Ernst Russ AG

Germany | Transport & Logistics | MCap EUR 259.4m

18 August 2026

UPDATE

Q2 Preview: Solid quarter expected against tough comparison; BUY

BUY (BUY)

Target price	**EUR 13.70** (13.70)
Current price	EUR 7.70
Up/downside	77.9%

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What's it all about?

Ernst Russ is expected to report solid Q2 2026 results, with sales rising 2.8% yoy to EUR 40.0m as higher average charter rates (USD 19,750 vs. USD 17,412) support top-line growth. However, EBIT is projected to decline 24.8% yoy to EUR 11.5m, driven by a demanding comparison base as last year's Q2 was inflated by c. EUR 5m in non-recurring disposal gains (MV Andante). On a like-for-like basis, we therefore expect a solid 10-11% yoy EBIT growth. Net income after minorities is expected at EUR 9.0m (EPS: EUR 0.27). In our view, Q2 provides a clean read-through on underlying fleet profitability prior to the EF Emira disposal gain in Q3. We reiterate our BUY rating with a PT of EUR 13.70.

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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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Ernst Russ AG

Germany | Transport & Logistics | MCap EUR 259.4m | EV EUR 147.9m

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Preview: Solid Q2 expected against high base; BUY

Higher charter rates boost top-line performance We expect Ernst Russ to post solid Q2 26 results, with revenues advancing 2.8% yoy to EUR 40m (Q2 25: EUR 38.9m). Top-line growth is primarily backed by stronger average charter rates, which rose 13.4% yoy to USD 19,750 per day (Q2 '25: USD 17,412). Operational performance is likely to have been further supported by high technical fleet availability of 97.8% (+0.5 ppt yoy) across a fully consolidated fleet of 27 vessels, reflecting full-quarter contributions from acquired multipurpose vessels and EF Emira before its July handover.

Tough prior-year comparison distorts operational growth On the earnings side, we model EBIT to decline 24.8% yoy to EUR 11.5m, corresponding to an EBIT margin contraction of 10.0 ppt to 29.0% (Q2 25: 39.0%). However, this margin contraction is primarily driven by an exceptionally high comparison base, as prior-year earnings were inflated by disposal gains from MV Andante amounting to c. EUR 5m. On a like-for-like basis, excluding these one-off gains, EBIT is expected to increase by 10-12% yoy, reflecting continued underlying operational strength despite the headwind from the elevated benchmark.

On track to meet FY guidance ahead of Q3 disposal proceeds Earnings are expected to demonstrate solid operational performance, keeping the company firmly on track to meet its FY guidance (revenues of EUR 145-160m and upgraded EBIT of EUR 45-55m). Net income after minorities is estimated at EUR 9.0m (-12.6% yoy), translating to an EPS of EUR 0.27 (-13.8% yoy). The sale of EF Emira will not impact Q2 results, as disposal proceeds and related gains are set to be recognized following handover in early Q3. Consequently, Q2 offers a clean perspective on the core earning capacity of the enlarged fleet before disposal effects bolster H2. *-continued-*

Ernst Russ AG	2023	2024	2025	2026E	2027E	2028E
Sales	202.7	172.7	158.1	151.6	158.4	161.4
Growth yoy	5.7%	-14.8%	-8.5%	-4.1%	4.5%	1.9%
EBITDA	116.6	93.0	126.7	85.7	65.7	69.5
EBIT	86.6	67.7	96.4	53.1	26.2	31.3
Net profit	55.1	42.5	73.5	31.8	15.7	19.2
Net debt (net cash)	-65.0	-108.6	-112.5	11.3	-1.7	-25.3
Net debt/EBITDA	-0.6x	-1.2x	-0.9x	0.1x	-0.0x	-0.4x
EPS reported	1.66	1.26	2.18	0.94	0.47	0.57
DPS	1.00	0.20	0.25	0.35	0.30	0.37
Dividend yield	13.0%	2.6%	3.2%	4.5%	3.9%	4.8%
Gross profit margin	53.1%	48.6%	54.5%	50.3%	38.5%	40.0%
EBITDA margin	57.5%	53.9%	80.2%	56.6%	41.5%	43.0%
EBIT margin	42.7%	39.2%	61.0%	35.1%	16.6%	19.4%
ROCE	32.1%	23.8%	31.3%	12.2%	6.1%	7.0%
EV/Sales	1.0x	0.9x	0.9x	1.8x	1.6x	1.5x
EV/EBITDA	1.7x	1.6x	1.2x	3.2x	3.9x	3.4x
EV/EBIT	2.3x	2.2x	1.5x	5.1x	9.9x	7.5x
PER	4.6x	6.1x	3.5x	8.2x	16.5x	13.5x

Source: Company data, mwb research

Source: Company data, mwb research

High/low 52 weeks	9.40 / 6.42
Price/Book Ratio	1.0x

Ticker / Symbols

ISIN	DE000A161077
WKN	A16107
Bloomberg	ERAG:GR

Changes in estimates

		Sales	EBIT	EPS
2026E	old	151.6	53.1	0.94
	Δ	0.0%	0.0%	0.0%
2027E	old	158.4	26.2	0.47
	Δ	0.0%	0.0%	0.0%
2028E	old	161.4	31.3	0.57
	Δ	0.0%	0.0%	0.0%

Key share data

Number of shares: (in m pcs)	33.69
Book value per share: (in EUR)	7.37
Ø trading vol.: (12 months)	9,627

Major shareholders

Döhle Group	38.3%
JP & JD Döhle	33.7%
Free Float	28.0%

Company description

Ernst Russ AG is a publicly listed ship-owner based in Hamburg, with roots tracing back to 1893. The goal is to operate a sustainable and well-diversified fleet with a balanced risk distribution in terms of employment durations and counterparties. The existing fleet comprises container vessels of various size classes, complemented by multipurpose vessels and a handysize bulker. In addition, the group holds an order book of newbuildings scheduled for delivery in the coming years.

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Conclusion Overall, the upcoming Q2 release should confirm solid underlying operational strength. Key investor focus will remain on charter rate developments, final dry-docking expense impacts, and management's guidance reassurance for FY26. In our view, the shares continue to offer attractive value given the company's strong cash generation profile. We reiterate our BUY rating with a PT of EUR 13.70.

