

Fiskars

Company report

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✓ Inderes Corporate customer

This report is a summary translation of the report "Onnistumisia laajalla rintamalla" published on 02/06/2022 at 11:58 am

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Success on a broad front

Fiskars Q4 report was strong and the company is now doing what was promised during its CMD. Fiskars that has for long had problems with growth continued to grow convincingly in each segment and in each market area, even though it faced a very strong comparison period. Gross margin improved sharply despite the increased logistics, raw material and energy costs. However, growth investments weakened earnings development in the bottom lines. We revised our estimates for the next few years slightly upward, but we want more evidence from the company about the continued performance improvement. Therefore, we maintain our Accumulate recommendation and reiterate our EUR 24.0 target price.

Growth on a broad front, but growth investments weighed on profitability

Fiskars Q4 net sales grew by 13% to EUR 363 million and clearly exceeded our (328 MEUR) and consensus (319 MEUR) forecasts. This was already the seventh successive growth quarter for Fiskars and the growth has a solid foundation, as it came from all market areas and from each segment. Despite lower profitability y/y, investors should pay attention to gross margin, which improved by as much as 17% despite higher raw material, energy and logistics costs. Adjusted EBIT decreased to EUR 32.2 million (Q4'20: 36.0 MEUR), which was in line with our forecast of EUR 32.0 million. In our opinion, growing net sales and improving gross margin are concrete signs of the impact of the cornerstones of the new strategy period. The growth investments made by the company were reflected in increased sales and marketing costs (+30%) and administration costs (+74%). These growth investments will provide the basis for achieving the objectives of the new strategy period, but we estimate that they also had some temporary pressure in relation to net sales.

Record-making continues in our forecasts for the next few years

Fiskars didn't provide guidance on net sales, but the company expects its comparable EBIT to grow in 2022. In our estimates, Fiskars' 2022 net sales will grow 2% to EUR 1,279 million. This growth is throttled by the recent sale of the North American watering business, which brought about EUR 80 million of net sales annually. We expect adjusted EBIT to grow slightly from the level of the record-strong comparison period. According to our estimates, the sale of the North American watering business brought about EUR 3-5 million of profit, which is good to keep in mind when reading our estimates. We expect that 2022 will be largely spent on digesting the strong comparison period and the group's structural changes, but the company's adjusted EBIT will nevertheless increase by an average of 4% per year in our 2022-2024 forecasts.

We see limited downside at current valuation

Our estimate for Fiskars' earnings-based valuation (P/E: 14x, EV/EBITDA: 9x) sits at the bottom of the fair value range we have determined (P/E: 15x-18x, EV/EBITDA 8-11x). Our forecasts rely on building on a record-strong performance and the assumption that the company has left the spiral of significant transformation and restructuring programs behind. Based on our forecasts, the 2022 earnings-based valuation is slightly below the peer group. However, we believe that stretching the premium from the current level requires more evidence of the sustainability of improved performance. However, the moderate P/B ratio, the dividend yield of 4-5% that we estimate, and future purchases of own shares limit downside from the current level.

Recommendation

Accumulate

(previous Accumulate)

EUR 24.00

(previous EUR 24.00)

Share price:

22.05



Key figures

	2021	2022e	2023e	2024e
Net sales	1254	1279	1330	1383
growth-%	12%	2%	4%	4%
EBIT adj.	154.3	156.8	167.1	174.4
EBIT-% adj.	12.3 %	12.3 %	12.6 %	12.6 %
Net Income	86.6	124.9	129.7	136.0
EPS (adj.)	1.20	1.53	1.59	1.67

P/E (adj.)	18.3	14.4	13.9	13.2
P/B	2.2	2.1	1.9	1.8
Dividend yield-%	3.4 %	4.3 %	4.8 %	5.3 %
EV/EBIT (adj.)	11.9	11.7	10.8	10.1
EV/EBITDA	9.0	9.0	8.1	7.6
EV/S	1.5	1.4	1.4	1.3

Source: Inderes

Guidance

(New guidance)

