

19 September 2024

**Ernst Russ AG**

**Rating** Buy  
**Share price (EUR)** 5.76  
**Target price (EUR)** 7.30

Bloomberg HXCK GR  
Sector Transport &Logistic

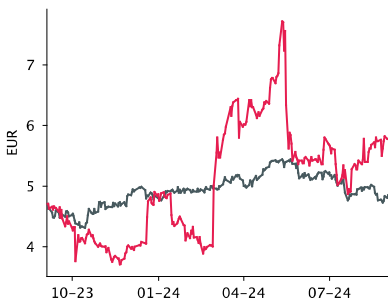
**Share data**

Shares out (m) 33.7  
Daily volume shs (m) 0.1  
Free float (%) 45.90  
Market cap (EUR m) 194  
EV (EUR m) 139  
DPS (EUR) 0,30  
Dividend yield (%) 5.2  
Payout ratio (%) 26.1

**Performance**

ytd (%) 40.9  
12 months (%) 14.6  
12 months rel. (%) 12.4  
Index SDAX

**Share price performance**



— Ernst Russ AG  
— Price rel. to SDAX - Price Index

Source: Bloomberg

**Next triggers**

13 November Q3/24 Report

**Analysts**

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# H1/24 – Strong Shipping markets support profitability

Ernst Russ presented above expectation results in H1/24. Despite a weakening global economy market charter rates are rising. Geopolitical uncertainties and the red sea blockage have led to long diversions and require higher container shipping capacities. Despite lower revenues (-9% yoy. to EUR 88m) due to an optimization of the ship portfolio, EBIT in H1/24 increased by 32% to EUR 36.5m. Our current estimates on full FY24e are based on mid-point of the guided range (Revenues 24: EUR 155-175m; EBIT 24: EUR 47-67m). Nevertheless, given strong H1/24 results and ongoing strong market conditions, a potential raise cannot be ruled out. The balance sheet of ER remains very healthy with a high equity ratio of close to 70% and a rising net cash position. Such a strong financial position combined with the ongoing strong cash flow profile offers strategic opportunities. Those might be taken by the management in order to rejuvenate the average age of the currently 29 container ship fleet. In addition, the market requires a higher proportion of container ships with alternative and sustainable engine concepts to fulfil regulatory market requirements. Even if large investments are not part of our current modeling, we expect ER to return on the growth path. The valuation of ER does by far not reflect the high profit and profitability level. ER trades with a sharp discount to its international peers and to its DCF value. We anticipate an upside about 30% to our TP of 7.30 and confirm the Buy Rec.

**Key figures H1 / 2024**

|                            | H1 2023    | H1 2024    | yoy % | FY 2024e   | yoy % |
|----------------------------|------------|------------|-------|------------|-------|
| Revenues                   | 96,4       | 87,6       | -9%   | 165,0      | -19%  |
| EBITDA                     | 41,4       | 49,2       | 19%   | 86,7       | -25%  |
| <i>EBITDA margin</i>       | <i>43%</i> | <i>56%</i> |       | <i>53%</i> |       |
| EBIT                       | 27,6       | 36,5       | 32%   | 57,8       | -31%  |
| <i>EBIT margin</i>         | <i>29%</i> | <i>42%</i> |       | <i>35%</i> |       |
| EBT                        | 29,2       | 38,7       | 33%   | 60,0       | -27%  |
| Minorities                 | 11,5       | 13,8       |       | 20,8       |       |
| Net profit post minorities | 17,6       | 24,0       | 36%   | 38,7       | -30%  |

