

# HelloFresh SE

Germany | Retail | MCap EUR 6,636m

29 April 2022

UPDATE



Q1: Sales growth strong; margins remain under pressure – still BUY

## What's it all about?

HelloFresh's Q1 saw a record quarterly top line as active customer base, order volumes, and order size, all continued to see strong growth. However, profitability remained under pressure, dragged by a rise in costs, capacity expansion, and growth investments. On the back of a solid start to the year, management reiterated its revenue growth guidance of 20-26% yoy on a constant currency basis and adj. EBITDA at EUR 500-580m for 2022. The pandemic provided HelloFresh with significant tailwinds for low-cost customer acquisition, and demand for meal kits remains encouraging. Its sound liquidity (EUR 796m) should aid in further expanding the business over the next few years and reach its mid-term revenue goal of EUR 10bn and adj. EBITDA (AEBITDA) of 10-15%. We maintain our BUY rating of the stock, with slightly adjusted estimates and target price of EUR 58.00 (EUR 60.00).

**BUY** (BUY)

<b>Target price</b>	<b>EUR 58.00 (60.00)</b>
Current price	EUR 38.25
Up/downside	51.6%



**MAIN AUTHOR**

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## Q1: Sales growth strong; margins remain under pressure

**Demand for meal kits gains further traction.** HelloFresh's Q1 results came in ahead of market expectations, with good top-line growth in both the US and International segments. The group fared well in most KPIs, with number of active customers, total orders, total meals, average order value (AOV), all seeing healthy increases, while order rates were stable yoy. These numbers are impressive, given a tough comparable base that had benefitted from pandemic-led lockdowns. Although adj. EBITDA was better than consensus and AlsterResearch expectations, overall profitability continues to be dragged by the group's growth investments (including ramp-up of capacity, new brands, and new markets), input cost inflation, and higher fuel costs. Nevertheless, the ongoing buyback program of up to EUR 250m, of which EUR 125m of shares were repurchased in Q1, should support investor sentiment.

**Increasing order volume and improving AOV boosts revenues.** Revenues grew a robust 33% yoy and ca 22% qoq to EUR 1.92bn (+26% yoy in constant currencies), coming in 4% ahead of market expectations. Segment-wise, the US business reported revenue growth of 37% yoy to EUR 1.1bn, while International revenues rose 27% yoy to EUR 815.3m.

Customer additions continued to impress, with the group's active customer base increasing 17% yoy to 8.52m (vs 7.22m at end-2021), led by both, the US (+15% yoy) and International (+19% yoy) segments. The average order rate was stable yoy at 4.0 per customer, and well ahead of pre-pandemic levels (Q1 2020 at 3.5). Total orders rose 18% yoy to 34.6m and the AOV rose a notable 12% yoy growth to EUR 55.1, thanks to bigger order sizes and selective price increases. Total meals delivered by the group increased 20% yoy to 287.3m in Q1.

**Profitability remains under pressure.** The contribution margin narrowed 3.0ppt yoy to 25.2% in Q1, dragged by ingredient price inflation, investments towards capacity additions and new brand ramp-ups, wage increases (implemented in H2 2021), and rising fuel costs. Consequently, AEBITDA declined 38% yoy to EUR 99.3m, although it

– continued –

HelloFresh SE	2019	2020	2021	2022E	2023E	2024E
Sales	1,809	3,750	5,993	7,372	8,330	8,997
<i>Growth yoy</i>	41.4%	107.3%	59.8%	23.0%	13.0%	8.0%
EBITDA	14	473	489	574	805	937
EBIT	-26	426	392	365	513	662
Net profit	-10	369	256	233	343	446
Net debt (net cash)	-74	-432	-377	-464	-957	-1,536
Net debt/EBITDA	-5.3x	-0.9x	-0.8x	-0.8x	-1.2x	-1.6x
EPS recurring	-0.06	2.19	1.48	1.34	1.97	2.57
DPS	0.00	0.00	0.00	0.00	0.00	0.00
<i>Dividend yield</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross profit margin	64.6%	66.0%	65.9%	64.0%	64.5%	64.7%
EBITDA margin	0.8%	12.6%	8.2%	7.8%	9.7%	10.4%
EBIT margin	-1.4%	11.4%	6.5%	5.0%	6.2%	7.4%
ROCE	-6.9%	41.2%	27.3%	23.3%	26.4%	27.4%
EV/EBITDA	468.7x	13.1x	12.8x	10.8x	7.1x	5.4x
EV/EBIT	-254.4x	14.6x	16.0x	16.9x	11.1x	7.7x
PER	-616.5x	17.5x	25.9x	28.5x	19.4x	14.9x
FCF yield	0.1%	8.7%	5.8%	6.1%	6.9%	8.1%