QG&V in EURm	Q2 26E	Q2 25	yoy chg in %
Sales	40	38,9	2,8%
EBIT	11,5	15,3	-24,8%
EBIT margin in %	29%	39%	
Net income after minorities	9	10,3	-12,6%
EPS	0,27	0,31	-13,8%
Number of vessels (fully consolidated)	27	26	
Technical availability	97,8%	97,3%	
Charter rates (USD)	19.750	17.412	13,4%

Source: Company data, mwb research

The following table shows Ernst Russ' quarterly performance.

P&L data	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026
Sales	40.7	41.5	43.6	40.9	38.9	39.4	38.9	37.8
yoy growth in %	na%	na%	na%	-12.8%	-4.4%	-5.1%	-10.9%	-7.6%
EBITDA	21.8	21.1	22.7	48.1	23.2	28.6	26.8	20.5
EBITDA margin in %	53.6%	50.8%	52.1%	117.6%	59.6%	72.6%	69.0%	54.2%
EBIT	15.5	14.8	16.4	40.3	15.3	22.0	18.8	13.2
EBIT margin in %	38.1%	35.7%	37.6%	98.5%	39.3%	55.8%	48.5%	34.9%
EBT	16.6	13.1	21.7	38.0	13.1	23.0	21.1	15.5
taxes paid	na	na	na	na	na	na	na	-0.2
tax rate in %	na%	na%	na%	na%	na%	na%	na%	15.3%
net profit	10.2	9.9	8.6	24.6	10.3	19.7	18.9	11.0
yoy growth in %	na%	na%	na%	78.3%	1.0%	99.0%	119.9%	-55.3%
EPS	**0.31**	**0.29**	**0.25**	**0.73**	**0.31**	**0.58**	**0.56**	**0.33**

Source: Company data, mwb research

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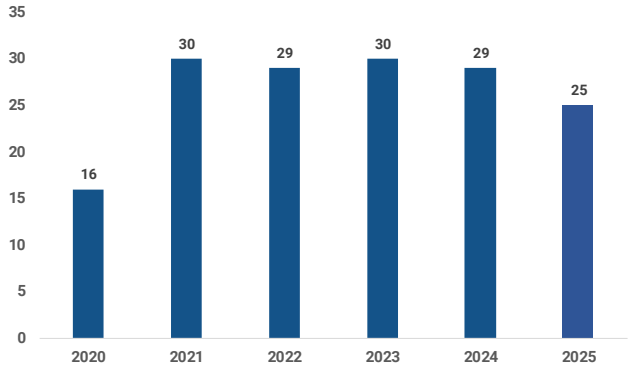
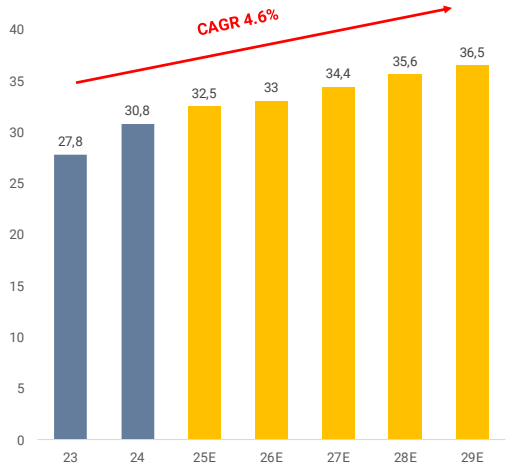
Investment case in six charts

Products & Services

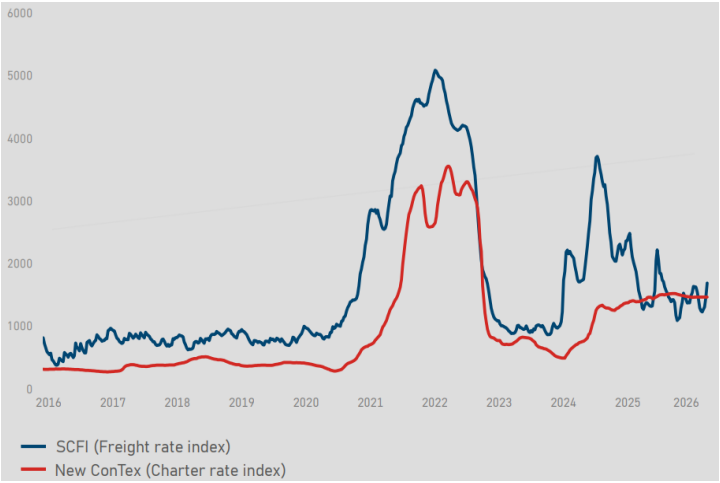
Number of fully consolidated ships (YE data)



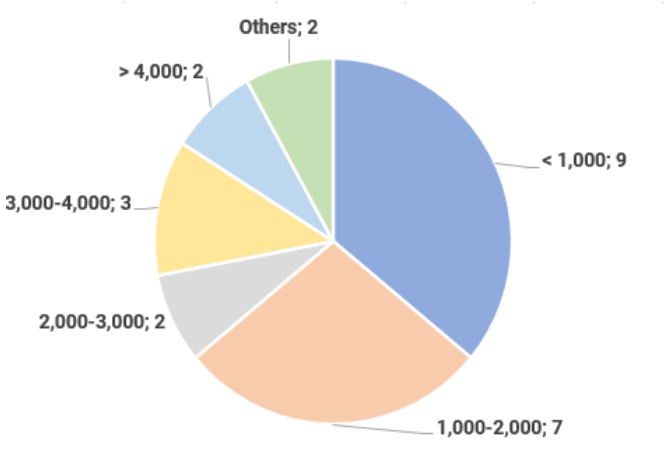
Nominal capacity addition (net in TEUm)



