL Baltic Real Estate, AB

The companies of INVL Baltic Real Estate have invested in an office, warehouse, manufacturing real estate objects in Lithuania and Latvia.

[www.invlBalticRealEstate.lt](http://www.invlBalticRealEstate.lt)



Owned objects in Vilnius.



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## **Nearest steps of Invalda LT**

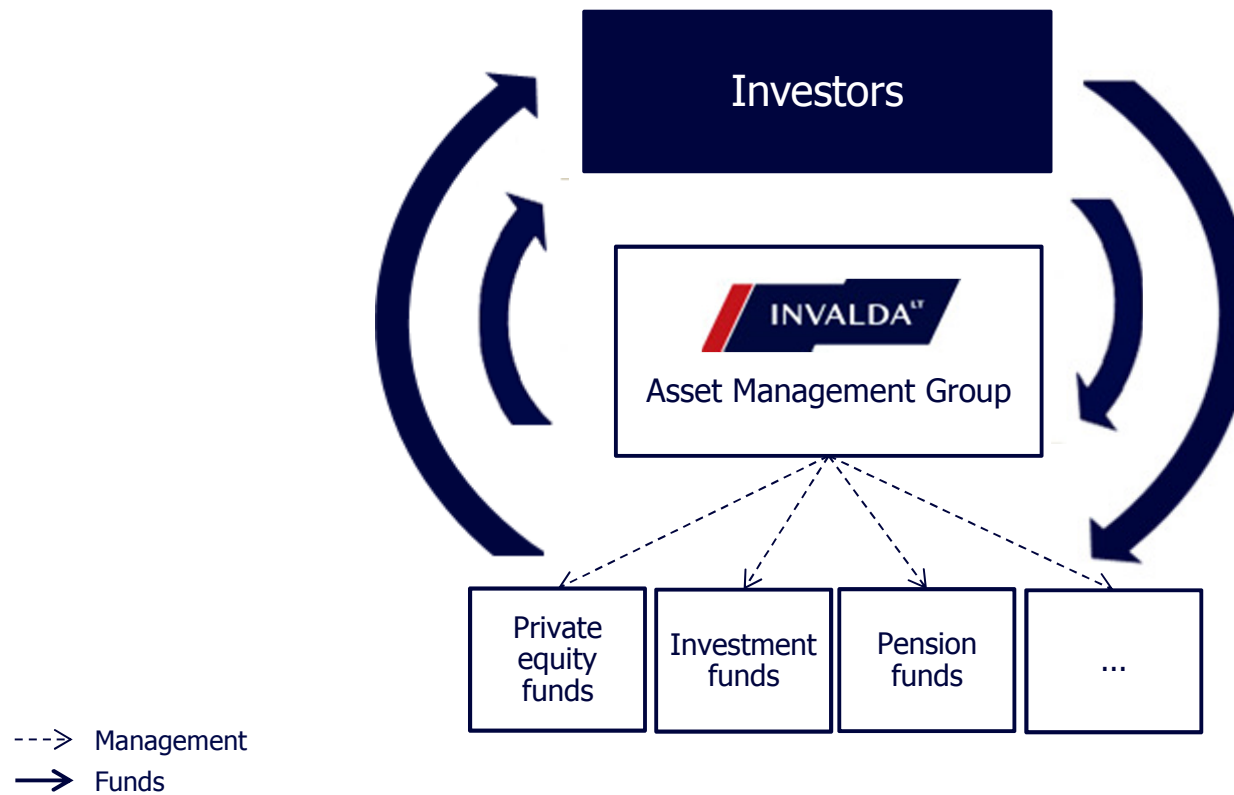
- Licensing of asset management business.
- A change of new companies' status to licensed closed-end investment companies (similar to fund structure).
- Establishment of new funds.
- Capital raising.





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# Redesigned business model





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## **Success factors**

1. Team.
2. Company's culture.
3. Track record.
4. Current tangible and intangible resources.
5. Favourable external factors.

