

# Gerresheimer AG

Germany | Health Care | MCap EUR 3,468m

5 October 2023

UPDATE



## Slight miss of expectations, but still on track; BUY

### What's it all about?

After several quarters of outperformance, Gerresheimer missed market expectations for sales and operating profit, albeit very slightly, which can be related to currency effects. Despite the marginal miss in Q3, Gerresheimer delivered a very strong performance in the first nine months of FY23 and is well on track to meet its guidance, which has been confirmed. Managements comments on long-term orders related capacity expansions were reassuring, as the company currently invests on the back of long-term customer contracts. We reiterate our PT of EUR 125.00 and our BUY rating.

**BUY** (BUY)

<b>Target price</b>	<b>EUR 125.00 (125.00)</b>
Current price	EUR 100.40
Up/downside	24.5%

 **ResearchHub** 



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# Gerresheimer AG

Germany | Health Care | MCap EUR 3,468m | EV EUR 4,686m

**BUY** (BUY) **Target price** EUR 125.00 (125.00)  
Current price EUR 100.40  
Up/downside 24.5%

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## Slight miss of expectations, but still on track; BUY

**Revenue growth took a breather in Q3.** After several quarters of outperformance, Gerresheimer missed market expectations for sales and operating profit, albeit very slightly. In Q3, the healthcare systems and solutions provider grew sales by 3.2% yoy to EUR 487.9m, compared to a consensus estimate of EUR 491.4m. Adjusting for currency impacts, organic sales growth was reported with 5.5% yoy against a high comparison base in Q3 2022. Adjusted EBITDA increased by 10.5% yoy (organic: +16.4% yoy) to EUR 100.0m, missing consensus by EUR 1.1m. Despite the miss, adjusted EBITDA margin expanded by 1.4pp to 20.5%, driven by a more favorable product mix. Adjusted net income dropped slightly by 0.1% yoy (organic: +4.4% yoy) to EUR 37.7m (prior year: EUR 37.9m, eCons: EUR 40.3m). Adjusted EPS was down by 7.0% yoy to EUR 1.07, due to a higher number of shares following the capital raise in April 2023. The company reiterated its outlook for FY23, targeting currency-adjusted sales and adj. EBITDA growth of at least 10%.

**Still strong 9M performance.** Despite the marginal miss in Q3, Gerresheimer delivered a very strong performance in the first nine months of FY23. 9M revenues grew by 12.2% yoy (organic: +12.6% yoy) to EUR 1.45bn, while adj. EBITDA increased disproportionately by 17.8% yoy to EUR 285.2m. This strong growth operating profit translated to a margin expansion of 1.3pp to 20.2%.

**Increased investments.** On the back of a strong order intake, Gerresheimer is currently in investment mode. The company highlighted further long-term orders for syringes, pens, and auto-injectors for treating obesity based on GLP-1 (glucagon-like peptide), while also expanding production capacities for long-term customer contracts that have already been concluded. As a result, 9M CAPEX is 30% above prior-year level. Supported by a solid adj. EBITDA leverage of 2.3x, Gerresheimer has room to maneuver.

**Conclusion:** Gerresheimer slightly missed expectations for Q3, mostly driven by currency effects. After the strong performance in the first 9 months, we see the company on track to meet its guidance. Managements comments on long-term orders related capacity expansions were reassuring. After finetuning our estimates for CAPEX and financial result, we reiterate our PT of EUR 125.00 and our BUY rating.

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	453	523	583
EBIT	156	147	169	237	293	335
Net profit	89	84	96	135	176	207
Net debt (net cash)	961	1,025	1,113	771	710	568
Net debt/EBITDA	3.2x	3.3x	3.1x	1.7x	1.4x	1.0x
EPS reported	2.82	2.67	3.06	3.91	5.11	6.00
DPS	1.25	1.25	1.25	1.19	1.43	1.50
<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%	22.5%	23.7%	24.0%
EBIT margin	11.0%	9.8%	9.3%	11.8%	13.2%	13.8%
ROCE	7.0%	6.1%	6.1%	7.7%	8.9%	9.7%
EV/EBITDA	15.2x	15.1x	13.2x	9.6x	8.2x	7.2x
EV/EBIT	29.3x	31.4x	27.7x	18.3x	14.7x	12.5x
PER	35.6x	37.6x	32.8x	25.7x	19.7x	16.7x
FCF yield	3.7%	2.1%	1.6%	5.6%	5.8%	7.3%

