

Gerresheimer AG

Germany | Health Care | MCap EUR 3,654m

9 June 2023

UPDATE



GLP-1 should provide a strong boost for growth; PT up, now BUY

BUY (HOLD)

Target price	EUR 125.00 (84.00)
Current price	EUR 105.80
Up/downside	18.1%

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What's it all about?

Gerresheimer shares have taken a short breather, giving us an opportunity to review the company's focus on biologics, which has been Gerresheimer's main investment area over the past years. On this note, GLP-1 (glucagon-like peptide), an agent for treatment of diabetes and obesity, will play a key role for Gerresheimer's growth in the mid- to long-term. The newly launched GLP-1 drugs Mounjaro (Eli Lilly) and Wegovy (Novo Nordisk) are showing skyrocketing demand, and the market is expected to be worth USD 50bn by the end of the decade. We expect Gerresheimer to disproportionately benefit, which is why we are upgrading our medium-term and long-term forecasts, bringing us to a new PT of EUR 127.00 (old EUR 84.00). We upgrade from HOLD to BUY.

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IMPORTANT. Please refer to the last page of this report for "Important disclosures" and analyst(s) certifications.

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Gerresheimer AG

Germany | Health Care | MCap EUR 3,654m | EV EUR 4,872m

BUY (HOLD)

Target price EUR 125.00 (84.00)
Current price EUR 105.80
Up/downside 18.1%

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GLP-1 should provide a strong boost for growth; Up to BUY

Tapping the GLP-1 opportunity. Gerresheimer shares have taken a short breather, giving us an opportunity to review the company's biologics story. Gerresheimer is massively investing in its high value solutions and medical devices for biological solutions. Biological drugs have increasingly gained importance over the past few years, and the trend is expected to continue in the years ahead, also supported by the development of biosimilars. Gerresheimer has invested in the past years with a focus on biologics with autoinjectors. Slowly establishing, Gerresheimer has recorded significant order growth in this area, which should bring the company's market share soon to 10% with the booked orders. By 2028, the company expects to grow the market share for auto injectors to roughly 20%. On this note, GLP-1 (glucagon-like peptide), an agent for treatment of diabetes and obesity, will play a key role for Gerresheimer's growth in the mid- to long-term. The newly launched GLP-1 drugs Mounjaro (Eli Lilly) and Wegovy (Novo Nordisk) are showing skyrocketing demand, and the market is expected to be worth USD 50bn by the end of the decade. For this particular business opportunity, Gerresheimer announced to invest around EUR 150m CapEx for the next two years in addition. With the recent cash capital increase that brought gross proceeds of EUR 272m, Gerresheimer is sufficiently financed to fully exploit this growth opportunity.

Strong first quarter. Supported by unabated demand for its products and high pricing power, the company maintained its momentum from FY22, delivering a strong first quarter with organic growth of +21.0% yoy. Adjusted EBITDA increased by 26.7% yoy to EUR 78.0m, corresponding to an expansion of the adjusted EBITDA margin by 0.4 pp to 17.0%. So far, Gerresheimer confirmed its outlook, aiming for currency-adjusted sales and adj. EBITDA growth of at least 10%, citing remaining macro uncertainties.

Conclusion: Gerresheimer has positioned itself to benefit from the new treatment of obesity. Latest quarterly data from Eli Lilly and Novo Nordisk show high volume growth for the GLP-1 drugs, although Novo Nordisk is currently unable to meet the demand. Against the backdrop of the emerging success and high market potential of GLP-1 drugs, we expect Gerresheimer to disproportionately benefit, which is why we are upgrading our medium-term and long-term forecasts, bringing us to a new PT of EUR 127.00 (old EUR 84.00). We upgrade from HOLD to BUY.

