

Suedzucker AG

Germany | Food & Beverage | MCap EUR 2,824m

16 December 2022

UPDATE



Suedzucker ups expectations for the next fiscal year; PT up; HOLD

What's it all about?

In yesterday's announcement, Suedzucker confirmed its FY 22/23 outlook (01.03.22 – 28.02.23) and also indicated that it expects to see further top- and bottom-line growth in FY 23/24. Hence, Suedzucker remains in "guidance upgrade mode" after having increased expectations for the current fiscal year already several times. It seems as if Suedzucker will continue benefitting from hedged energy prices and a turnaround in its preciously loss-making sugar segment. We upgrade our estimates for FY 23/24, but still remain cautious about the long-term sustainability of margins once the hedging effects fade out. Still, our PT increases to EUR 15.00 (old EUR 14.00) which prompts us to reiterate our HOLD recommendation.

HOLD (HOLD)

Target price	EUR 15.00 (14.00)
Current price	EUR 13.83
Up/downside	8.5%

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Suedzucker ups expectations for the next FY; PT up; HOLD

Guidance upgrade mode continues. Suedzucker AG yesterday announced that despite expecting record high earnings in FY 22/23, the coming fiscal year is likely to see yet another boost in terms of sales and earnings contribution. Hence, Suedzucker's initial forecast for FY 23/24 (1 March 2023 to 29 February 2024) assumes a further increase in group sales. Group EBITDA is expected to be in a range between about EUR 1.0-1.2bn and group operating result in a range between EUR 650-850m. As such, the earnings forecast for FY 23/24 is approximately 15-20% above AlsterResearch and consensus' previous expectations.

Hedged energy prices and the turnaround in the sugar segment to drive growth.

According to the company, this forecast is based on the assumption that the energy supply situation will stabilize and that Suedzucker will continue to benefit from the early hedging of energy prices which had been hedged way before the start of the Ukraine war. In the notoriously loss-making sugar segment, Suedzucker also expects the EU sugar price level to be confirmed for the 23/24 sugar marketing year (Oct. 23 to Sept. 24). Together with the restructuring measures taken in '19, the sugar segment is forecasted to continue the turnaround. In our view, this could make a significant contribution to the improvement of the group result in FY 23/24. With EUR 2.6bn in sales (FY21/22) the sugar segment was by far the largest segment contributing c. 35% of total sales, yet operating results were EUR -21m in FY 21/22.

Conclusion: Suedzucker remains in "guidance upgrade mode" which we clearly view as a reassuring signal and shows that Suedzucker actually is a major beneficiary from current inflationary environment and resilient (volume wise) end markets. After having increased expectations for the current fiscal year already several times, it seems as if Suedzucker will continue benefitting from hedged energy prices and a turnaround in its preciously loss-making sugar segment. We upgrade our estimates for FY 23/24, but still remain cautious about the long-term sustainability of margins once the hedging effects fade out. Still, our PT increases to EUR 15.00 (old EUR 14.00), which prompts us to reiterate our HOLD recommendation.

Suedzucker AG	2020	2021	2022	2023E	2024E	2025E
Sales	6,671	6,679	7,599	9,879	10,076	10,177
<i>Growth yoy</i>	-1.2%	0.1%	13.8%	30.0%	2.0%	1.0%
EBITDA	412	436	631	978	1,038	1,048
EBIT	48	70	241	598	646	628
Net profit	-122	-107	66	310	313	304
Net debt (net cash)	1,549	1,468	1,399	1,720	1,533	1,447
Net debt/EBITDA	3.8x	3.4x	2.2x	1.8x	1.5x	1.4x
EPS recurring	-0.60	-0.52	0.32	1.52	1.53	1.49
DPS	0.20	0.20	0.40	0.50	0.50	0.50
<i>Dividend yield</i>	1.4%	1.4%	2.9%	3.6%	3.6%	3.6%
Gross profit margin	33.3%	34.3%	32.2%	35.5%	35.5%	35.5%
EBITDA margin	6.2%	6.5%	8.3%	9.9%	10.3%	10.3%
EBIT margin	0.7%	1.0%	3.2%	6.1%	6.4%	6.2%
ROCE	0.7%	1.0%	3.5%	7.7%	8.0%	7.6%
EV/EBITDA	13.2x	12.0x	8.1x	6.0x	5.5x	5.4x
EV/EBIT	113.9x	75.1x	21.4x	9.8x	8.8x	8.9x
PER	-23.2x	-26.5x	43.0x	9.1x	9.0x	9.3x
FCF yield	-7.4%	4.1%	3.1%	-0.5%	19.6%	15.3%

