



eso

# Merger of companies LESTO and Lietuvos Dujos

15 December, 2015

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\*Hereinafter – ESO;

\*\* Hereinafter – LESTO;

\*\*\* Hereinafter – Lietuvos Dujos.

**1**

**AB Energijos  
skirstymo  
operatorius**

# BENEFITS OF MERGER

**Increase of efficiency**

**Lower operating costs**

**Added value for customers**

# OBJECTIVE AND OBJECT OF ACTIVITIES



## OBJECTIVE

reliable and efficient performance of the functions of the operator of electricity and natural gas distribution system and the public supplier of electrical energy



## OBJECT OF ACTIVITIES :

- transmission of electrical energy via distribution networks;
- transportation and delivery of natural gas via distribution networks;
- operation, maintenance, control and development of natural gas distribution system and electricity distribution networks;
- public supply of electrical energy;
- guarantee supply of electrical energy and natural gas.

# VALUES

## RESPONSIBILITY

Responsibility starts with each of us

## COOPERATION

By working together we strive to create the best possible result

## RESULT

By increasing the value of the energy industry we promote the country's economic and social development



# AUTHORISED CAPITAL STRUCTURE

Type of shares	Ordinary registered shares
Number of shares	894,630,333
Nominal value, EUR	0.29
Total nominal value, EUR	259,442,796.57

# SHARES EXCHANGE RATIO

Ratio between the values of all Lietuvos  
Dujos and LESTO shares is

**26.276942 : 73.723058**

**1 LESTO share will  
equal to**

**1.09206846 ESO  
share**

**1 Lietuvos Dujos  
share will  
equal to**

**0.80871354 ESO  
shares**





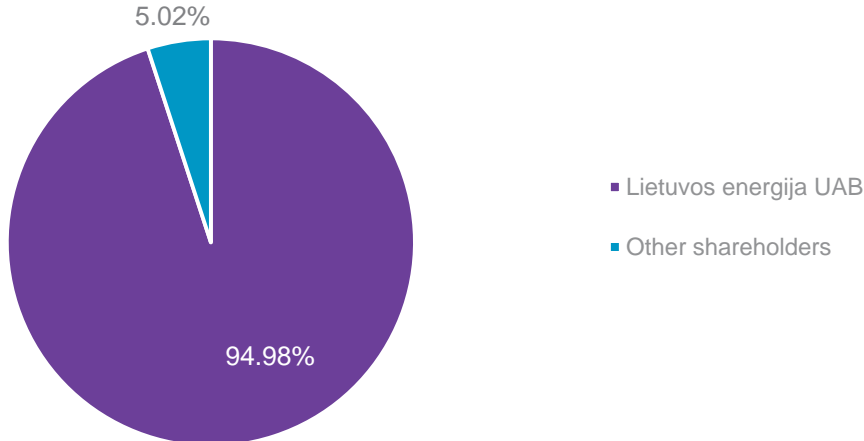
**2**

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**ESO organizational  
structure**

# SHAREHOLDERS

## Structure of ESO shareholders



## Shareholders who own more than 5 % of ESO authorized capital

Shareholders' names, types, headquarter addresses, company register code	Number of shares	Share of authorized capital and votes granted by shares, %
Lietuvos energija, UAB Žvejų str.14, Vilnius, company reg. No. 301844044	849,743,792	94.98



# SUPERVISORY BOARD

Composition of ESO Supervisory Board

**3 members**

Requirements for the composition of the Supervisory Board

**at least 1/3 of independent members**

**more than 1/2 of members are not in working relations with ESO**

Tenure of the Supervisory Board

**4 years**

# MEMBERS OF THE SUPERVISORY BOARD



**Dr. Dalius Misiūnas**

## Positions

**Lietuvos energija, UAB, chairman of the Board, CEO**

## Education

Lund university, Doctor's degree in Technological Sciences

## Work experience

KTU Alumni and National Lithuanian Energy Associations, president. Association Eurelectric, member of the Board of Directors. Acted as chairman of the Supervisory Board of Lietuvos Energijos Gamyba, AB.

Previously: Visagino atominė elektrinė, UAB, the member of the Board; Lietuvos energijos gamyba, AB, the member of the Board, CEO.