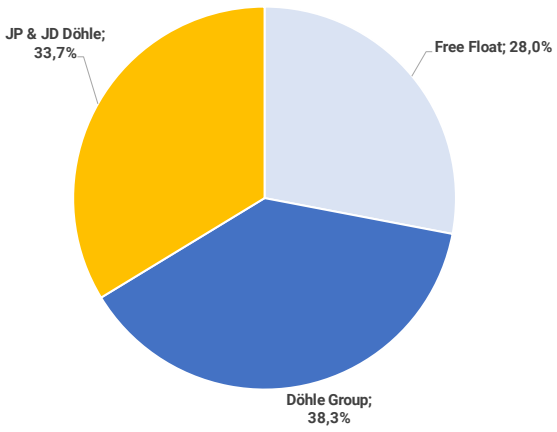
Charter and freight rates



Size category as per end 2025 - in TEU



Major Shareholders



Source: Company data, mwb research

SWOT analysis

Strengths

- **A main shareholder with a strong business network:** The Döhle Group, the main shareholder (combined stake with JP & JD Döhle of approximately 72%), is one of the largest shipping companies worldwide. ER benefits from the Döhle Group's network, which aids fleet expansion, vessel transactions, and access to charter deals.
- **Solid financials:** ER has a solid balance sheet. The company has reduced its debt and increasing available funds for fleet potential expansion.
- **Fleet is chartered out:** The employment concept for the fleet is focused on securing sustainable income over the long term.
- **Seasoned management team:** The management board has long term experience in the shipping and finance industry
- **Efficient operation** with high utilization rates and low relative opex leads to low break-even points
- **Access to Capital Markets:** Listing on the Frankfurt Stock Exchange's Scale segment provides access to investors and growth capital.

Weaknesses:

- **Reliance on the shipping segment:** The traditional, medium-sized ER Group's business activities are based on the Shipping segment.
- **Exposure to US dollar:** Average charter rates for the fleet are calculated in US dollars, exposing ER to currency fluctuations, which may impact profitability. However, a large share of the costs is also booked in US dollars.

Opportunities:

- **Exploiting Market Developments:** Identifying and exploiting opportunities is a central element of the ER Group’s strategic focus.
- **Stock exchange listing:** The listing of ER on the Frankfurt Stock Exchange provides access to investors and growth capital.
- **Long-standing experience:** Long-standing shipping and financing expertise and access to international market players are a basis for the future success of the ER Group.

Risks:

- **Risks in the shipping segment:** Dependency on performance of the global economy and individual national economies.
- **Decline of charter rates:** Sharply declining charter rates and reduced fixing times might have a negative impact on the operational performance of Ernst Russ.
- **External factors** such as pandemics, oil price fluctuations, accidents or piracy

Valuation

DCF Model

The DCF model results in a **fair value of EUR 13.89 per share**:

Top-line growth: We expect Ernst Russ AG to grow revenues at a CAGR of 2.3% between 2026E and 2033E. The long-term growth rate is set at 2.0%.

ROCE. Returns on capital are developing from 12.2% in 2026E to 8.0% in 2033E.

WACC. Starting point is a historical equity beta of 1.40. Unleverering and correcting for mean reversion yields an asset beta of 1.10. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 11.9%. With pre-tax cost of borrowing at 5.0% and target debt/equity of 0.5 this results in a long-term WACC of 9.6%.

DCF (EURm) (except per share data and beta)	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	Terminal value
NOPAT	35.7	21.5	24.9	21.7	23.0	24.2	25.3	26.4	
Depreciation & amortization	32.6	39.5	38.2	37.1	36.7	36.4	36.2	36.0	
Change in working capital	-9.4	-7.2	-1.3	-1.6	-1.4	-1.5	-1.5	-1.6	
Chg. in long-term provisions	-0.9	-0.2	0.2	-0.6	-0.6	-0.6	0.2	0.2	
Capex	-25.8	-26.9	-27.4	-32.9	-33.6	-34.2	-34.9	-35.6	
Cash flow	32.2	26.6	34.6	23.8	24.1	24.3	25.3	25.5	342.6
Present value	31.2	23.6	28.1	17.8	16.8	15.6	14.9	13.9	174.3
WACC	9.3%	9.2%	9.2%	9.0%	8.6%	8.6%	8.6%	8.6%	9.6%

DCF per share derived from	
Total present value	336.2
Mid-year adj. total present value	350.9
Net debt / cash at start of year	-112.5
Financial assets	5.4
Provisions and off b/s debt	0.9
Equity value	467.9
No. of shares outstanding	33.7
Discounted cash flow / share	**13.89**
upside/(downside)	**80.4%**
Share price	**7.70**

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2026E-2033E)	2.3%
Terminal value growth (2033E - infinity)	2.0%
Terminal year ROCE	8.0%
Terminal year WACC	9.6%

Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	na
Equity beta	1.40
Unlevered beta (industry or company)	1.10
Target debt / equity	0.5
Relevered beta	1.65
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	11.9%

Sensitivity analysis DCF

Change in WACC (%-points)	Long term growth 1.0%	1.5%	2.0%	2.5%	3.0%
2.0%	11.6	11.8	12.0	12.3	12.5
1.0%	12.3	12.6	12.8	13.1	13.5
0.0%	13.2	13.5	13.9	14.3	14.8
-1.0%	14.3	14.7	15.2	15.8	16.5
-2.0%	15.7	16.4	17.1	17.9	19.0

Share of present value	
2026E-2029E	29.9%
2030E-2033E	18.2%
terminal value	51.9%

Source: mwb research

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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 11.97 per share based on 2026E and EUR 10.31 per share on 2030E estimates.

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	2026E	2027E	2028E	2029E	2030E
EBITDA	**85.7**	**65.7**	**69.5**	**64.2**	**65.4**
- Maintenance capex	32.6	39.5	38.2	37.1	36.7
- Minorities	16.4	3.9	4.8	4.0	4.3
- tax expenses	1.0	0.6	1.3	1.1	1.1
= Adjusted FCF	**35.8**	**21.7**	**25.2**	**22.0**	**23.3**
Actual Market Cap	**259.4**	**259.4**	**259.4**	**259.4**	**259.4**
+ Net debt (cash)	7.3	-1.1	-16.4	-22.7	-31.5
+ Pension provisions	0.9	1.0	1.0	1.0	1.0
+ Off B/S financing	0.0	0.0	0.0	0.0	0.0
- Financial assets	5.4	5.4	5.4	5.4	5.4
- Acc. dividend payments	8.4	20.2	30.3	42.7	53.0
EV Reconciliations	-5.6	-25.8	-51.2	-69.8	-88.9
= Actual EV'	**253.8**	**233.7**	**208.2**	**189.6**	**170.6**
Adjusted FCF yield	**14.1%**	**9.3%**	**12.1%**	**11.6%**	**13.6%**
base hurdle rate	8.0%	8.0%	8.0%	8.0%	8.0%
ESG adjustment	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%
adjusted hurdle rate	9.0%	9.0%	9.0%	9.0%	9.0%
Fair EV	**397.6**	**241.2**	**280.2**	**244.5**	**258.6**
- EV Reconciliations	-5.6	-25.8	-51.2	-69.8	-88.9
Fair Market Cap	**403.2**	**267.0**	**331.4**	**314.3**	**347.5**
No. of shares (million)	33.7	33.7	33.7	33.7	33.7
Fair value per share in EUR	**11.97**	**7.93**	**9.84**	**9.33**	**10.31**
Premium (-) / discount (+)	**55.4%**	**2.9%**	**27.7%**	**21.2%**	**34.0%**