Gerresheimer AG	2020	2021	2022	2023E	2024E	2025E
Sales	1,419	1,498	1,817	2,008	2,209	2,430
<i>Growth yoy</i>	1.9%	5.6%	21.3%	10.5%	10.0%	10.0%
EBITDA	302	306	354	464	533	592
EBIT	156	147	169	237	293	335
Net profit	89	84	96	147	182	212
Net debt (net cash)	961	1,025	1,113	747	674	494
Net debt/EBITDA	3.2x	3.3x	3.1x	1.6x	1.3x	0.8x
EPS reported	2.82	2.67	3.06	4.25	5.25	6.15
DPS	1.25	1.25	1.25	1.30	1.47	1.54
<i>Dividend yield</i>	1.2%	1.2%	1.2%	1.2%	1.4%	1.5%
Gross profit margin	30.8%	29.5%	30.1%	30.0%	31.5%	32.0%
EBITDA margin	21.3%	20.4%	19.5%	23.1%	24.1%	24.4%
EBIT margin	11.0%	9.8%	9.3%	11.8%	13.2%	13.8%
ROCE	7.0%	6.1%	6.1%	7.6%	8.9%	9.7%
EV/EBITDA	15.8x	15.7x	13.8x	9.7x	8.4x	7.2x
EV/EBIT	30.5x	32.7x	28.8x	19.0x	15.2x	12.8x
PER	37.5x	39.6x	34.6x	24.9x	20.1x	17.2x
FCF yield	3.5%	2.0%	1.5%	5.8%	5.8%	7.2%

Source: Company data, AlsterResearch



Source: Company data, AlsterResearch

High/low 52 weeks 110.20 / 46.66
Price/Book Ratio 2.7x

Ticker / Symbols

ISIN DE000A0LD6E6
WKN A0LD6E
Bloomberg GXI:GR

Changes in estimates

		Sales	EBIT	EPS
2023E	old	1,972	233	4.17
	Δ	1.8%	1.8%	2.0%
2024E	old	2,070	274	4.90
	Δ	6.7%	6.7%	7.3%
2025E	old	2,174	288	5.23
	Δ	11.8%	16.2%	17.6%

Key share data

Number of shares: (in m pcs) 34.54
Book value per share: (in EUR) 39.58
Ø trading volume: (12 months) 100,000

Major shareholders

NN Group N.V. 10.1%
Stichting Pensioenfonds 5.1%
Free Float 84.8%

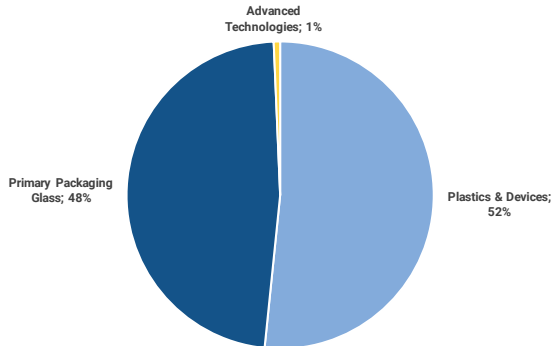
Company description

Gerresheimer is a pharmaceutical and health care packaging company. It operates through two segments: Plastics and Devices, and Primary Packaging Glass. The Plastics and Devices segment produces standard and customized products for drug delivery, such as insulin pens, inhalers, and prefillable syringes. The Primary Packaging Glass segment focuses on the production of packaging of glass such as jars, ampoules, injection vials.