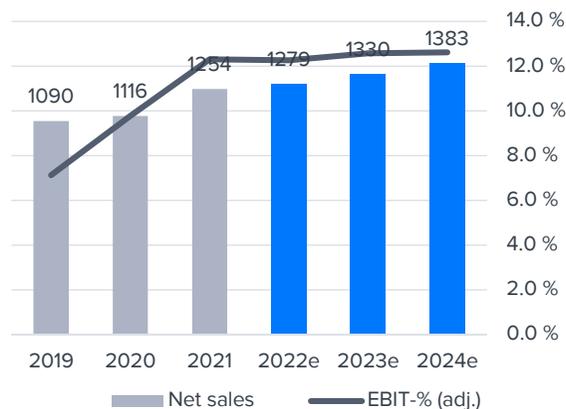
In 2022, Fiskars expects the group's comparable EBIT to increase (2021: 154.2 MEUR).

Share price



Source: Thomson Reuters

Net sales and EBIT %



Source: Inderes

EPS and dividend



Source: Inderes



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

- Slowdown of the "home nesting" trend demand spike caused by COVID
- 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	22.1	22.1	22.1
Number of shares, million:	81.5	81.5	81.5
Market cap	1796	1796	1796
EV	1841	1804	1767
P/E (adj.)	14.4	13.9	13.2
P/E	14.4	13.9	13.2
P/FCF	20.5	15.5	14.5
P/B	2.1	1.9	1.8
P/S	1.4	1.4	1.3
EV/Sales	1.4	1.4	1.3
EV/EBITDA	9.0	8.1	7.6
EV/EBIT (adj.)	11.7	10.8	10.1
Payout ratio (%)	62.0 %	66.0 %	70.0 %
Dividend yield-%	4.3 %	4.8 %	5.3 %

Source: Inderes

Growth and growth investments higher than we estimated

Growth was significantly stronger than we estimated

Fiskars' Q4 net sales increased by 13%, exceeding both our and consensus forecasts. The strength of growth is well illustrated by its presence in each market area and in each segment (Vita +9%, Terra +21%, Crea +8%). Despite strong growth in the Terra segment, according to the company, the sales weren't driven by an earlier demand from retail customers. At the end of the quarter, Fiskars had only a few stores closed and the group's comparable net sales improved by 11%.

Improved gross margin shows that commercial investments bear fruit

Fiskars' Q4 gross income (+17%) developed faster than net sales, which means that the gross margin has improved (Q4'21: 43.3 % vs Q4'20: 41.8%). This is a great achievement, considering increased raw material, energy and logistics costs. Of the

cornerstones of the new strategy period, improving the commercial side has the most rapid impact on gross margin, which requires a focus on value-based pricing and presentation of products. The gross margin is supported by the improved product mix and price increases, so the cornerstones of the new strategy period are clearly working.

Growth investments were higher than we anticipated

Despite the stronger gross income than we expected, Fiskars' adjusted EBIT for Q4 was in line with our forecasts. This was due to higher-than-expected growth investments (sales, marketing and administrative costs). As a result, comparable EBITA decreased in each segment. However, when analyzing the actual results, it's worth bearing in mind that the comparison period was historically strong and during it, the group's cost structure was exceptionally light. The reported EBIT quite clearly exceeded our estimates, as the company recorded

less non-recurring costs than we expected during the review period (8.4 MEUR vs. 11.0 MEUR) in transformation and restructuring programs. The programs were initially expected to bring a total of EUR 70 million in non-recurring expenses, but the total expenses were only EUR 42.5 million.

Proposed dividend slightly below our forecast

Fiskars' reported Q4 EPS (EUR 0.22) exceeded our forecast (EUR 0.19), due to lower non-recurring costs than we expected. The company's board proposes a dividend of EUR 0.76 for 2021, which is 71% of the 2021 result. We expected a slightly higher dividend proposal, but the company said it plans to distribute profits by purchasing its own shares. The company's board proposes an authorization to acquire a maximum of 4 million own shares (~2.5% of the entire stock).

