

# Ernst Russ AG

Germany | Transport & Logistics | MCap EUR 229.8m

6 November 2025

UPDATE



## Q3 preview with raised guidance and simplified structure; BUY

### What's it all about?

Ernst Russ AG ("ER") will report Q3/9M 2025 results on 11 Nov. We expect a solid, disposal-light quarter reflecting the group's resilient operating base, firm charter rates, and high vessel availability. Management has tightened FY25 guidance to revenues of EUR 152–162m and EBIT of EUR 87–102m, implying a c.5% midpoint uplift driven by steady utilization and cost discipline. Q3 sales should reach EUR 38m (-8% yoy) and EBIT of EUR 11.5m (-22% yoy; margin 30%), reflecting normalization after H1 gains. The recent buyout of non-strategic minorities in six feeder vessels (~EUR 40–50m) marks another low-risk, strategic step in simplifying the structure. We reiterate BUY and raise our PT to EUR 12.00, highlighting sustained value creation.

**BUY** (BUY)

<b>Target price</b>	<b>EUR 12.00</b> (11.00)
Current price	EUR 6.82
Up/downside	76.0%



**MAIN AUTHOR**

**Thomas Wissler**

t.wissler@mwb-research.com

+49 40 309 293-58

# Ernst Russ AG

Germany | Transport & Logistics | MCap EUR 229.8m | EV EUR 122.2m

**BUY** (BUY)

**Target price** EUR 12.00 (11.00)  
**Current price** EUR 6.82  
**Up/downside** 76.0%

**MAIN AUTHOR**

**Thomas Wissler**  
t.wissler@mwb-research.com  
+49 40 309 293-58

## Q3 preview with raised guidance and simplified structure; BUY

**Solid quarter expected** Ernst Russ AG ("ER") will publish its Q3/9M 2025 results on 11 Nov. Following two disposal-driven quarters, we expect Q3 to show a more normalized earnings profile that highlights the group's resilient operating base. Charter rates have remained firm, vessel availability high, and structural simplification ongoing. Against this backdrop, management has now specified its FY25 guidance upward within the range, reflecting strong year-to-date performance and high visibility from concluded charters.

**Average day rates held up well** We forecast Q3 sales of EUR 38m (-8.4% yoy) and EBIT of EUR 11.5m (-22% yoy; margin 30%), translating into net income after minorities of EUR 7.5m (EPS EUR 0.22). The yoy decline mainly mirrors the absence of disposal gains that boosted H1. Operationally, ER continues to benefit from average day rates of around USD 17,700 (+1.4% yoy) and technical availability of 97.5% (mwb est.), demonstrating strong utilization despite a slightly smaller fleet (26 vessels vs. 29). We believe that c. all of ER's FY25E revenues are already secured, ensuring robust visibility.

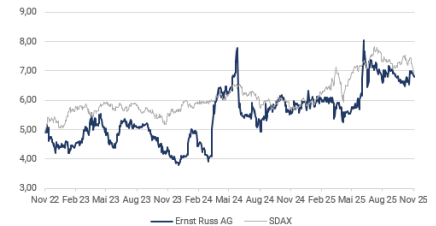
**Tightened FY25 guidance** Ahead of the official results, ER yesterday tightened its FY25 guidance to revenues of EUR 152–162m (previously EUR 147–167m) and EBIT from ongoing ship operations of EUR 48–63m (previously EUR 43–73m). Including vessel disposals, EBIT is now guided at EUR 87–102m (previously EUR 75–105m). The revision implies a c. 5% midpoint increase in total EBIT, underscoring steady operational progress, sustained high utilization, and disciplined cost control. The assumptions include ~97% fleet availability and a USD/EUR rate of 1.18 for the remainder of the year.

**Non-strategic minority buyout – low risk, high rationale** A few days earlier, ER announced another milestone in its structural streamlining program with the acquisition of remaining minority stakes in six feeder vessels (700–1,800 TEU). We view this as strategically sound: by redeploying surplus liquidity into familiar assets—ships, crews, and contracts—ER lowers risk while increasing

*-continued-*

Ernst Russ AG	2022	2023	2024	2025E	2026E	2027E
Sales	191.7	202.7	172.7	155.7	147.6	131.4
<i>Growth yoy</i>	107.8%	5.7%	-14.8%	-9.9%	-5.2%	-10.9%
EBITDA	121.7	116.6	93.0	119.8	81.5	58.0
EBIT	90.1	86.6	67.7	94.8	59.0	35.3
Net profit	47.3	55.1	42.5	53.5	39.0	22.5
Net debt (net cash)	-54.5	-65.0	-108.6	-147.5	-184.4	-195.8
Net debt/EBITDA	-0.4x	-0.6x	-1.2x	-1.2x	-2.3x	-3.4x
EPS reported	1.46	1.66	1.26	1.59	1.16	0.67
DPS	0.20	1.00	0.20	0.30	0.35	0.30
<i>Dividend yield</i>	2.9%	14.7%	2.9%	4.4%	5.1%	4.4%
Gross profit margin	53.2%	53.1%	48.6%	51.2%	50.0%	40.4%
EBITDA margin	63.5%	57.5%	53.9%	76.9%	55.2%	44.1%
EBIT margin	47.0%	42.7%	39.2%	60.9%	40.0%	26.9%
ROCE	40.3%	32.1%	23.8%	28.9%	15.8%	9.0%
EV/Sales	0.9x	0.8x	0.7x	0.5x	0.3x	0.3x
EV/EBITDA	1.5x	1.4x	1.3x	0.7x	0.6x	0.6x
EV/EBIT	2.0x	1.9x	1.8x	0.9x	0.8x	1.0x
PER	4.7x	4.1x	5.4x	4.3x	5.9x	10.2x

Source: Company data, mwb research



Source: Company data, mwb research

**High/low 52 weeks** 8.10 / 4.85  
**Price/Book Ratio** 1.3x

### Ticker / Symbols

ISIN DE000A161077  
WKN A16107  
Bloomberg BXCK:GR

### Changes in estimates

		Sales	EBIT	EPS
2025E	old	152.5	91.9	1.54
	Δ	2.1%	3.2%	3.3%
2026E	old	143.1	55.4	1.01
	Δ	3.2%	6.6%	15.1%
2027E	old	122.2	30.6	0.53
	Δ	7.5%	15.4%	25.5%

### Key share data

Number of shares: (in m pcs) 33.69  
Book value per share: (in EUR) 5.37  
Ø trading vol.: (12 months) 10,885

### Major shareholders


Döhle Group 38.5%  
JP & JD Döhle 36.8%  
Free Float 24.7%

### Company description

Ernst Russ is an international shipping company based in Hamburg. Parts of the company date back to 1893. The Group currently owns a fleet of 26 vessels partially operated with strategic partners and has two additional vessels on order. The focus is on container ships with a capacity of between 700 and 4,200 TEU, plus one larger container ship of around 13,400 TEU, a handysize bulker and a multi-purpose vessel.

transparency and control. We expect the transaction to be valued at roughly EUR 40–50m (mwb est.), which will be financed about one-quarter in cash (mwb est.: EUR 10-13m) and the remainder via seller loans, representing a prudent, low-risk deployment of capital that enhances ER's capital-market profile.