Source: Company data, AlsterResearch



Source: Company data, AlsterResearch

**High/low 52 weeks** 97.50 / 31.69  
**Price/Book Ratio** 7.4x

### Ticker / Symbols

ISIN DE000A161408  
WKN A16140  
Bloomberg HFG:GR

### Changes in estimates

		Sales	EBIT	EPS
2022E	old	7.372	402	1.49
	Δ	0,0%	-9,2%	-10,0%
2023E	old	8.330	538	2.08
	Δ	0,0%	-4,6%	-4,9%
2024E	old	8.997	689	2.68
	Δ	0,0%	-3,9%	-4,1%

### Key share data

Number of shares: (in m pcs) 173.50  
Book value per share: (in €) 5.16  
Ø trading volume: (12 months) 800,000

### Major shareholders

Baillie Gifford 11.1%  
BlackRock 8.9%  
Vanguard World Fund 5.1%  
Free Float 62.6%

### Company description

Hellofresh SE provides online food services. The company offers pre-portioned ingredients that give subscribers the opportunity to prepare home-cooked meals. The users have choice between different the meals and recipes. The business activities of Hellofresh are divided into two operating segments: the USA, and International segment, which includes operations in Australia, Austria, Belgium, Canada, Germany, the Netherlands, Switzerland and the UK.

came in well ahead of consensus expectations of ca EUR 67.9m. The margin narrowed by 5.8ppt yoy to a tepid 5.2% (vs 7.4% in Q4 2021), with the International unit witnessing a sharper drop (-7.8ppt yoy to 5.5%) than the US (-4.0ppt yoy to 7.5%).

**Healthy cash position: massive capital spend expected in 2022.** In Q1 HelloFresh generated EUR 198.2m in cash from operations on positive EBITDA and lower working capital investments. It generated FCF of EUR 120.7m (-30% yoy) and ended the quarter with a healthy cash position of EUR 795.7m. Earlier, HelloFresh had indicated a massive increase in capex of up to EUR 450-500m for 2022, with Q2/Q3 having a relatively higher share of the spend.

**Conclusion.** HelloFresh's Q1 top-line growth was once again underpinned by an increase in the active customer base, order volumes, and order value. This was somewhat dampened by weaker profitability. Nevertheless, the company continues to invest in its fulfilment infrastructure/technology platform, and capacity expansion, which should slowly bring in cost efficiencies. Thus, for 2022, it still expects revenue growth of 20-26% on a constant currency basis and AEBITDA of EUR 500-580m. We maintain our BUY rating of the stock, with slightly adjusted estimates and target price of EUR 58.00 (EUR 60.00).

## Quarterly table

P&L data	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022
Sales	969.3	970.2	1,108.5	1,442.9	1,555.0	1,415.5	1,580.1	1,915.4
yoy growth in %	122.0%	120.2%	116.6%	106.4%	60.4%	45.9%	42.5%	32.7%
Gross profit	629.9	637.8	747.1	955.6	1,022.3	925.7	1,043.4	1,254.1
Gross margin in %	65.0%	65.7%	67.4%	66.2%	65.7%	65.4%	66.0%	65.5%
EBITDA	143.9	99.1	164.8	147.1	154.4	62.9	110.8	71.8
EBITDA margin in %	14.8%	10.2%	14.9%	10.2%	9.9%	4.4%	7.0%	3.7%
EBIT	132.4	87.4	151.6	131.4	129.8	37.4	79.8	39.7
EBIT margin in %	13.7%	9.0%	13.7%	9.1%	8.3%	2.6%	5.1%	2.1%
EBT	130.6	80.6	143.0	138.7	123.0	36.0	86.2	49.3
taxes paid	14.6	6.0	4.3	37.1	39.2	12.9	38.5	22.3
tax rate in %	11.2%	7.4%	3.0%	26.7%	31.9%	35.8%	44.7%	45.2%
net profit	115.8	74.0	138.8	101.6	83.7	23.1	47.6	27.3
yoy growth in %	na%	221.7%	675.4%	155.9%	-27.7%	-68.8%	-65.7%	-73.1%
<b>EPS</b>	<b>0.70</b>	<b>0.43</b>	<b>0.91</b>	<b>0.59</b>	<b>0.48</b>	<b>0.13</b>	<b>0.27</b>	<b>0.16</b>