Source: Company data, AlsterResearch



Source: Company data, AlsterResearch

High/low 52 weeks 15.72 / 9.75
Price/Book Ratio 1.0x

Ticker / Symbols

ISIN DE0007297004
WKN 729700
Bloomberg SZU:GR

Changes in estimates

		Sales	EBIT	EPS
2023E	old	9.879	598	1,52
	Δ	0,0%	0,0%	0,0%
2024E	old	9.681	506	1,16
	Δ	4,1%	27,8%	32,0%
2025E	old	9.778	520	1,20
	Δ	4,1%	21,0%	24,0%

Key share data

Number of shares: (in m pcs) 204.18
Book value per share: (in EUR) 13.62
Ø trading volume: (12 months) 40,000

Major shareholders

SZVG eG 60.0%
Zucker Invest GmbH 10.3%
Free Float 29.7%

Company description

Südzucker is Europe's largest sugar producer with about 3.7 million tonnes and employs almost 18,000 people worldwide. In addition to sugar, there are four segments. Specialties comprises functional food and frozen pizza, CropEnergies the bioethanol activities in the United Kingdom Belgium, Germany and France. The fruit segment produces fruit preparations and juice concentrates. The starch segment is the leading European producer of potato and corn starch.

Quarterly table

Quartalstabelle	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Sales	1,740.0	1,590.0	1,752.0	1,844.0	2,043.0	1,960.0	2,250.0	2,349.0
yoy growth in %	1.6%	-3.2%	5.0%	9.8%	17.4%	23.3%	28.4%	27.4%
EBITDA	181.0	140.0	121.0	157.0	241.0	173.0	230.0	230.0
EBITDA margin in %	10.4%	8.8%	6.9%	8.5%	11.8%	8.8%	10.2%	9.8%
EBIT	-74.0	26.0	47.0	80.0	90.0	24.0	160.0	114.0
EBIT margin in %	-4.3%	1.6%	2.7%	4.3%	4.4%	1.2%	7.1%	4.9%
EBT	-84.0	13.0	37.0	70.0	79.0	18.0	170.0	104.0
taxes paid	35.0	-4.4	9.0	19.0	37.0	15.8	38.0	32.0
tax rate in %	-41.7%	-33.8%	24.3%	27.1%	46.8%	87.8%	22.4%	30.8%
net profit	-140.0	7.7	15.0	34.0	18.0	-1.4	87.0	38.0
yoy growth in %	na%	na%	-40.2%	na%	na%	na%	480.0%	11.8%
EPS	-0.68	0.04	0.07	0.17	0.09	-0.01	0.43	0.19

