

# Fiskars

## Company report

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Inderes corporate customer

This report is a summary translation of the report “Heikko Q2 luvassa, mutta osake on edullinen” published on 7/18/2022 at 7:14 pm

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# Weak Q2 expected but the share is cheap

The late spring and retailers' high inventory levels are expected to cause more headwind for Fiskars than we previously estimated resulting in us cutting our estimates. For 2022, we now expect adjusted EBIT to be roughly at last year's level while the company's guidance is increasing EBIT. Even with this conservative estimate, the share valuation is relatively low, considering the company's improved performance and growth expectations for the next few years. Reflecting our estimate changes, we lower our target price to EUR 20.0 (previously EUR 24.0) and reiterate our Accumulate recommendation.

## We expect a weak Q2

We expect Fiskars Q2's result to be weak and our adjusted EBIT estimate is EUR 24 million compared to EUR 41 million last year. When assessing the upcoming quarterly report, it is good to note the extremely strong comparison period and a more challenging operating environment. In our estimates, the negative performance is caused by weaker demand, e.g., due to the late spring and retailers' high inventory levels, as well as higher costs that the company has not yet been able to offset. High energy and logistics costs also cause headwind for Fiskars in the short term, and we expect the impact of the divested watering business to be the largest in Q2.

## Full-year EBIT estimate now at 2021 level

In addition to the weak Q2, we believe that the shift in consumption to services and consumers' weakening purchasing power may also have a stronger than expected impact on the result for the rest of the year. Our updated 2022 adjusted EBIT estimate is EUR 153 million, which is practically at last year's level. However, this is more cautious than the company's own guidance (increasing EBIT).

Despite the negative estimate revisions, we still believe Fiskars' growth strategy will drive a considerable earnings improvement in the next few years, but in our estimates both the EBIT margin and growth rate are below the company's targets (net sales growth around 5%, EBIT margin some 15% by the end of 2025). In our estimates, the company's net sales grow on average by 3% in 2022-2025 and the adjusted EBIT margin will be 13.3%, which results in an average ~10% growth in adjusted EPS.

## Valuation seems favorable even with lower estimates

Despite the estimate changes, we find Fiskars' earnings-based valuation (P/E: 13x and EV/EBIT: 10X) to be low. We believe that the share price is already considering a slightly weaker earnings level than in 2021, although the company's guidance is improving EBIT this year. Despite the challenging macro situation and higher estimate risks, we believe the share provides a sufficient safety margin to justify a positive view. In addition to the good earnings growth in the current strategy period, the share offers a dividend yield of about 5-6% with our estimates and investors are also compensated by own share purchases. Fiskars' balance sheet can even be described as overcapitalized, which gives the company plenty of leeway for M&A transactions and extra dividends.

## Recommendation

**Accumulate**

(previous Accumulate)

**EUR 20.00**

(previous EUR 24.00)

**Share price:**

18.40



## Key figures

	2021	2022e	2023e	2024e
Revenue	1254	1279	1320	1369
growth-%	12%	2%	3%	4%
EBIT adj.	154.4	152.7	165.9	180.3
EBIT-% adj.	12.3 %	11.9 %	12.6 %	13.2 %
Net Income	86.7	107.3	125.0	135.9
EPS (adj.)	1.21	1.45	1.54	1.67

P/E (adj.)	19.1	12.7	12.0	11.0
P/B	2.3	1.7	1.6	1.5
Dividend yield-%	3.3 %	4.7 %	5.2 %	5.5 %
EV/EBIT (adj.)	12.4	10.2	9.1	8.1
EV/EBITDA	9.4	8.1	6.9	6.2
EV/S	1.5	1.2	1.1	1.1