Source: Company data, AlsterResearch

# Investment case in five charts

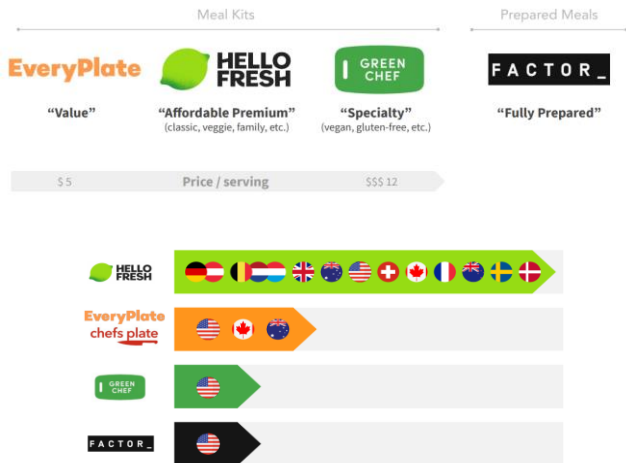
## Key facts

**~1bn** meals shipped  
**~€5.9bn** revenue  
**7m** active customers  
**17k** employees internationally  
**DAX 40** index constituent

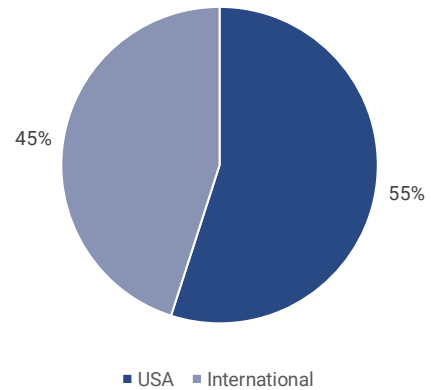
## Product samples



## Hellofresh - brand family and regional activities



## Sales by Business segment (in%)



## Menu expansion helps to serve a broader range of taste, lifestyle, and dietary preferences



Source: Company data; AlsterResearch

# Valuation

## DCF Model

The DCF model results in a fair value of EUR 57.99 per share:

**Top-line growth:** We expect HelloFresh SE to continue benefitting from structural growth. Hence our growth estimates for 2021-28E is in the range of 5.7% p.a. The long-term growth rate is set at 2.0%.

**EBIT margins:** The scalable business model should allow for double-digit EBIT margins, which look defensible given highly competitive quality. Accordingly, we model approx. 9% EBIT margins in the long-term.

**WACC:** The averaged 1-, 3- and 5-year historical equity beta is calculated as 1.08. Unlevering and correcting for mean reversion yields an asset beta of 1.02. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 11.6%. With pre-tax cost of borrowing at 5.0%, a tax rate of 25% and target debt/equity of 0.8 this results in a long-term WACC of 8.2%.

DCF (EUR m) (except per share data and beta)	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	Terminal value
NOPAT	255	359	463	537	569	584	598	607	
Depreciation & amortization	209	293	275	255	245	241	219	202	
Change in working capital	129	78	54	44	47	21	21	22	
Chg. in long-term provisions	17	12	8	7	7	3	3	3	
Capex	-501	-232	-206	-218	-232	-165	-158	-151	
Cash flow	109	509	595	625	636	684	683	682	11,151
Present value	104	447	482	469	442	439	406	375	6,074
WACC	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%	8.2%

DCF per share derived from	
Total present value	9,237
Mid-year adj. total present value	9,605
Net debt / cash at start of year	-377
Financial assets	80
Provisions and off b/s debt	na
Equity value	10,062
No. of shares outstanding	173.5
<b>Discounted cash flow / share upside/(downside)</b>	<b>57.99 / 51.6%</b>

**Share price 38.25**

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2021E - 2028E)	5.7%
Terminal value growth (2028E - infinity)	2.0%
Terminal year ROCE	17.2%
Terminal year WACC	8.2%

Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	25%
Equity beta	1.08
Unlevered beta (industry or company)	1.02
Target debt / equity	0.8
Relevered beta	1.60
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	11.6%

## Sensitivity analysis DCF

Change in WACC (%-points)	Long term growth					Share of present value	
	1.0%	1.5%	2.0%	2.5%	3.0%	2021E - 2024E	2025E - 2028E
2.0%	41.6	43.0	44.5	46.2	48.1	16.3%	18.0%
1.0%	46.5	48.3	50.3	52.6	55.3		
0.0%	52.6	55.1	58.0	61.3	65.4		
-1.0%	60.8	64.4	68.6	73.8	80.1		
-2.0%	72.1	77.6	84.3	92.8	104.0		65.8%