Estimates MEUR / EUR	Q4'20	Q4'21	Q4'21e	Q4'21e	Consensus		Difference (%)	2021
	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. Inderes	Actualized
Revenue	313	353	328	319	293	328	8%	1254
EBIT (adj.)	36.0	32.2	32.0	34.7	31.0	39.6	1%	154
EBIT	33.3	23.8	21.0	23.7	20.0	28.6	13%	143
EPS (reported)	0.30	0.22	0.19	0.20	0.17	0.22	14%	
DPS	0.60	0.76	0.80	0.70	0.60	0.80	-5%	0.76
Revenue growth-%	1.8 %	12.7 %	4.7 %	1.8 %	-6.5 %	4.7 %	8 pp	12.4 %
EBIT-% (adj.)	11.5 %	9.1 %	9.8 %	10.9 %	10.6 %	12.1 %	-0.6 pp	12.3 %

Source: Inderes & Infront (consensus)

to the company's Q4



Broadly positive estimate revisions

Provided guidance implies EBIT growth

For 2022, Fiskars expects growth in comparable EBIT. Meeting the guidance can't be taken for granted, given the record-strong comparison period and the sale of the North American watering business. According to our estimates, the watering business generated about EUR 3-5 million of EBIT.

Objectives of the strategy period are in Fiskars' own hands

In recent years, Fiskars has received support from the home nesting trend that was caused by the COVID pandemic, which has deprived consumers from service, experience and product options. Despite this, the company doesn't see the earnings level normalizing, but the objectives of the new strategy period are considered reachable without the tailwind from the target market.

Based on a strong Q4 performance, we increased our net sales forecasts for the next few years by 6-7%. Fiskars' net sales increased in all market areas, in each segment and in almost all channels, which is a positive signal for the continuity of demand. Based on the management's comments in the webcast, 2022 has started out well and consumer demand seems good for the current year. Fiskars is committed to ensuring continuity of supply, because it has been one of the company's strengths during the pandemic.

Despite good demand prospects, the company's 2022 net sales will increase by "only" 2% in our forecasts. This is due to the sale of the North American watering business at the beginning of February. The business brought about EUR 80 million of net sales.

We expect the cost structure to start to normalize

In Q4, Fiskars' growth investments were clearly visible in increased sales and marketing (+30%) and administrative costs (+74%). These items were higher than we expected, and we believe they face temporary pressure that will decrease during 2022. Based on the Q4 report and management comments, we raised our EBIT forecasts for the next few years by 4-6%. We expect the company to meet its guidance in 2022, albeit only slightly, given the demanding starting point. In 2023, EBIT continues to grow in our forecasts and the adjusted EBIT margin rises to 12.6%, which is still well below the company's 15% 2025 target level. In the new strategy period, the company is aiming for a gross margin of about 46-47%, which is key to achieving the ambitious EBIT margin target. The company's Q4 figures were encouraging in this area, but gradual improvement will become more difficult as profitability increases.

Estimate revisions	2021	2021e	Change	2022e	2022e	Change	2023e	2023e	Change
	Old	New	%	Old	New	%	Old	New	%
MEUR / EUR									
Revenue	1229	1254	2%	1199	1279	7%	1251	1330	6%
EBIT (exc. NRIs)	154	154	0%	150	157	4%	158	167	6%
EBIT	140	143	2%	150	157	4%	158	167	6%
EPS (excl. NRIs)	1.21	1.20	0%	1.45	1.53	5%	1.52	1.59	4%
DPS	0.80	0.76	-5%	0.95	0.95	0%	1.05	1.05	0%

Source: Inderes

Plenty of upside if the objectives are reached

Earnings-based valuation is attractive if the company's performance is in line with our forecasts

Based on our estimates, Fiskars' P/E ratios for 2022 and 2023 are 14x and 14x. Based on the actual result for 2021, the ratio will increase significantly due to the non-recurring costs of the former Living segment's change transformation program and organizational restructuring program and the additional taxes of EUR 28 million.

Fiskars' earnings-based valuation is slightly below the international peer group with our 2022 forecasts. However, we believe that a clear premium pricing would require more evidence of improved performance and guarantees that the company will be able to make an "intact" result 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 very attractive if the company achieves its financial objectives

We believe that the valuation factors have upside from the current level if Fiskars can achieve higher growth than in previous years. Net sales growth has been challenging in recent years, due to which particularly high valuation factors haven't been approved for the company. The situation has developed in an encouraging direction, as the company has been able to grow quite rapidly for seven successive quarters and the new financial targets have been set to a very ambitious level. The Q4 report was a further demonstration of the company's ability to grow, but on the other hand, the current cost structure requires growth. Based on the report, we were posed with the question of how much

of the increased expenditure is indeed fixed and how much non-recurring and how scalable the current cost structure is in reality with the new growth targets.