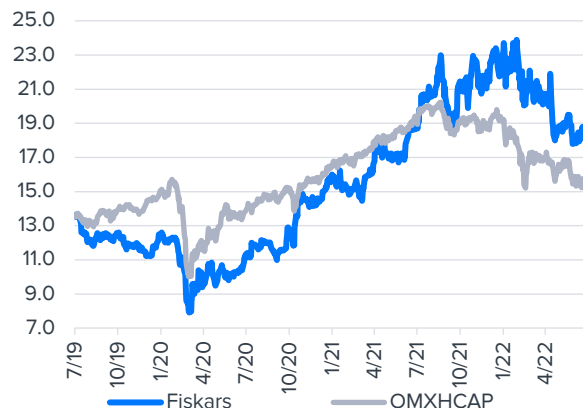
Source: Inderes

## Guidance

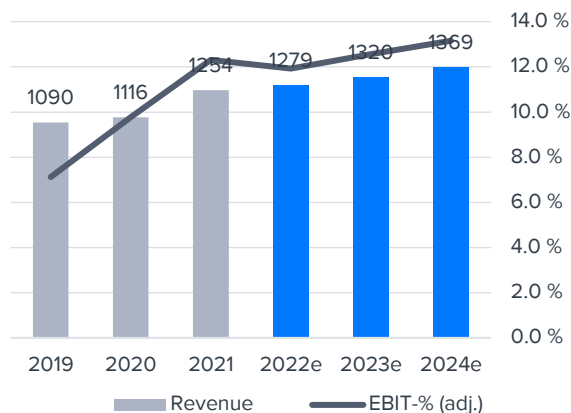
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In 2022, Fiskars expects the group's comparable EBIT to increase (2021: 154.2 MEUR).

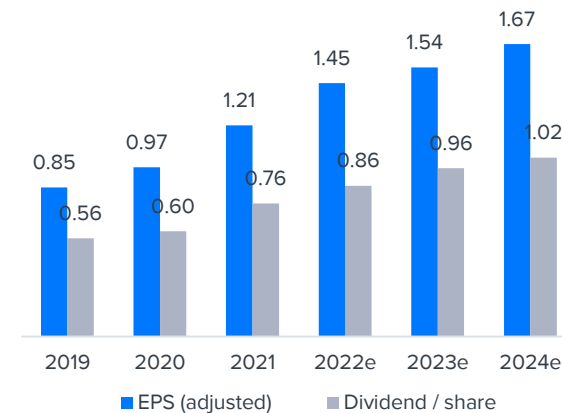
## Share price



## Revenue and EBIT %



## EPS and dividend



## Value drivers

- Portfolio's focus on big and most profitable brands
- Organic growth from new markets and/or product categories
- Profitability improvement through sales and channel mix as well as growth and scale
- Earnings improvement through the Vita segment and the group-wide restructuring program
- Strong balance sheet enables inorganic growth



## Risk factors

- Shift in consumption from products to services as the home nesting trend slows down
- Weakening of the global economy and consumer confidence
- Rapid transition of the commerce sector to digital channels and increasing price competition
- Unnecessary sprawling and complexity of brand portfolio
- Raw material inflation and challenges in the global logistics chain

Valuation	2022e	2023e	2024e
Share price	18.4	18.4	18.4
Number of shares, millions	81.4	81.4	81.4
Market cap	1498	1498	1498
EV	1559	1514	1468
P/E (adj.)	12.7	12.0	11.0
P/E	14.0	12.0	11.0
P/FCF	21.9	13.2	12.2
P/B	1.7	1.6	1.5
P/S	1.2	1.1	1.1
EV/Sales	1.2	1.1	1.1
EV/EBITDA	8.1	6.9	6.2
EV/EBIT (adj.)	10.2	9.1	8.1
Payout ratio (%)	65.2 %	62.5 %	61.1 %
Dividend yield-%	4.7 %	5.2 %	5.5 %

Source: Inderes

# Estimates turn more cautious

## We expect a weak Q2

We believe Fiskars' Q2 will suffer from several negative factors. Firstly, many large retailers in the US, like Walmart and Target, have reported increased inventory levels due to, e.g., late arrival of spring and consumption shifting more to services as COVID subsides. Secondly, spring has also been late in Europe, so we expect similar dynamics in the European market. We believe that these aspects will also be reflected in Fiskars' figures, especially in the Terra segment, where the spring season is important. It is good to note that spring/summer orders were placed last year, when the demand situation looked very good and all players wanted to ensure product availability. Now the situation has changed and spring/summer season orders may even be canceled or additional orders will at least remain low.

Thirdly, the additional cost challenges caused by the Ukrainian war are starting to affect Fiskars already in Q2, while counter measures (efficiency, price increases) are only visible in H2. We believe this depresses Q2 profitability.

In addition, it should be noted that the sales and earnings of the US watering business divested in early 2022 focused strongly on spring, and thus the impact of the divestment will be greatest at quarterly level in Q2.

## Full-year EBIT estimate now at 2021 level

In addition to the weak Q2, we believe that the shift in consumption to services and consumers' weakening purchasing power may have a stronger than expected negative impact on Fiskars' result for the rest of the year. Our 2022 adjusted EBIT estimate is now EUR 153 million, which is practically at last

year's level. This is more cautious than the company's own guidance (increasing EBIT).