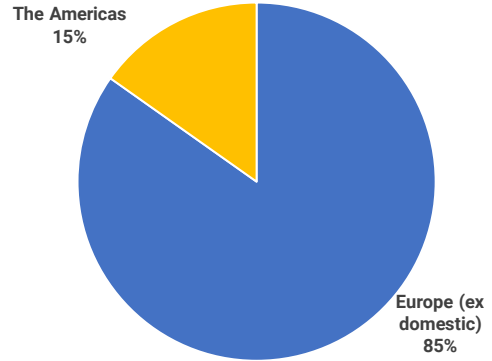
Source: Company data; AlsterResearch

Investment case in six charts

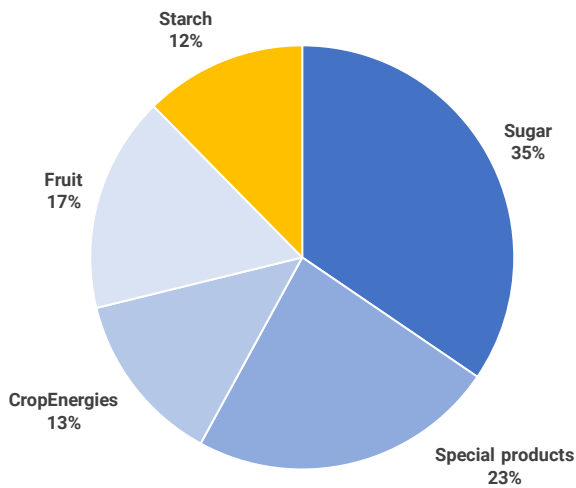
Products & Services



Regional sales in %

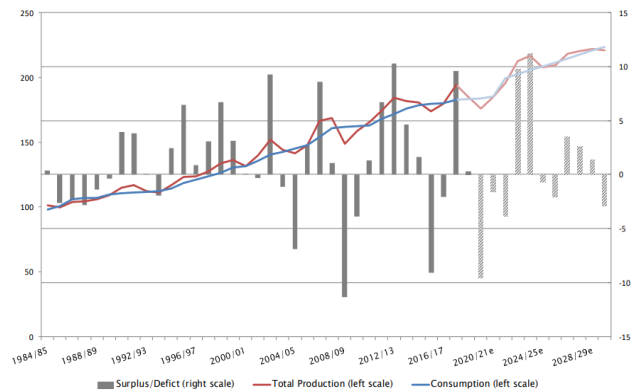


Sales by segment in %



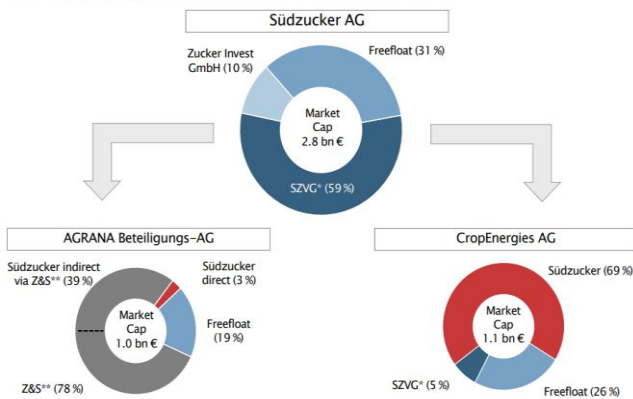
Growth driver - World sugar market

World sugar market - unchanged sustainable growth*

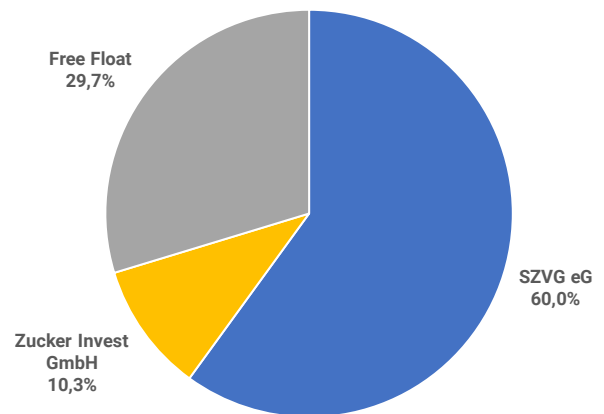


Major equity stakes

Three strong anchors in the capital market



Major shareholder



SWOT analysis

Strengths

- Largest European sugar producer
- Diversified specialties, fruit and CropEnergies businesses reduce dependence on EU sugar market policy
- Solid equity ratio

Weaknesses

- High reliance on one single core product (sugar)
- Sales development strongly dependent on world market prices
- Health awareness promotes alternatives to sugar in the diet
- Complex group structure (Südzucker/Agrana) distorts financial reporting

Opportunities

- Good market position in the growth areas of the food industry: (functional food, health-enhancing food)
- Sales potential in Europe hardly exploited
- Development of low-CO2 alternative products within the framework of group strategy 2026 plus

Threats

- Further waves of the Corona pandemic could have a massive impact on demand in the HoReCa business (hotels, restaurants, canteens, catering)
- Competition for arable land hurts the image of ethanol fuels

Valuation

DCF Model

The DCF model results in a **fair value of EUR 15.01 per share**:

Top-line growth: We expect Suedzucker AG to continue benefitting from structural growth. Hence our growth estimates for 2023E-2030E is in the range of 1.1% p.a. The long-term growth rate is set at 2.0%.

In our forecast, profits after tax (NOPAT) in the sugar segment will benefit in the next few years from the offsetting of profits against tax loss carryforwards.

WACC. The averaged 1-, 3- and 5-year historical equity beta is calculated as 1.00. Unlevering and correcting for mean reversion yields an asset beta of 0.68. Combined with a risk free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 7.7%. With pre-tax cost of borrowing at 5.0%, a tax rate of 18% and target debt/equity of 0.5 this results in a long-term WACC of 6.5%.