P&L data	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Sales	377.0	382.0	436.1	370.8	444.6	473.0	528.7	457.8
yoy growth in %	3.9%	9.4%	8.3%	22.4%	17.9%	23.8%	21.2%	23.5%
Gross profit	118.8	114.3	129.1	100.8	137.3	148.8	159.9	157.3
Gross margin in %	31.5%	29.9%	29.6%	27.2%	30.9%	31.5%	30.2%	34.4%
EBITDA	77.6	64.9	87.9	59.4	84.3	88.0	103.8	59.4
EBITDA margin in %	20.6%	17.0%	20.2%	16.0%	19.0%	18.6%	19.6%	13.0%
EBIT	42.4	28.6	47.1	19.7	43.6	46.3	59.7	19.7
EBIT margin in %	11.2%	7.5%	10.8%	5.3%	9.8%	9.8%	11.3%	4.3%
EBT	38.4	29.1	45.8	16.1	38.8	40.6	45.3	16.1
taxes paid	9.5	8.9	17.4	4.4	12.1	11.5	10.6	4.4
tax rate in %	24.8%	30.5%	38.0%	27.3%	31.2%	28.5%	23.4%	27.3%
net profit	28.1	19.1	27.3	10.7	25.2	29.0	31.2	61.6
yoy growth in %	-3.0%	-24.7%	-9.0%	16.7%	-10.6%	51.8%	14.1%	473.6%
EPS	0.90	0.61	0.87	0.34	0.80	0.87	0.99	1.96

Investment case in six charts

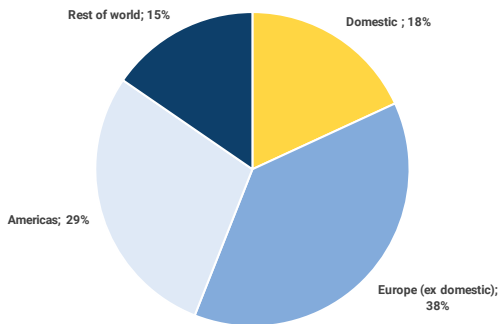
Revenue by segments



Megatrends for growth



Regional split



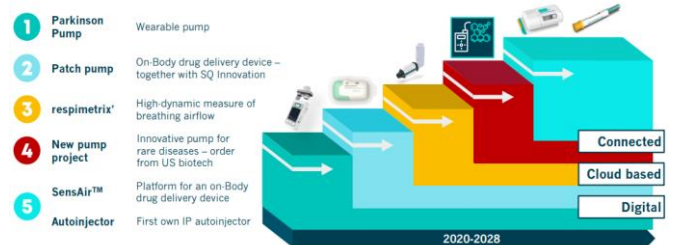
Product innovations as growth driver



FY23 and mid-term outlook



Advanced Technologies Products and projects



Source: Company data; AlsterResearch

Valuation

DCF Model

The DCF model results in a fair value of EUR 125.85 per share:

Top-line growth: We expect Gerresheimer AG to continue benefitting from structural growth. Hence our growth estimates for 2023E-2030E is in the range of 6.7% p.a. The long-term growth rate is set at 2.0%.

EBIT margins: The scalable business model should allow for EBIT margins of 14% by 2023E, which look defensible given high competitive quality based on scale geography and expertise. Accordingly, we model approx. 14% EBIT margins in the long-term.

WACC. The averaged 1-, 3- and 5-year historical equity beta is calculated as 0.76. Unlevering and correcting for mean reversion yields an asset beta of 0.74. Combined with a risk-free rate of 3.0% and an equity risk premium of 6.0% this yields cost of equity of 9.1%. With pre-tax cost of borrowing at 6.0%, a tax rate of 25% and target debt/equity of 0.5 this results in a long-term WACC of 7.6%.

DCF (EURm) (except per share data and beta)	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	Terminal value
NOPAT	162	200	230	278	309	325	333	350	
Depreciation & amortization	227	241	257	276	278	277	279	282	
Change in working capital	-2	-39	-22	-36	-30	-23	-15	-15	
Chg. in long-term provisions	33	33	36	40	33	23	12	12	
Capex	-281	-309	-267	-267	-259	-271	-278	-285	
Cash flow	138	125	235	290	331	330	331	345	6,324
Present value	134	112	197	226	240	223	208	200	3,668
WACC	7.4%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.6%