## Improvement in 2023-24, but below the company's targets

We still expect Fiskars' growth strategy to drive earnings improvement in 2023-24, but both the EBIT margin and growth rate will be at the lower end of the company's targets (some 5% net sales growth, around 15% EBIT margin by the end of 2025).

Estimate revisions	2022e	2022e	Change	2023e	2023e	Change	2024e	2024e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	1334	1279	-4%	1387	1320	-5%	1439	1369	-5%
EBIT (exc. NRIs)	172	153	-11%	182	166	-9%	189	180	-5%
EBIT	161	142	-12%	182	166	-9%	189	180	-5%
EPS (excl. NRIs)	1.69	1.45	-15%	1.77	1.54	-13%	1.84	1.67	-10%
DPS	0.96	0.86	-10%	1.08	0.96	-11%	1.22	1.02	-16%

Source: Inderes

# Valuation is cheap if the earnings level holds

## Valuation seems favorable even with lower estimates

Despite the estimate changes, we still consider Fiskars' 2022 valuation to be cheap. Earning-based valuation (EV/EBIT: 10x and adjusted P/E: 13x) are both clearly below the company's historical level. We believe that the share price already includes too many negatives considering the company's guidance indicating increasing EBIT, the favorably developing performance and earnings growth estimates in the next few years.

## Fiskars is valued below its peers

Fiskars' earnings-based valuation is below the international peer group with our 2022 estimates, but the difference narrows with 2023 estimates. Fiskars' peer group limits the upside of the share to some extent because we believe that a clear premium pricing would require more evidence of improved performance and guarantees that the company will be able to produce "intact" earnings in the future without launching new transformation and restructuring programs with significant non-recurring costs, which have marked the last ten years.

## The share is cheap if the company gets even close to its targets

We believe that there is permanent upside in the valuation multiples if Fiskars can achieve higher growth than in previous years. Net sales growth has been challenging in recent years, so especially high valuation multiples have not been accepted for the company. The situation has developed in an encouraging direction, as the company has been able to grow quite rapidly for eight successive quarters (even though this has been boosted by COVID-

related demand) and the new financial targets have been set to a very ambitious level.

We believe the market does not have confidence in Fiskars reaching its financial targets and its ability to build on record-strong years. If the company can convince the market of sustainable growth, we feel there is upside in the earnings-based valuation. We also believe the macro situation is currently depressing Fiskars' valuation. Consumer confidence that is being tested, high cost inflation, and wider consumption possibilities enabled by COVID restrictions being lifted are all factors that concern us in the short term. We feel that the elevated short-term risk factors together with rising interest rates give reason to be weary.

However, the flip side is that Fiskars' share offers a very attractive expected return if the company achieves the financial targets of the current strategy period. If we assume that Fiskars could increase its annual turnover by some 5% from the current level until 2025 and raise its EBIT margin to the targeted 15% level, it would mean net sales of EUR ~1.5 billion, EBIT of EUR ~225 million and EPS of EUR ~2.2. If the company would then be priced at 15x P/E, the calculated value of the share would be EUR 33 in 2025. If Fiskars can meet its own financial targets, we think that the share price is currently very cheap as if the targets are met, the expected return considering the dividend would be over 20% p.a.