**Conclusion:** We expect Q3 to mark a solid, disposal-light quarter with resilient profitability and continued structural simplification. Supported by a robust balance sheet, strong cash generation, and greater operational focus, ER remains well positioned for disciplined growth and shareholder returns. We reiterate our BUY rating and increase our PT to EUR 12.00 (previously EUR 11.00), highlighting sustained value creation and attractive upside potential as well as upwards adjusted model assumptions, following the minority buyouts.

QG&V in EURm	Q3 25E	Q3 24	yoy chg in %
Sales	38	41,5	-8,4%
EBIT	11,5	14,8	-22,3%
EBIT margin in %	30% 	36%	
Net income after minorities	7,5	9,9	-24,2%
EPS	0,22	0,29	-23,3%
Number of vessels (fully consolidated)	26	29	-3
Technical availability*	97,5%	96,6%	0,9pp
Charter rates (USD)*	17.678	17.432	1,4%

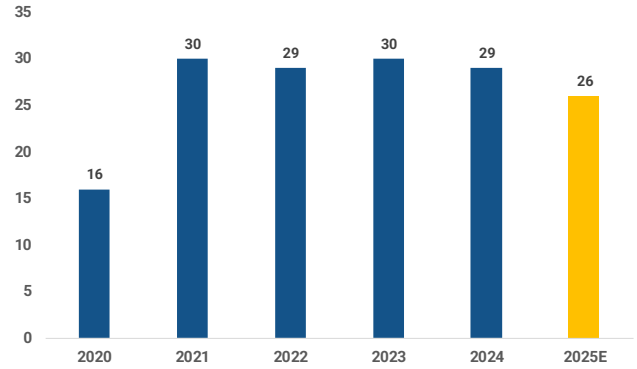
\* 9M figure

# Investment case in six charts

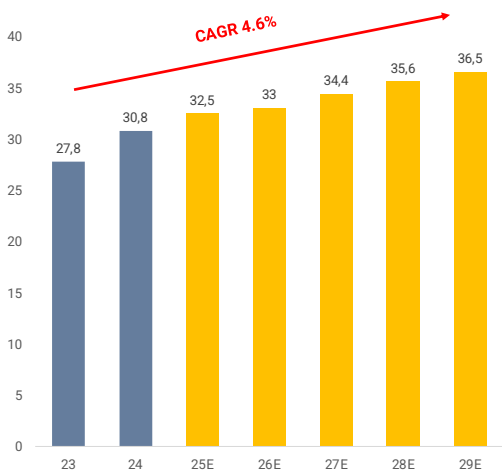
## Products & Services



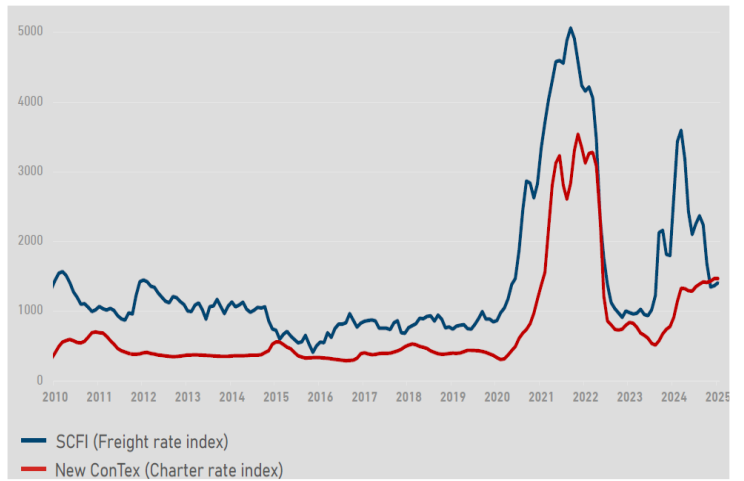
## Number of fully consolidated ships (YE data)



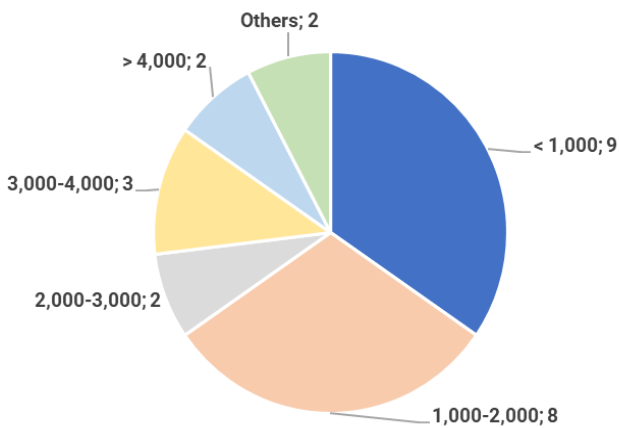
## Nominal capacity addition (net in TEUm)