Source: Company data, AlsterResearch



Source: Company data, AlsterResearch

**High/low 52 weeks** 122.90 / 51.40  
**Price/Book Ratio** 2.5x

### Ticker / Symbols

ISIN DE000A0LD6E6  
WKN A0LD6E  
Bloomberg GXI:GR

### Changes in estimates

		Sales	EBIT	EPS
2023E	old	2,008	237	4.25
	Δ	0.0%	0.0%	-8.0%
2024E	old	2,209	293	5.25
	Δ	0.0%	0.0%	-2.8%
2025E	old	2,430	335	6.15
	Δ	0.0%	0.0%	-2.4%

### 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%

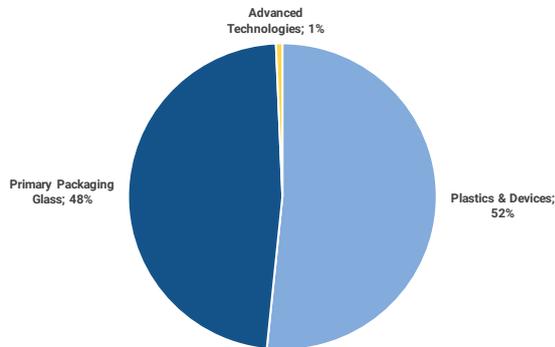
### Company description

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	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
Sales	436.1	370.8	444.6	473.0	528.7	457.8	499.6	495.3
yoy growth in %	8.3%	22.4%	17.9%	23.8%	21.2%	23.5%	12.4%	4.7%
Gross profit	129.1	100.8	137.3	148.8	159.9	157.3	154.1	160.8
Gross margin in %	29.6%	27.2%	30.9%	31.5%	30.2%	34.4%	30.8%	32.5%
EBITDA	87.9	59.4	84.3	88.0	103.8	59.4	121.6	69.1
EBITDA margin in %	20.2%	16.0%	19.0%	18.6%	19.6%	13.0%	24.3%	14.0%
EBIT	47.1	19.7	43.6	46.3	59.7	19.7	59.7	53.6
EBIT margin in %	10.8%	5.3%	9.8%	9.8%	11.3%	4.3%	11.9%	10.8%
EBT	45.8	16.1	38.8	40.6	45.3	16.1	47.1	42.1
taxes paid	17.4	4.4	12.1	11.5	10.6	4.4	11.5	13.4
tax rate in %	38.0%	27.3%	31.2%	28.5%	23.4%	27.3%	24.5%	31.8%
net profit	27.3	10.7	25.2	29.0	31.2	49.8	34.4	28.0
yoy growth in %	-9.0%	16.7%	-10.6%	51.8%	14.1%	363.9%	36.9%	-3.5%
<b>EPS</b>	<b>0.87</b>	<b>0.34</b>	<b>0.80</b>	<b>0.87</b>	<b>0.99</b>	<b>1.59</b>	<b>1.05</b>	<b>0.81</b>