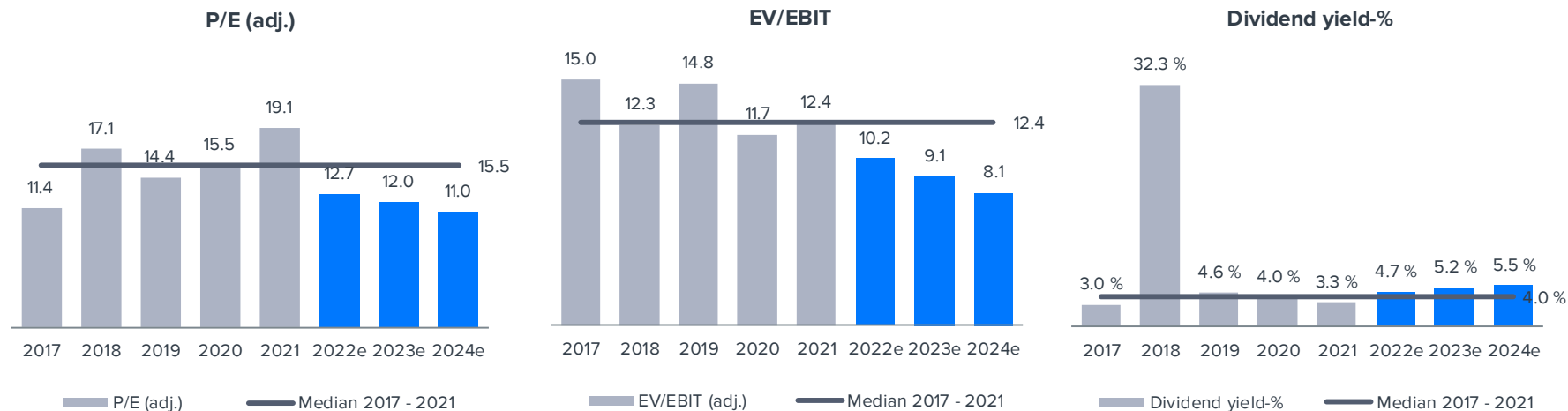
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P/E (adj.)	12.7	12.0	11.0
P/E	14.0	12.0	11.0
P/FCF	21.9	13.2	12.2
P/B	1.7	1.6	1.5
P/S	1.2	1.1	1.1
EV/Sales	1.2	1.1	1.1
EV/EBITDA	8.1	6.9	6.2
EV/EBIT (adj.)	10.2	9.1	8.1
Payout ratio (%)	65.2 %	62.5 %	61.1 %
Dividend yield-%	4.7 %	5.2 %	5.5 %

Source: Inderes

# Valuation table

Valuation	2017	2018	2019	2020	2021	2022e	2023e	2024e	2025e
Share price	24.0	19.0	12.2	15.0	23.0	18.4	18.4	18.4	18.4
Number of shares, millions	81.7	81.6	81.5	81.5	81.5	81.4	81.4	81.4	81.4
Market cap	1958	1550	996	1220	1874	1498	1498	1498	1498
EV	1559	1236	1152	1276	1916	1559	1514	1468	1412
P/E (adj.)	11.4	17.1	14.4	15.5	19.1	12.7	12.0	11.0	10.6
P/E	11.8	19.0	19.3	18.0	21.6	14.0	12.0	11.0	10.6
P/FCF	12.9	24.4	28.5	6.9	24.5	21.9	13.2	12.2	10.8
P/B	1.5	1.3	1.3	1.6	2.3	1.7	1.6	1.5	1.5
P/S	1.7	1.4	0.9	1.1	1.5	1.2	1.1	1.1	1.1
EV/Sales	1.3	1.1	1.1	1.1	1.5	1.2	1.1	1.1	1.0
EV/EBITDA	11.4	9.1	9.6	7.4	9.4	8.1	6.9	6.2	5.7
EV/EBIT (adj.)	15.0	12.3	14.8	11.7	12.4	10.2	9.1	8.1	7.5
Payout ratio (%)	35.4 %	613.3 %	88.4 %	72.2 %	71.4 %	65.2 %	62.5 %	61.1 %	63.4 %
Dividend yield-%	3.0 %	32.3 %	4.6 %	4.0 %	3.3 %	4.7 %	5.2 %	5.5 %	6.0 %

Source: Inderes



# Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	MEUR	MEUR	2022e	2023e	2022e	2023e	2022e	2023e	2022e	2023e	2022e	2023e	2022e
Duni AB	409	568	15.3	12.1	8.7	7.7	0.9	0.9	16.4	12.3	5.4	5.8	1.5
Harvia Oyj	503	548	11.3	10.1	9.9	8.8	2.7	2.5	14.2	12.6	2.6	3.0	4.8
Leifheit AG	184	160	11.3	6.4	7.3	4.9	0.6	0.6	17.9	9.9	3.5	7.2	1.6
Marimekko Oyj	496	482	14.1	13.0	11.1	10.0	2.8	2.6	18.7	17.1	3.3	3.7	7.7
Nokian Tyres plc	1474	1527	20.6	8.6	4.6	4.9	1.0	1.1	9.1	10.0	9.3	7.3	0.9
Orthex Oyj	108	128	14.2	10.6	9.8	7.8	1.4	1.3	18.0	12.7	3.2	4.5	3.2
Rapala VMC Oyj	225	303	11.4	10.1	8.7	7.4	1.1	1.1	14.6	12.4	3.0	4.3	1.5
Stanley Black & Decker Inc	16045	26785	12.5	11.0	10.2	9.4	1.4	1.4	11.0	9.6	2.8	3.1	1.6
Villeroy & Boch AG	444	303	3.2	3.0	2.3	2.2	0.3	0.3	6.5	6.2	7.4	7.8	1.2
<b>Fiskars (Inderes)</b>	<b>1498</b>	<b>1559</b>	<b>10.2</b>	<b>9.1</b>	<b>8.1</b>	<b>6.9</b>	<b>1.2</b>	<b>1.1</b>	<b>12.7</b>	<b>12.0</b>	<b>4.7</b>	<b>5.2</b>	<b>1.7</b>
<b>Average</b>			<b>12.7</b>	<b>9.4</b>	<b>8.1</b>	<b>7.0</b>	<b>1.4</b>	<b>1.3</b>	<b>14.0</b>	<b>11.4</b>	<b>4.5</b>	<b>5.2</b>	<b>2.7</b>
<b>Median</b>			<b>12.5</b>	<b>10.1</b>	<b>8.7</b>	<b>7.7</b>	<b>1.1</b>	<b>1.1</b>	<b>14.6</b>	<b>12.3</b>	<b>3.3</b>	<b>4.5</b>	<b>1.6</b>
<b>Diff-% to median</b>			<b>-18%</b>	<b>-10%</b>	<b>-7%</b>	<b>-11%</b>	<b>12%</b>	<b>9%</b>	<b>-13%</b>	<b>-2%</b>	<b>42%</b>	<b>17%</b>	<b>11%</b>