## 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 33.07 per share based on 2022E and 77.83 EUR per share on 2026E estimates. Given the coming investment period, **we value HelloFresh SE on 2024E, which derive at a price target of EUR c. 60.00**. 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	2022E	2023E	2024E	2025E	2026E
<b>EBITDA</b>	<b>574</b>	<b>805</b>	<b>937</b>	<b>1,023</b>	<b>1,059</b>
- Maintenance capex	180	267	250	229	218
- Minorities	0	0	0	0	0
- tax expenses	100	147	191	223	237
<b>= Adjusted FCF</b>	<b>294</b>	<b>392</b>	<b>495</b>	<b>570</b>	<b>603</b>
<b>Actual Market Cap</b>	<b>6,636</b>	<b>6,636</b>	<b>6,636</b>	<b>6,636</b>	<b>6,636</b>
+ Net debt (cash)	-464	-957	-1,536	-2,144	-2,764
+ Pension provisions	0	0	0	0	0
+ Off b/s financing	0	0	0	0	0
- Financial assets	80	80	80	80	80
- Acc. dividend payments	0	0	0	0	0
<i>EV Reconciliations</i>	-544	-1,037	-1,616	-2,224	-2,844
<b>= Actual EV'</b>	<b>6,093</b>	<b>5,599</b>	<b>5,020</b>	<b>4,412</b>	<b>3,793</b>
<b>Adjusted FCF yield</b>	<b>4.8%</b>	<b>7.0%</b>	<b>9.9%</b>	<b>12.9%</b>	<b>15.9%</b>
base hurdle rate	6.0%	6.0%	6.0%	6.0%	6.0%
ESG adjustment	0.3%	0.3%	0.3%	0.3%	0.3%
adjusted hurdle rate	5.7%	5.7%	5.7%	5.7%	5.7%
<b>Fair EV</b>	<b>5,194</b>	<b>6,919</b>	<b>8,751</b>	<b>10,074</b>	<b>10,659</b>
- <i>EV Reconciliations</i>	-544	-1,037	-1,616	-2,224	-2,844
<b>Fair Market Cap</b>	<b>5,738</b>	<b>7,957</b>	<b>10,367</b>	<b>12,298</b>	<b>13,503</b>
No. of shares (million)	174	174	174	174	174
<b>Fair value per share in EUR</b>	<b>33.07</b>	<b>45.86</b>	<b>59.75</b>	<b>70.88</b>	<b>77.83</b>
<b>Premium (-) / discount (+)</b>	<b>-13.5%</b>	<b>19.9%</b>	<b>56.2%</b>	<b>85.3%</b>	<b>103.5%</b>

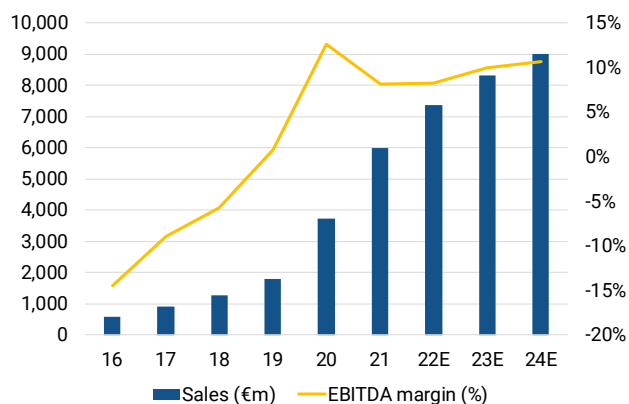
Sensitivity analysis fair value						
<b>Adjusted hurdle rate</b>	3.7%	49	68	87	103	111
	4.7%	39	54	71	83	91
	<b>5.7%</b>	<b>33</b>	<b>46</b>	<b>60</b>	<b>71</b>	<b>78</b>
	6.7%	29	40	52	62	69
	7.7%	25	35	47	56	62

Source: Company data; AlsterResearch

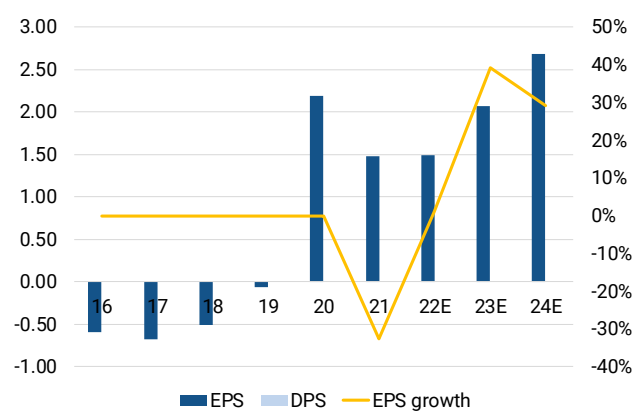
Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 6.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments 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