# Success factors

## 1. Team

- Track record in investment, M&A, business creation and management, finance and other activities.
- Our target qualities:
  - ✓ professionalism,
  - ✓ dedication,
  - ✓ creativity,
  - ✓ willingness and ability to work efficiently,
  - ✓ desire to excel,
  - ✓ adherence to high ethical standards,
  - ✓ positive thinking.



## **Success factors**

### **2. Culture of cooperation and sharing the success**

- A large part of Invalda LT investments have been and are carried out in cooperation with our partners - financial investors, businesses, business creators, management teams.
- Transactions brought earnings not only to Invalda LT, but also to managers, partners, investors.

# Success factors

## 3. Experience

<p><b>Vilniaus Baldai, AB</b> </p> <p><b>Activity</b> – furniture manufacturing  <b>Invested</b> (1994-2013) – EUR 5.21 million (LTL 18 million)  <b>Dividends</b> (2003-2014) – EUR 22.88 million (LTL 79 million)  <b>Sold</b> (2013-2014) – EUR 37.08 million (LTL 128 million)</p>	<p><b>UMEGA</b>  </p> <p><b>Umega, AB</b></p> <p><b>Activity</b> – metal processing  <b>Invested</b> (1994-2011) – EUR 0.6 million (LTL 2.1 million)  <b>Sold</b> (2012) – EUR 1.36 million (LTL 4.7 million)</p>	<p> <b>SANITAS GROUP</b> </p> <p><b>Sanitas, AB</b> <small>HOECHST-BIOTIKA</small></p> <p><b>Activity</b> – generic medicines manufacturing  <b>Invested</b> (2003-2009) – EUR 43.82 million (LTL 151.3 million)  <b>Sold</b> (2008-2011) – EUR 123.9 million (LTL 427.7 million)</p>	<p>  <b>TILTRA</b></p> <p><b>Tiltra Group and Kauno Tiltai</b></p> <p><b>Activity</b> – road and bridge construction  <b>Invested</b> (December 2005 - 2007) – EUR 7.2 million (LTL 25 million)  <b>Sold</b> (2011) – EUR 52.9 million (LTL 182.6 million)</p>	<p><b>Agrowill Group, AB</b> </p> <p><b>Activity</b> – production of agricultural products and investment into land of agricultural purpose  <b>Invested</b> (2003–2008) – EUR 1.2 million (LTL 4.1 million)  <b>Sold</b> (2009–2010) – EUR 1.5 million (LTL 5.1 million)</p>
<p> <b>Finasta</b></p> <p><b>Activity</b> – finance and investments  <b>Invested</b> (1998) – EUR 13.8 million (LTL 47.5 million)  <b>Sold</b> (2009) – EUR 22.46 million (LTL 77.55 million)</p>	<p> </p> <p><b>Valmeda, AB</b></p> <p><b>Activity</b> – hotel management  <b>Invested</b> (1995–2003) – EUR 4.3 million (LTL 15 million)  <b>Sold</b> (2008) – EUR 19.8 million (LTL 79.5 million)</p>	<p> <b>SWECO HIDROPROJEKTAS</b> </p> <p><b>Hidroprojektas, UAB</b></p> <p><b>Activity</b> – designing and consultations  <b>Invested</b> (2001-2002) – EUR 0.6 million (LTL 2.2 million)  <b>Sold</b> (2008) – EUR 5.1 million (LTL 17.6 million)</p>	<p> <b>UAB "Girių Bizonas"</b></p> <p><b>Girių Bizonas, UAB</b></p> <p><b>Activity</b> – particle board production  <b>Invested</b> (2005) – EUR 7.6 million (LTL 26.25 million)  <b>Sold</b> (2008) – EUR 9.2 million (LTL 31.9 million)</p>	<p><b>Vilniaus Senamiesčio Restauravimo Direkcija, UAB</b></p> <p><b>Activity</b> – investment into real estate  <b>Invested</b> (2004–2005) – EUR 0,6 million (LTL 1.98 million)  <b>Sold</b> (2007–2008) – EUR 2.7 million (LTL 9.25 million)</p>