Source: Refinitiv / Inderes. NB: The market cap Inderes uses does not consider own shares held by the company.

# Income statement

Income statement	2020	Q1'21	Q2'21	Q3'21	Q4'21	2021	Q1'22	Q2'22e	Q3'22e	Q4'22e	2022e	2023e	2024e	2025e
<b>Revenue</b>	<b>1116</b>	<b>302</b>	<b>307</b>	<b>292</b>	<b>353</b>	<b>1254</b>	<b>333</b>	<b>284</b>	<b>300</b>	<b>363</b>	<b>1279.3</b>	<b>1320</b>	<b>1369</b>	<b>1407</b>
Vita	457	108	116	134	187	545	121	120	141	194	576.0	599	623	642
Terra	494	157	149	111	118	535	173	119	111	118	521.7	532	551	565
Crea	162	35.9	42.2	45.6	46.9	171	38.1	43.9	47.4	48.8	178.1	185	192	197
Others	3.8	0.9	0.8	0.9	1.2	3.8	0.7	0.8	0.9	1.2	3.5	3.8	3.8	3.8
<b>EBITDA</b>	<b>173</b>	<b>61.1</b>	<b>53.2</b>	<b>50.5</b>	<b>39.4</b>	<b>204</b>	<b>56.5</b>	<b>35.3</b>	<b>47.6</b>	<b>53.0</b>	<b>192.5</b>	<b>221</b>	<b>237</b>	<b>247</b>
Depreciation	-75.3	-15.2	-14.7	-15.8	-15.6	-61.3	-15.1	-11.7	-11.7	-11.7	-50.2	-54.7	-57.0	-59.2
<b>EBIT (excl. NRI)</b>	<b>109</b>	<b>46.6</b>	<b>41.4</b>	<b>34.1</b>	<b>32.3</b>	<b>154</b>	<b>51.8</b>	<b>23.6</b>	<b>35.9</b>	<b>41.3</b>	<b>152.7</b>	<b>166</b>	<b>180</b>	<b>188</b>
<b>EBIT</b>	<b>98.1</b>	<b>45.9</b>	<b>38.5</b>	<b>34.7</b>	<b>23.8</b>	<b>143</b>	<b>41.4</b>	<b>23.6</b>	<b>35.9</b>	<b>41.3</b>	<b>142.3</b>	<b>166</b>	<b>180</b>	<b>188</b>
Vita	11.9	10.1	9.9	25.2	24.2	69.4	10.7	7.8	21.8	33.1	73.3	77.9	82.2	86.6
Terra	60.8	31.2	17.3	6.3	-3.9	50.9	35.5	9.5	6.7	2.4	54.0	61.2	68.8	70.6
Crea	38.5	8.1	11.2	11.4	5.6	36.3	8.1	10.1	10.4	9.3	37.9	39.8	42.2	43.4
Others	-13.1	-3.5	0.1	-8.2	-2.2	-13.8	-2.4	-3.8	-3.0	-3.4	-12.6	-13.0	-13.0	-13.0
Net financial items	-8.9	-4.3	1.4	2.8	0.1	0.0	0.7	0.5	0.5	0.5	2.2	2.0	2.1	2.1
<b>PTP</b>	<b>89.9</b>	<b>41.9</b>	<b>40.4</b>	<b>37.9</b>	<b>24.1</b>	<b>144</b>	<b>42.6</b>	<b>24.1</b>	<b>36.4</b>	<b>41.8</b>	<b>145.0</b>	<b>168</b>	<b>182</b>	<b>190</b>
Taxes	-21.3	-33.7	-9.0	-8.0	-5.8	-56.5	-11.2	-6.0	-9.1	-10.5	-36.8	-42.0	-45.6	-47.4
Minority interest	-0.8	-0.2	-0.2	-0.2	-0.4	-1.0	-0.2	-0.2	-0.2	-0.2	-0.9	-0.9	-0.9	-0.9
<b>Net earnings</b>	<b>67.7</b>	<b>7.9</b>	<b>31.2</b>	<b>29.7</b>	<b>17.9</b>	<b>86.7</b>	<b>31.2</b>	<b>17.9</b>	<b>27.1</b>	<b>31.2</b>	<b>107.3</b>	<b>125</b>	<b>136</b>	<b>141</b>
<b>EPS (adj.)</b>	<b>0.97</b>	<b>0.11</b>	<b>0.42</b>	<b>0.36</b>	<b>0.32</b>	<b>1.21</b>	<b>0.51</b>	<b>0.22</b>	<b>0.33</b>	<b>0.38</b>	<b>1.45</b>	<b>1.54</b>	<b>1.67</b>	<b>1.74</b>
<b>EPS (rep.)</b>	<b>0.83</b>	<b>0.10</b>	<b>0.38</b>	<b>0.36</b>	<b>0.22</b>	<b>1.06</b>	<b>0.38</b>	<b>0.22</b>	<b>0.33</b>	<b>0.38</b>	<b>1.32</b>	<b>1.54</b>	<b>1.67</b>	<b>1.74</b>