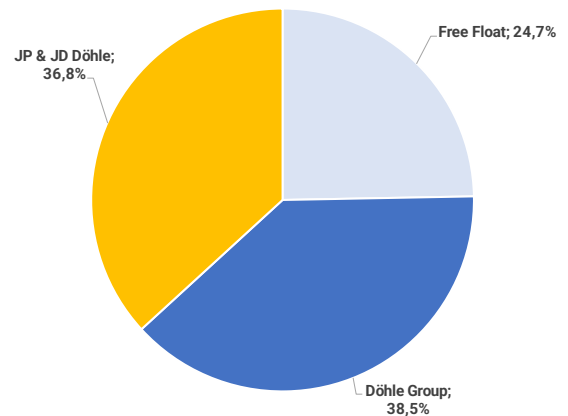
## Charter and freight rates



## Size category as per Aug 2025



## 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 75%), 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



## 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 21.49 per share based on 2025E and EUR 13.39 per share on 2029E 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	2025E	2026E	2027E	2028E	2029E
<b>EBITDA</b>	<b>119.8</b>	<b>81.5</b>	<b>58.0</b>	<b>54.6</b>	<b>55.7</b>
- Maintenance capex	25.0	22.5	22.7	22.7	22.7
- Minorities	37.2	16.7	9.6	8.5	8.8
- tax expenses	1.9	1.1	1.0	1.5	1.5
<b>= Adjusted FCF</b>	<b>55.7</b>	<b>41.2</b>	<b>24.7</b>	<b>21.9</b>	<b>22.7</b>
<b>Actual Market Cap</b>	<b>229.8</b>	<b>229.8</b>	<b>229.8</b>	<b>229.8</b>	<b>229.8</b>
+ Net debt (cash)	-95.9	-119.9	-127.2	-137.8	-149.6
+ Pension provisions	0.9	0.9	0.8	0.8	0.8
+ Off B/S financing	0.0	0.0	0.0	0.0	0.0
- Financial assets	3.0	3.0	3.0	3.0	3.0
- Acc. dividend payments	6.7	16.8	28.6	38.7	47.6
<i>EV Reconciliations</i>	-104.7	-138.8	-158.1	-178.8	-199.4
<b>= Actual EV'</b>	<b>125.1</b>	<b>90.9</b>	<b>71.7</b>	<b>51.0</b>	<b>30.4</b>
<b>Adjusted FCF yield</b>	<b>44.6%</b>	<b>45.3%</b>	<b>34.4%</b>	<b>43.0%</b>	<b>74.6%</b>
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%
<b>Fair EV</b>	<b>619.4</b>	<b>457.7</b>	<b>274.2</b>	<b>243.8</b>	<b>251.8</b>
- <i>EV Reconciliations</i>	-104.7	-138.8	-158.1	-178.8	-199.4
<b>Fair Market Cap</b>	<b>724.1</b>	<b>596.6</b>	<b>432.3</b>	<b>422.6</b>	<b>451.1</b>
No. of shares (million)	33.7	33.7	33.7	33.7	33.7
<b>Fair value per share in EUR</b>	<b>21.49</b>	<b>17.71</b>	<b>12.83</b>	<b>12.54</b>	<b>13.39</b>
<b>Premium (-) / discount (+)</b>	<b>215.2%</b>	<b>159.7%</b>	<b>88.1%</b>	<b>83.9%</b>	<b>96.3%</b>

Sensitivity analysis FV						
<b>Adjusted hurdle rate</b>	7.0%	26.7	21.6	15.2	14.6	15.5
	8.0%	23.8	19.4	13.8	13.4	14.3
	<b>9.0%</b>	<b>21.5</b>	<b>17.7</b>	<b>12.8</b>	<b>12.5</b>	<b>13.4</b>
	10.0%	19.7	16.3	12.0	11.8	12.6
	11.0%	18.2	15.2	11.4	11.2	12.0

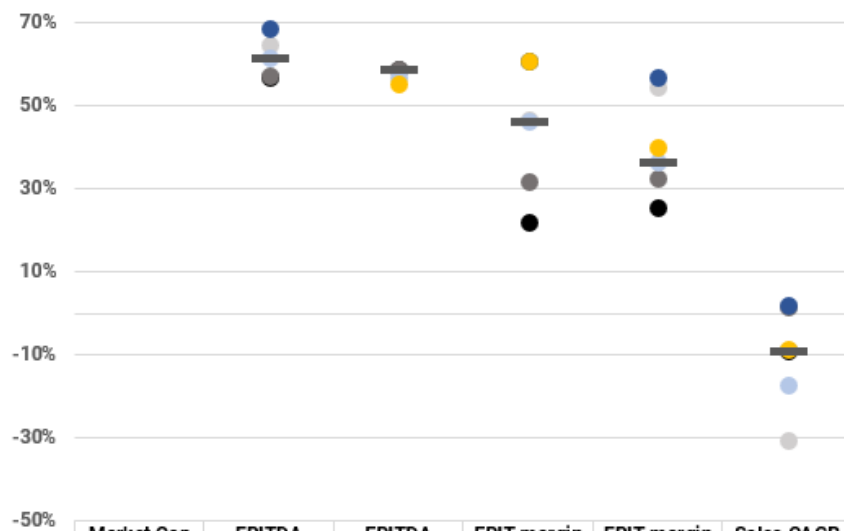
Source: Company data; mwb research

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.**

## 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 6 November 2025 the median market cap of the peer group was EUR 861.5m, compared to EUR 229.8m for Ernst Russ AG. In the period under review, the peer group was less profitable than Ernst Russ AG. The expectations for sales growth are lower for the peer group than for Ernst Russ AG.