DCF per share derived from		DCF avg. growth and earnings assumptions	
Total present value	5,208	Planning horizon avg. revenue growth (2023E-2030E)	6.7%
Mid-year adj. total present value	5,399	Terminal value growth (2030E - infinity)	2.0%
Net debt / cash at start of year	1,113	Terminal year ROCE	10.7%
Financial assets	166	Terminal year WACC	7.6%
Provisions and off b/s debt	105		
Equity value	4,347		
No. of shares outstanding	34.5		
Discounted cash flow / share upside/(downside)	125.85 19.0%		
		Terminal WACC derived from	
		Cost of borrowing (before taxes)	6.0%
		Long-term tax rate	25%
		Equity beta	0.76
		Unlevered beta (industry or company)	0.74
		Target debt / equity	0.5
		Relevered beta	1.01
		Risk-free rate	3.0%
		Equity risk premium	6.0%
		Cost of equity	9.1%
Share price	105.80		

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	terminal value
2.0%		74.9	79.1	83.8	89.3	95.5			
1.0%		89.3	95.0	101.6	109.3	118.4			
0.0%		108.1	116.2	125.8	137.3	151.3			
-1.0%		133.8	145.9	160.7	179.2	202.8			
-2.0%		170.8	190.3	215.3	248.5	294.7			
							12.8%	16.7%	70.4%

Source: AlsterResearch

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 60.62 per share based on 2023E and 147.18 EUR per share on 2027E estimates. To capture the favorable growth outlook of Gerresheimer, it seems justified to have a 5-year valuation horizon.

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	464	533	592	680	726
- Maintenance capex	201	216	234	253	256
- Minorities	9	11	13	16	18
- tax expenses	61	74	84	103	114
= Adjusted FCF	193	231	261	307	338
Actual Market Cap	3,654	3,654	3,654	3,654	3,654
+ Net debt (cash)	747	674	494	259	-7
+ Pension provisions	116	128	140	154	165
+ Off b/s financing	0	0	0	0	0
- Financial assets	166	166	166	166	166
- Acc. dividend payments	39	84	135	188	253
<i>EV Reconciliations</i>	659	552	334	59	-260
= Actual EV'	4,313	4,206	3,988	3,714	3,394
Adjusted FCF yield	4.5%	5.5%	6.5%	8.3%	9.9%
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	2,752	3,306	3,722	4,387	4,823
- <i>EV Reconciliations</i>	659	552	334	59	-260
Fair Market Cap	2,094	2,754	3,388	4,327	5,083
No. of shares (million)	35	35	35	35	35
Fair value per share in EUR	60.62	79.73	98.09	125.28	147.18
Premium (-) / discount (+)	-42.7%	-24.6%	-7.3%	18.4%	39.1%

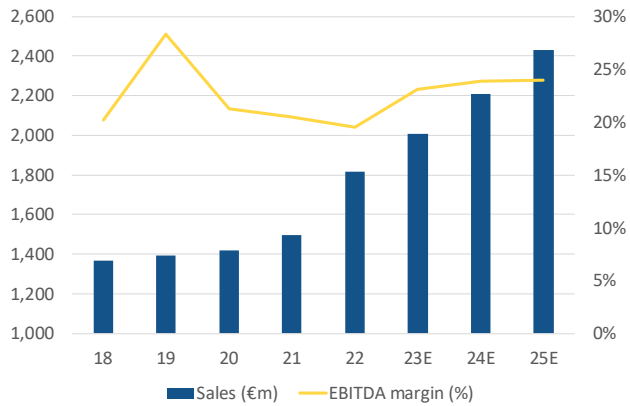
Sensitivity analysis fair value						
Adjusted hurdle rate	5.0%	92	118	141	176	203
	6.0%	74	96	116	146	170
	7.0%	61	80	98	125	147
	8.0%	51	68	85	109	130
	9.0%	43	58	74	97	116