Key figures	2020	Q1'21	Q2'21	Q3'21	Q4'21	2021	Q1'22	Q2'22e	Q3'22e	Q4'22e	2022e	2023e	2024e	2025e
<b>Revenue growth-%</b>	2.4 %	17.9 %	9.7 %	9.4 %	12.7 %	12.4 %	10.1 %	-7.6 %	2.9 %	2.6 %	2.0 %	3.2 %	3.7 %	2.8 %
<b>Adjusted EBIT growth-%</b>	40.5 %	202.6 %	88.1 %	-4.6 %	-10.3 %	41.5 %	11.1 %	-42.9 %	5.3 %	28.2 %	-1.1 %	8.7 %	8.7 %	4.1 %
<b>EBITDA-%</b>	15.5 %	20.2 %	17.3 %	17.3 %	11.1 %	16.3 %	17.0 %	12.5 %	15.9 %	14.6 %	15.1 %	16.7 %	17.3 %	17.5 %
<b>Adjusted EBIT-%</b>	9.8 %	15.4 %	13.5 %	11.7 %	9.1 %	12.3 %	15.6 %	8.3 %	12.0 %	11.4 %	11.9 %	12.6 %	13.2 %	13.3 %
<b>Net earnings-%</b>	6.1 %	2.6 %	10.2 %	10.2 %	5.1 %	6.9 %	9.4 %	6.3 %	9.0 %	8.6 %	8.4 %	9.5 %	9.9 %	10.0 %

Source: Inderes



# Balance sheet

Assets	2020	2021	2022e	2023e	2024e
<b>Non-current assets</b>	<b>829</b>	<b>898</b>	<b>920</b>	<b>926</b>	<b>931</b>
Goodwill	214	219	219	219	219
Intangible assets	268	270	294	290	288
Tangible assets	149	145	143	152	160
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	80.6	91.6	91.6	91.6	91.6
Other non-current assets	90.2	145	145	145	145
Deferred tax assets	27.4	27.5	27.5	27.5	27.5
<b>Current assets</b>	<b>513</b>	<b>537</b>	<b>601</b>	<b>620</b>	<b>643</b>
Inventories	207	273	278	287	298
Other current assets	29.2	2.6	2.6	2.6	2.6
Receivables	214	230	243	251	260
Cash and equivalents	62.5	31.5	76.8	79.2	82.2
<b>Balance sheet total</b>	<b>1342</b>	<b>1435</b>	<b>1521</b>	<b>1545</b>	<b>1574</b>