According to our assessment, the market doesn't fully trust Fiskars reaching the financial objectives. If we assume that Fiskars were able to grow net sales by about 5% p.a. from the current level until 2025 and increase the EBIT margin to the target level of 15%, it would mean EUR ~1.5 billion in net sales, EUR ~225 million in EBIT and an EPS of EUR ~2.2. If the company were to be priced close to 20x P/E ratio, the share price could well exceed EUR 40 in 2025 (now EUR 22.05). If Fiskars can meet its own financial targets, we think that the share price is currently very cheap. If the targets are met, the expected return with dividends would be ~24% p.a.

Moderate P/B ratio and stable dividend yield provide support for the share

Fiskars is a company with a strong balance sheet and a well-diversified business portfolio that delivers consistently strong results and owns many valuable brands. For this reason, we consider Fiskars' P/B ratio (2.1x) and risk profile to be moderate. Despite the short-term challenges (the COVID pandemic and overlapping restructuring programs), Fiskars has maintained a good result and a competitive dividend. We expect a payout ratio of 62-70% from the company over the next few years. Our dividend forecasts for the financial years 2022 and 2023 are EUR 0.95 and EUR 1.05 (2021: EUR 0.76) representing a dividend yield of 4.3% and 4.8% at the present share price. In addition, the company is introducing the purchase of own shares as a means of returning capital to its shareholders and lightening its balance sheet.

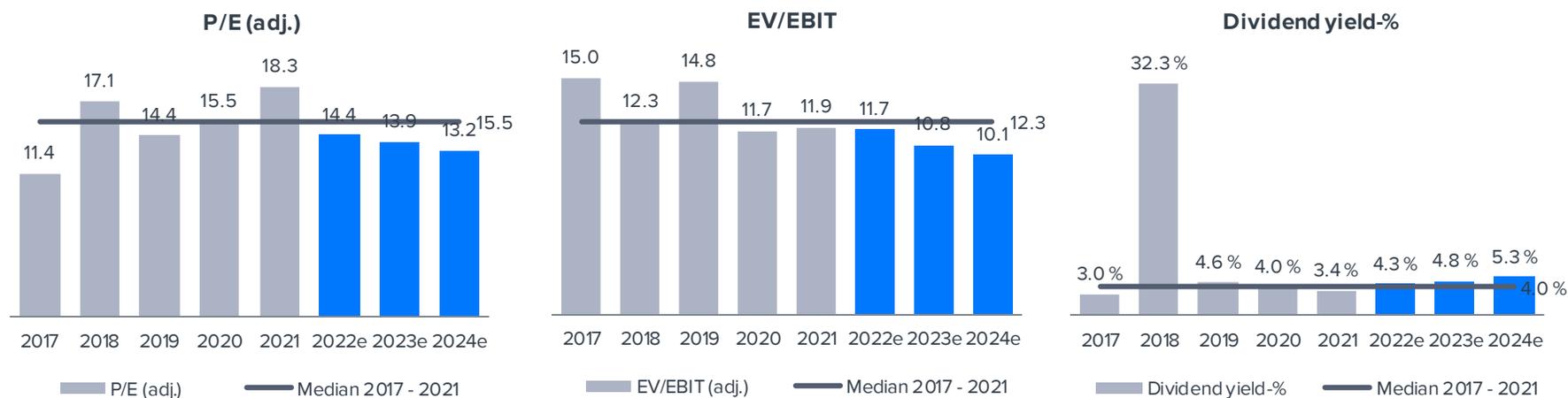
Valuation	2022e	2023e	2024e
Share price	22.1	22.1	22.1
Number of shares, millions	81.5	81.5	81.5
Market cap	1796	1796	1796
EV	1841	1804	1767
P/E (adj.)	14.4	13.9	13.2
P/E	14.4	13.9	13.2
P/FCF	20.5	15.5	14.5
P/B	2.1	1.9	1.8
P/S	1.4	1.4	1.3
EV/Sales	1.4	1.4	1.3
EV/EBITDA	9.0	8.1	7.6
EV/EBIT (adj.)	11.7	10.8	10.1
Payout ratio (%)	62.0 %	66.0 %	70.0 %
Dividend yield-%	4.3 %	4.8 %	5.3 %