# MEMBERS OF THE SUPERVISORY BOARD



**Ilona Daugėlaitė**

## Positions

**Lietuvos energija, UAB, Director of Organizational Development**

## Education

Vilnius university, Master in Hydrogeology and Engineering Geology

## Work experience

AB LESTO and AB Lietuvos dujos, the member of the Supervisory Board.  
Duomenų logistikos centras, UAB and Technologijų ir inovacijų centras, UAB, the chairman of the Boards; Elektros tinklo paslaugos, UAB, the member of the Board.  
Previously: Lietuvos energijos gamyba, AB, director of Personnel and Administration.

# MEMBERS OF THE SUPERVISORY BOARD



**Petras Povilas Čėsna (as independent member)**

## Positions

**Lithuanian centre of Exhibition and Congress LITEXPO, chairman of the Board**

## Education

Vilnius university, Qualification of Economist

## Work experience

Lithuanian centre of Exhibition and Congress LITEXPO, chairman of the Board.

Former Minister of Ministry of Transport and Minister of Ministry of Economy of the Republic of Lithuania.

Long-term management experience acquired in companies Vilniaus baldų kombinatas, AB, Medienos plaušas, AB and others.

# BOARD

Composition of ESO Board

**5 members**

Tenure of the Board

**4 years**

# MEMBERS OF THE BOARD

## Chairman of the Board and CEO\*

\*On 8 December, 2015 A. Ignatavičius presented a notification regarding his resignation from Chairman of the Board and CEO positions of LESTO and ESO since January 1, 2016.



### Aidas Ignatavičius

#### Education

Vilnius university, Master in Business Administration and Management

#### Work experience

AB LESTO, CEO.

Previously worked as director of Danske Bank A/S Lithuania's branch Corporate Banking division.

Untill 2009 managed for electricity distribution company VST, AB.

Long-term management experience acquired in companies Lietuvos paštas, AB, and Swedbank, AB.



# MEMBERS OF THE BOARD

Member of the Board  
(area – services)



**Dalia Andrulionienė**

## Education

Vilnius university, Master in Economics  
ISM University of Management and  
Economics, Master in Management

## Work experience

Lietuvos energija, UAB, director of Production  
and Service Department.

Acted as member of the Board of Lietuvos  
energija, UAB.

Previously: AB LESTO, member of the Board,  
director of Organization Development and  
Communications division.

Long-term management experience acquired  
in the group of Alma littera, UAB, and in  
companies PZU Lietuva, UAB, Avon  
Cosmetics, UAB, and others.

# MEMBERS OF THE BOARD

Member of the Board  
(area – finance)



**Eglė Čiužaitė**

## Education

Aarhus School of Business, Master of Science in Finance and International Business

## Work experience

Lietuvos energijos gamyba, AB, director of Finance and Administration Department.

Currently act as member of the Boards of Verslo aptarnavimo centras, UAB, and Geoterma, UAB.

Acted as member of the Board of Lietuvos energijos gamyba.

Previously: member of the Board of Kauno energetikos remontas, UAB, and Energijos tiekimas, UAB.

# MEMBERS OF THE BOARD

Member of the Board  
(area – development of network)



**Rytis Borkys**

## Education

Kaunas University of Technology, higher university education in engineering

## Work experience

AB LESTO, director of Network Management of Kaunas Region department.  
Previously: VST, AB, Director of Electricity Network division, the member of the Board.

# MEMBERS OF THE BOARD

Member of the Board  
(area – operation of networks)