### Peer Group – Key data



6-Nov-25

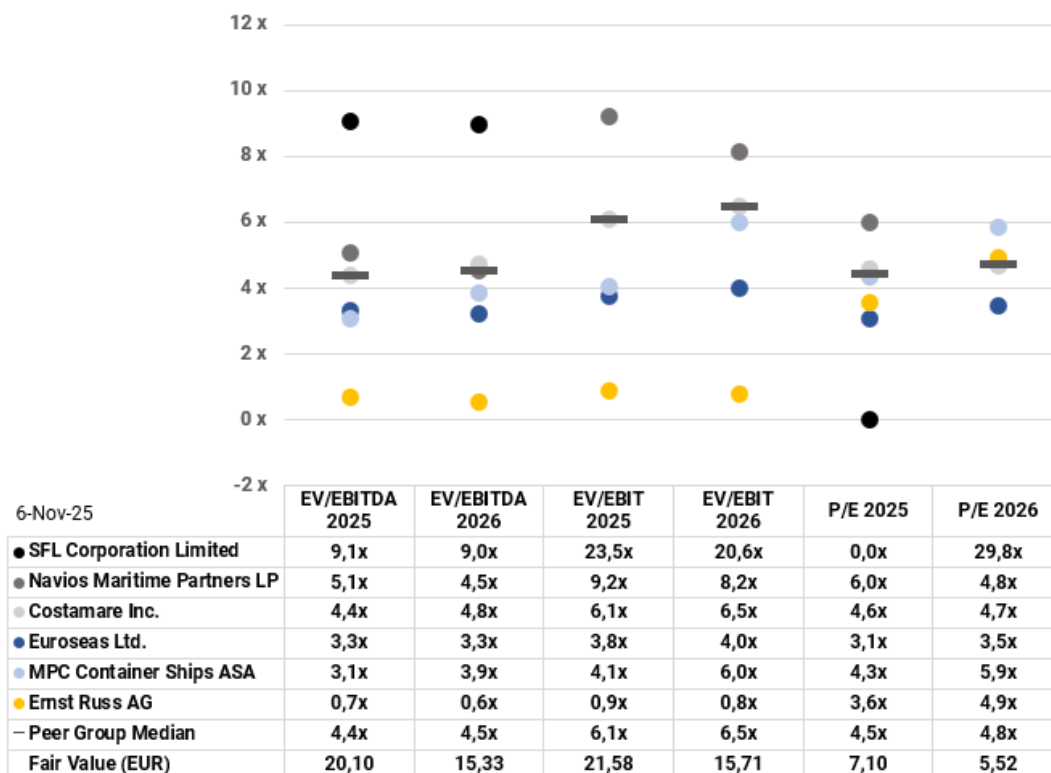
	Market Cap (EURm)	EBITDA margin 2025	EBITDA margin 2026	EBIT margin 2025	EBIT margin 2026	Sales CAGR 2024-2027
● SFL Corporation Limited	861	56,8%	58,6%	22,0%	25,6%	-8,9%
● Navios Maritime Partners LP	1.221	57,4%	58,8%	31,8%	32,6%	1,4%
● Costamare Inc.	1.395	64,5%	74,3%	46,7%	54,5%	-30,4%
● Euroseas Ltd.	361	68,5%	70,2%	60,9%	56,8%	2,1%
● MPC Container Ships ASA	660	61,6%	57,0%	46,4%	36,5%	-17,1%
● Ernst Russ AG	230	76,9%	55,2%	60,9%	40,0%	-8,7%
– Peer Group Median	861	61,6%	58,8%	46,4%	36,5%	-8,9%

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 2025, EV/EBITDA 2026, EV/EBIT 2025, EV/EBIT 2026, P/E 2025 and P/E 2026.

**Applying these to Ernst Russ AG results in a range of fair values from EUR 5.52 to EUR 21.58.**

**Peer Group – Multiples and valuation**

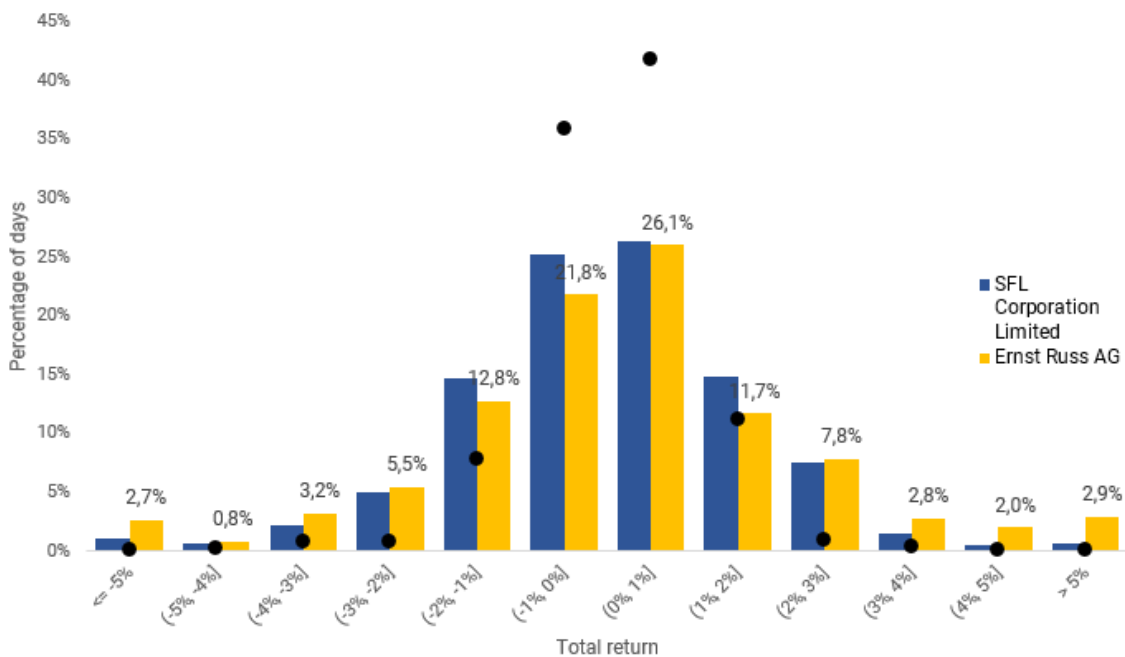


Source: FactSet, mwb research

# 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%.

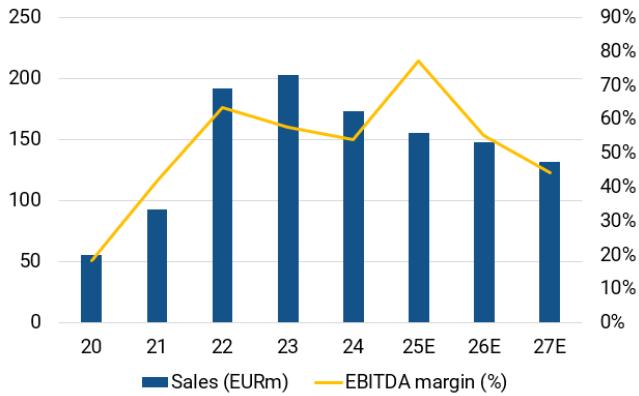
**Risk – Daily Returns Distribution (trailing 3 years)**