Source: Inderes

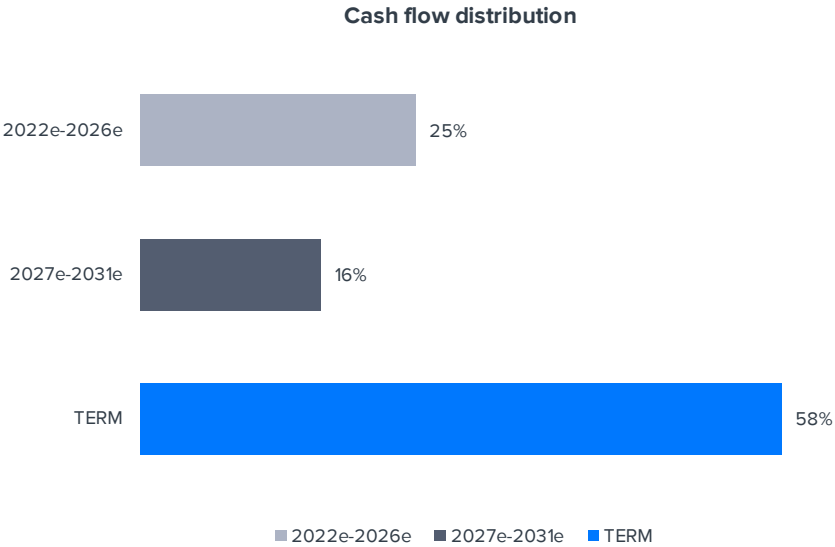
Liabilities & equity	2020	2021	2022e	2023e	2024e
<b>Equity</b>	<b>762</b>	<b>816</b>	<b>862</b>	<b>917</b>	<b>974</b>
Share capital	77.5	77.5	77.5	77.5	77.5
Retained earnings	680	735	780	835	893
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	0.0	0.0	0.0	0.0	0.0
Minorities	3.8	4.2	4.2	4.2	4.2
<b>Non-current liabilities</b>	<b>175</b>	<b>144</b>	<b>156</b>	<b>152</b>	<b>148</b>
Deferred tax liabilities	31.2	32.1	32.1	32.1	32.1
Provisions	3.6	3.4	3.4	3.4	3.4
Long term debt	51.2	0.7	13.0	8.9	4.6
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	89.4	108	108	108	108
<b>Current liabilities</b>	<b>405</b>	<b>475</b>	<b>503</b>	<b>477</b>	<b>452</b>
Short term debt	61.2	64.4	117	79.8	41.5
Payables	310	370	345	356	370
Other current liabilities	33.9	40.5	40.5	40.5	40.5
<b>Balance sheet total</b>	<b>1342</b>	<b>1435</b>	<b>1521</b>	<b>1545</b>	<b>1574</b>

# DCF calculation

DCF model	2021	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	TERM
EBIT (operating profit)	143	142	166	180	188	173	162	150	145	148	151	
+ Depreciation	61.3	50.2	54.7	57.0	59.2	59.8	60.2	61.0	61.8	63.1	66.3	
- Paid taxes	-55.7	-36.8	-42.0	-45.6	-47.4	-43.3	-40.5	-37.6	-36.4	-37.1	-37.9	
- Tax, financial expenses	0.0	0.5	0.5	0.5	0.5	0.0	0.0	0.0	0.0	0.0	0.0	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	
- Change in working capital	12.0	-43.5	-5.6	-6.7	-5.3	-4.8	-4.0	-4.0	-4.1	-4.2	-4.3	
Operating cash flow	160	113	173	185	195	185	178	170	167	170	176	
+ Change in other long-term liabilities	18.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-130.4	-72.0	-60.0	-62.5	-56.2	-55.0	-61.6	-62.3	-70.7	-79.3	-76.3	
Free operating cash flow	48.2	40.8	113	123	138	130	116	107	96.1	90.8	99.2	
+/- Other	28.3	27.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	76.5	68.3	113	123	138	130	116	107	96.1	90.8	99.2	2094
Discounted FCFF		66.3	103	105	110	96.7	80.9	70.0	58.7	52.0	53.1	1121
Sum of FCFF present value		1916	1850	1747	1642	1532	1436	1355	1285	1226	1174	1121
Enterprise value DCF		1916										
- Interesting bearing debt		-65.1										
+ Cash and cash equivalents		31.5										
-Minorities		-7.3										
-Dividend/capital return		-61.9										
Equity value DCF		1814										
Equity value DCF per share		22.3										