DCF (EURm) (except per share data and beta)	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	Terminal value
NOPAT	363	363	353	328	322	326	335	350	
Depreciation & amortization	380	392	420	445	463	474	484	488	
Change in working capital	-1,049	60	-32	-39	-42	-42	-43	-49	
Chg. in long-term provisions	617	37	19	28	28	29	29	30	
Capex	-583	-635	-641	-599	-555	-563	-518	-525	
Cash flow	-271	217	119	164	216	222	287	293	6,590
Present value	-267	201	103	133	164	159	193	185	4,178
WACC	6.5%	6.4%	6.4%	6.8%	6.7%	6.7%	6.6%	6.6%	6.5%

DCF per share derived from	
Total present value	5,050
Mid-year adj. total present value	5,214
Net debt / cash at start of year	1,399
Financial assets	172
Provisions and off b/s debt	922
Equity value	3,065
No. of shares outstanding	204.2
Discounted cash flow / share upside/(downside)	15.01 / 8.5%

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2023E-2030E)	1.5%
Terminal value growth (2030E - infinity)	2.0%
Terminal year ROCE	6.3%
Terminal year WACC	6.5%

Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	18%
Equity beta	1.00
Unlevered beta (industry or company)	0.68
Target debt / equity	0.5
Relevered beta	0.96
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	7.7%

Share price	13.83
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Sensitivity analysis DCF

Change in WACC (%-points)	Long term growth					Share of present value	
	1.0%	1.5%	2.0%	2.5%	3.0%	2023E-2026E	2027E-2030E
2.0%	4.6	5.4	6.4	7.6	8.9	3.4%	13.9%
1.0%	7.3	8.5	9.9	11.6	13.7		
0.0%	11.0	12.8	15.0	17.7	21.2	terminal value	82.7%
-1.0%	16.4	19.3	23.0	27.9	34.8		
-2.0%	24.8	30.0	37.3	48.1	66.0		

FCF Yield Model

Due to the fact that companies rarely bear sufficient resemblance to peers in terms of geographical exposure, size or competitive strength and in order to adjust for the pitfalls of weak long-term visibility, an Adjusted Free Cash Flow analysis (Adjusted FCF) has been conducted.

The adjusted Free Cash Flow Yield results in a fair value between EUR 14.62 per share based on 2023E and 16.06 EUR per share on 2027E estimates. It thus supports the DCF based fair value calculations.

The main driver of this model is the level of return available to a controlling investor, influenced by the cost of that investors' capital (opportunity costs) and the purchase price – in this case the enterprise value of the company. Here, the adjusted FCF yield is used as a proxy for the required return and is defined as EBITDA less minority interest, taxes and investments required to maintain existing assets (maintenance capex).

FCF yield in EURm	2023E	2024E	2025E	2026E	2027E
EBITDA	978	1,038	1,048	1,002	1,016
- Maintenance capex	359	369	396	421	438
- Minorities	85	122	118	131	129
- tax expenses	132	145	141	87	91
= Adjusted Free Cash Flow	403	402	392	363	358
Actual Market Cap	2,824	2,824	2,824	2,824	2,824
+ Net debt (cash)	1,720	1,533	1,447	1,305	1,111
+ Pension provisions	1,304	1,330	1,343	1,363	1,383
+ Off B/S financing	0	0	0	0	0
- Financial assets	172	172	172	172	172
- Acc. dividend payments	82	184	286	388	490
<i>EV Reconciliations</i>	2,770	2,507	2,332	2,108	1,831
= Actual EV'	5,594	5,331	5,156	4,932	4,655
Adjusted RW_FCF yield	7.2%	7.5%	7.6%	7.4%	7.7%
base hurdle rate	7.0%	7.0%	7.0%	7.0%	7.0%
ESG adjustment	0.0%	0.0%	0.0%	0.0%	0.0%
adjusted hurdle rate	7.0%	7.0%	7.0%	7.0%	7.0%
Fair EV	5,755	5,744	5,606	5,190	5,110
- <i>EV Reconciliations</i>	2,770	2,507	2,332	2,108	1,831
Fair Market Cap	2,985	3,237	3,274	3,082	3,279
No. of shares (million)	204	204	204	204	204
Fair value per share in EUR	14.62	15.85	16.04	15.09	16.06
Premium (-) / discount (+)	5.7%	14.6%	16.0%	9.1%	16.1%

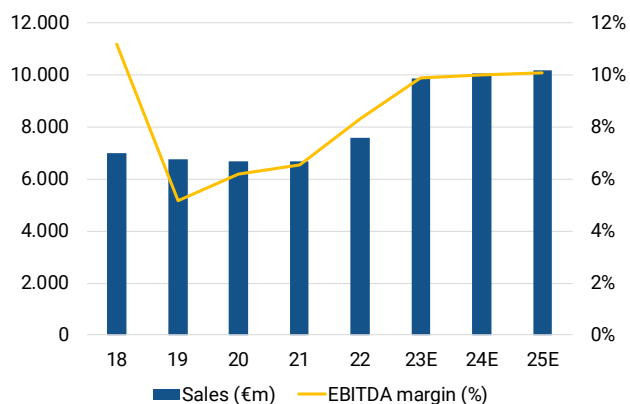
Sensitivity analysis fair value						
Adjusted hurdle rate	5.0%	26	27	27	25	26
	6.0%	19	21	21	19	20
	7.0%	15	16	16	15	16
	8.0%	11	12	13	12	13
	9.0%	8	10	10	9	10