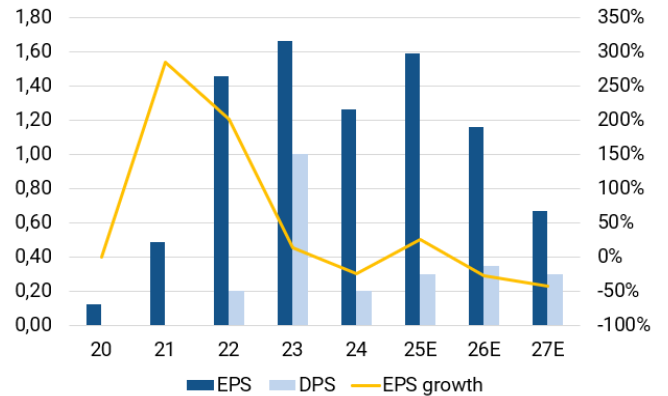
Source: FactSet, mwb research

# Financials in six charts

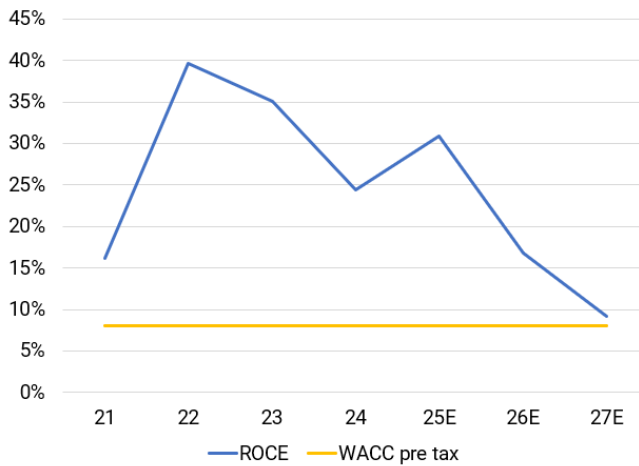
**Sales vs. EBITDA margin development**



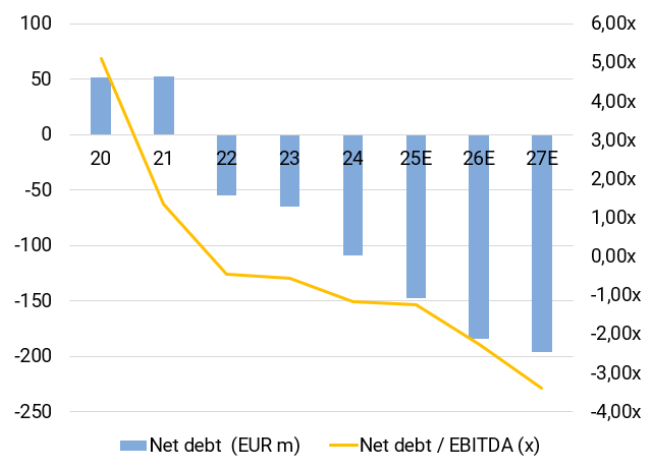
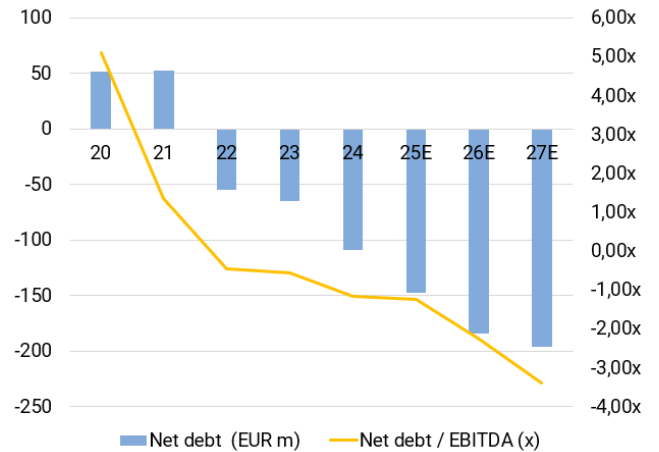
**EPS, DPS in EUR & yoy EPS growth**



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

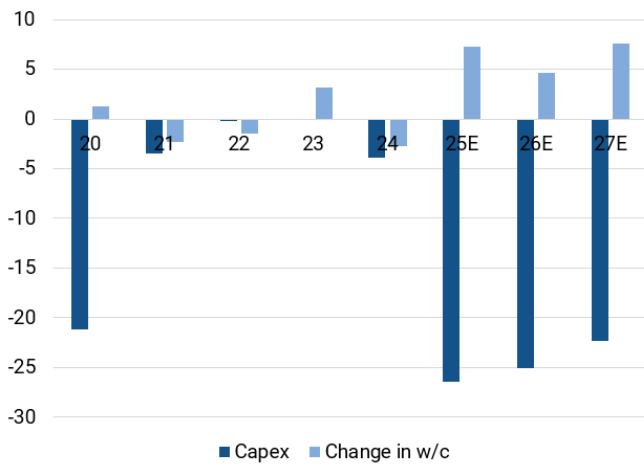
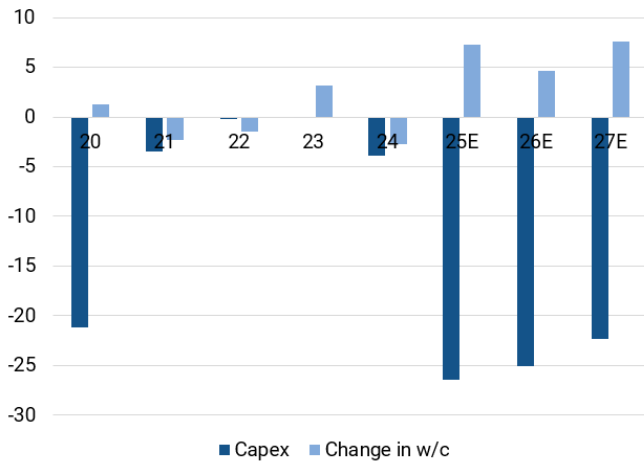


**Net debt and net debt/EBITDA**

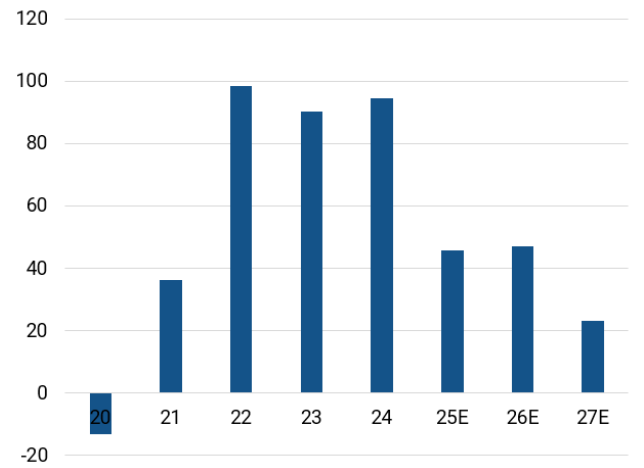
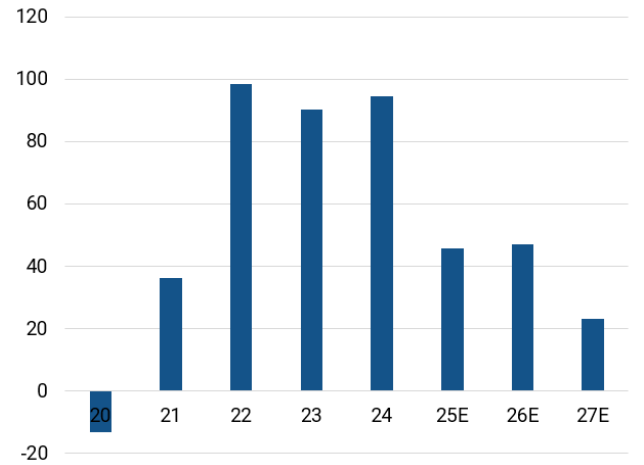