Source: Company data, Quirin Privatbank estimates

| Key figures    |       | 2022  | 2023 | 2024e | 2025e | 2026e |
|----------------|-------|-------|------|-------|-------|-------|
| Sales          | EUR m | 192   | 203  | 165   | 162   | 161   |
| EBITDA         | EUR m | 122   | 115  | 87    | 83    | 83    |
| EBIT           | EUR m | 90    | 83   | 58    | 50    | 48    |
| EPS            | EUR   | 1.40  | 1.63 | 1.15  | 1.00  | 0.97  |
| Sales growth   | %     | 107.7 | 5.7  | -18.6 | -2.0  | -0.7  |
| EBIT growth    | %     | 192.6 | -7.4 | -30.7 | -13.2 | -3.9  |
| EPS growth     | %     | 195.7 | 16.4 | -29.7 | -12.7 | -3.7  |
| EBITDA margin  | %     | 63.5  | 56.9 | 52.5  | 51.4  | 51.8  |
| EBIT margin    | %     | 47.0  | 41.1 | 35.0  | 31.0  | 30.0  |
| Net margin     | %     | 24.7  | 27.2 | 23.5  | 20.9  | 20.3  |
| EV/Sales       | ratio | 0.80  | 0.77 | 0.84  | 0.74  | 0.64  |
| EV/EBITDA      | ratio | 1.3   | 1.4  | 1.6   | 1.4   | 1.2   |
| EV/EBIT        | ratio | 1.7   | 1.9  | 2.4   | 2.4   | 2.1   |
| P/E            | ratio | 3.7   | 2.8  | 5.0   | 5.7   | 6.0   |
| P/BV           | ratio | 1.5   | 0.9  | 1.0   | 0.9   | 0.6   |
| Dividend yield | %     | 3.9   | 21.5 | 5.2   | 5.2   | 6.1   |

Source: Bloomberg, Company data, Quirin Privatbank estimates

## H1/24 Strong profits and profitability

The H1/24 report confirmed largely QPB and market expectations. H1/24 revenues declined by 9% to EUR 87.6m. This is remarkable as the average charter rate further normalized to USD 17.500 (-12.1%). ER took advantage of a 3.3 percentage points higher technical availability of 97.3% and a higher employment ratio. EBIT increased by 35.5% to EUR 36.5m. Despite a slightly lower fleet of 29 ships vs. 30 in the previous year operating earnings took advantage of several extraordinary impacts. This includes insurance payments linked to a ship incident (EUR 6.5m), and a compensation payment by a charterer due to an early ship return. Furthermore, the sale of 1 portfolio ship has led to a book gain of EUR 1.9m. ER took advantage of ongoing high and above market charter rates due to long term contracts. Only a small proportion (8 ships) of the current fleet have been equipped with new charter contracts. The current ship portfolio owns a remaining average charter of 15.7 months (H1/23: 16.8 months). On the back of ongoing high profits and operational cash flow (H1/24 EUR 50.0m, +31% yoy.) the balance sheet again improved. QPB estimated net cash position has largely increased and stands at EUR 84m (H1/23: EUR 42m). The equity ratio remains on a high level of 69% (H1/23: 73%).

The strong financial positions enlarge the strategic opportunities of ER. We assume that the financial resources will support the strategic objective of the management to invest into a younger fleet including alternative and sustainable engine concepts. Based on the strong financial position ER owns a large financial leverage potential which might be used to continue the anticipated growth path.

### Ship portfolio consolidated in H1/24 – Divestment of one ship to optimize the fleet

ER further consolidated the current ship portfolio in H1/24. Positive market conditions were used to sell one 23-year-old and small size feeder ship which did not longer fit into the portfolio. It is the aim of the management to rejuvenate the current portfolio of feeder ships. The current ship portfolio does consist of 29 ships (H1/23 30).

### Key figures H1 / 2024

|                            | H1 2023    | H1 2024    | yoy % | FY 2024e   | yoy % |
|----------------------------|------------|------------|-------|------------|-------|
| Revenues                   | 96,4       | 87,6       | -9%   | 165,0      | -19%  |
| EBITDA                     | 41,4       | 49,2       | 19%   | 86,7       | -25%  |
| <i>EBITDA margin</i>       | <i>43%</i> | <i>56%</i> |       | <i>53%</i> |       |
| EBIT                       | 27,6       | 36,5       | 32%   | 57,8       | -31%  |
| <i>EBIT margin</i>         | <i>29%</i> | <i>42%</i> |       | <i>35%</i> |       |
| EBT                        | 29,2       | 38,7       | 33%   | 60,0       | -27%  |
| Minorities                 | 11,5       | 13,8       |       | 20,8       |       |
| Net profit post minorities | 17,6       | 24,0       | 36%   | 38,7       | -30%  |

Source: Company data, Quirin Privatbank estimates

### Full year 2024 operational performance could reach the upper side of guided range

Due to the improved market conditions and the long duration of the charter contracts the operational performance for full FY24 is largely predictable. As of the end of H1/24 ER had already 81% of total charter rates fixed in their books. The shipping segment will clearly remain the most important revenue source, with the fixed charter contracts and their conditions being the main drivers.