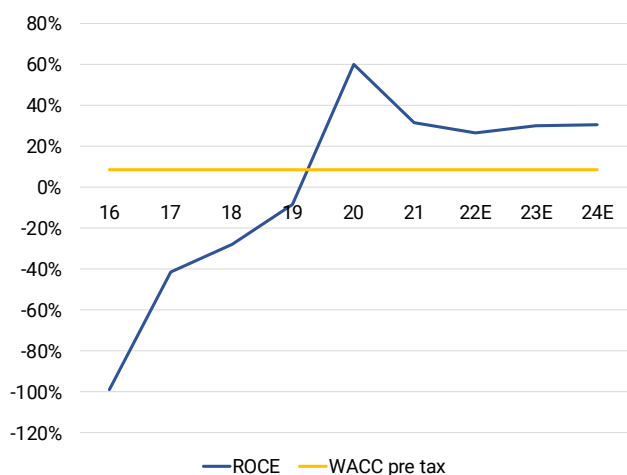
**Sales vs. EBITDA margin development**



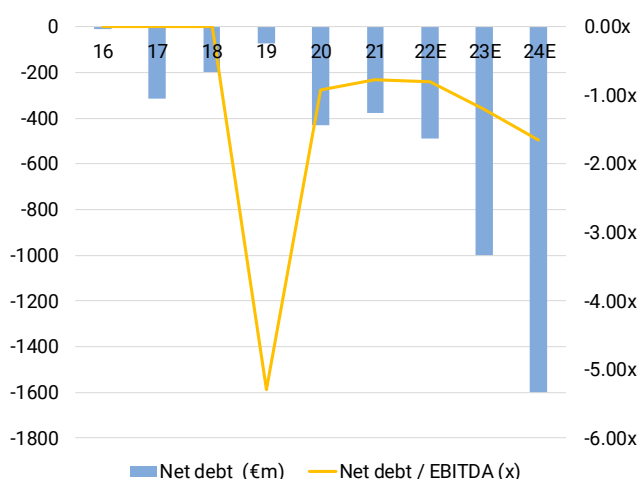
**EPS, DPS in EUR & yoy EPS growth**



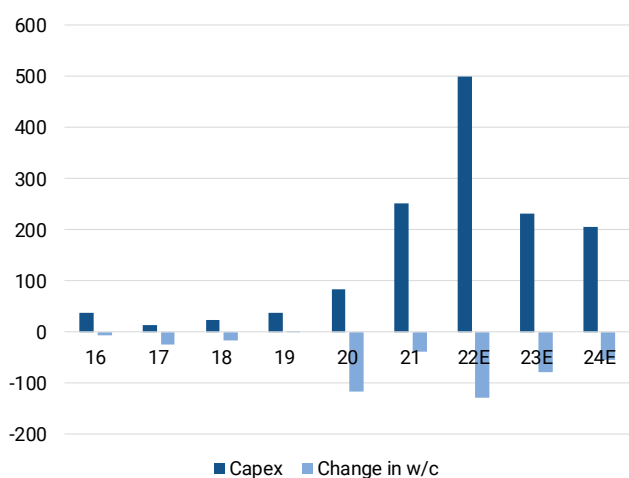
**ROCE vs. WACC (pre tax)**



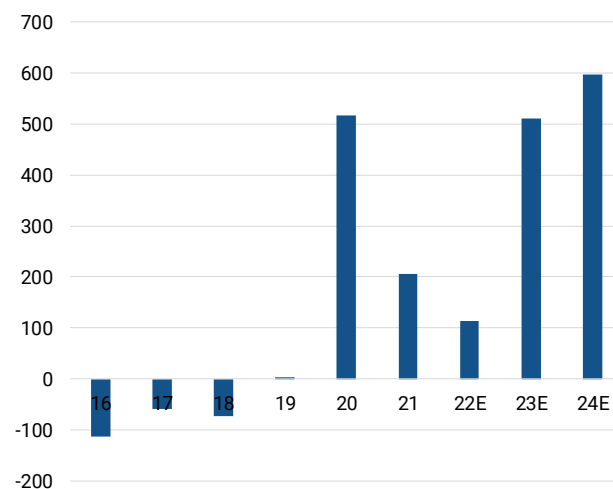
**Net debt and net debt/EBITDA**



**Capex & chgn in w/c requirements in EURm**



**Free Cash Flow in EURm**



Source: Company data; AlsterResearch

## Financials

Profit and loss (EUR m)	2018	2019	2020	2021E	2022E	2023E
<b>Sales</b>	<b>1,809</b>	<b>3,750</b>	<b>5,993</b>	<b>7,372</b>	<b>8,330</b>	<b>8,997</b>
Sales growth	41.4%	107.3%	59.8%	23.0%	13.0%	8.0%
Cost of sales	641	1,277	2,046	2,654	2,957	3,176
<b>Gross profit</b>	<b>1,169</b>	<b>2,473</b>	<b>3,947</b>	<b>4,718</b>	<b>5,373</b>	<b>5,821</b>
SG&A expenses	1,157	2,002	3,462	4,357	4,865	5,164
Research and development	0	0	0	0	0	0
Other operating expenses (income)	-2	-2	-3	-4	-4	-5
<b>EBITDA</b>	<b>14</b>	<b>473</b>	<b>489</b>	<b>574</b>	<b>805</b>	<b>937</b>
Depreciation	35	43	76	180	267	250
EBITA	-21	430	412	394	539	687
Amortisation of goodwill and intangible assets	5	4	20	29	26	26
<b>EBIT</b>	<b>-26</b>	<b>426</b>	<b>392</b>	<b>365</b>	<b>513</b>	<b>662</b>
Financial result	21	-30	-8	-32	-23	-23
Recurring pretax income from continuing operations	-5	396	384	333	490	638
Extraordinary income/loss	0	0	0	0	0	0
Earnings before taxes	-5	396	384	333	490	638
Taxes	5	27	128	100	147	191
Net income from continuing operations	-10	369	256	233	343	447
Result from discontinued operations (net of tax)	0	0	0	0	0	0
<b>Net income</b>	<b>-10</b>	<b>369</b>	<b>256</b>	<b>233</b>	<b>343</b>	<b>447</b>
Minority interest	-0	-0	-0	-0	-0	-0
Net profit (reported)	-10	369	256	233	343	446
Average number of shares	164.40	168.40	173.50	173.50	173.50	173.50
<b>EPS reported</b>	<b>-0.06</b>	<b>2.19</b>	<b>1.48</b>	<b>1.34</b>	<b>1.97</b>	<b>2.57</b>

Profit and loss (common size)	2018	2019	2020	2021E	2022E	2023E
<b>Sales</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Cost of sales	35%	34%	34%	36%	36%	35%
<b>Gross profit</b>	<b>65%</b>	<b>66%</b>	<b>66%</b>	<b>64%</b>	<b>64%</b>	<b>65%</b>
SG&A expenses	64%	53%	58%	59%	58%	57%
Research and development	0%	0%	0%	0%	0%	0%
Other operating expenses (income)	-0%	-0%	-0%	-0%	-0%	-0%
<b>EBITDA</b>	<b>1%</b>	<b>13%</b>	<b>8%</b>	<b>8%</b>	<b>10%</b>	<b>10%</b>
Depreciation	2%	1%	1%	2%	3%	3%
EBITA	-1%	11%	7%	5%	6%	8%