**Dalius Svetulevičius**

## Education

Vilnius university, Master in Business Administration and Management

## Work experience

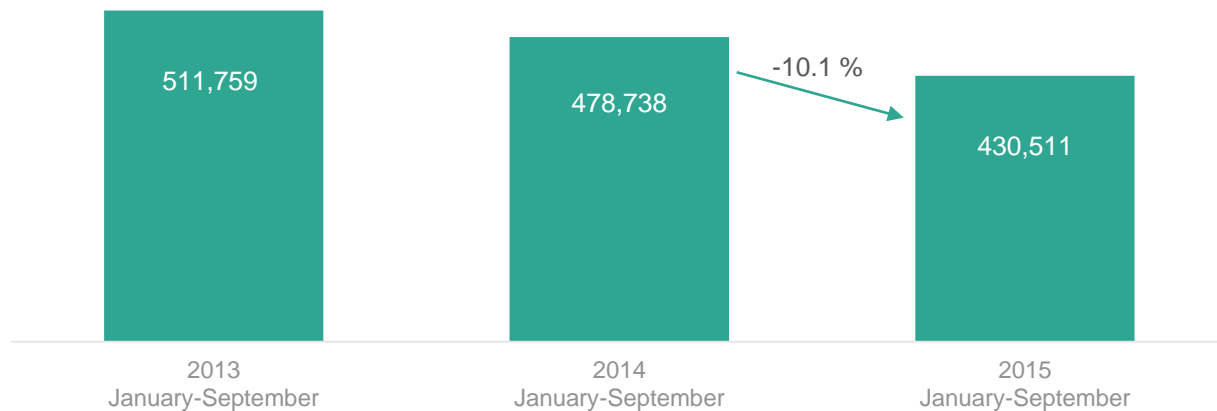
Lietuvos dujos, AB, Director of the Gas Network Service, the member of the Board.  
Previously: Lietuvos dujos, AB, head of Operational Control Center, head of Gas Protection Against Corrosion division.

# 3

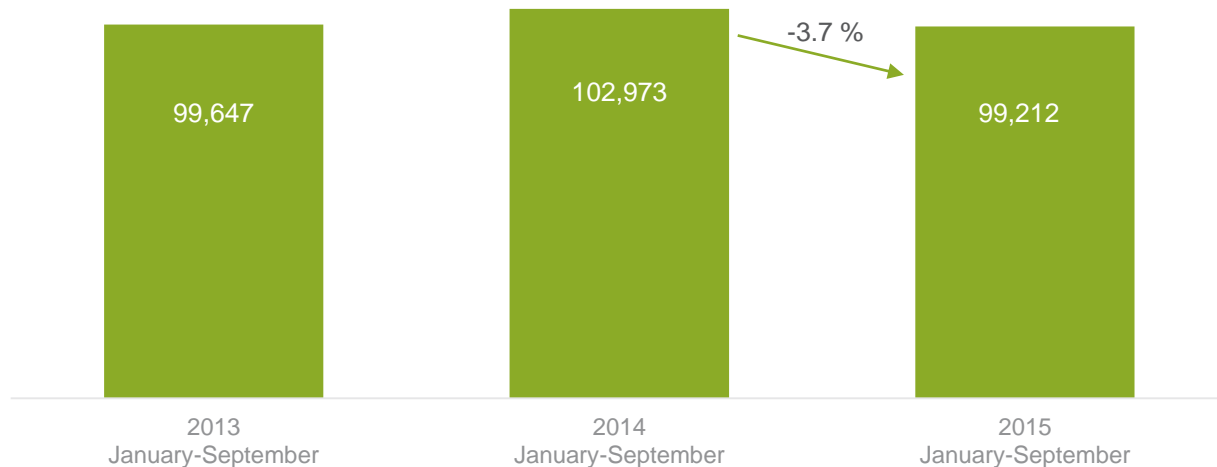
**LESTO and Lietuvos  
Dujos:  
financial ratios and  
share price**

# REVENUE AND EBITDA OF LESTO

## Dynamics of LESTO revenue, thousand EUR



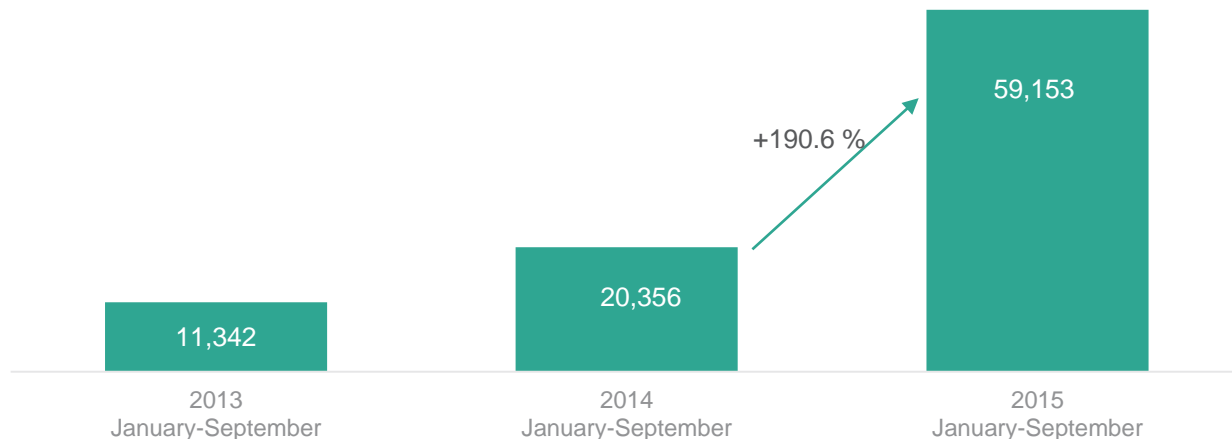
## Dynamics of LESTO EBITDA\*, thousand EUR