Management guided a revenue range of EUR 155-175m. The EBIT guidance goes for EUR 47-67m. Given the ongoing high demand for container ship capacities on major routes and charter rates are currently still rising we assume that the operational performance of ER in H2/24 might lead to final FY 24 results even at the upper side of the guided range. Nevertheless, for the time being we leave our FY24 estimates nearly unchanged at about mid-point of the management guidance. Going forward even beyond FY24 in our modelling, we did not include any additional acquisitions into the ship fleet. If those opportunities arise and will be taken by the management this might offer a significant upside to our estimates. It would lead ER back on the proposed growth path.

**Strong EBIT improvement in H1/24 despite lower revenues**

**Conversion of cash position into the enlargement of ship portfolio likely**

*Red sea blockage and geopolitical situation lead to ongoing high demand*

*Rising freight and charter rates in 2024 despite growth of global container ship capacities*

**Container Shipping markets in 2024 – Much stronger than originally expected**

Despite mixed macroeconomic signals, the volume of global seaborne trade is expected to grow by 16% in 2024, according to Clarksons. Both container freight rates as well as charter rates continue to climb throughout 2024. This is a remarkable development given global market capacity extensions of up to 10% in 2024. In early 2024 the demand increase was mainly caused by the red sea blockage and large diversions have to be taken. The rerouting through the Cape of Good Hope continue to push container shipping rates and keep capacity utilization rates on a high level. It seems that this situation might last significantly longer than originally thought.

As order books are fully utilized until year end 2024 there are still some doubts on the prospects for 2025. An easing of the geopolitical situation could lead to somewhat lower demand and there might have a negative impact on charter and freight rates. Also, the further high level of new ship deliveries might impact markets in 2025. However, there are currently no signs of a significant slowdown in the container shipping market. The Shanghai Containerized Freight Index (SCFI), which reflects the development of spot freight rates on the main trade lanes out of Shanghai, has risen significantly since the end of last year and is currently at high levels last seen during the corona crisis in 2022.

**Shanghai Containerized Freight Index**



Source: Bloomberg, Quirin Privatbank AG estimates

**Within a low multiple shipping industry, the ER peer group trades with a sharp discount**

**Valuation: clear valuation upside in both peer multiples and DCF valuation**

Not only ER but large parts of the global shipping industry continue to trade on historic low multiples and valuations. This relates mainly to the expected global economic and geopolitical uncertainties. Also, the expectation of large capacity extensions plays a major role. We view this as remarkable since the current freight and charter rates are on a high level and all major container operators in the value chain are showing a great operational performance. The market does not currently differentiate between large container ship operators and the more flexible and stable feeder size operators. We also do not recognize any reflection to above average long term charter contracts owned by ER vs. other even larger size operators.

Within an international multiple based peer group valuation ER continues to offer attractive discounts on all relevant valuation multiples. Especially based on FY25e estimates we see sharp discounts vs. the international peers. Due to the above market average charter contracts, we assume that risks are more than priced into the stock price. ER operates with a strong cash flow pattern and is backed by a healthy balance sheet. We estimate that ER will continue to pay out dividends; (current Div. yield: 5.3%). Dividends will be paid optional, either via cash payments or in shares. Since historically a high number of shareholders opted for share payment dividends are even strengthened the equity on the balance sheet.

**Anticipating such a defensive investment case within the shipping industry and significant upside potential we stick to our Buy Rec and a TP of EUR 7.30 per share.**