# Investment case in six charts

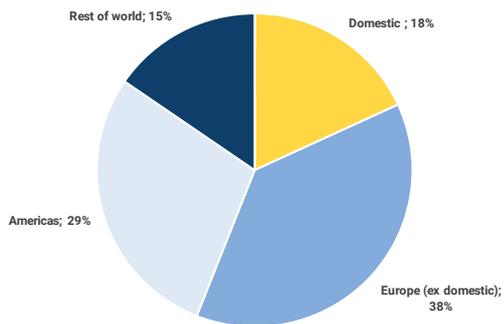
## Revenue by segments



## Megatrends for growth



## Regional split



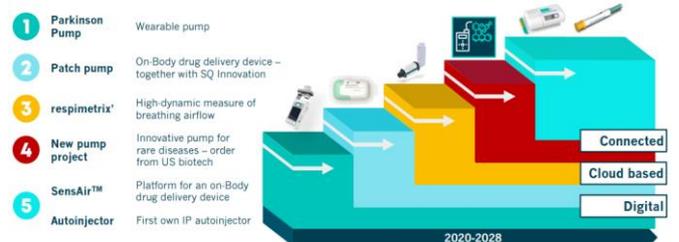
## Product innovations as growth driver



## FY23 and mid-term outlook



## Advanced Technologies Products and projects



Source: Company data; AlsterResearch



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 59.63 per share based on 2023E and 141.64 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
<b>EBITDA</b>	<b>453</b>	<b>523</b>	<b>583</b>	<b>663</b>	<b>717</b>
- Maintenance capex	196	212	230	241	251
- Minorities	9	11	13	16	18
- tax expenses	56	72	82	101	112
<b>= Adjusted FCF</b>	<b>192</b>	<b>228</b>	<b>257</b>	<b>304</b>	<b>335</b>
<b>Actual Market Cap</b>	<b>3,468</b>	<b>3,468</b>	<b>3,468</b>	<b>3,468</b>	<b>3,468</b>
+ Net debt (cash)	771	710	568	381	143
+ 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	80	130	182	245
<i>EV Reconciliations</i>	682	592	413	187	-103
<b>= Actual EV'</b>	<b>4,150</b>	<b>4,059</b>	<b>3,881</b>	<b>3,655</b>	<b>3,365</b>
<b>Adjusted FCF yield</b>	<b>4.6%</b>	<b>5.6%</b>	<b>6.6%</b>	<b>8.3%</b>	<b>10.0%</b>
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%
<b>Fair EV</b>	<b>2,742</b>	<b>3,256</b>	<b>3,677</b>	<b>4,348</b>	<b>4,790</b>
- <i>EV Reconciliations</i>	682	592	413	187	-103
<b>Fair Market Cap</b>	<b>2,060</b>	<b>2,665</b>	<b>3,264</b>	<b>4,160</b>	<b>4,892</b>
No. of shares (million)	35	35	35	35	35
<b>Fair value per share in EUR</b>	<b>59.63</b>	<b>77.14</b>	<b>94.50</b>	<b>120.45</b>	<b>141.64</b>
<b>Premium (-) / discount (+)</b>	<b>-40.6%</b>	<b>-23.2%</b>	<b>-5.9%</b>	<b>20.0%</b>	<b>41.1%</b>

Sensitivity analysis fair value						
<b>Adjusted hurdle rate</b>	5.0%	91	115	137	171	197
	6.0%	73	93	112	141	165
	<b>7.0%</b>	<b>60</b>	<b>77</b>	<b>95</b>	<b>120</b>	<b>142</b>
	8.0%	50	65	81	105	124
	9.0%	42	56	71	92	111

Source: Company data; AlsterResearch

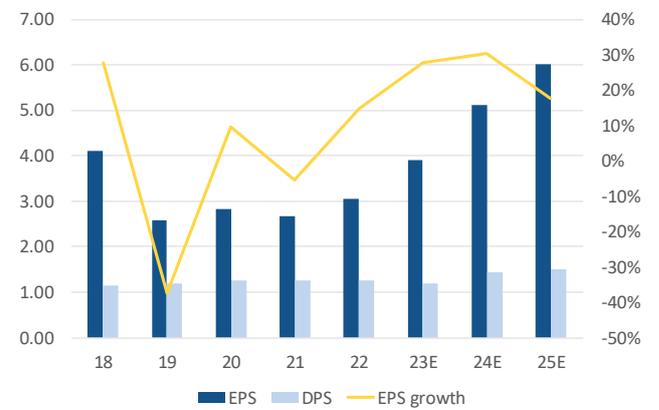
Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 7.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments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