Source: Company data; AlsterResearch

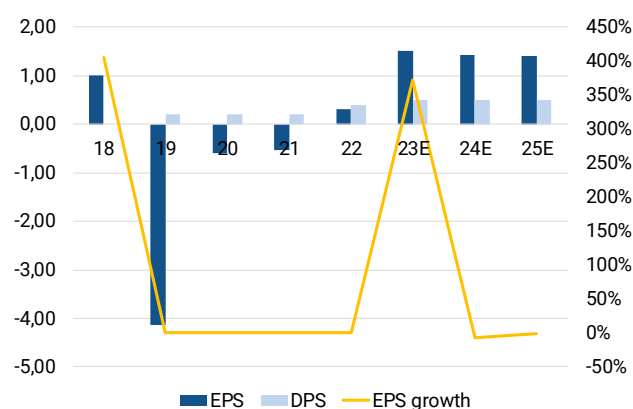
Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 7.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments might be applicable, based on the overall Leeway ESG Score. A high score indicates high awareness for environmental, social or governance issues and thus might lower the overall risk an investment in the company might carry. A low score on the contrary might increase the risk of an investment and might therefore trigger a higher required hurdle rate.**

Financials in six charts

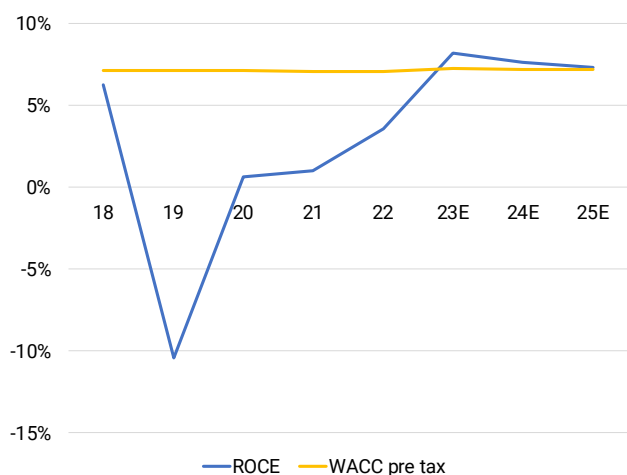
Sales vs. EBITDA margin development



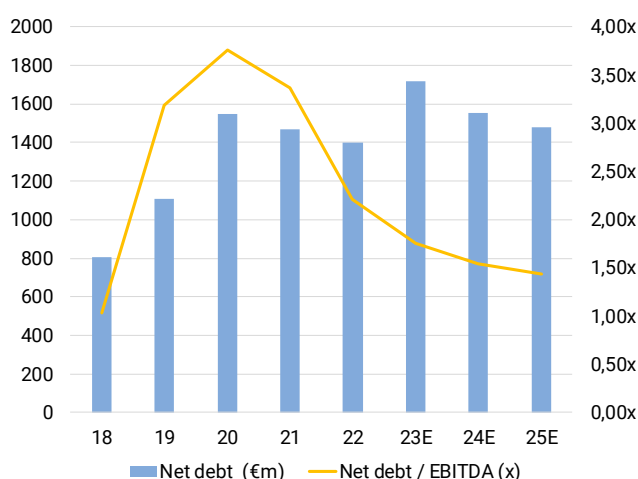
EPS, DPS in EUR & yoy EPS growth



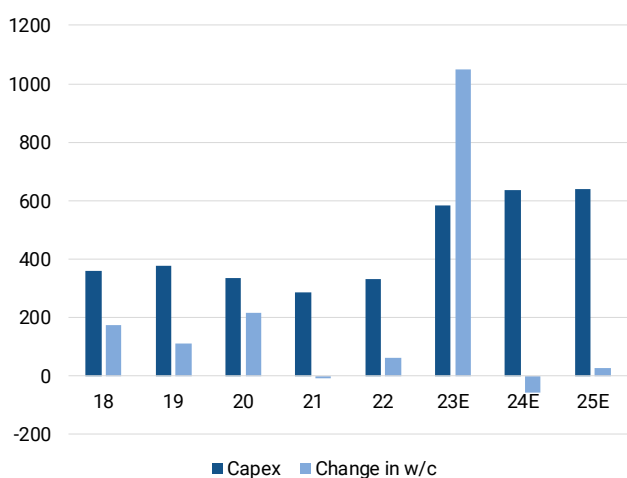
ROCE vs. WACC (pre tax)