Source: Inderes

Valuation table

Valuation	2017	2018	2019	2020	2021	2022e	2023e	2024e	2025e
Share price	24.0	19.0	12.2	15.0	22.1	22.1	22.1	22.1	22.1
Number of shares, millions	81.7	81.6	81.5	81.5	81.5	81.5	81.5	81.5	81.5
Market cap	1958	1550	996	1220	1796	1796	1796	1796	1796
EV	1559	1236	1152	1276	1838	1841	1804	1767	1724
P/E (adj.)	11.4	17.1	14.4	15.5	18.3	14.4	13.9	13.2	12.9
P/E	11.8	19.0	19.3	18.1	20.7	14.4	13.9	13.2	12.9
P/FCF	12.9	24.4	28.5	6.9	23.5	20.5	15.5	14.5	12.9
P/B	1.5	1.3	1.3	1.6	2.2	2.1	1.9	1.8	1.8
P/S	1.7	1.4	0.9	1.1	1.4	1.4	1.4	1.3	1.3
EV/Sales	1.3	1.1	1.1	1.1	1.5	1.4	1.4	1.3	1.2
EV/EBITDA	11.4	9.1	9.6	7.4	9.0	9.0	8.1	7.6	7.3
EV/EBIT (adj.)	15.0	12.3	14.8	11.7	11.9	11.7	10.8	10.1	9.7
Payout ratio (%)	35.4 %	613.3 %	88.4 %	72.3 %	71.5 %	62.0 %	66.0 %	70.0 %	70.0 %
Dividend yield-%	3.0 %	32.3 %	4.6 %	4.0 %	3.4 %	4.3 %	4.8 %	5.3 %	5.4 %

Source: Inderes



Peer group valuation

Peer group valuation	Share price	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	105.20	475	604	12.6	11.6	8.1	7.7	1.1	1.0	14.0	12.7	4.8	4.8	1.7
Harvia Oyj	45.10	843	885	15.9	14.8	14.1	13.2	4.1	3.7	20.4	18.8	2.5	2.7	7.2
Leifheit AG	29.05	291	256	12.0	7.2	8.2	5.5	0.8	0.8	19.4	11.5	3.9	6.1	2.5
Marimekko Oyj	71.60	582	570	18.9	18.1	13.3	12.7	3.6	3.3	24.8	23.6	2.4	2.6	7.7
Orthex Oyj	9.70	172	194	13.2	12.6	10.4	9.1	2.0	1.9	16.2	13.5	3.6	4.3	4.3
Rapala VMC Oyj	8.10	316	360	11.4	10.6	8.2	7.5	1.3	1.2	16.2	14.7	3.4	3.8	2.1
Stanley Black & Decker Inc	166.47	23712	30007	13.6	12.3	11.4	10.5	1.8	1.7	13.7	12.5	1.9	2.0	2.6
Nokian Tyres plc	29.11	4041	4295	12.7	11.7	8.8	8.3	2.4	2.3	15.1	13.7	5.1	5.3	2.4
Villeroy & Boch AG	24.30	341	183	2.1	2.0	1.4	1.4	0.2	0.2	11.0	10.3	4.5	4.9	2.1
Fiskars (Inderes)	22.05	1796	1841	11.7	10.8	9.0	8.1	1.4	1.4	14.4	13.9	4.3	4.8	2.1
Average				12.5	11.2	9.3	8.4	1.9	1.8	16.8	14.6	3.6	4.1	3.6
Median				12.7	11.7	8.8	8.3	1.8	1.7	16.2	13.5	3.6	4.3	2.5
Diff-% to median				-8%	-7%	3%	-2%	-19%	-20%	-11%	2%	19%	10%	-17%