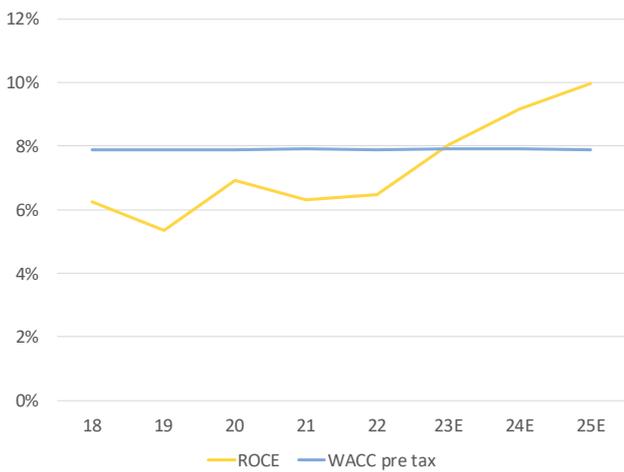
**Sales vs. EBITDA margin development**



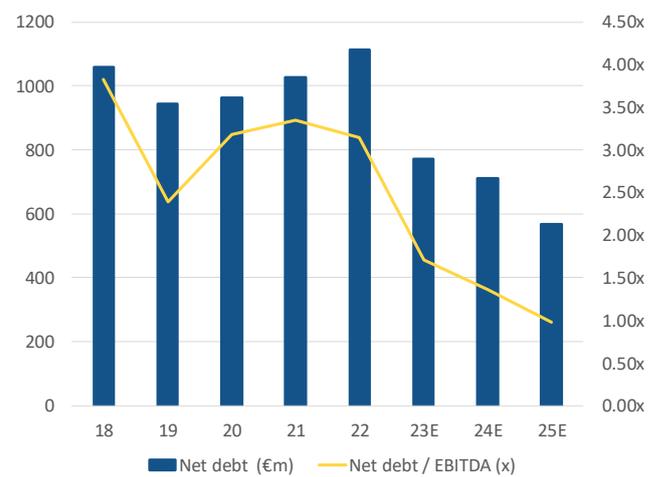
**EPS, DPS in EUR & yoy EPS growth**



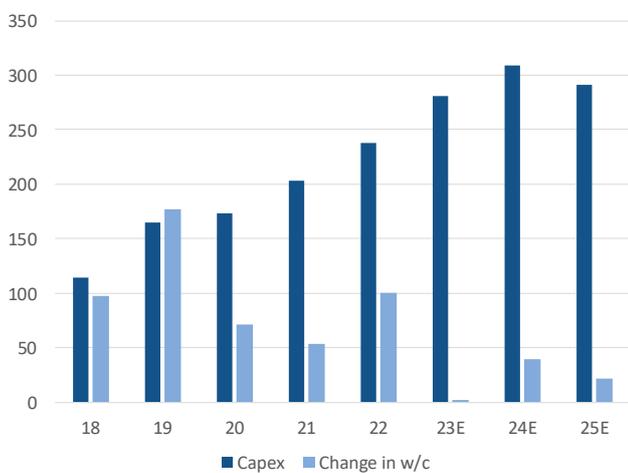
**ROCE vs. WACC (pre tax)**



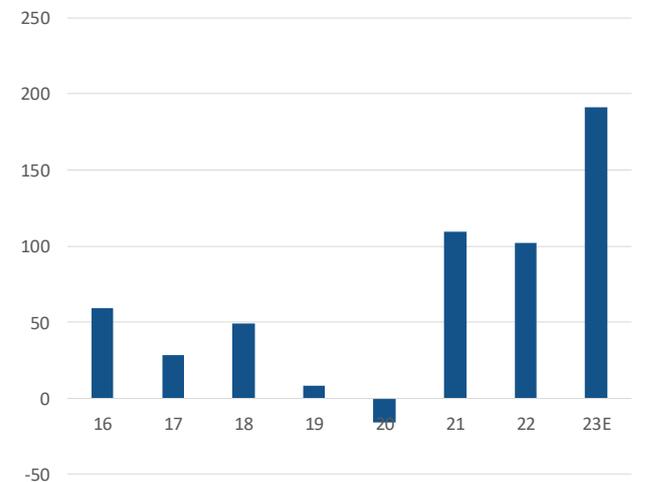
**Net debt and net debt/EBITDA**



**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
<b>Sales</b>	<b>1,419</b>	<b>1,498</b>	<b>1,817</b>	<b>2,008</b>	<b>2,209</b>	<b>2,430</b>
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
<b>Gross profit</b>	<b>438</b>	<b>442</b>	<b>547</b>	<b>603</b>	<b>695</b>	<b>777</b>
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
<b>EBITDA</b>	<b>302</b>	<b>306</b>	<b>354</b>	<b>453</b>	<b>523</b>	<b>583</b>
Depreciation	105	145	172	196	212	230
EBITA	197	147	169	256	311	353
Amortisation of goodwill and intangible assets	40	0	0	19	18	18
<b>EBIT</b>	<b>156</b>	<b>147</b>	<b>169</b>	<b>237</b>	<b>293</b>	<b>335</b>
Financial result	-21	-20	-29	-38	-33	-32
Recurring pretax income from continuing operations	135	128	141	200	259	303
Extraordinary income/loss	0	0	0	0	0	0
Earnings before taxes	135	128	141	200	259	303
Taxes	45	41	39	56	72	82
Net income from continuing operations	90	87	102	144	188	220
Result from discontinued operations (net of tax)	0	0	0	0	0	0
<b>Net income</b>	<b>90</b>	<b>87</b>	<b>102</b>	<b>144</b>	<b>188</b>	<b>220</b>
Minority interest	-1	-3	-6	-9	-11	-13
Net profit (reported)	89	84	96	135	176	207
Average number of shares	31.40	31.40	31.40	34.54	34.54	34.54