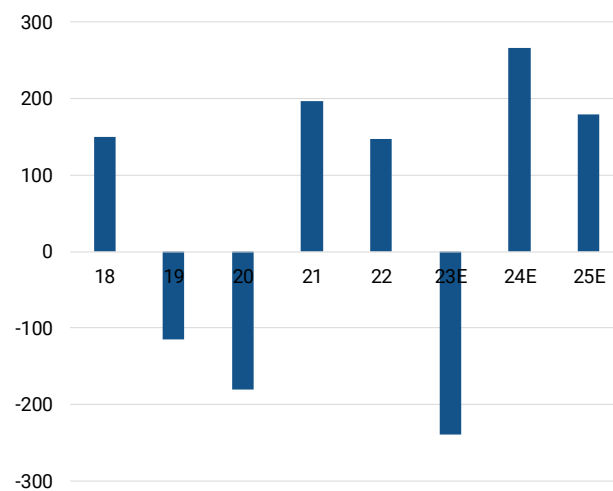
Net debt and net debt/EBITDA



Capex & chgn in w/c requirements in EURm



Free Cash Flow in EURm



Financials

Profit and loss (EUR m)	2020	2021	2022	2023E	2024E	2025E
Net sales	6,671	6,679	7,599	9,879	10,076	10,177
Sales growth	-1.2%	0.1%	13.8%	30.0%	2.0%	1.0%
Change in finished goods and work-in-process	180	-36	149	0	0	0
Total sales	6,851	6,643	7,748	9,879	10,076	10,177
Material expenses	4,628	4,356	5,300	6,372	6,499	6,564
Gross profit	2,223	2,288	2,448	3,507	3,577	3,613
Other operating income	113	111	125	168	171	173
Personnel expenses	978	984	972	1,413	1,441	1,455
Other operating expenses	946	979	970	1,284	1,270	1,282
EBITDA	412	436	631	978	1,038	1,048
Depreciation	339	342	361	359	369	396
EBITA	73	95	270	619	669	652
Amortisation of goodwill and intangible assets	25	25	29	22	23	23
EBIT	48	70	241	598	646	628
Financial result	-39	-49	-37	-71	-67	-65
Recurring pretax income from continuing operations	9	21	204	527	580	564
Extraordinary income/loss	0	0	0	0	0	0
Earnings before taxes	9	21	204	527	580	564
Taxes	63	57	81	132	145	141
Net income from continuing operations	-55	-36	123	395	435	423
Result from discontinued operations (net of tax)	0	0	0	0	0	0
Net income	-55	-36	123	395	435	423
Minority interest	-67	-71	-58	-85	-122	-118
Net profit (reported)	-122	-107	66	310	313	304
Average number of shares	204.18	204.18	204.18	204.18	204.18	204.18
EPS reported	-0.60	-0.52	0.32	1.52	1.53	1.49

Profit and loss (common size)	2020	2021	2022	2023E	2024E	2025E
Net sales	100%	100%	100%	100%	100%	100%
Change in finished goods and work-in-process	3%	-1%	2%	0%	0%	0%
Total sales	103%	99%	102%	100%	100%	100%
Material expenses	69%	65%	70%	65%	65%	65%
Gross profit	33%	34%	32%	36%	36%	36%
Other operating income	2%	2%	2%	2%	2%	2%
Personnel expenses	15%	15%	13%	14%	14%	14%
Other operating expenses	14%	15%	13%	13%	13%	13%
EBITDA	6%	7%	8%	10%	10%	10%
Depreciation	5%	5%	5%	4%	4%	4%
EBITA	1%	1%	4%	6%	7%	6%
Amortisation of goodwill and intangible assets	0%	0%	0%	0%	0%	0%
EBIT	1%	1%	3%	6%	6%	6%
Financial result	-1%	-1%	-0%	-1%	-1%	-1%
Recurring pretax income from continuing operations	0%	0%	3%	5%	6%	6%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	0%	0%	3%	5%	6%	6%
Taxes	1%	1%	1%	1%	1%	1%
Net income from continuing operations	-1%	-1%	2%	4%	4%	4%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	-1%	-1%	2%	4%	4%	4%
Minority interest	-1%	-1%	-1%	-1%	-1%	-1%
Net profit (reported)	-2%	-2%	1%	3%	3%	3%