Source: Thomson Reuters / 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	Q1'22e	Q2'22e	Q3'22e	Q4'22e	2022e	2023e	2024e	2025e
Net sales	1116	302	307	292	353	1254	280	329	297	373	1278.9	1330	1383	1418
Vita	457	108	116	134	187	545	118	124	141	206	588.2	612	636	652
Terra	494	157	149	111	118	535	122	157	109	119	506.9	527	548	562
Crea	162	35.9	42.2	45.6	46.8	171	39.6	47.7	45.9	46.8	180.0	187	195	200
Other	3.8	0.9	0.8	0.9	1.2	3.8	0.9	0.8	0.9	1.2	3.8	3.8	4.0	4.1
EBITDA	173	61.1	53.2	50.4	39.4	204	48.8	43.9	48.6	62.4	203.6	222	232	237
Depreciation	-75.3	-15.2	-14.7	-15.8	-15.6	-61.3	-11.7	-11.7	-11.7	-11.7	-46.8	-54.6	-57.5	-59.8
EBIT (excl. NRI)	109	46.6	41.4	34.1	32.2	154	37.1	32.2	36.9	50.7	156.8	167	174	177
EBIT	98.0	45.9	38.5	34.7	23.8	143	37.1	32.2	36.9	50.7	156.8	167	174	177
Vita	11.9	10.1	9.9	25.2	24.2	69.4	2.9	3.7	22.6	41.2	70.4	74.6	77.6	81.5
Terra	60.8	31.2	17.3	6.2	-3.9	50.9	28.7	21.5	5.4	4.2	59.8	64.3	64.1	70.2
Crea	38.5	8.1	11.2	11.4	5.6	36.3	8.3	10.7	11.9	8.7	39.6	41.2	45.2	24.9
Other	-13.1	-3.5	0.1	-8.2	-2.2	-13.8	-2.9	-3.8	-3.0	-3.4	-13.0	-13.0	-12.5	0.5
Net financial items	-8.9	-4.3	1.4	2.8	0.1	0.0	0.1	0.1	0.1	0.1	0.4	-1.8	-1.2	-0.4
PTP	89.8	41.9	40.4	37.8	24.1	144	37.2	32.3	37.0	50.8	157.2	165	173	177
Taxes	-21.3	-33.7	-9.0	-8.0	-5.8	-56.5	-7.4	-6.5	-7.4	-10.2	-31.4	-34.7	-36.4	-37.1
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
Net earnings	67.6	7.9	31.2	29.6	17.9	86.6	29.5	25.6	29.3	40.4	124.9	130	136	139
EPS (adj.)	0.97	0.11	0.42	0.36	0.32	1.20	0.36	0.31	0.36	0.50	1.53	1.59	1.67	1.70
EPS (rep.)	0.83	0.10	0.38	0.36	0.22	1.06	0.36	0.31	0.36	0.50	1.53	1.59	1.67	1.70

Key figures	2020	Q1'21	Q2'21	Q3'21	Q4'21	2021	Q1'22e	Q2'22e	Q3'22e	Q4'22e	2022e	2023e	2024e	2025e
Net sales growth-%	2.4 %	17.9 %	9.7 %	9.4 %	12.7 %	12.4 %	-7.4 %	7.1 %	1.8 %	5.6 %	2.0 %	4.0 %	4.0 %	2.5 %
Adjusted EBIT growth-%	40.3 %	202.6 %	88.4 %	-4.3 %	-10.7 %	41.5 %	-20.4 %	-22.4 %	8.0 %	57.6 %	1.6 %	6.6 %	4.4 %	1.6 %
EBITDA-%	15.5 %	20.2 %	17.3 %	17.3 %	11.1 %	16.3 %	17.4 %	13.3 %	16.4 %	16.7 %	15.9 %	16.7 %	16.8 %	16.7 %
Adjusted EBIT-%	9.8 %	15.4 %	13.5 %	11.7 %	9.1 %	12.3 %	13.3 %	9.8 %	12.4 %	13.6 %	12.3 %	12.6 %	12.6 %	12.5 %
Net earnings-%	6.1 %	2.6 %	10.2 %	10.1 %	5.1 %	6.9 %	10.6 %	7.8 %	9.9 %	10.8 %	9.8 %	9.8 %	9.8 %	9.8 %