Source: Company data; AlsterResearch

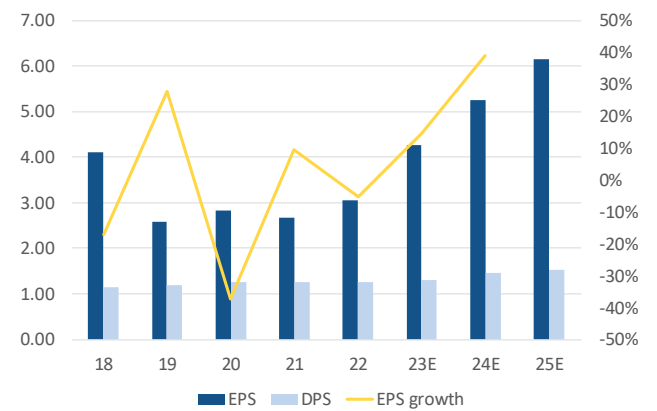
Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 7.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments 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



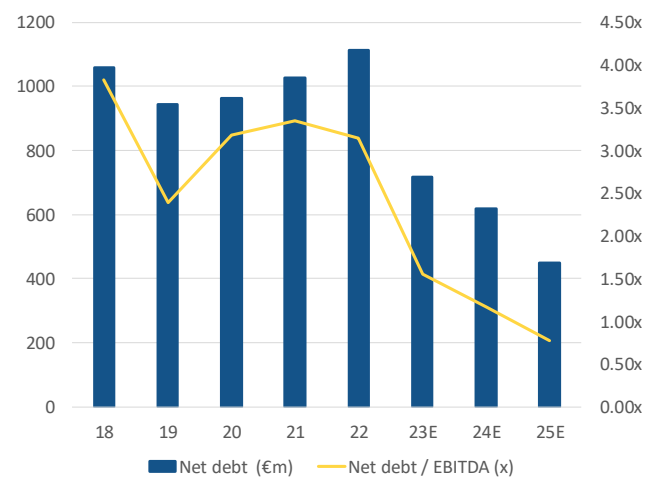
EPS, DPS in EUR & yoy EPS growth



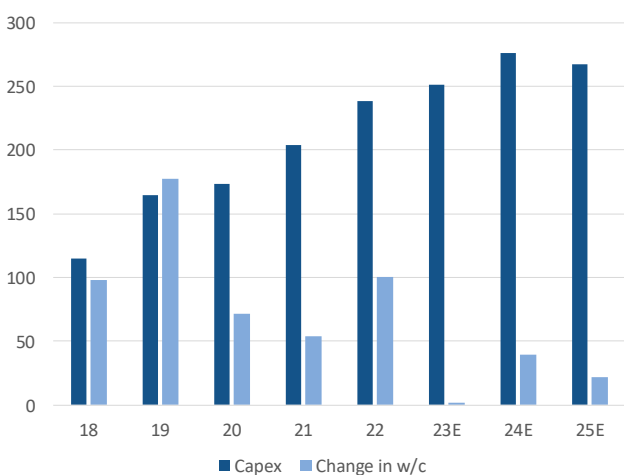
ROCE vs. WACC (pre tax)