\* EBITDA (earnings before interest, taxes, depreciation and amortisation) = pre-tax profit (loss) + finance costs – finance income – received dividends + costs of depreciation and amortisation + value impairment costs + write-offs of tangible fixed assets.

# NET PROFIT AND PROFITABILITY RATIOS OF LESTO

## LESTO net profit, thousand EUR



## LESTO profitability ratios, %

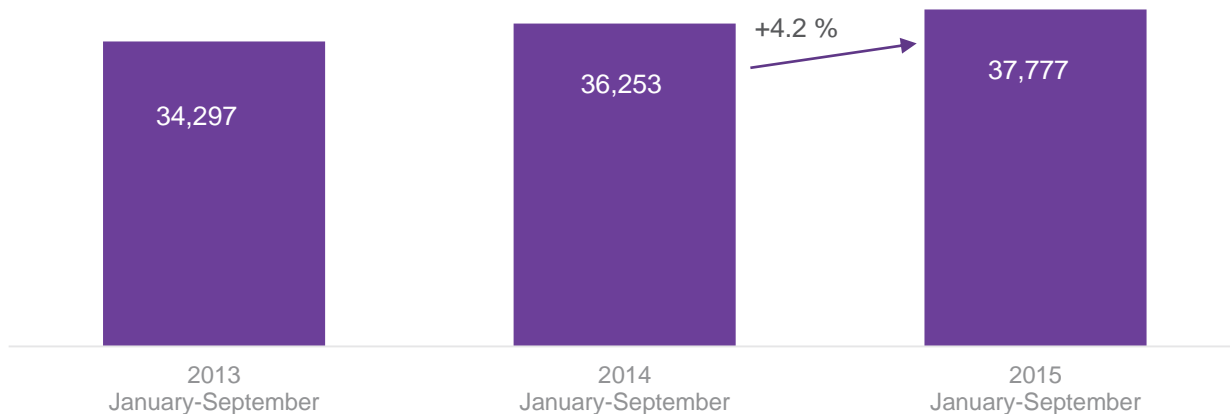
	2013 January- September	2014 January- September	2015 January- September
Net profit margin	2.22	4.25	13.74
Operating profit margin	2.70	5.30	16.45
EBITDA margin	19.47	21.51	23.05

# REVENUE AND EBITDA OF LIETUVOS DUJOS

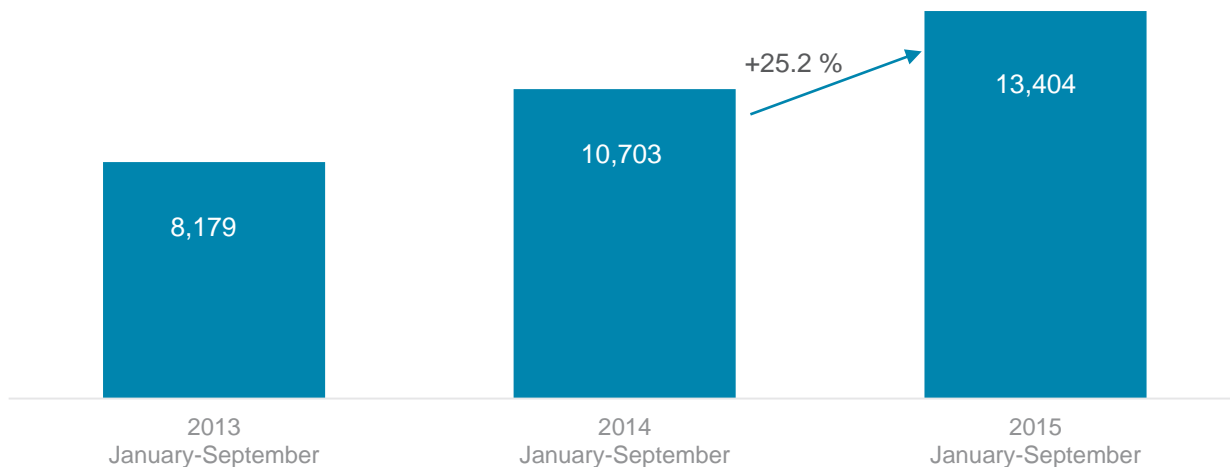
Presented continued  
distribution activity of  
Lietuvos Dujos