Amortisation of goodwill and intangible assets	0%	0%	0%	0%	0%	0%
<b>EBIT</b>	<b>-1%</b>	<b>11%</b>	<b>7%</b>	<b>5%</b>	<b>6%</b>	<b>7%</b>
Financial result	1%	-1%	-0%	-0%	-0%	-0%
Recurring pretax income from continuing operations	-0%	11%	6%	5%	6%	7%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	-0%	11%	6%	5%	6%	7%
Taxes	0%	1%	2%	1%	2%	2%
Net income from continuing operations	-1%	10%	4%	3%	4%	5%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
<b>Net income</b>	<b>-1%</b>	<b>10%</b>	<b>4%</b>	<b>3%</b>	<b>4%</b>	<b>5%</b>
Minority interest	-0%	-0%	-0%	-0%	-0%	-0%
<b>Net profit (reported)</b>	<b>-1%</b>	<b>10%</b>	<b>4%</b>	<b>3%</b>	<b>4%</b>	<b>5%</b>

Source: Company data; AlsterResearch



Balance sheet (EUR m)	2018	2019	2020	2021E	2022E	2023E
<b>Intangible assets (excl. Goodwill)</b>	<b>15</b>	<b>58</b>	<b>83</b>	<b>75</b>	<b>73</b>	<b>74</b>
Goodwill	50	207	274	274	274	274
Property, plant and equipment	180	263	619	918	860	790
Financial assets	44	76	80	80	80	80
<b>FIXED ASSETS</b>	<b>289</b>	<b>604</b>	<b>1,056</b>	<b>1,348</b>	<b>1,287</b>	<b>1,218</b>
Inventories	44	114	220	271	306	331
Accounts receivable	9	29	21	26	30	32
Other current assets	11	20	29	29	29	29
Liquid assets	203	736	838	807	1,320	1,919
Deferred taxes	0	0	0	0	0	0
Deferred charges and prepaid expenses	15	24	44	55	62	67
<b>CURRENT ASSETS</b>	<b>282</b>	<b>922</b>	<b>1,153</b>	<b>1,187</b>	<b>1,747</b>	<b>2,377</b>
<b>TOTAL ASSETS</b>	<b>570</b>	<b>1,526</b>	<b>2,209</b>	<b>2,535</b>	<b>3,034</b>	<b>3,595</b>
<b>SHAREHOLDERS EQUITY</b>	<b>246</b>	<b>656</b>	<b>896</b>	<b>1,129</b>	<b>1,472</b>	<b>1,918</b>
MINORITY INTEREST	-1	-0	1	1	1	1
Long-term debt	108	275	412	305	320	335
Provisions for pensions and similar obligations	0	0	0	0	0	0
Other provisions	3	75	75	92	104	112
<b>Non-current liabilities</b>	<b>111</b>	<b>350</b>	<b>487</b>	<b>396</b>	<b>423</b>	<b>447</b>
short-term liabilities to banks	20	28	50	38	43	48
Accounts payable	136	292	441	574	648	700
Advance payments received on orders	21	76	211	149	168	182
Other liabilities (incl. from lease and rental contracts)	19	72	109	141	160	172
Deferred taxes	1	6	16	16	16	16
Deferred income	17	46	-1	91	102	111
<b>Current liabilities</b>	<b>214</b>	<b>520</b>	<b>825</b>	<b>1,009</b>	<b>1,138</b>	<b>1,229</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>570</b>	<b>1,526</b>	<b>2,209</b>	<b>2,535</b>	<b>3,034</b>	<b>3,595</b>