Sensitivity analysis FV						
Adjusted hurdle rate	7.0%	15.3	10.0	12.2	11.4	12.5
	8.0%	13.4	8.8	10.9	10.2	11.3
	9.0%	**12.0**	**7.9**	**9.8**	**9.3**	**10.3**
	10.0%	10.8	7.2	9.0	8.6	9.5
	11.0%	9.8	6.6	8.3	8.0	8.9

Source: Company data; mwb research

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 8.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments might be applicable. 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.**

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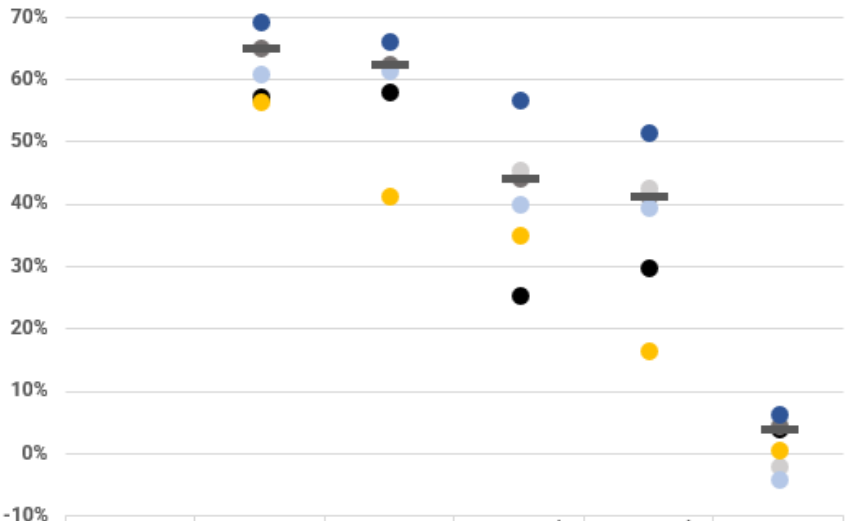
Peer group analysis

A peer group or comparable company ("comps") analysis is a methodology that calculates a company's relative value — how much it should be worth based on how it compares to other similar companies. Given that **Ernst Russ AG** differs quite significantly in terms of size, focus, financial health and growth trajectory, we regard our peer group analysis merely as a support for other valuation methods. The peer group of Ernst Russ AG consists of the stocks displayed in the chart below. As of 18 August 2026 the median market cap of the peer group was EUR 1,559.1m, compared to EUR 259.4m for Ernst Russ AG. In the period under review, the peer group was more profitable than Ernst Russ AG. The expectations for sales growth are higher for the peer group than for Ernst Russ AG.

Peer Group – Key data



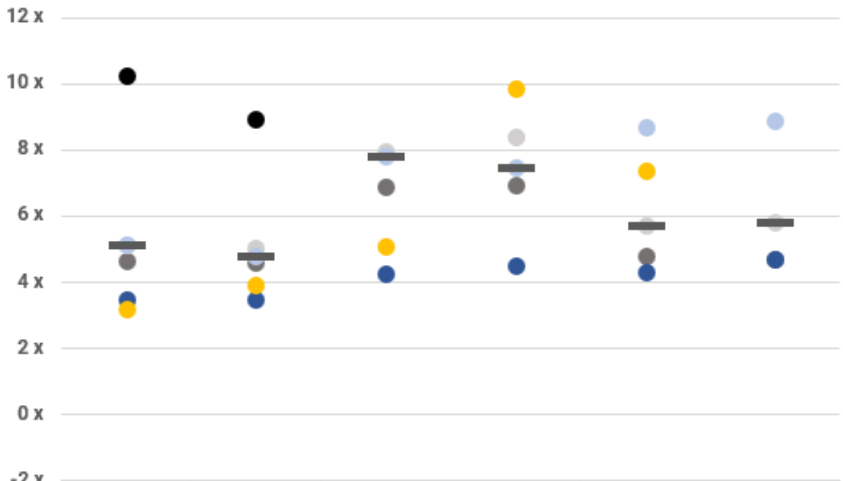
18-Aug-26	Market Cap (EURm)	EBITDA margin 2026	EBITDA margin 2027	EBIT margin 2026	EBIT margin 2027	Sales CAGR 2025-2028
SFL Corporation Limited	1.559	57,4%	58,2%	25,5%	30,0%	4,0%
Navios Maritime Partners LP	2.030	65,1%	62,4%	44,2%	41,3%	4,5%
Costamare Inc.	1.563	70,2%	71,2%	45,4%	42,8%	-1,9%
Euroseas Ltd.	470	69,4%	66,3%	56,7%	51,6%	6,3%
MPC Container Ships ASA	1.168	60,8%	61,4%	40,2%	39,4%	-4,1%
Ernst Russ AG	259	56,6%	41,5%	35,1%	16,6%	0,7%
Peer Group Median	1.559	65,1%	62,4%	44,2%	41,3%	4,0%

Source: FactSet, mwb research

Comparable company analysis operates under the assumption that similar companies will have similar valuation multiples. We use the following multiples: EV/EBITDA 2026, EV/EBITDA 2027, EV/EBIT 2026, EV/EBIT 2027, P/E 2026 and P/E 2027.

Applying these to Ernst Russ AG results in a range of fair values from EUR 2.72 to EUR 12.73.