Source: Company data; AlsterResearch

Balance sheet (EUR m)	2020	2021	2022	2023E	2024E	2025E
Intangible assets (excl. Goodwill)	262	226	227	235	242	250
Goodwill	740	722	707	707	707	707
Property, plant and equipment	3,061	2,983	2,988	3,182	3,418	3,632
Financial assets	442	251	172	172	172	172
FIXED ASSETS	4,504	4,181	4,094	4,296	4,539	4,761
Inventories	2,176	2,134	2,317	3,055	2,991	3,021
Accounts receivable	978	948	1,140	1,407	1,436	1,450
Other current assets	175	155	195	195	195	195
Liquid assets	505	445	485	202	267	303
Deferred taxes	0	0	0	0	0	0
Deferred charges and prepaid expenses	76	110	211	445	453	458
CURRENT ASSETS	3,911	3,792	4,348	5,304	5,342	5,428
TOTAL ASSETS	8,415	7,973	8,441	9,600	9,881	10,188
SHAREHOLDERS EQUITY	2,781	2,654	2,781	3,094	3,427	3,748
MINORITY INTEREST	892	882	918	918	918	918
Long-term debt	1,429	1,438	1,322	1,322	1,250	1,250
Provisions for pensions and similar obligations	1,071	946	922	1,304	1,330	1,343
Other provisions	342	300	308	543	554	560
Non-current liabilities	2,842	2,683	2,552	3,169	3,134	3,153
short-term liabilities to banks	625	476	562	600	550	500
Accounts payable	818	824	1,116	1,205	1,229	1,241
Advance payments received on orders	0	0	0	0	0	0
Other liabilities (incl. from lease and rental contracts)	112	119	179	474	484	488
Deferred taxes	146	136	140	140	140	140
Deferred income	199	201	194	0	0	0
Current liabilities	1,900	1,755	2,190	2,418	2,402	2,369
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	8,415	7,973	8,441	9,600	9,881	10,188

Balance sheet (common size)	2020	2021	2022	2023E	2024E	2025E
Intangible assets (excl. Goodwill)	3%	3%	3%	2%	2%	2%
Goodwill	9%	9%	8%	7%	7%	7%
Property, plant and equipment	36%	37%	35%	33%	35%	36%
Financial assets	5%	3%	2%	2%	2%	2%
FIXED ASSETS	54%	52%	48%	45%	46%	47%
Inventories	26%	27%	27%	32%	30%	30%
Accounts receivable	12%	12%	14%	15%	15%	14%
Other current assets	2%	2%	2%	2%	2%	2%
Liquid assets	6%	6%	6%	2%	3%	3%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	1%	1%	3%	5%	5%	4%
CURRENT ASSETS	46%	48%	52%	55%	54%	53%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	33%	33%	33%	32%	35%	37%
MINORITY INTEREST	11%	11%	11%	10%	9%	9%
Long-term debt	17%	18%	16%	14%	13%	12%
Provisions for pensions and similar obligations	13%	12%	11%	14%	13%	13%
Other provisions	4%	4%	4%	6%	6%	5%
Non-current liabilities	34%	34%	30%	33%	32%	31%
short-term liabilities to banks	7%	6%	7%	6%	6%	5%
Accounts payable	10%	10%	13%	13%	12%	12%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	1%	1%	2%	5%	5%	5%
Deferred taxes	2%	2%	2%	1%	1%	1%
Deferred income	2%	3%	2%	0%	0%	0%
Current liabilities	23%	22%	26%	25%	24%	23%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100%	100%	100%	100%	100%	100%

Source: Company data; AlsterResearch

Cash flow statement (EUR m)	2020	2021	2022	2023E	2024E	2025E
Net profit/loss	-55	-36	123	395	435	423
Depreciation of fixed assets (incl. leases)	370	376	364	359	369	396
Amortisation of goodwill	0	0	0	0	0	0
Amortisation of intangible assets	0	0	0	22	23	23
Others	57	135	52	617	37	19
Cash flow from operations before changes in w/c	372	475	540	1,392	863	861
Increase/decrease in inventory	0	0	0	-738	64	-30
Increase/decrease in accounts receivable	0	0	0	-267	-28	-14
Increase/decrease in accounts payable	0	0	0	89	24	12
Increase/decrease in other w/c positions	-217	7	-62	-131	1	0
Increase/decrease in working capital	-217	7	-62	-1,049	60	-32
Cash flow from operating activities	155	482	478	344	923	830
CAPEX	-335	-285	-332	-583	-635	-641
Payments for acquisitions	0	0	0	0	0	0
Financial investments	53	63	91	0	0	0
Income from asset disposals	7	20	33	0	0	0
Cash flow from investing activities	-276	-202	-208	-583	-635	-641
Cash flow before financing	-121	280	271	-239	289	189
Increase/decrease in debt position	272	-173	-47	38	-122	-50
Purchase of own shares	0	0	0	0	0	0
Capital measures	0	0	2	0	0	0
Dividends paid	-102	-97	-101	-82	-102	-102
Others	0	-1	-5	0	0	0
Effects of exchange rate changes on cash	1	-8	-2	0	0	0
Cash flow from financing activities	171	-280	-153	-44	-224	-152
Increase/decrease in liquid assets	50	0	118	-283	65	36
Liquid assets at end of period	197	198	316	33	98	134