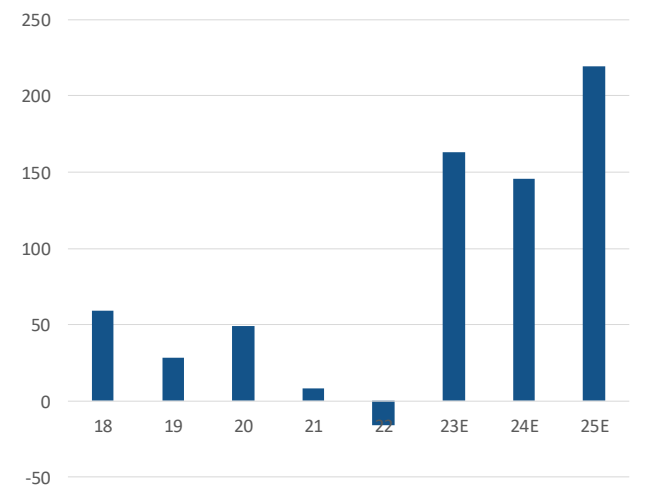
Net debt and net debt/EBITDA



Capex & chgn in w/c requirements in EURm



Free Cash Flow in EURm



Source: Company data; AlsterResearch

Financials

Profit and loss (EURm)	2020	2021	2022	2023E	2024E	2025E
Sales	1,419	1,498	1,817	2,008	2,209	2,430
Sales growth	1.9%	5.6%	21.3%	10.5%	10.0%	10.0%
Cost of sales	981	1,056	1,270	1,405	1,514	1,652
Gross profit	438	442	547	603	695	777
SG&A expenses	233	247	302	348	383	421
Research and development	8	10	22	10	11	12
Other operating expenses (income)	-2	-2	7	8	8	9
EBITDA	302	306	354	464	533	592
Depreciation	105	145	172	201	216	234
EBITA	197	147	169	263	317	358
Amortisation of goodwill and intangible assets	40	0	0	25	24	23
EBIT	156	147	169	237	293	335
Financial result	-21	-20	-29	-20	-26	-25
Recurring pretax income from continuing operations	135	128	141	217	267	310
Extraordinary income/loss	0	0	0	0	0	0
Earnings before taxes	135	128	141	217	267	310
Taxes	45	41	39	61	74	84
Net income from continuing operations	90	87	102	156	193	226
Result from discontinued operations (net of tax)	0	0	0	0	0	0
Net income	90	87	102	156	193	226
Minority interest	-1	-3	-6	-9	-11	-13
Net profit (reported)	89	84	96	147	182	212
Average number of shares	31.40	31.40	31.40	34.54	34.54	34.54
EPS reported	2.82	2.67	3.06	4.25	5.25	6.15

Profit and loss (common size)	2020	2021	2022	2023E	2024E	2025E
Sales	100%	100%	100%	100%	100%	100%
Cost of sales	69%	70%	70%	70%	69%	68%
Gross profit	31%	30%	30%	30%	31%	32%
SG&A expenses	16%	16%	17%	17%	17%	17%
Research and development	1%	1%	1%	1%	1%	1%
Other operating expenses (income)	-0%	-0%	0%	0%	0%	0%
EBITDA	21%	20%	19%	23%	24%	24%
Depreciation	7%	10%	9%	10%	10%	10%
EBITA	14%	10%	9%	13%	14%	15%
Amortisation of goodwill and intangible assets	3%	0%	0%	1%	1%	1%
EBIT	11%	10%	9%	12%	13%	14%
Financial result	-2%	-1%	-2%	-1%	-1%	-1%
Recurring pretax income from continuing operations	10%	9%	8%	11%	12%	13%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	10%	9%	8%	11%	12%	13%
Taxes	3%	3%	2%	3%	3%	3%
Net income from continuing operations	6%	6%	6%	8%	9%	9%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	6%	6%	6%	8%	9%	9%
Minority interest	-0%	-0%	-0%	-0%	-1%	-1%
Net profit (reported)	6%	6%	5%	7%	8%	9%

Source: Company data; AlsterResearch

Balance sheet (EURm)	2020	2021	2022	2023E	2024E	2025E
Intangible assets (exl. Goodwill)	632	633	633	607	583	560
Goodwill	642	656	685	685	685	685
Property, plant and equipment	763	904	1,061	1,141	1,234	1,267
Financial assets	28	27	166	166	166	166
FIXED ASSETS	2,065	2,220	2,544	2,599	2,667	2,677
Inventories	190	238	311	319	342	371
Accounts receivable	230	232	287	308	339	373
Other current assets	32	44	59	59	59	59
Liquid assets	88	114	113	378	451	581
Deferred taxes	0	0	0	0	0	0
Deferred charges and prepaid expenses	12	29	41	44	49	53
CURRENT ASSETS	551	657	810	1,109	1,240	1,437
TOTAL ASSETS	2,617	2,877	3,354	3,707	3,907	4,114
SHAREHOLDERS EQUITY	884	994	1,243	1,632	1,780	1,955
MINORITY INTEREST	16	21	26	26	26	26
Long-term debt	838	695	685	875	875	875
Provisions for pensions and similar obligations	151	135	105	116	128	140
Other provisions	150	147	193	215	236	260
Non-current liabilities	1,139	977	983	1,207	1,239	1,276
short-term liabilities to banks	211	444	540	250	250	200
Accounts payable	212	284	357	385	411	444
Advance payments received on orders	7	11	24	27	30	33
Other liabilities (incl. from lease and rental contracts)	-84	-74	-98	-102	-113	-124
Deferred taxes	131	116	163	163	163	163
Deferred income	100	104	115	120	120	141
Current liabilities	578	886	1,101	843	861	858
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	2,617	2,877	3,354	3,707	3,907	4,114