## Dynamics of Lietuvos Dujos revenue, thousand EUR



## Dynamics of Lietuvos Dujos EBITDA\*, thousand EUR



\* EBITDA (earnings before interest, taxes, depreciation and amortisation) = pre-tax profit (loss) + finance costs – finance income – received dividends + costs of depreciation and amortisation + value impairment costs + write-offs of tangible fixed assets.

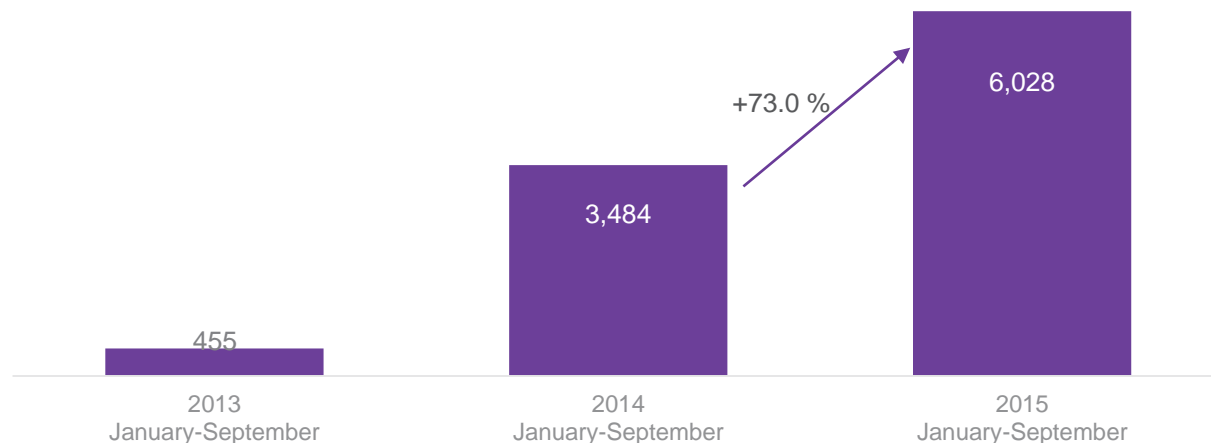


# NET PROFIT AND PROFITABILITY RATIOS OF LIETUVOS DUJOS

Presented continued distribution activity of Lietuvos Dujos



## Lietuvos Dujos net profit, thousand EUR



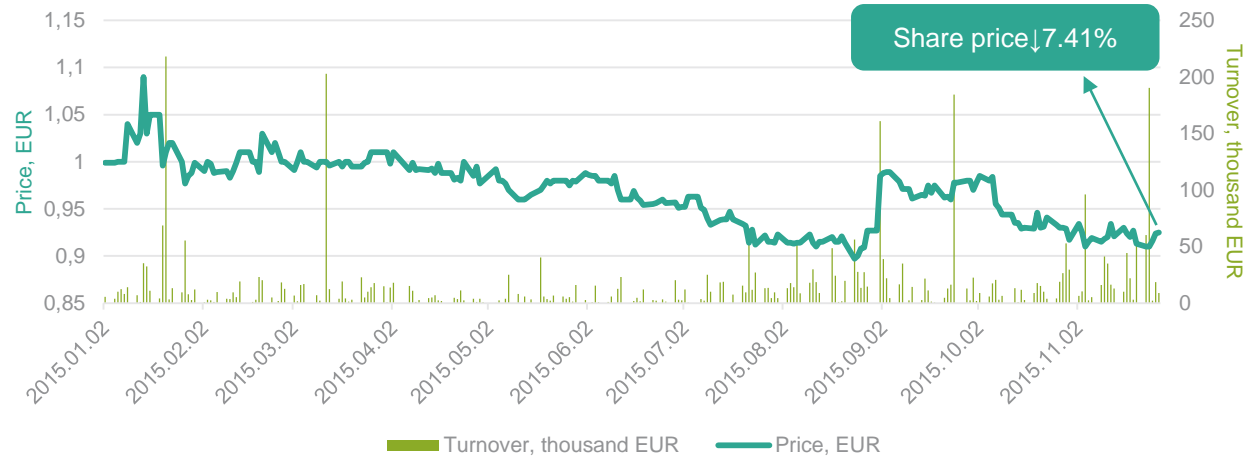
## Lietuvos Dujos profitability ratios, %