Balance sheet (common size)	2018	2019	2020	2021E	2022E	2023E
<b>Intangible assets (excl. Goodwill)</b>	<b>3%</b>	<b>4%</b>	<b>4%</b>	<b>3%</b>	<b>2%</b>	<b>2%</b>
Goodwill	9%	14%	12%	11%	9%	8%
Property, plant and equipment	31%	17%	28%	36%	28%	22%
Financial assets	8%	5%	4%	3%	3%	2%
<b>FIXED ASSETS</b>	<b>51%</b>	<b>40%</b>	<b>48%</b>	<b>53%</b>	<b>42%</b>	<b>34%</b>
Inventories	8%	7%	10%	11%	10%	9%
Accounts receivable	2%	2%	1%	1%	1%	1%
Other current assets	2%	1%	1%	1%	1%	1%
Liquid assets	36%	48%	38%	32%	44%	53%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	3%	2%	2%	2%	2%	2%
<b>CURRENT ASSETS</b>	<b>49%</b>	<b>60%</b>	<b>52%</b>	<b>47%</b>	<b>58%</b>	<b>66%</b>
<b>TOTAL ASSETS</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>SHAREHOLDERS EQUITY</b>	<b>43%</b>	<b>43%</b>	<b>41%</b>	<b>45%</b>	<b>49%</b>	<b>53%</b>
MINORITY INTEREST	-0%	-0%	0%	0%	0%	0%
Long-term debt	19%	18%	19%	12%	11%	9%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	0%	5%	3%	4%	3%	3%
<b>Non-current liabilities</b>	<b>19%</b>	<b>23%</b>	<b>22%</b>	<b>16%</b>	<b>14%</b>	<b>12%</b>
short-term liabilities to banks	4%	2%	2%	2%	1%	1%
Accounts payable	24%	19%	20%	23%	21%	19%
Advance payments received on orders	4%	5%	10%	6%	6%	5%
Other liabilities (incl. from lease and rental contracts)	3%	5%	5%	6%	5%	5%
Deferred taxes	0%	0%	1%	1%	1%	0%
Deferred income	3%	3%	-0%	4%	3%	3%
<b>Current liabilities</b>	<b>37%</b>	<b>34%</b>	<b>37%</b>	<b>40%</b>	<b>38%</b>	<b>34%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Company data; AlsterResearch

Cash flow statement (EUR m)	2018	2019	2020	2021E	2022E	2023E
Net profit/loss	-10	369	256	233	343	447
Depreciation of fixed assets (incl. leases)	35	43	76	180	267	250
Amortisation of goodwill	0	0	0	0	0	0
Amortisation of intangible assets	5	4	20	29	26	26
Others	14	70	67	17	12	8
Cash flow from operations before changes in w/c	44	486	420	459	648	730
Increase/decrease in inventory	-21	-74	-91	-51	-35	-25
Increase/decrease in accounts receivable	1	-21	13	-5	-3	-2
Increase/decrease in accounts payable	29	155	115	133	75	52
Increase/decrease in other w/c positions	-10	55	1	51	42	29
Increase/decrease in working capital	-2	115	38	129	78	54
<b>Cash flow from operating activities</b>	<b>42</b>	<b>602</b>	<b>459</b>	<b>588</b>	<b>726</b>	<b>785</b>
CAPEX	-39	-85	-252	-501	-232	-206
Payments for acquisitions	0	-128	-74	0	0	0
Financial investments	7	2	4	0	0	0
Income from asset disposals	3	0	0	0	0	0
<b>Cash flow from investing activities</b>	<b>-29</b>	<b>-211</b>	<b>-322</b>	<b>-501</b>	<b>-232</b>	<b>-206</b>
Cash flow before financing	13	391	137	87	494	579
Increase/decrease in debt position	-15	154	-27	-119	20	20
Purchase of own shares	0	-4	-41	0	0	0
Capital measures	0	14	5	0	0	0
Dividends paid	0	0	0	0	0	0
Others	0	0	1	0	0	0
Effects of exchange rate changes on cash	1	-19	24	0	0	0
<b>Cash flow from financing activities</b>	<b>-14</b>	<b>144</b>	<b>-39</b>	<b>-119</b>	<b>20</b>	<b>20</b>
Increase/decrease in liquid assets	-0	535	98	-32	514	599
<b>Liquid assets at end of period</b>	<b>194</b>	<b>729</b>	<b>827</b>	<b>796</b>	<b>1,309</b>	<b>1,908</b>