<b>EPS reported</b>	<b>2.82</b>	<b>2.67</b>	<b>3.06</b>	<b>3.91</b>	<b>5.11</b>	<b>6.00</b>

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

Source: Company data; AlsterResearch

Balance sheet (EURm)	2020	2021	2022	2023E	2024E	2025E
<b>Intangible assets (excl. Goodwill)</b>	<b>632</b>	<b>633</b>	<b>633</b>	<b>614</b>	<b>595</b>	<b>577</b>
Goodwill	642	656	685	685	685	685
Property, plant and equipment	763	904	1,061	1,146	1,243	1,305
Financial assets	28	27	166	166	166	166
<b>FIXED ASSETS</b>	<b>2,065</b>	<b>2,220</b>	<b>2,544</b>	<b>2,610</b>	<b>2,689</b>	<b>2,733</b>
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	354	415	507
Deferred taxes	0	0	0	0	0	0
Deferred charges and prepaid expenses	12	29	41	44	49	53
<b>CURRENT ASSETS</b>	<b>551</b>	<b>657</b>	<b>810</b>	<b>1,085</b>	<b>1,204</b>	<b>1,363</b>
<b>TOTAL ASSETS</b>	<b>2,617</b>	<b>2,877</b>	<b>3,354</b>	<b>3,695</b>	<b>3,893</b>	<b>4,096</b>
<b>SHAREHOLDERS EQUITY</b>	<b>884</b>	<b>994</b>	<b>1,243</b>	<b>1,619</b>	<b>1,765</b>	<b>1,936</b>
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
<b>Non-current liabilities</b>	<b>1,139</b>	<b>977</b>	<b>983</b>	<b>1,207</b>	<b>1,239</b>	<b>1,276</b>
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
<b>Current liabilities</b>	<b>578</b>	<b>886</b>	<b>1,101</b>	<b>843</b>	<b>861</b>	<b>858</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>2,617</b>	<b>2,877</b>	<b>3,354</b>	<b>3,695</b>	<b>3,893</b>	<b>4,096</b>