Peer Group – Multiples and valuation



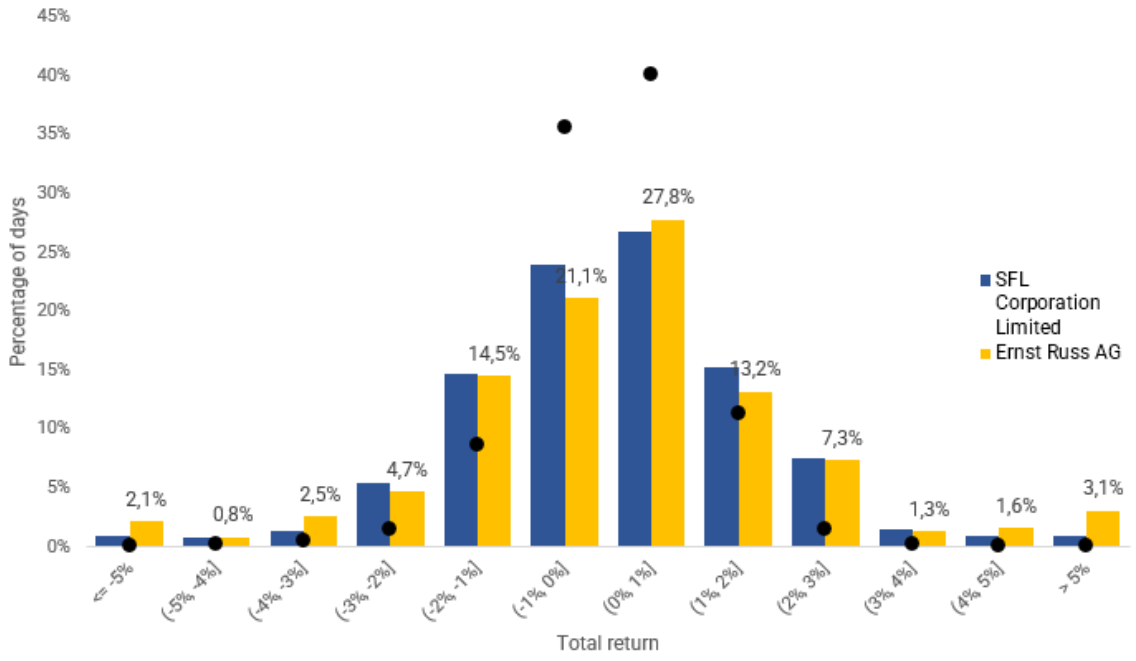
18-Aug-26	EV/EBITDA 2026	EV/EBITDA 2027	EV/EBIT 2026	EV/EBIT 2027	P/E 2026	P/E 2027
SFL Corporation Limited	10,3x	8,9x	23,1x	17,3x	34,7x	15,2x
Navios Maritime Partners LP	4,7x	4,6x	6,9x	6,9x	4,8x	4,7x
Costamare Inc.	5,1x	5,1x	8,0x	8,4x	5,7x	5,8x
Euroseas Ltd.	3,5x	3,5x	4,3x	4,5x	4,3x	4,7x
MPC Container Ships ASA	5,1x	4,8x	7,8x	7,5x	8,7x	8,9x
Ernst Russ AG	3,2x	3,9x	5,1x	9,9x	7,4x	14,9x
Peer Group Median	5,1x	4,8x	7,8x	7,5x	5,7x	5,8x
Fair Value (EUR)	12,73	9,01	11,94	5,47	5,42	2,72

Source: FactSet, mwb research

Risk

The chart displays the **distribution of daily returns of Ernst Russ AG** over the last 3 years, compared to the same distribution for SFL Corporation Limited. We have also included the distribution for the index Germany DAX (TR). The distribution gives a better understanding of risk than measures like volatility, which assume that log returns are normally distributed. In reality, they are skewed (down moves are larger) and have fat tails (large moves occur more often than predicted). Also, volatility treats up and down moves the same, while investors are more worried about down moves. For Ernst Russ AG, the worst day during the past 3 years was 03/06/2024 with a share price decline of -10.6%. The best day was 15/03/2024 when the share price increased by 22.5%.

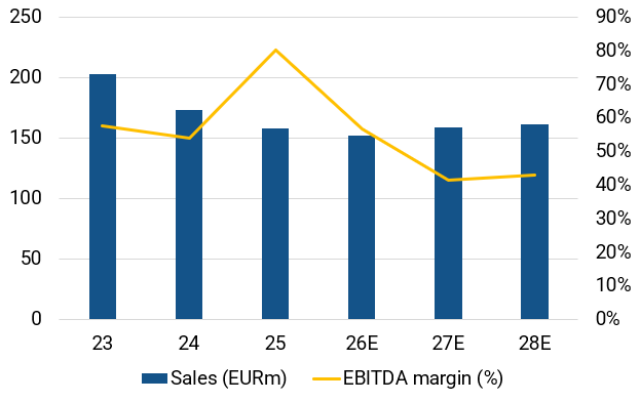
Risk – Daily Returns Distribution (trailing 3 years)