Source: Inderes

Balance sheet

Assets	2020	2021	2022e	2023e	2024e
Non-current assets	829	898	920	929	936
Goodwill	214	219	219	219	219
Intangible assets	268	270	294	293	290
Tangible assets	149	145	143	153	162
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
Current assets	513	537	601	624	649
Inventories	207	273	278	289	301
Other current assets	29.2	2.6	2.6	2.6	2.6
Receivables	214	230	243	253	263
Cash and equivalents	62.5	31.5	76.7	79.8	83.0
Balance sheet total	1342	1435	1521	1553	1585

Source: Inderes

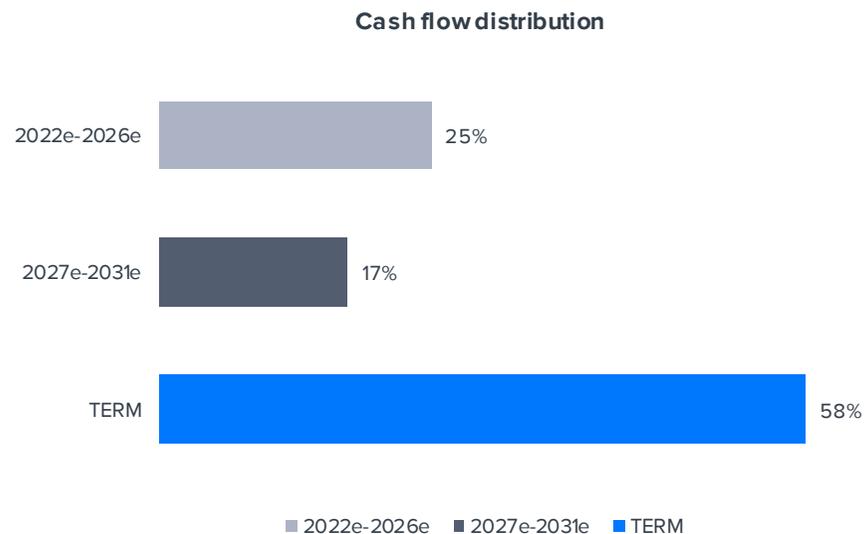
Liabilities & equity	2020	2021	2022e	2023e	2024e
Equity	762	816	879	932	982
Share capital	77.5	77.5	77.5	77.5	77.5
Retained earnings	680	735	798	850	900
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	0.0	0.0	0.0	0.0	0.0
Minorities	3.8	4.2	4.2	4.2	4.2
Non-current liabilities	175	144	233	206	180
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	90.0	63.2	36.7
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	89.4	108	108	108	108
Current liabilities	405	475	408	415	423
Short term debt	61.2	64.4	22.5	15.8	9.2
Payables	310	370	345	359	373
Other current liabilities	33.9	40.5	40.5	40.5	40.5
Balance sheet total	1342	1435	1521	1553	1585

DCF calculation

DCF model	2021	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	TERM
EBIT (operating profit)	143	157	167	174	177	174	163	151	146	149	152	
+ Depreciation	61.3	46.8	54.6	57.5	59.8	60.2	60.6	61.4	62.3	61.0	62.3	
- Paid taxes	-55.7	-31.4	-34.7	-36.4	-37.1	-36.6	-34.3	-31.8	-30.8	-31.4	-32.1	
- Tax, financial expenses	0.0	0.1	-0.4	-0.3	-0.1	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	0.0	0.1	
- Change in working capital	12.0	-43.4	-7.0	-7.3	-4.8	-4.9	-4.0	-4.1	-4.2	-4.2	-4.3	
Operating cash flow	160	129	180	188	195	193	185	177	174	175	178	
+ 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	-68.5	-63.4	-64.2	-55.5	-55.4	-62.0	-62.8	-49.6	-69.7	-71.1	
Free operating cash flow	48.1	60.3	116	124	140	138	123	114	124	105	107	
+/- Other	28.3	27.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	76.4	87.8	116	124	140	138	123	114	124	105	107	2263
Discounted FCFF		82.8	103	102	108	99.6	83.5	72.3	73.7	58.4	55.8	1177
Sum of FCFF present value		2015	1933	1830	1728	1620	1520	1437	1365	1291	1232	1177
Enterprise value DCF		2015										
- Interesting bearing debt		-65.1										
+ Cash and cash equivalents		31.5										
-Minorities		-8.6										
-Dividend/capital return		0.0										
Equity value DCF		1973										
Equity value DCF per share		24.2										