Balance sheet (common size)	2020	2021	2022	2023E	2024E	2025E
<b>Intangible assets (excl. Goodwill)</b>	<b>24%</b>	<b>22%</b>	<b>19%</b>	<b>17%</b>	<b>15%</b>	<b>14%</b>
Goodwill	25%	23%	20%	19%	18%	17%
Property, plant and equipment	29%	31%	32%	31%	32%	32%
Financial assets	1%	1%	5%	4%	4%	4%
<b>FIXED ASSETS</b>	<b>79%</b>	<b>77%</b>	<b>76%</b>	<b>71%</b>	<b>69%</b>	<b>67%</b>
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%	11%	12%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	0%	1%	1%	1%	1%	1%
<b>CURRENT ASSETS</b>	<b>21%</b>	<b>23%</b>	<b>24%</b>	<b>29%</b>	<b>31%</b>	<b>33%</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>34%</b>	<b>35%</b>	<b>37%</b>	<b>44%</b>	<b>45%</b>	<b>47%</b>
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%
<b>Non-current liabilities</b>	<b>44%</b>	<b>34%</b>	<b>29%</b>	<b>33%</b>	<b>32%</b>	<b>31%</b>
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%
<b>Current liabilities</b>	<b>22%</b>	<b>31%</b>	<b>33%</b>	<b>23%</b>	<b>22%</b>	<b>21%</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 (EURm)	2020	2021	2022	2023E	2024E	2025E
Net profit/loss	90	87	102	144	188	220
Depreciation of fixed assets (incl. leases)	105	145	172	196	212	230
Amortisation of goodwill	0	0	0	0	0	0
Amortisation of intangible assets	40	0	0	19	18	18
Others	58	33	49	33	33	36
Cash flow from operations before changes in w/c	294	266	323	392	451	504
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
<b>Cash flow from operating activities</b>	<b>222</b>	<b>212</b>	<b>222</b>	<b>390</b>	<b>411</b>	<b>483</b>
CAPEX	-173	-204	-238	-281	-309	-292
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
<b>Cash flow from investing activities</b>	<b>-157</b>	<b>-197</b>	<b>-256</b>	<b>-281</b>	<b>-309</b>	<b>-292</b>
Cash flow before financing	65	15	-34	109	102	191
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	-41	-49
Others	0	5	-0	0	0	0
Effects of exchange rate changes on cash	-6	2	5	0	0	0
<b>Cash flow from financing activities</b>	<b>-58</b>	<b>10</b>	<b>49</b>	<b>132</b>	<b>-41</b>	<b>-99</b>
Increase/decrease in liquid assets	7	25	15	241	61	92
<b>Liquid assets at end of period</b>	<b>58</b>	<b>84</b>	<b>98</b>	<b>340</b>	<b>401</b>	<b>493</b>

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
<b>Total sales</b>	<b>1,419</b>	<b>1,498</b>	<b>1,817</b>	<b>2,008</b>	<b>2,209</b>	<b>2,430</b>

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%
<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	2020	2021	2022	2023E	2024E	2025E
<b>Per share data</b>						
Earnings per share reported	2.82	2.67	3.06	3.91	5.11	6.00
Cash flow per share	3.72	2.12	1.60	5.62	5.78	7.32
Book value per share	28.15	31.65	39.58	46.87	51.11	56.06
Dividend per share	1.25	1.25	1.25	1.19	1.43	1.50
<b>Valuation</b>						
P/E	35.6x	37.6x	32.8x	25.7x	19.7x	16.7x
P/CF	27.0x	47.3x	62.6x	17.9x	17.4x	13.7x
P/BV	3.6x	3.2x	2.5x	2.1x	2.0x	1.8x
Dividend yield (%)	1.2%	1.2%	1.2%	1.2%	1.4%	1.5%
FCF yield (%)	3.7%	2.1%	1.6%	5.6%	5.8%	7.3%
EV/Sales	3.2x	3.1x	2.6x	2.2x	1.9x	1.7x
EV/EBITDA	15.2x	15.1x	13.2x	9.6x	8.2x	7.2x
EV/EBIT	29.3x	31.4x	27.7x	18.3x	14.7x	12.5x
<b>Income statement (EURm)</b>						
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	453	523	583
EBITDA margin in %	21.3%	20.4%	19.5%	22.5%	23.7%	24.0%
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	135	176	207
<b>Cash flow statement (EURm)</b>						
CF from operations	222	212	222	390	411	483
Capex	-173	-204	-238	-281	-309	-292
Maintenance Capex	105	145	172	196	212	230
Free cash flow	49	8	-16	109	102	191
<b>Balance sheet (EURm)</b>						
Intangible assets	1,274	1,289	1,317	1,298	1,280	1,262
Tangible assets	763	904	1,061	1,146	1,243	1,305
Shareholders' equity	884	994	1,243	1,619	1,765	1,936
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	771	710	568
w/c requirements	201	175	216	216	240	267
<b>Ratios</b>						
ROE	10.2%	8.8%	8.2%	8.9%	10.6%	11.4%
ROCE	7.0%	6.1%	6.1%	7.7%	8.9%	9.7%
Net gearing	108.8%	103.1%	89.5%	47.6%	40.2%	29.3%
Net debt / EBITDA	3.2x	3.3x	3.1x	1.7x	1.4x	1.0x

Source: Company data; AlsterResearch

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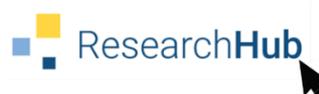
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