Balance sheet (common size)	2020	2021	2022	2023E	2024E	2025E
Intangible assets (excl. Goodwill)	24%	22%	19%	16%	15%	14%
Goodwill	25%	23%	20%	18%	18%	17%
Property, plant and equipment	29%	31%	32%	31%	32%	31%
Financial assets	1%	1%	5%	4%	4%	4%
FIXED ASSETS	79%	77%	76%	70%	68%	65%
Inventories	7%	8%	9%	9%	9%	9%
Accounts receivable	9%	8%	9%	8%	9%	9%
Other current assets	1%	2%	2%	2%	2%	1%
Liquid assets	3%	4%	3%	10%	12%	14%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	0%	1%	1%	1%	1%	1%
CURRENT ASSETS	21%	23%	24%	30%	32%	35%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	34%	35%	37%	44%	46%	48%
MINORITY INTEREST	1%	1%	1%	1%	1%	1%
Long-term debt	32%	24%	20%	24%	22%	21%
Provisions for pensions and similar obligations	6%	5%	3%	3%	3%	3%
Other provisions	6%	5%	6%	6%	6%	6%
Non-current liabilities	44%	34%	29%	33%	32%	31%
short-term liabilities to banks	8%	15%	16%	7%	6%	5%
Accounts payable	8%	10%	11%	10%	11%	11%
Advance payments received on orders	0%	0%	1%	1%	1%	1%
Other liabilities (incl. from lease and rental contracts)	-3%	-3%	-3%	-3%	-3%	-3%
Deferred taxes	5%	4%	5%	4%	4%	4%
Deferred income	4%	4%	3%	3%	3%	3%
Current liabilities	22%	31%	33%	23%	22%	21%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100%	100%	100%	100%	100%	100%

Source: Company data; AlsterResearch

Cash flow statement (EURm)	2020	2021	2022	2023E	2024E	2025E
Net profit/loss	90	87	102	156	193	226
Depreciation of fixed assets (incl. leases)	105	145	172	201	216	234
Amortisation of goodwill	0	0	0	0	0	0
Amortisation of intangible assets	40	0	0	25	24	23
Others	58	33	49	33	33	36
Cash flow from operations before changes in w/c	294	266	323	416	467	519
Increase/decrease in inventory	-12	-45	-66	-9	-23	-29
Increase/decrease in accounts receivable	-14	3	-45	-22	-31	-34
Increase/decrease in accounts payable	3	51	64	28	26	34
Increase/decrease in other w/c positions	-48	-63	-53	0	-12	8
Increase/decrease in working capital	-71	-54	-101	-2	-39	-22
Cash flow from operating activities	222	212	222	414	427	498
CAPEX	-173	-204	-238	-281	-309	-267
Payments for acquisitions	0	0	0	0	0	0
Financial investments	-1	-3	-18	0	0	0
Income from asset disposals	17	9	0	0	0	0
Cash flow from investing activities	-157	-197	-256	-281	-309	-267
Cash flow before financing	65	15	-34	133	118	230
Increase/decrease in debt position	-13	42	84	-100	0	-50
Purchase of own shares	0	0	0	0	0	0
Capital measures	0	0	0	272	0	0
Dividends paid	-39	-39	-39	-39	-45	-51
Others	0	5	-0	0	0	0
Effects of exchange rate changes on cash	-6	2	5	0	0	0
Cash flow from financing activities	-58	10	49	132	-45	-101
Increase/decrease in liquid assets	7	25	15	265	73	130
Liquid assets at end of period	58	84	98	363	437	566