Source: Company data; AlsterResearch

Regional sales split (EURm)	2020	2021	2022	2023E	2024E	2025E
Domestic	1,492	1,491	1,629	2,101	2,126	2,131
Europe (ex domestic)	3,512	3,512	4,223	5,495	5,610	5,671
The Americas	675	735	757	997	1,029	1,052
Asia	0	0	0	0	0	0
Rest of World	992	942	991	1,286	1,311	1,323
Total sales	6,671	6,679	7,599	9,879	10,076	10,177

Regional sales split (common size)	2020	2021	2022	2023E	2024E	2025E
Domestic	22.4%	22.3%	21.4%	21.3%	21.1%	20.9%
Europe (ex domestic)	52.6%	52.6%	55.6%	55.6%	55.7%	55.7%
The Americas	10.1%	11.0%	10.0%	10.1%	10.2%	10.3%
Asia	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rest of World	14.9%	14.1%	13.0%	13.0%	13.0%	13.0%
Total sales	100%	100%	100%	100%	100%	100%

Source: Company data; AlsterResearch

Ratios	2020	2021	2022	2023E	2024E	2025E
Per share data						
Earnings per share reported	-0.60	-0.52	0.32	1.52	1.53	1.49
Cash flow per share	-1.02	0.56	0.43	-0.07	2.71	2.12
Book value per share	13.62	13.00	13.62	15.16	16.78	18.35
Dividend per share	0.20	0.20	0.40	0.50	0.50	0.50
Valuation						
P/E	-23.2x	-26.5x	43.0x	9.1x	9.0x	9.3x
P/CF	-13.5x	24.5x	32.2x	-193.2x	5.1x	6.5x
P/BV	1.0x	1.1x	1.0x	0.9x	0.8x	0.8x
Dividend yield (%)	1.4%	1.4%	2.9%	3.6%	3.6%	3.6%
FCF yield (%)	-7.4%	4.1%	3.1%	-0.5%	19.6%	15.3%
EV/Sales	0.8x	0.8x	0.7x	0.6x	0.6x	0.6x
EV/EBITDA	13.2x	12.0x	8.1x	6.0x	5.5x	5.4x
EV/EBIT	113.9x	75.1x	21.4x	9.8x	8.8x	8.9x
Income statement (EURm)						
Sales	6,671	6,679	7,599	9,879	10,076	10,177
yoy chg in %	-1.2%	0.1%	13.8%	30.0%	2.0%	1.0%
Gross profit	2,223	2,288	2,448	3,507	3,577	3,613
Gross margin in %	33.3%	34.3%	32.2%	35.5%	35.5%	35.5%
EBITDA	412	436	631	978	1,038	1,048
EBITDA margin in %	6.2%	6.5%	8.3%	9.9%	10.3%	10.3%
EBIT	48	70	241	598	646	628
EBIT margin in %	0.7%	1.0%	3.2%	6.1%	6.4%	6.2%
Net profit	-122	-107	66	310	313	304
Cash flow statement (EURm)						
CF from operations	155	482	478	344	923	830
Capex	-335	-285	-332	-583	-635	-641
Maintenance Capex	364	367	391	359	369	396
Free cash flow	-180	197	147	-239	289	189
Balance sheet (EURm)						
Intangible assets	1,001	947	934	941	949	956
Tangible assets	3,061	2,983	2,988	3,182	3,418	3,632
Shareholders' equity	2,781	2,654	2,781	3,094	3,427	3,748
Pension provisions	1,071	946	922	1,304	1,330	1,343
Liabilities and provisions	3,467	3,159	3,114	3,769	3,684	3,653
Net financial debt	1,549	1,468	1,399	1,720	1,533	1,447
w/c requirements	2,337	2,259	2,341	3,258	3,198	3,230
Ratios						
ROE	-2.0%	-1.4%	4.4%	12.8%	12.7%	11.3%
ROCE	0.7%	1.0%	3.5%	7.7%	8.0%	7.6%
Net gearing	55.7%	55.3%	50.3%	55.6%	44.7%	38.6%
Net debt / EBITDA	3.8x	3.4x	2.2x	1.8x	1.5x	1.4x

Source: Company data; AlsterResearch

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