**Ernst Russ international Multiple peer Valuation**

| Company                      | P/E 24e | P/E 25e | EV/Sales 24e | EV/Sales 25e | EV/EBITDA 24e | EV/EBITDA 25e | EV/EBIT 24e | EV/EBIT 25e |
|------------------------------|---------|---------|--------------|--------------|---------------|---------------|-------------|-------------|
| GOLDEN OCEAN GROUP LTD       | 9,3x    | 7,4x    | 4,5x         | 4,4x         | 7,0x          | 6,2x          | 9,5x        | 8,4x        |
| NAVIOS MARITIME PARTNERS LP  | 3,8x    | 3,4x    | 2,6x         | 2,4x         | 3,4x          | 2,9x          | 4,9x        | 4,2x        |
| COSTAMARE INC                | 4,4x    | 4,8x    | 2,1x         | 2,6x         | 4,6x          | 4,3x          | 6,3x        | 6,1x        |
| EUROSEAS LTD                 | 3,2x    | 4,6x    | 2,1x         | 2,2x         | 3,3x          | 3,1x          | 4,1x        | 4,8x        |
| MPC CONTAINER SHIPS AS       | 4,1x    | 5,4x    | 1,9x         | 2,1x         | 3,2x          | 3,7x          | 3,8x        | 5,1x        |
| AP MOLLER-MAERSK A/S-A       | 6,5x    | 112,0x  | 0,6x         | 0,7x         | 2,0x          | 3,6x          | 4,7x        | 45,9x       |
| COSCO SHIPPING HOLDINGS CO-H | 3,9x    | 9,8x    | 0,6x         | 0,7x         | 1,7x          | 3,4x          | 2,5x        | 7,8x        |
| KAWASAKI KISEN KAISHA LTD    | 12,0x   | 6,0x    | 1,5x         | 1,4x         | 10,2x         | 9,2x          | 15,1x       | 13,9x       |
| HAPAG-LLOYD AG               | 15,9x   | 67,5x   | 1,4x         | 1,5x         | 6,6x          | 10,1x         | 14,6x       | 54,0x       |
| MITSUI OSK LINES LTD         | 7,3x    | 5,0x    | 1,9x         | 1,7x         | 14,6x         | 11,1x         | 27,7x       | 20,1x       |
| NIPPON YUSEN KK              | 9,8x    | 4,8x    | 1,2x         | 1,1x         | 8,2x          | 7,9x          | 14,3x       | 13,0x       |
| Median                       | 5,3x    | 5,4x    | 1,9x         | 1,7x         | 4,6x          | 4,3x          | 6,3x        | 8,4x        |
| ERNST RUSS AG                | 5,0x    | 5,7x    | 0,8x         | 0,7x         | 1,6x          | 1,4x          | 2,4x        | 2,4x        |
| Relative to median           | -5%     | 6%      | -55%         | -56%         | -65%          | -67%          | -62%        | -72%        |