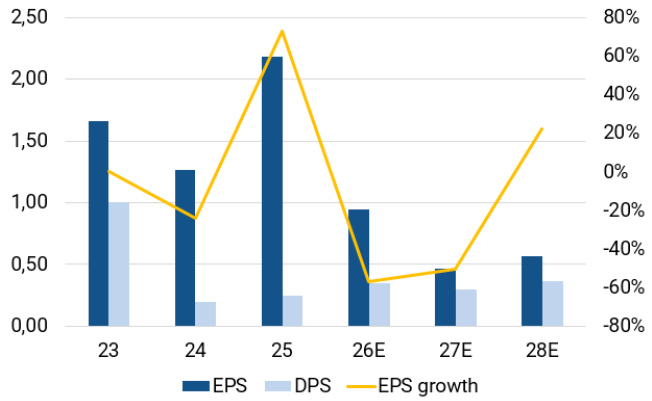
Source: FactSet, mwb research

Financials in six charts

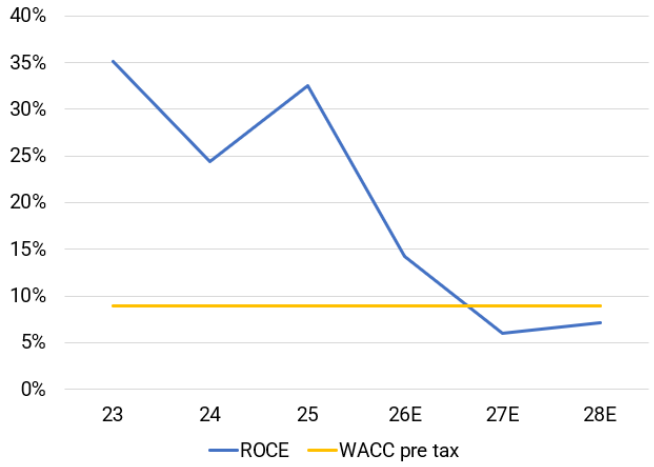
Sales vs. EBITDA margin development



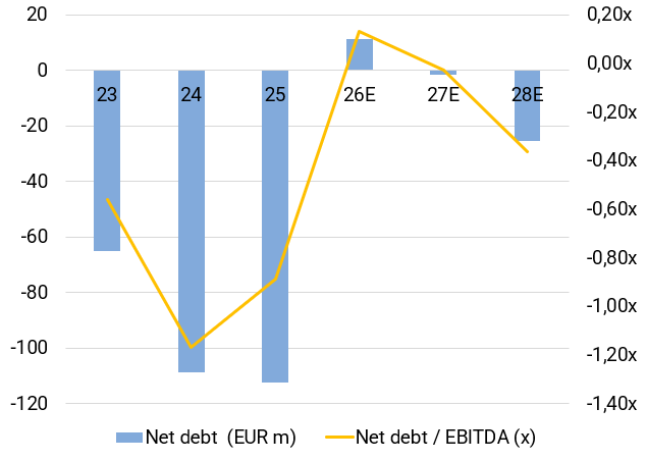
EPS, DPS in EUR & yoy EPS growth



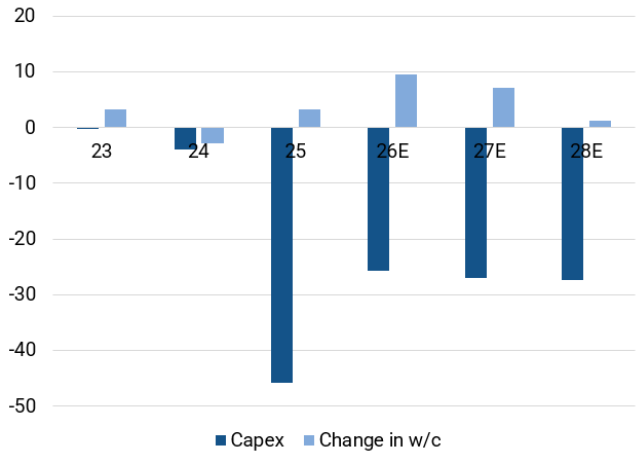
ROCE vs. WACC (pre tax)



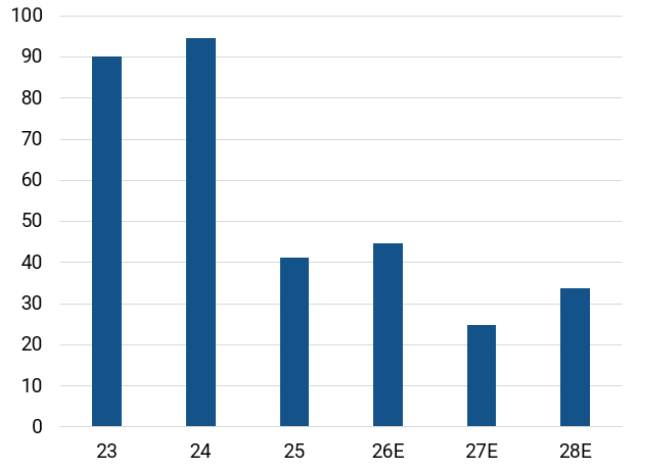
Net debt and net debt/EBITDA



Capex & chgn in w/c requirements in EURm



Free Cash Flow in EURm



Source: Company data; mwb research

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Financials

Profit and loss (EURm)	2023	2024	2025	2026E	2027E	2028E
Net sales	**202.7**	**172.7**	**158.1**	**151.6**	**158.4**	**161.4**
Sales growth	5.7%	-14.8%	-8.5%	-4.1%	4.5%	1.9%
Change in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	**202.7**	**172.7**	**158.1**	**151.6**	**158.4**	**161.4**
Material expenses	95.0	88.7	71.9	75.3	97.4	96.8
Gross profit	**107.7**	**84.0**	**86.2**	**76.3**	**61.0**	**64.6**
Other operating income	19.6	20.4	75.9	21.6	18.2	18.6
Personnel expenses	4.8	4.3	7.6	3.8	4.8	4.8
Other operating expenses	5.9	7.1	27.7	8.3	8.7	8.9
EBITDA	**116.6**	**93.0**	**126.7**	**85.7**	**65.7**	**69.5**
Depreciation	29.2	25.3	30.3	32.6	39.5	38.2
EBITA	87.3	67.7	96.4	53.1	26.2	31.3
Amortisation of goodwill and intangible assets	0.8	0.0	0.0	0.0	0.0	0.0
EBIT	**86.6**	**67.7**	**96.4**	**53.1**	**26.2**	**31.3**
Financial result	-4.4	5.8	-1.3	-4.0	-6.0	-6.0
Recurring pretax income from continuing operations	82.2	73.5	95.2	49.1	20.2	25.3
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	82.2	73.5	95.2	49.1	20.2	25.3
Taxes	0.6	1.7	-4.7	1.0	0.6	1.3
Net income from continuing operations	81.6	71.8	99.9	48.2	19.6	24.0
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	**81.6**	**71.8**	**99.9**	**48.2**	**19.6**	**24.0**
Minority interest	-26.5	-29.3	-26.3	-16.4	-3.9	-4.8
Net profit (reported)	55.1	42.5	73.5	31.8	15.7	19.2
Average number of shares	33.17	33.69	33.69	33.69	33.69	33.69
EPS reported	**1.66**	**1.26**	**2.18**	**0.94**	**0.47**	**0.57**