**Capex & chgn in w/c requirements in EURm**

**Free Cash Flow in EURm**



Source: Company data; mwb research



## Financials

Profit and loss (EURm)	2022	2023	2024	2025E	2026E	2027E
<b>Net sales</b>	<b>191.7</b>	<b>202.7</b>	<b>172.7</b>	<b>155.7</b>	<b>147.6</b>	<b>131.4</b>
Sales growth	107.8%	5.7%	-14.8%	-9.9%	-5.2%	-10.9%
Change in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total sales</b>	<b>191.7</b>	<b>202.7</b>	<b>172.7</b>	<b>155.7</b>	<b>147.6</b>	<b>131.4</b>
Material expenses	89.7	95.0	88.7	76.0	73.8	78.3
<b>Gross profit</b>	<b>102.0</b>	<b>107.7</b>	<b>84.0</b>	<b>79.7</b>	<b>73.8</b>	<b>53.2</b>
Other operating income	30.7	19.6	20.4	50.2	17.3	15.1
Personnel expenses	4.8	4.8	4.3	3.9	3.7	3.7
Other operating expenses	6.2	5.9	7.1	6.2	5.9	6.6
<b>EBITDA</b>	<b>121.7</b>	<b>116.6</b>	<b>93.0</b>	<b>119.8</b>	<b>81.5</b>	<b>58.0</b>
Depreciation	30.6	29.2	25.3	25.0	22.5	22.7
EBITA	91.1	87.3	67.7	94.8	59.0	35.3
Amortisation of goodwill and intangible assets	1.0	0.8	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>90.1</b>	<b>86.6</b>	<b>67.7</b>	<b>94.8</b>	<b>59.0</b>	<b>35.3</b>
Financial result	-5.8	-4.4	5.8	-2.2	-2.2	-2.2
Recurring pretax income from continuing operations	84.3	82.2	73.5	92.6	56.8	33.1
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	84.3	82.2	73.5	92.6	56.8	33.1
Taxes	0.4	0.6	1.7	1.9	1.1	1.0
Net income from continuing operations	83.9	81.6	71.8	90.8	55.7	32.1
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>83.9</b>	<b>81.6</b>	<b>71.8</b>	<b>90.8</b>	<b>55.7</b>	<b>32.1</b>
Minority interest	-36.6	-26.5	-29.3	-37.2	-16.7	-9.6
Net profit (reported)	47.3	55.1	42.5	53.5	39.0	22.5
Average number of shares	32.43	33.17	33.69	33.69	33.69	33.69
<b>EPS reported</b>	<b>1.46</b>	<b>1.66</b>	<b>1.26</b>	<b>1.59</b>	<b>1.16</b>	<b>0.67</b>

Profit and loss (common size)	2022	2023	2024	2025E	2026E	2027E
<b>Net sales</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Change in finished goods and work-in-process	0%	0%	0%	0%	0%	0%
<b>Total sales</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Material expenses	47%	47%	51%	49%	50%	60%
<b>Gross profit</b>	<b>53%</b>	<b>53%</b>	<b>49%</b>	<b>51%</b>	<b>50%</b>	<b>40%</b>
Other operating income	16%	10%	12%	32%	12%	12%
Personnel expenses	3%	2%	2%	3%	2%	3%
Other operating expenses	3%	3%	4%	4%	4%	5%
<b>EBITDA</b>	<b>63%</b>	<b>58%</b>	<b>54%</b>	<b>77%</b>	<b>55%</b>	<b>44%</b>
Depreciation	16%	14%	15%	16%	15%	17%
EBITA	48%	43%	39%	61%	40%	27%
Amortisation of goodwill and intangible assets	1%	0%	0%	0%	0%	0%
<b>EBIT</b>	<b>47%</b>	<b>43%</b>	<b>39%</b>	<b>61%</b>	<b>40%</b>	<b>27%</b>
Financial result	-3%	-2%	3%	-1%	-1%	-2%
Recurring pretax income from continuing operations	44%	41%	43%	59%	39%	25%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	44%	41%	43%	59%	39%	25%
Taxes	0%	0%	1%	1%	1%	1%
Net income from continuing operations	44%	40%	42%	58%	38%	24%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
<b>Net income</b>	<b>44%</b>	<b>40%</b>	<b>42%</b>	<b>58%</b>	<b>38%</b>	<b>24%</b>
Minority interest	-19%	-13%	-17%	-24%	-11%	-7%
<b>Net profit (reported)</b>	<b>25%</b>	<b>27%</b>	<b>25%</b>	<b>34%</b>	<b>26%</b>	<b>17%</b>