Source: Company data; AlsterResearch

Regional sales split (EURm)	2020	2021	2022	2023E	2024E	2025E
Domestic	318	288	329	364	400	440
Europe (ex domestic)	513	561	688	760	836	920
The Americas	381	417	520	574	632	695
Asia	0	0	0	0	0	0
Rest of World	206	232	280	310	341	375
Total sales	1,419	1,498	1,817	2,008	2,209	2,430

Regional sales split (common size)	2020	2021	2022	2023E	2024E	2025E
Domestic	22.4%	19.2%	18.1%	18.1%	18.1%	18.1%
Europe (ex domestic)	36.2%	37.4%	37.9%	37.9%	37.9%	37.9%
The Americas	26.9%	27.8%	28.6%	28.6%	28.6%	28.6%
Asia	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rest of World	14.5%	15.5%	15.4%	15.4%	15.4%	15.4%
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	2.82	2.67	3.06	4.25	5.25	6.15
Cash flow per share	3.72	2.12	1.60	6.16	6.10	7.63
Book value per share	28.15	31.65	39.58	47.24	51.52	56.59
Dividend per share	1.25	1.25	1.25	1.30	1.47	1.54
Valuation						
P/E	37.5x	39.6x	34.6x	24.9x	20.1x	17.2x
P/CF	28.4x	49.8x	65.9x	17.2x	17.3x	13.9x
P/BV	3.8x	3.3x	2.7x	2.2x	2.1x	1.9x
Dividend yield (%)	1.2%	1.2%	1.2%	1.2%	1.4%	1.5%
FCF yield (%)	3.5%	2.0%	1.5%	5.8%	5.8%	7.2%
EV/Sales	3.4x	3.2x	2.7x	2.3x	2.0x	1.8x
EV/EBITDA	15.8x	15.7x	13.8x	9.7x	8.4x	7.2x
EV/EBIT	30.5x	32.7x	28.8x	19.0x	15.2x	12.8x
Income statement (EURm)						
Sales	1,419	1,498	1,817	2,008	2,209	2,430
yoy chg in %	1.9%	5.6%	21.3%	10.5%	10.0%	10.0%
Gross profit	438	442	547	603	695	777
Gross margin in %	30.8%	29.5%	30.1%	30.0%	31.5%	32.0%
EBITDA	302	306	354	464	533	592
EBITDA margin in %	21.3%	20.4%	19.5%	23.1%	24.1%	24.4%
EBIT	156	147	169	237	293	335
EBIT margin in %	11.0%	9.8%	9.3%	11.8%	13.2%	13.8%
Net profit	89	84	96	147	182	212
Cash flow statement (EURm)						
CF from operations	222	212	222	414	427	498
Capex	-173	-204	-238	-281	-309	-267
Maintenance Capex	105	145	172	201	216	234
Free cash flow	49	8	-16	133	118	230
Balance sheet (EURm)						
Intangible assets	1,274	1,289	1,317	1,292	1,268	1,244
Tangible assets	763	904	1,061	1,141	1,234	1,267
Shareholders' equity	884	994	1,243	1,632	1,780	1,955
Pension provisions	151	135	105	116	128	140
Liabilities and provisions	1,350	1,421	1,524	1,457	1,489	1,476
Net financial debt	961	1,025	1,113	747	674	494
w/c requirements	201	175	216	216	240	267
Ratios						
ROE	10.2%	8.8%	8.2%	9.6%	10.8%	11.6%
ROCE	7.0%	6.1%	6.1%	7.6%	8.9%	9.7%
Net gearing	108.8%	103.1%	89.5%	45.8%	37.9%	25.3%
Net debt / EBITDA	3.2x	3.3x	3.1x	1.6x	1.3x	0.8x

Source: Company data; AlsterResearch

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