Profit and loss (common size)	2023	2024	2025	2026E	2027E	2028E
Net sales	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Change in finished goods and work-in-process	0%	0%	0%	0%	0%	0%
Total sales	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Material expenses	47%	51%	45%	50%	62%	60%
Gross profit	**53%**	**49%**	**55%**	**50%**	**38%**	**40%**
Other operating income	10%	12%	48%	14%	11%	11%
Personnel expenses	2%	2%	5%	3%	3%	3%
Other operating expenses	3%	4%	18%	6%	5%	5%
EBITDA	**58%**	**54%**	**80%**	**57%**	**41%**	**43%**
Depreciation	14%	15%	19%	21%	25%	24%
EBITA	43%	39%	61%	35%	17%	19%
Amortisation of goodwill and intangible assets	0%	0%	0%	0%	0%	0%
EBIT	**43%**	**39%**	**61%**	**35%**	**17%**	**19%**
Financial result	-2%	3%	-1%	-3%	-4%	-4%
Recurring pretax income from continuing operations	41%	43%	60%	32%	13%	16%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	41%	43%	60%	32%	13%	16%
Taxes	0%	1%	-3%	1%	0%	1%
Net income from continuing operations	40%	42%	63%	32%	12%	15%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	**40%**	**42%**	**63%**	**32%**	**12%**	**15%**
Minority interest	-13%	-17%	-17%	-11%	-2%	-3%
Net profit (reported)	**27%**	**25%**	**47%**	**21%**	**10%**	**12%**

Source: Company data; mwb research

Balance sheet (EURm)	2023	2024	2025	2026E	2027E	2028E
Intangible assets (exl. Goodwill)	**0.5**	**0.3**	**0.3**	**0.3**	**0.3**	**0.3**
Goodwill	1.0	0.4	0.0	0.0	0.0	0.0
Property, plant and equipment	252.0	227.1	241.4	394.6	382.1	371.3
Financial assets	3.2	3.0	5.4	5.4	5.4	5.4
FIXED ASSETS	**256.7**	**230.8**	**247.1**	**400.3**	**387.8**	**377.0**
Inventories	2.5	2.7	1.5	2.1	2.7	2.7
Accounts receivable	2.7	2.1	1.9	2.5	3.9	4.4
Other current assets	8.3	6.7	3.6	3.6	3.6	3.6
Liquid assets	67.3	110.7	114.3	78.7	81.7	105.3
Deferred taxes	0.4	0.2	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	2.5	1.9	1.6	1.8	1.9	1.9
CURRENT ASSETS	**83.6**	**124.2**	**122.9**	**88.7**	**93.8**	**117.9**
TOTAL ASSETS	**340.3**	**355.0**	**370.1**	**489.1**	**481.6**	**495.0**
SHAREHOLDERS EQUITY	**170.7**	**180.8**	**248.3**	**288.0**	**295.9**	**309.8**
MINORITY INTEREST	89.4	85.5	44.5	44.5	44.5	44.5
Long-term debt	2.3	2.1	1.9	90.0	80.0	80.0
Provisions for pensions and similar obligations	1.2	1.0	0.9	0.9	1.0	1.0
Other provisions	6.3	15.1	12.2	11.4	11.1	11.3
Non-current liabilities	**9.7**	**18.2**	**15.0**	**102.3**	**92.0**	**92.3**
short-term liabilities to banks	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	3.4	2.8	3.5	2.7	3.2	3.2
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	54.2	56.6	55.9	48.5	42.8	42.0
Deferred taxes	5.8	6.3	0.0	0.0	0.0	0.0
Deferred income	7.1	4.6	2.9	3.0	3.2	3.2
Current liabilities	**70.4**	**70.4**	**62.2**	**54.2**	**49.1**	**48.4**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**340.3**	**355.0**	**370.1**	**489.1**	**481.6**	**495.0**

Balance sheet (common size)	2023	2024	2025	2026E	2027E	2028E
Intangible assets (excl. Goodwill)	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
Goodwill	0%	0%	0%	0%	0%	0%
Property, plant and equipment	74%	64%	65%	81%	79%	75%
Financial assets	1%	1%	1%	1%	1%	1%
FIXED ASSETS	**75%**	**65%**	**67%**	**82%**	**81%**	**76%**
Inventories	1%	1%	0%	0%	1%	1%
Accounts receivable	1%	1%	1%	1%	1%	1%
Other current assets	2%	2%	1%	1%	1%	1%
Liquid assets	20%	31%	31%	16%	17%	21%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	1%	1%	0%	0%	0%	0%
CURRENT ASSETS	**25%**	**35%**	**33%**	**18%**	**19%**	**24%**
TOTAL ASSETS	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
SHAREHOLDERS EQUITY	**50%**	**51%**	**67%**	**59%**	**61%**	**63%**
MINORITY INTEREST	26%	24%	12%	9%	9%	9%
Long-term debt	1%	1%	1%	18%	17%	16%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	2%	4%	3%	2%	2%	2%
Non-current liabilities	**3%**	**5%**	**4%**	**21%**	**19%**	**19%**
short-term liabilities to banks	0%	0%	0%	0%	0%	0%
Accounts payable	1%	1%	1%	1%	1%	1%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	16%	16%	15%	10%	9%	8%
Deferred taxes	2%	2%	0%	0%	0%	0%
Deferred income	2%	1%	1%	1%	1%	1%
Current liabilities	**21%**	**20%**	**17%**	**11%**	**10%**	**10%**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: Company data; mwb research