Wacc	
Tax-% (WACC)	23.0 %
Target debt ratio (D/(D+E))	10.0 %
Cost of debt	4.0 %
Equity Beta	1.00
Market risk premium	4.75%
Liquidity premium	0.50%
Risk free interest rate	2.0 %
Cost of equity	7.3 %
Weighted average cost of capital (WACC)	6.8 %

Source: Inderes



# Summary

Income statement	2019	2020	2021	2022e	2023e	Per share data	2019	2020	2021	2022e	2023e
Revenue	1090.4	1116.2	1254.3	1279.3	1320.2	EPS (reported)	0.63	0.83	1.06	1.32	1.54
EBITDA	119.5	173.4	204.2	192.5	220.6	EPS (adj.)	0.85	0.97	1.21	1.45	1.54
EBIT	60.0	98.1	142.9	142.3	165.9	OCF / share	1.53	2.57	1.97	1.39	2.13
PTP	63.2	89.9	144.2	145.0	167.9	FCF / share	0.43	2.19	0.94	0.84	1.39
Net Income	51.6	67.7	86.7	107.3	125.0	Book value / share	9.33	9.30	9.97	10.53	11.21
Extraordinary items	-17.7	-11.0	-11.5	-10.3	0.0	Dividend / share	0.56	0.60	0.76	0.86	0.96
Balance sheet	2019	2020	2021	2022e	2023e	Growth and profitability	2019	2020	2021	2022e	2023e
Balance sheet total	1364.3	1342.0	1435.4	1521.0	1545.5	Revenue growth-%	-3%	2%	12%	2%	3%
Equity capital	764.5	761.7	816.3	861.7	916.7	EBITDA growth-%	-12%	45%	18%	-6%	15%
Goodwill	219.6	213.7	219.1	219.1	219.1	EBIT (adj.) growth-%	-23%	40%	41%	-1%	9%
Net debt	150.7	49.9	33.6	53.5	9.4	EPS (adj.) growth-%	-24%	14%	25%	20%	6%
Cash flow	2019	2020	2021	2022e	2023e	EBITDA-%	11.0 %	15.5 %	16.3 %	15.1 %	16.7 %
EBITDA	119.5	173.4	204.2	192.5	220.6	EBIT (adj.)-%	7.1 %	9.8 %	12.3 %	11.9 %	12.6 %
Change in working capital	24.2	60.7	12.0	-43.5	-5.6	EBIT-%	5.5 %	8.8 %	11.4 %	11.1 %	12.6 %
Operating cash flow	124.7	209.6	160.5	112.8	173.5	ROE-%	5.2 %	8.9 %	11.0 %	12.9 %	14.1 %
CAPEX	-183.1	-14.3	-130.4	-72.0	-60.0	ROI-%	5.2 %	11.0 %	16.4 %	15.3 %	16.6 %
Free cash flow	34.9	178.2	76.5	68.3	113.5	Equity ratio	56.0 %	56.8 %	56.9 %	56.7 %	59.3 %
						Gearing	19.7 %	6.6 %	4.1 %	6.2 %	1.0 %
Valuation multiples	2019	2020	2021	2022e	2023e						
EV/S	1.1	1.1	1.5	1.2	1.1						
EV/EBITDA (adj.)	9.6	7.4	9.4	8.1	6.9						
EV/EBIT (adj.)	14.8	11.7	12.4	10.2	9.1						
P/E (adj.)	14.4	15.5	19.1	12.7	12.0						
P/E	1.3	1.6	2.3	1.7	1.6						
Dividend-%	4.6 %	4.0 %	3.3 %	4.7 %	5.2 %						

Source: Inderes

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## Recommendation history (>12 mo)

Date	Recommendation	Target price	Share price
31-07-20	Reduce	11.50 €	12.00 €
14-10-20	Accumulate	13.00 €	12.14 €
02-11-20	Accumulate	14.00 €	12.88 €
07-01-21	Accumulate	16.00 €	15.26 €
08-02-21	Reduce	15.00 €	15.60 €
20-04-21	Accumulate	18.00 €	16.80 €
29-04-21	Accumulate	19.00 €	17.58 €
29-07-21	Accumulate	22.00 €	20.20 €
01-11-21	Accumulate	23.00 €	21.25 €
10-11-21	Accumulate	24.00 €	21.10 €
28-12-21	Accumulate	24.00 €	22.75 €
Change of analyst			
05-02-22	Accumulate	24.00 €	22.05 €
02-05-22	Accumulate	24.00 €	21.90 €
19-07-22	Accumulate	20.00 €	18.40 €



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