Source: Bloomberg, Quirin Privatbank estimates

## Profit &amp; loss statement

| Profit & loss statement (EUR m) | 2022  | YOY     | 2023  | YOY    | 2024e | YOY     | 2025e | YOY     | 2026e | YOY    |
|---------------------------------|-------|---------|-------|--------|-------|---------|-------|---------|-------|--------|
| Sales                           | 191.7 | 107.7 % | 202.7 | 5.7 %  | 165.0 | -18.6 % | 161.8 | -2.0 %  | 160.6 | -0.7 % |
| Unfinished Goods                | 0.0   |         | 0.0   |        | 0.0   |         | 0.0   |         | 0.0   |        |
| Other own work capitalized      | 0.0   |         | 0.0   |        | 0.0   |         | 0.0   |         | 0.0   |        |
| Other operating earnings        | 30.7  |         | 24.0  |        | 5.6   |         | 2.0   |         | 3.2   |        |
| Cost of goods                   | 89.7  |         | 90.8  |        | 73.9  |         | 72.5  |         | 72.0  |        |
| Gross profit                    | 132.7 |         | 135.8 |        | 96.7  |         | 91.3  |         | 91.8  |        |
| Personnel expenses              | 4.8   |         | 9.0   |        | 7.3   |         | 7.2   |         | 7.1   |        |
| Depreciation                    | 31.6  |         | 32.0  |        | 28.9  |         | 33.0  |         | 35.0  |        |
| Other operating expenses        | 6.2   |         | 11.5  |        | 2.7   |         | 0.9   |         | 1.5   |        |
| EBITDA                          | 121.7 | 215.3 % | 115.4 | -5.2 % | 86.7  | -24.9 % | 83.1  | -4.1 %  | 83.2  | 0.1 %  |
| EBITDA margin (%)               | 63.48 |         | 56.92 |        | 52.53 |         | 51.40 |         | 51.79 |        |
| EBIT                            | 90.1  | 192.6 % | 83.4  | -7.4 % | 57.8  | -30.7 % | 50.1  | -13.2 % | 48.2  | -3.9 % |
| EBIT margin (%)                 | 47.00 |         | 41.15 |        | 35.00 |         | 31.00 |         | 30.00 |        |
| Net interest                    | -2.3  |         | 0.0   |        | 0.0   |         | 0.0   |         | 0.0   |        |
| Income from Participations      | 2.6   |         | 2.2   |        | 2.2   |         | 2.2   |         | 2.2   |        |
| Net financial result            | -1.0  |         | -1.2  |        | 2.2   |         | 2.2   |         | 2.2   |        |
| Exceptional items               | -4.8  |         | 0.0   |        | 0.0   |         | 0.0   |         | 0.0   |        |
| Pretax profit                   | 84.3  | 213.5 % | 82.2  | -2.5 % | 60.0  | -27.1 % | 52.4  | -12.7 % | 50.4  | -3.7 % |
| Pretax margin (%)               | 43.97 |         | 40.56 |        | 36.34 |         | 32.37 |         | 31.38 |        |
| Taxes                           | 0.4   |         | 0.6   |        | 0.4   |         | 0.4   |         | 0.3   |        |
| Tax rate (%)                    | 0.47  |         | 0.73  |        | 0.70  |         | 0.70  |         | 0.67  |        |
| Earnings after taxes            | 83.9  |         | 81.6  |        | 59.5  |         | 52.0  |         | 50.1  |        |
| Minorities                      | 36.6  |         | 26.6  |        | 20.8  |         | 18.2  |         | 17.5  |        |
| Group attributable income       | 47.3  | 195.7 % | 55.1  | 16.4 % | 38.7  | -29.7 % | 33.8  | -12.7 % | 32.5  | -3.7 % |
| No. of shares (m)               | 33.7  |         | 33.7  |        | 33.7  |         | 33.7  |         | 33.7  |        |
| Earnings per share (EUR)        | 1.40  | 195.7 % | 1.63  | 16.4 % | 1.15  | -29.7 % | 1.00  | -12.7 % | 0.97  | -3.7 % |