Source: Company data; mwb research

Balance sheet (EURm)	2022	2023	2024	2025E	2026E	2027E
<b>Intangible assets (excl. Goodwill)</b>	<b>0.6</b>	<b>0.5</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>
Goodwill	1.6	1.0	0.4	0.4	0.4	0.4
Property, plant and equipment	196.1	252.0	227.1	224.6	227.2	226.8
Financial assets	6.8	3.2	3.0	3.0	3.0	3.0
<b>FIXED ASSETS</b>	<b>205.1</b>	<b>256.7</b>	<b>230.8</b>	<b>228.3</b>	<b>231.0</b>	<b>230.6</b>
Inventories	1.7	2.5	2.7	2.1	2.0	2.1
Accounts receivable	4.9	2.7	2.1	2.1	2.4	3.2
Other current assets	10.4	8.3	6.7	6.7	6.7	6.7
Liquid assets	57.7	67.3	110.7	149.6	188.4	199.8
Deferred taxes	0.5	0.4	0.2	0.2	0.2	0.2
Deferred charges and prepaid expenses	2.9	2.5	1.9	1.9	1.8	1.6
<b>CURRENT ASSETS</b>	<b>78.2</b>	<b>83.6</b>	<b>124.2</b>	<b>162.5</b>	<b>201.5</b>	<b>213.6</b>
<b>TOTAL ASSETS</b>	<b>283.3</b>	<b>340.3</b>	<b>355.0</b>	<b>390.8</b>	<b>432.5</b>	<b>444.2</b>
<b>SHAREHOLDERS EQUITY</b>	<b>118.0</b>	<b>170.7</b>	<b>180.8</b>	<b>228.9</b>	<b>274.5</b>	<b>294.8</b>
MINORITY INTEREST	89.5	89.4	85.5	85.5	85.5	85.5
Long-term debt	3.3	2.3	2.1	2.1	4.0	4.0
Provisions for pensions and similar obligations	1.3	1.2	1.0	0.9	0.9	0.8
Other provisions	11.7	6.3	15.1	10.9	9.6	7.9
<b>Non-current liabilities</b>	<b>16.2</b>	<b>9.7</b>	<b>18.2</b>	<b>13.9</b>	<b>14.5</b>	<b>12.7</b>
short-term liabilities to banks	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	5.1	3.4	2.8	2.5	2.2	2.1
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)	39.5	54.2	56.6	48.3	44.3	38.1
Deferred taxes	5.7	5.8	6.3	6.3	6.3	6.3
Deferred income	9.3	7.1	4.6	5.4	5.2	4.6
<b>Current liabilities</b>	<b>59.5</b>	<b>70.4</b>	<b>70.4</b>	<b>62.5</b>	<b>58.0</b>	<b>51.2</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>283.3</b>	<b>340.3</b>	<b>355.0</b>	<b>390.8</b>	<b>432.5</b>	<b>444.2</b>

Balance sheet (common size)	2022	2023	2024	2025E	2026E	2027E
<b>Intangible assets (excl. Goodwill)</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
Goodwill	1%	0%	0%	0%	0%	0%
Property, plant and equipment	69%	74%	64%	57%	53%	51%
Financial assets	2%	1%	1%	1%	1%	1%
<b>FIXED ASSETS</b>	<b>72%</b>	<b>75%</b>	<b>65%</b>	<b>58%</b>	<b>53%</b>	<b>52%</b>
Inventories	1%	1%	1%	1%	0%	0%
Accounts receivable	2%	1%	1%	1%	1%	1%
Other current assets	4%	2%	2%	2%	2%	2%
Liquid assets	20%	20%	31%	38%	44%	45%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	1%	1%	1%	0%	0%	0%
<b>CURRENT ASSETS</b>	<b>28%</b>	<b>25%</b>	<b>35%</b>	<b>42%</b>	<b>47%</b>	<b>48%</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>42%</b>	<b>50%</b>	<b>51%</b>	<b>59%</b>	<b>63%</b>	<b>66%</b>
MINORITY INTEREST	32%	26%	24%	22%	20%	19%
Long-term debt	1%	1%	1%	1%	1%	1%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	4%	2%	4%	3%	2%	2%
<b>Non-current liabilities</b>	<b>6%</b>	<b>3%</b>	<b>5%</b>	<b>4%</b>	<b>3%</b>	<b>3%</b>
short-term liabilities to banks	0%	0%	0%	0%	0%	0%
Accounts payable	2%	1%	1%	1%	1%	0%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	14%	16%	16%	12%	10%	9%
Deferred taxes	2%	2%	2%	2%	1%	1%
Deferred income	3%	2%	1%	1%	1%	1%
<b>Current liabilities</b>	<b>21%</b>	<b>21%</b>	<b>20%</b>	<b>16%</b>	<b>13%</b>	<b>12%</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; mwb research

Cash flow statement (EURm)	2022	2023	2024	2025E	2026E	2027E
Net profit/loss	83.9	81.6	71.8	58.8	55.7	32.1
Depreciation of fixed assets (incl. leases)	33.5	35.3	26.3	25.0	22.5	22.7
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	-20.1	-23.6	-2.4	-4.3	-1.4	-1.8
Cash flow from operations before changes in w/c	97.3	93.3	95.7	79.4	76.8	53.0
Increase/decrease in inventory	0.0	0.0	-0.3	0.7	0.1	-0.1
Increase/decrease in accounts receivable	0.0	0.0	0.6	-0.1	-0.3	-0.8
Increase/decrease in accounts payable	5.8	-5.5	-0.6	-0.3	-0.3	-0.1
Increase/decrease in other w/c positions	-4.3	2.3	3.0	-7.6	-4.2	-6.5
Increase/decrease in working capital	1.4	-3.2	2.7	-7.3	-4.7	-7.6
<b>Cash flow from operating activities</b>	<b>98.8</b>	<b>90.2</b>	<b>98.5</b>	<b>72.1</b>	<b>72.1</b>	<b>45.5</b>
CAPEX	-0.2	-0.0	-3.9	-26.5	-25.1	-22.3
Payments for acquisitions	-33.8	-98.1	0.0	-32.0	0.0	0.0
Financial investments	0.8	-0.5	5.4	0.0	0.0	0.0
Income from asset disposals	45.8	26.7	5.0	32.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>12.6</b>	<b>-71.8</b>	<b>6.5</b>	<b>-26.5</b>	<b>-25.1</b>	<b>-22.3</b>
Cash flow before financing	111.4	18.4	105.0	45.6	47.0	23.1
Increase/decrease in debt position	-72.2	13.1	-0.2	0.0	1.9	0.0
Purchase of own shares	-9.7	-5.0	0.0	0.0	0.0	0.0
Capital measures	4.2	1.9	0.0	0.0	0.0	0.0
Dividends paid	0.0	-15.6	-47.6	-6.7	-10.1	-11.8
Others	-2.9	-1.6	-18.3	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.7	-1.5	4.6	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>-80.0</b>	<b>-8.8</b>	<b>-61.6</b>	<b>-6.7</b>	<b>-8.2</b>	<b>-11.8</b>
Increase/decrease in liquid assets	31.4	9.6	43.4	38.9	38.9	11.3
<b>Liquid assets at end of period</b>	<b>57.7</b>	<b>67.3</b>	<b>110.7</b>	<b>149.6</b>	<b>188.4</b>	<b>199.8</b>