ResearchHub

Cash flow statement (EURm)	2023	2024	2025	2026E	2027E	2028E
Net profit/loss	81.6	71.8	73.5	48.2	19.6	24.0
Depreciation of fixed assets (incl. leases)	35.3	26.3	30.3	32.6	39.5	38.2
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Others	-23.6	-2.4	-13.7	-0.9	-0.2	0.2
Cash flow from operations before changes in w/c	93.3	95.7	90.1	79.9	58.9	62.5
Increase/decrease in inventory	0.0	-0.3	1.3	-0.6	-0.6	0.0
Increase/decrease in accounts receivable	0.0	0.6	0.2	-0.6	-1.4	-0.5
Increase/decrease in accounts payable	-5.5	-0.6	0.7	-0.8	0.5	-0.0
Increase/decrease in other w/c positions	2.3	3.0	-5.4	-7.4	-5.7	-0.8
Increase/decrease in working capital	-3.2	2.7	-3.2	-9.4	-7.2	-1.3
Cash flow from operating activities	**90.2**	**98.5**	**86.9**	**70.4**	**51.7**	**61.2**
CAPEX	-0.0	-3.9	-45.7	-25.8	-26.9	-27.4
Payments for acquisitions	-98.1	0.0	0.0	-166.0	0.0	0.0
Financial investments	-0.5	5.4	4.1	0.0	0.0	0.0
Income from asset disposals	26.7	5.0	65.6	6.0	0.0	0.0
Cash flow from investing activities	**-71.8**	**6.5**	**23.9**	**-185.8**	**-26.9**	**-27.4**
Cash flow before financing	18.4	105.0	110.8	-115.3	24.7	33.7
Increase/decrease in debt position	13.1	-0.2	-0.2	88.1	-10.0	0.0
Purchase of own shares	-5.0	0.0	0.0	0.0	0.0	0.0
Capital measures	1.9	0.0	0.0	0.0	0.0	0.0
Dividends paid	-15.6	-47.6	-6.7	-8.4	-11.8	-10.1
Others	-1.6	-18.3	-89.1	0.0	0.0	0.0
Effects of exchange rate changes on cash	-1.5	4.6	-11.2	0.0	0.0	0.0
Cash flow from financing activities	**-8.8**	**-61.6**	**-107.1**	**79.7**	**-21.8**	**-10.1**
Increase/decrease in liquid assets	9.6	43.4	3.7	-35.6	2.9	23.6
Liquid assets at end of period	**67.3**	**110.7**	**114.3**	**78.7**	**81.7**	**105.3**

Source: Company data; mwb research

Ratios	2023	2024	2025	2026E	2027E	2028E
Per share data						
Earnings per share reported	1.66	1.26	2.18	0.94	0.47	0.57
Cash flow per share	1.84	2.17	1.68	1.12	0.36	0.68
Book value per share	5.15	5.37	7.37	8.55	8.78	9.19
Dividend per share	1.00	0.20	0.25	0.35	0.30	0.37
Valuation						
P/E	4.6x	6.1x	3.5x	8.2x	16.5x	13.5x
P/CF	4.2x	3.5x	4.6x	6.9x	21.3x	11.3x
P/BV	1.5x	1.4x	1.0x	0.9x	0.9x	0.8x
Dividend yield (%)	13.0%	2.6%	3.2%	4.5%	3.9%	4.8%
FCF yield (%)	23.9%	28.2%	21.8%	14.6%	4.7%	8.9%
EV/Sales	1.0x	0.9x	0.9x	1.8x	1.6x	1.5x
EV/EBITDA	1.7x	1.6x	1.2x	3.2x	3.9x	3.4x
EV/EBIT	2.3x	2.2x	1.5x	5.1x	9.9x	7.5x
Income statement (EURm)						
Sales	202.7	172.7	158.1	151.6	158.4	161.4
yoy chg in %	5.7%	-14.8%	-8.5%	-4.1%	4.5%	1.9%
Gross profit	107.7	84.0	86.2	76.3	61.0	64.6
Gross margin in %	53.1%	48.6%	54.5%	50.3%	38.5%	40.0%
EBITDA	116.6	93.0	126.7	85.7	65.7	69.5
EBITDA margin in %	57.5%	53.9%	80.2%	56.6%	41.5%	43.0%
EBIT	86.6	67.7	96.4	53.1	26.2	31.3
EBIT margin in %	42.7%	39.2%	61.0%	35.1%	16.6%	19.4%
Net profit	55.1	42.5	73.5	31.8	15.7	19.2
Cash flow statement (EURm)						
CF from operations	90.2	98.5	86.9	70.4	51.7	61.2
Capex	-0.0	-3.9	-45.7	-25.8	-26.9	-27.4
Maintenance Capex	29.2	25.3	30.3	32.6	39.5	38.2
Free cash flow	90.1	94.6	41.2	44.7	24.7	33.7
Balance sheet (EURm)						
Intangible assets	1.5	0.8	0.3	0.3	0.3	0.3
Tangible assets	252.0	227.1	241.4	394.6	382.1	371.3
Shareholders' equity	170.7	180.8	248.3	288.0	295.9	309.8
Pension provisions	1.2	1.0	0.9	0.9	1.0	1.0
Liabilities and provisions	9.7	18.2	15.0	102.3	92.0	92.3
Net financial debt	-65.0	-108.6	-112.5	11.3	-1.7	-25.3
w/c requirements	1.7	2.0	-0.1	1.9	3.4	3.9
Ratios						
ROE	47.8%	39.7%	40.2%	16.7%	6.6%	7.8%
ROCE	32.1%	23.8%	31.3%	12.2%	6.1%	7.0%
Net gearing	-38.1%	-60.1%	-45.3%	3.9%	-0.6%	-8.2%
Net debt / EBITDA	-0.6x	-1.2x	-0.9x	0.1x	-0.0x	-0.4x

Source: Company data; mwb research

ResearchHub

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Company	Disclosure
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- Stock exchange investments and investments in companies (shares) are always speculative and involve the risk of total loss.
- This is particularly true in respect of investments in companies which are not established and/or small and have no established business or corporate assets.
- Share prices may fluctuate significantly. This is particularly true for shares with low liquidity (market breadth). Even small orders can have a significant impact on the share price.
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- In such markets a shareholder cannot expect to find a buyer for his shares at all and/or at reasonable prices. In such narrow markets there is a very high possibility of manipulating prices and in such markets there are often considerable price fluctuations.
- An investment in shares with low liquidity and low market capitalization is therefore highly speculative and represents a very high risk.
- There is no regulated market for unlisted shares and securities and a sale is not possible or only possible on an individual basis.

7. Major Sources of Information Part of the information required for this research report was made available by the issuer of the financial instrument. Furthermore, this report is based on publicly available sources (such as, for example, Bloomberg, Reuters, VWD-Trader and the relevant daily press) believed to be reliable. mwb research AG has checked the information for plausibility but not for accuracy or completeness.

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10. Miscellaneous According to Article 4(1) No. i of the delegated regulation 2016/958 supplementing regulation 596/2014 of the European Parliament, further information regarding investment recommendations of the last 12 months are published free of charge under https:// www.mwb.-research.com..

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