Source: Company data, Quirin Privatbank estimates

## Balance sheet

|  | 2022         | YOY            | 2023         | YOY            | 2024e        | YOY            | 2025e        | YOY           | 2026e        | YOY           |
|--|--------------|----------------|--------------|----------------|--------------|----------------|--------------|---------------|--------------|---------------|
| <b>Assets</b>                                |              |                |              |                |              |                |              |               |              |               |
| Cash and cash equivalents                    | 57.7         |                | 67.3         |                | 56.1         |                | 75.3         |               | 91.9         |               |
| Accounts receivables                         | 15.2         |                | 11.0         |                | 8.9          |                | 8.8          |               | 8.7          |               |
| Inventories                                  | 1.7          |                | 2.5          |                | 2.0          |                | 2.0          |               | 1.9          |               |
| Other current assets                         | 0.0          |                | 0.0          |                | 0.0          |                | 0.0          |               | 0.0          |               |
| Tax claims                                   | 0.0          |                | 0.0          |                | 0.0          |                | 0.0          |               | 0.0          |               |
| <b>Total current assets</b>                  | <b>74.7</b>  | <b>83.4 %</b>  | <b>80.7</b>  | <b>8.1 %</b>   | <b>67.1</b>  | <b>-16.9 %</b> | <b>86.1</b>  | <b>28.3 %</b> | <b>102.6</b> | <b>19.2 %</b> |
| Fixed assets                                 | 196.1        |                | 252.0        |                | 258.1        |                | 262.1        |               | 266.1        |               |
| Goodwill                                     | 1.6          |                | 1.0          |                | 1.0          |                | 1.0          |               | 1.0          |               |
| Other intangible assets                      | 0.7          |                | 0.5          |                | 0.5          |                | 0.5          |               | 0.5          |               |
| Financial assets                             | 6.8          |                | 3.2          |                | 3.2          |                | 3.2          |               | 3.2          |               |
| Deferred taxes                               | 0.5          |                | 0.4          |                | 0.4          |                | 0.4          |               | 0.4          |               |
| Other fixed assets                           | 2.9          |                | 2.5          |                | 2.5          |                | 2.5          |               | 2.5          |               |
| <b>Total fixed assets</b>                    | <b>208.6</b> | <b>-6.4 %</b>  | <b>259.5</b> | <b>24.4 %</b>  | <b>265.6</b> | <b>2.3 %</b>   | <b>269.6</b> | <b>1.5 %</b>  | <b>273.6</b> | <b>1.5 %</b>  |
| <b>Total assets</b>                          | <b>283.3</b> | <b>7.4 %</b>   | <b>340.3</b> | <b>20.1 %</b>  | <b>332.7</b> | <b>-2.2 %</b>  | <b>355.7</b> | <b>6.9 %</b>  | <b>376.2</b> | <b>5.8 %</b>  |
| <b>Equity &amp; Liabilities</b>              |              |                |              |                |              |                |              |               |              |               |
| Subscribed capital                           | 32.4         |                | 33.5         |                | 33.5         |                | 33.5         |               | 33.5         |               |
| Reserves & other                             | 6.7          |                | 10.2         |                | 10.2         |                | 10.2         |               | 10.2         |               |
| Revenue reserves                             | 8.5          |                | 8.5          |                | 37.1         |                | 60.8         |               | 81.6         |               |
| Accumulated other comprehensive              | 70.4         |                | 118.5        |                | 118.5        |                | 118.5        |               | 118.5        |               |
| <b>Shareholder's equity</b>                  | <b>207.5</b> | <b>45.3 %</b>  | <b>260.1</b> | <b>25.3 %</b>  | <b>288.7</b> | <b>11.0 %</b>  | <b>312.4</b> | <b>8.2 %</b>  | <b>333.1</b> | <b>6.6 %</b>  |
| Minorities                                   | 89.5         |                | 89.4         |                | 89.4         |                | 89.4         |               | 89.4         |               |
| <b>Shareholder's equity incl. minorities</b> | <b>207.5</b> | <b>45.3 %</b>  | <b>260.1</b> | <b>25.3 %</b>  | <b>288.7</b> | <b>11.0 %</b>  | <b>312.4</b> | <b>8.2 %</b>  | <b>333.1</b> | <b>6.6 %</b>  |
| <b>Long-term liabilities</b>                 |              |                |              |                |              |                |              |               |              |               |
| Pension provisions                           | 1.3          |                | 1.2          |                | 1.2          |                | 1.2          |               | 1.2          |               |
| Financial liabilities                        | 3.3          |                | 2.3          |                | 0.0          |                | 0.0          |               | 0.0          |               |
| Tax liabilities                              | 0.0          |                | 0.0          |                | 0.0          |                | 0.0          |               | 0.0          |               |
| Other liabilities                            | 0.0          |                | 0.0          |                | 0.0          |                | 0.0          |               | 0.0          |               |
| <b>Total long-term debt</b>                  | <b>16.2</b>  | <b>-81.2 %</b> | <b>9.7</b>   | <b>-40.0 %</b> | <b>6.3</b>   | <b>-35.1 %</b> | <b>6.2</b>   | <b>-1.6 %</b> | <b>6.2</b>   | <b>-0.6 %</b> |
| <b>Short-term debt</b>                       |              |                |              |                |              |                |              |               |              |               |
| Other provisions                             | 0.0          |                | 0.0          |                | 0.0          |                | 0.0          |               | 0.0          |               |
| Trade payables                               | 5.1          |                | 3.4          |                | 2.8          |                | 2.7          |               | 2.7          |               |
| Financial debt                               | 12.5         |                | 25.8         |                | 0.0          |                | 0.0          |               | 0.0          |               |
| Other liabilities                            | 36.3         |                | 28.4         |                | 23.1         |                | 22.7         |               | 22.5         |               |
| <b>Total short-term debt</b>                 | <b>59.5</b>  | <b>71.9 %</b>  | <b>70.4</b>  | <b>18.3 %</b>  | <b>37.6</b>  | <b>-46.5 %</b> | <b>37.0</b>  | <b>-1.6 %</b> | <b>36.8</b>  | <b>-0.6 %</b> |
| <b>Total equity &amp; liabilities</b>        | <b>283.3</b> | <b>7.5 %</b>   | <b>340.3</b> | <b>20.1 %</b>  | <b>332.7</b> | <b>-2.2 %</b>  | <b>355.7</b> | <b>6.9 %</b>  | <b>376.2</b> | <b>5.8 %</b>  |