<p> <b>Voltera</b></p> <p><b>Voltera, UAB</b></p> <p><b>Activity</b> – insurance brokerage services  <b>Invested</b> (2004) – EUR 18 thousand (LTL 62 thousand)  <b>Sold</b> (2007) – EUR 115.8 thousand (LTL 400 thousand)</p>	<p><b>Apzeldinimas, UAB</b></p> <p><b>Activity</b> – investment into real estate  <b>Invested</b> (2005) – EUR 0.9 million (LTL 3 million)  <b>Sold</b> (2006) – EUR 5.1 million (LTL 17.7 million)</p>	<p></p> <p><b>Klaipėdos Konditerija, AB</b></p> <p><b>Activity</b> – production of candies and caramel  <b>Invested</b> (2000–2006) – EUR 1.3 million (LTL 4.4 million)  <b>Sold</b> (2006) – EUR 2.1 million (LTL 7.35 million)</p>	<p><b>Vilmakas, AB</b></p> <p><b>Activity</b> – manufacturing of wood articles  <b>Invested</b> (2004) – EUR 0.5 million (LTL 1.8 million)  <b>Sold</b> (2005) – EUR 0.9 million (LTL 3.2 million)</p>	<p><b>Chemija, AB</b></p> <p><b>Activity</b> – wholesale trading in chemical substances  <b>Invested</b> (1992) – EUR 0.1 million (LTL 0.3 million)  <b>Sold</b> (2004) – EUR 1.1 million (LTL 3.8 million)</p>
<p><b>Azuolas, AB</b> </p> <p><b>Activity</b> – production of soft furniture  <b>Invested</b> (1992–1999) – EUR 0.1 million (LTL 0.35 million)  <b>Sold</b> (2000) – EUR 0.6 million (LTL 2.16 million)</p>	<p><b>Medienos plaušas AR</b> </p> <p><b>Activity</b> – manufacturing of soft fibreboards and moulded-fibre packaging  <b>Invested</b> (1992) – EUR 0.15 million (LTL 0.5 million)  <b>Sold</b> (1997–1998) – EUR 4.9 million (LTL 16.8 million)</p>	<p><b>Other investments</b></p> <p>      </p> <p>Invalda LT, AB had been managing shareholdings in Visagino Duona, Birstono Mineraliniai Vandeny, Kedainiu Biochemija, Vilniaus Paukstynas, Zagares Zirgynas, Naujieji Verkiai, Grigiskes, Liejiniai, Jonavos Agroservisas, Sirijus, Lietkabelis, Vilniaus Vingis, Klįjai, Rudalita, Senasis Merkurijus, Melioservisas, Galincius, Veruga, Medisteka, Epusis, Staduva, Vilbaldas, Bankas Hermis, Vilniaus Bankas, and a number of other companies.</p>		





## **Success factors**

### **4. Current tangible and intangible resources**

- Relationship and contacts with the participants of the investment market in Lithuania and abroad have been forming during 23 years.
- Reputation.
- Experience and investments in individual businesses.
- Available infrastructure and database usable for development.
- Funds available.



# **Success factors**

## **5. External factors:**

- Baltic region is growing and will continue to grow.
- Investments and savings (including pension funds) grow and will grow as the society gets richer, more mature and older.
- Ratio of deposits to alternatives will change.
- Low competition, entry barriers.



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# The benefit for the investor

- Various options
- Liquidity.
- Diversification of risks.
- Transparency and possibility to forecast.
- Favorable legal and tax regime.

The opportunity to be part of the region's growth and development.



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# **The aim of this presentation**

We expect to see you:

- ✓ As investors;
- ✓ As sellers of your businesses;
- ✓ As partners realising ideas and projects;
- ✓ As our team members;
- ✓ ...



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**Your questions?**





**Thank you!**