	2013 January- September	2014 January- September	2015 January- September
Net profit margin	1.33	9.61	15.96
Operating profit margin	-1.60	10.02	17.96
EBITDA margin	23.85	29.52	35.48

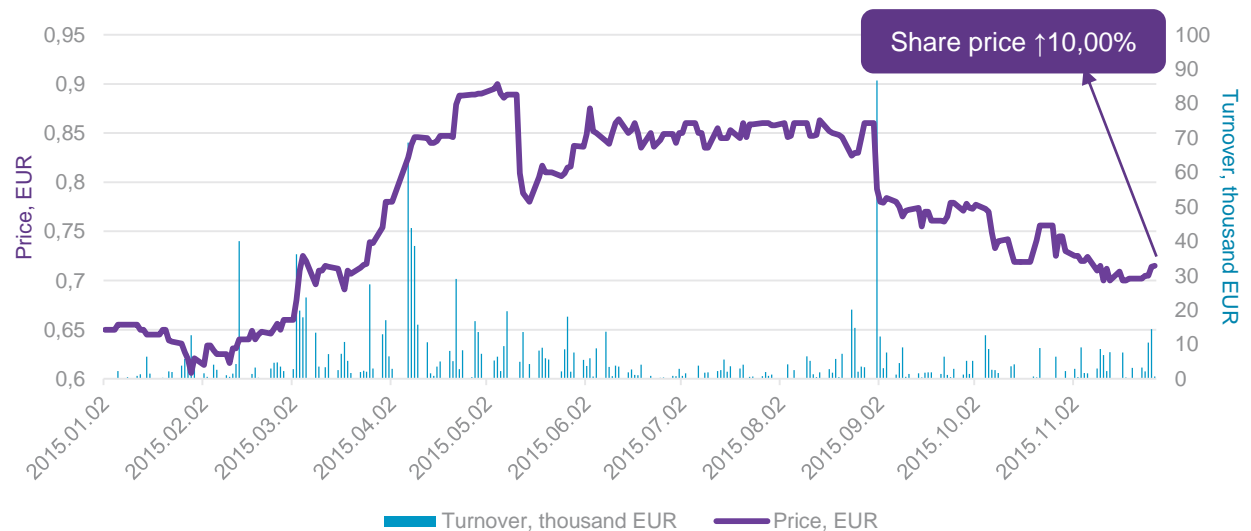
# DYNAMICS OF LESTO AND LIETUVOS DUJOS SHARE PRICE



## LESTO share price and turnover (01-01-2015 – 27-11-2015)



## Lietuvos Dujos share price and turnover (01-01-2015 – 27-11-2015)



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**Important events and  
their dates to  
investors.**

**ESO securities  
account manager**

# IMPORTANT EVENTS AND THEIR DATES TO INVESTORS

**31 December,  
2015**

Signing the deeds of transferring LESTO and Lietuvos Dujos assets, rights, obligations and employees to ESO

**3<sup>rd</sup> week of  
2016**

Beginning of trading with ESO shares in NASDAQ OMX Vilnius

# SECURITIES ACCOUNT MANAGER

**Bank SEB, AB will be official manager  
of ESO security account**

## **Contact details of SEB, AB:**

Gediminas ave. 12, LT-01103 Vilnius

Tel. 1528 or +370 5 268 2800



# Questions?

Please contact [info@lesto.lt](mailto:info@lesto.lt)  
or [ld@lietuvosdujos.lt](mailto:ld@lietuvosdujos.lt)