Source: Company data, Quirin Privatbank estimates

## Financial key ratios

| Key ratios                  | 2022  | 2023  | 2024e | 2025e | 2026e |
|-----------------------------|-------|-------|-------|-------|-------|
| <b>Per share data (EUR)</b> |       |       |       |       |       |
| EPS                         | 1.40  | 1.63  | 1.15  | 1.00  | 0.97  |
| Book value per share        | 3.5   | 5.1   | 5.9   | 6.6   | 9.9   |
| Dividend per share          | 0.20  | 1.00  | 0.30  | 0.30  | 0.35  |
| <b>Valuation ratios</b>     |       |       |       |       |       |
| EV/Sales                    | 0.80  | 0.77  | 0.84  | 0.74  | 0.64  |
| EV/EBITDA                   | 1.3   | 1.4   | 1.6   | 1.4   | 1.2   |
| EV/EBIT                     | 1.7   | 1.9   | 2.4   | 2.4   | 2.1   |
| P/E                         | 3.7   | 2.8   | 5.0   | 5.7   | 6.0   |
| P/B                         | 1.5   | 0.9   | 1.0   | 0.9   | 0.6   |
| Dividend yield (%)          | 3.9   | 21.5  | 5.2   | 5.2   | 6.1   |
| <b>Growth</b>               |       |       |       |       |       |
| Sales growth (%)            | 107.7 | 5.7   | -18.6 | -2.0  | -0.7  |
| EBITDA growth (%)           | 215.3 | -5.2  | -24.9 | -4.1  | 0.1   |
| EBIT growth (%)             | 192.6 | -7.4  | -30.7 | -13.2 | -3.9  |
| EPS growth (%)              | 195.7 | 16.4  | -29.7 | -12.7 | -3.7  |
| <b>Profitability ratios</b> |       |       |       |       |       |
| EBITDA margin (%)           | 63.5  | 56.9  | 52.5  | 51.4  | 51.8  |
| EBIT margin (%)             | 47.0  | 41.1  | 35.0  | 31.0  | 30.0  |
| Net margin (%)              | 24.7  | 27.2  | 23.5  | 20.9  | 20.3  |
| ROCE (%)                    | 43.5  | 54.3  | 35.2  | 25.6  | 21.0  |
| <b>Financial ratios</b>     |       |       |       |       |       |
| Total equity (EUR m)        | 207.5 | 260.1 | 288.7 | 312.4 | 333.1 |
| Equity ratio (%)            | 73.2  | 76.4  | 86.8  | 87.8  | 88.6  |
| Net financial debt (EUR m)  | -40.7 | -38.1 | -54.9 | -74.1 | -90.7 |
| Net debt/Equity             | 0.7   | 0.8   | 0.9   | 0.9   | 0.9   |
| Interest cover              | 32.2  | 65.4  | 38.5  | 33.4  | 32.1  |
| Net debt/EBITDA             | -0.3  | -0.3  | -0.6  | -0.9  | -1.1  |
| Payout ratio (%)            | 14.2  | 61.2  | 26.1  | 29.9  | 36.2  |
| Working Capital (EUR m)     | 15.1  | 10.3  | 29.4  | 49.0  | 65.7  |
| Working capital/Sales       | 0.08  | 0.05  | 0.18  | 0.30  | 0.41  |

Source: Company data, Quirin Privatbank estimates

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Klaus Soer, financial analyst, hereby certifies that all of the views expressed in this report accurately reflect my personal views about any and all of the subject securities or issuers discussed herein. In addition, I hereby certify that no part of my compensation was, is, or will be, directly or indirectly related to the specific recommendations or views expressed in this research report, nor is it tied to any specific investment banking transaction performed by the Bank or its affiliates.

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| Date       | Price target-EUR | Rating | Initiation |
|------------|------------------|--------|------------|
| 19.09.2024 | 7.30             | Buy    |            |
| 19.06.2024 | 7.30             | Buy    |            |
| 06.05.2024 | 7.30             | Buy    |            |
| 20.09.2023 | 6.80             | Buy    | 28.03.2023 |

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#### Competent supervisory authority

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