Source: Company data; AlsterResearch

Regional sales split (EURm)	2018	2019	2020	2021E	2022E	2023E
Domestic	0	0	0	0	0	0
Europe (ex domestic)	0	0	0	0	0	0
The Americas	1,025	2,080	3,294	3,833	4,248	4,588
Asia	0	0	0	0	0	0
Rest of World	784	1,669	2,699	3,539	4,082	4,408
<b>Total sales</b>	<b>1,809</b>	<b>3,750</b>	<b>5,993</b>	<b>7,372</b>	<b>8,330</b>	<b>8,997</b>

Regional sales split (common size)	2018	2019	2020	2021E	2022E	2023E
Domestic	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Europe (ex domestic)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
The Americas	56.7%	55.5%	55.0%	52.0%	51.0%	51.0%
Asia	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rest of World	43.3%	44.5%	45.0%	48.0%	49.0%	49.0%
<b>Total sales</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Company data; AlsterResearch

Ratios	2018	2019	2020	2021E	2022E	2023E
<b>Per share data</b>						
Earnings per share reported	-0.06	2.19	1.48	1.34	1.97	2.57
Cash flow per share	0.04	3.32	2.20	2.35	2.65	3.08
Book value per share	1.50	3.90	5.16	6.51	8.48	11.06
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
<b>Valuation</b>						
P/E	-616.5x	17.5x	25.9x	28.5x	19.4x	14.9x
P/CF	885.7x	11.5x	17.4x	16.3x	14.4x	12.4x
P/BV	25.6x	9.8x	7.4x	5.9x	4.5x	3.5x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	0.1%	8.7%	5.8%	6.1%	6.9%	8.1%
EV/Sales	3.6x	1.7x	1.0x	0.8x	0.7x	0.6x
EV/EBITDA	468.7x	13.1x	12.8x	10.8x	7.1x	5.4x
EV/EBIT	-254.4x	14.6x	16.0x	16.9x	11.1x	7.7x
<b>Income statement (EURm)</b>						
Sales	1,809	3,750	5,993	7,372	8,330	8,997
yoy chg in %	41.4%	107.3%	59.8%	23.0%	13.0%	8.0%
Gross profit	1,169	2,473	3,947	4,718	5,373	5,821
Gross margin in %	64.6%	66.0%	65.9%	64.0%	64.5%	64.7%
EBITDA	14	473	489	574	805	937
EBITDA margin in %	0.8%	12.6%	8.2%	7.8%	9.7%	10.4%
EBIT	-26	426	392	365	513	662
EBIT margin in %	-1.4%	11.4%	6.5%	5.0%	6.2%	7.4%
Net profit	-10	369	256	233	343	446
<b>Cash flow statement (EURm)</b>						
CF from operations	42	602	459	588	726	785
Capex	-39	-85	-252	-501	-232	-206
Maintenance Capex	35	43	76	180	267	250
Free cash flow	3	517	207	87	494	579
<b>Balance sheet (EURm)</b>						
Intangible assets	65	265	357	349	347	348
Tangible assets	180	263	619	918	860	790
Shareholders' equity	246	656	896	1,129	1,472	1,918
Pension provisions	0	0	0	0	0	0
Liabilities and provisions	131	378	536	435	467	495
Net financial debt	-74	-432	-377	-464	-957	-1,536
w/c requirements	-105	-225	-410	-425	-480	-519
<b>Ratios</b>						
ROE	-4.1%	56.2%	28.6%	20.7%	23.3%	23.3%
ROCE	-6.9%	41.2%	27.3%	23.3%	26.4%	27.4%
Net gearing	-30.1%	-65.9%	-42.1%	-41.1%	-65.0%	-80.1%
Net debt / EBITDA	-5.3x	-0.9x	-0.8x	-0.8x	-1.2x	-1.6x

Source: Company data; AlsterResearch

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