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	1278.9	1329.9	EPS (reported)	0.63	0.83	1.06	1.53	1.59
EBITDA	119.6	173.3	204.1	203.6	221.8	EPS (adj.)	0.85	0.97	1.20	1.53	1.59
EBIT	60.0	98.0	142.8	156.8	167.1	OCF / share	1.53	2.57	1.97	1.58	2.21
PTP	63.2	89.8	144.1	157.2	165.3	FCF / share	0.43	2.19	0.94	1.08	1.43
Net Income	51.7	67.6	86.6	124.9	129.7	Book value / share	9.33	9.30	9.97	10.74	11.38
Extraordinary items	-17.7	-11.0	-11.5	0.0	0.0	Dividend / share	0.56	0.60	0.76	0.95	1.05
Balance sheet	2019	2020	2021	2022e	2023e	Growth and profitability	2019	2020	2021	2022e	2023e
Balance sheet total	1364.3	1342.0	1435.4	1520.7	1553.3	Revenue growth-%	-3%	2%	12%	2%	4%
Equity capital	764.5	761.7	816.3	879.2	931.5	EBITDA growth-%	-12%	45%	18%	0%	9%
Goodwill	219.6	213.7	219.1	219.1	219.1	EBIT (adj.) growth-%	-23%	40%	41%	2%	7%
Net debt	150.7	49.9	33.6	35.7	-0.8	EPS (adj.) growth-%	-24%	13%	25%	27%	4%
Cash flow	2019	2020	2021	2022e	2023e	EBITDA-%	11.0 %	15.5 %	16.3 %	15.9 %	16.7 %
EBITDA	119.6	173.3	204.1	203.6	221.8	EBIT (adj.)-%	7.1 %	9.8 %	12.3 %	12.3 %	12.6 %
Change in working capital	24.2	60.7	12.0	-43.4	-7.0	EBIT-%	5.5 %	8.8 %	11.4 %	12.3 %	12.6 %
Operating cash flow	124.7	209.5	160.4	128.8	179.7	ROE-%	5.3 %	8.9 %	11.0 %	14.8 %	14.4 %
CAPEX	-183.1	-14.3	-130.4	-68.5	-63.4	ROI-%	5.2 %	11.0 %	16.4 %	16.8 %	16.7 %
Free cash flow	35.0	178.1	76.4	87.8	116.3	Equity ratio	56.0 %	56.8 %	56.9 %	57.8 %	60.0 %
Valuation multiples	2019	2020	2021	2022e	2023e	Gearing	19.7 %	6.6 %	4.1 %	4.1 %	-0.1 %
EV/S	1.1	1.1	1.5	1.4	1.4						
EV/EBITDA (adj.)	9.6	7.4	9.0	9.0	8.1						
EV/EBIT (adj.)	14.8	11.7	11.9	11.7	10.8						
P/E (adj.)	14.4	15.5	18.3	14.4	13.9						
P/E	1.3	1.6	2.2	2.1	1.9						
Dividend-%	4.6 %	4.0 %	3.4 %	4.3 %	4.8 %						

Source: Inderes

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Recommendation history (>12 mo)

Date	Recommendation	Target price	Share price
2/6/2020	Reduce	11.50 €	12.20 €
3/19/2020	Accumulate	9.00 €	7.91 €
5/7/2020	Reduce	10.00 €	10.38 €
7/31/2020	Reduce	11.50 €	12.00 €
10/14/2020	Accumulate	13.00 €	12.14 €
11/2/2020	Accumulate	14.00 €	12.88 €
1/7/2021	Accumulate	16.00 €	15.26 €
2/8/2021	Reduce	15.00 €	15.60 €
4/20/2021	Accumulate	18.00 €	16.80 €
4/29/2021	Accumulate	19.00 €	17.58 €
7/29/2021	Accumulate	22.00 €	20.20 €
11/1/2021	Accumulate	23.00 €	21.25 €
11/10/2021	Accumulate	24.00 €	21.10 €
12/28/2021	Accumulate	24.00 €	22.75 €
<i>Change of analyst</i>			
2/5/2022	Accumulate	24.00 €	22.05 €



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