Source: Company data; mwb research

Ratios	2022	2023	2024	2025E	2026E	2027E
<b>Per share data</b>						
Earnings per share reported	1.46	1.66	1.26	1.59	1.16	0.67
Cash flow per share	2.10	1.84	2.17	1.40	1.47	0.68
Book value per share	3.64	5.15	5.37	6.79	8.15	8.75
Dividend per share	0.20	1.00	0.20	0.30	0.35	0.30
<b>Valuation</b>						
P/E	4.7x	4.1x	5.4x	4.3x	5.9x	10.2x
P/CF	3.2x	3.7x	3.1x	4.9x	4.6x	10.1x
P/BV	1.9x	1.3x	1.3x	1.0x	0.8x	0.8x
Dividend yield (%)	2.9%	14.7%	2.9%	4.4%	5.1%	4.4%
FCF yield (%)	30.8%	26.9%	31.8%	20.5%	21.6%	9.9%
EV/Sales	0.9x	0.8x	0.7x	0.5x	0.3x	0.3x
EV/EBITDA	1.5x	1.4x	1.3x	0.7x	0.6x	0.6x
EV/EBIT	2.0x	1.9x	1.8x	0.9x	0.8x	1.0x
<b>Income statement (EURm)</b>						
Sales	191.7	202.7	172.7	155.7	147.6	131.4
yoy chg in %	107.8%	5.7%	-14.8%	-9.9%	-5.2%	-10.9%
Gross profit	102.0	107.7	84.0	79.7	73.8	53.2
Gross margin in %	53.2%	53.1%	48.6%	51.2%	50.0%	40.4%
EBITDA	121.7	116.6	93.0	119.8	81.5	58.0
EBITDA margin in %	63.5%	57.5%	53.9%	76.9%	55.2%	44.1%
EBIT	90.1	86.6	67.7	94.8	59.0	35.3
EBIT margin in %	47.0%	42.7%	39.2%	60.9%	40.0%	26.9%
Net profit	47.3	55.1	42.5	53.5	39.0	22.5
<b>Cash flow statement (EURm)</b>						
CF from operations	98.8	90.2	98.5	72.1	72.1	45.5
Capex	-0.2	-0.0	-3.9	-26.5	-25.1	-22.3
Maintenance Capex	30.6	29.2	25.3	25.0	22.5	22.7
Free cash flow	98.6	90.1	94.6	45.6	47.0	23.1
<b>Balance sheet (EURm)</b>						
Intangible assets	2.2	1.5	0.8	0.8	0.8	0.8
Tangible assets	196.1	252.0	227.1	224.6	227.2	226.8
Shareholders' equity	118.0	170.7	180.8	228.9	274.5	294.8
Pension provisions	1.3	1.2	1.0	0.9	0.9	0.8
Liabilities and provisions	16.2	9.7	18.2	13.9	14.5	12.7
Net financial debt	-54.5	-65.0	-108.6	-147.5	-184.4	-195.8
w/c requirements	1.5	1.7	2.0	1.7	2.2	3.2
<b>Ratios</b>						
ROE	71.1%	47.8%	39.7%	39.7%	20.3%	10.9%
ROCE	40.3%	32.1%	23.8%	28.9%	15.8%	9.0%
Net gearing	-46.2%	-38.1%	-60.1%	-64.4%	-67.2%	-66.4%
Net debt / EBITDA	-0.4x	-0.6x	-1.2x	-1.2x	-2.3x	-3.4x

Source: Company data; mwb research

## Conflicts of interest

Disclosures regarding research publications of mwb research AG pursuant to section 85 of the German Securities Trading Act (WpHG) and distributed in the UK under an EEA branch passport, subject to the FCA requirements on research recommendation disclosures. It is essential that any research recommendation is fairly presented and discloses interests of and indicates relevant conflicts of interest. Pursuant to section 85 of the German Securities Trading Act (WpHG) a research report has to point out possible conflicts of interest in connection with the analyzed company. Further to this, under the FCA's rules on research recommendations, any conflicts of interest in connection with the recommendation must be disclosed. A conflict of interest is presumed to exist in particular if mwb research AG

- (1) or its affiliate(s) (either in its own right or as part of a consortium) within the past twelve months, acquired the financial instruments of the analyzed company,
- (2) has entered into an agreement on the production of the research report with the analyzed company,
- (3) or its affiliate(s) has, within the past twelve months, been party to an agreement on the provision of investment banking services with the analyzed company or have received services or a promise of services under the terms of such an agreement,
- (4) or its affiliate(s) holds a) 5% or more of the share capital of the analyzed company, or b) the analyzed company holds 5% or more of the share capital of mwb research AG or its affiliate(s),
- (5) or its affiliate(s) holds a net long (a) or a net short (b) position of 0.5% of the outstanding share capital of the analyzed company or derivatives thereof,
- (6) or its affiliate(s) is a market maker or liquidity provider in the financial instruments of the issuer,
- (7) or the analyst has any other significant financial interests relating to the analyzed company such as, for example, exercising mandates in the interest of the analyzed company or a significant conflict of interest with respect to the issuer,
- (8) The research report has been made available to the company prior to its publication. Thereafter, only factual changes have been made to the report.

Conflicts of interest that existed at the time when this research report was published:

Company	Disclosure
Ernst Russ AG	2, 8

# Important disclosures

**1. General Information/Liabilities** This research report has been produced for the information purposes of institutional investors only, and is not in any way a personal recommendation, offer or solicitation to buy or sell the financial instruments mentioned herein. The document is confidential and is made available by mwb research AG, exclusively to selected recipients [in DE, GB, FR, CH, US, UK, Scandinavia, and Benelux or, in individual cases, also in other countries]. A distribution to private investors in the sense of the German Securities Trading Act (WpHG) is excluded. It is not allowed to pass the research report on to persons other than the intended recipient without the permission of mwb research AG. Reproduction of this document, in whole or in part, is not permitted without prior permission mwb research AG. All rights reserved. Under no circumstances shall mwb research AG, any of its employees involved in the preparation, have any liability for possible errors or incompleteness of the information included in this research report – neither in relation to indirect or direct nor consequential damages. Liability for damages arising either directly or as a consequence of the use of information, opinions and estimates is also excluded. Past performance of a financial instrument is not necessarily indicative of future performance.

**2. Responsibilities** This research report was prepared by the research analyst named on the front page (the "Producer"). The Producer is solely responsible for the views and estimates expressed in this report. The report has been prepared independently. The content of the research report was not influenced by the issuer of the analyzed financial instrument at any time. It may be possible that parts of the research report were handed out to the issuer for information purposes prior to the publication without any major amendments being made thereafter.

**3. Organizational Requirements** mwb research AG took internal organizational and regulative precautions to avoid or accordingly disclose possible conflicts of interest in connection with the preparation and distribution of the research report. All members of mwb research AG involved in the preparation of the research report are subject to internal compliance regulations. No part of the Producer's compensation is directly or indirectly related to the preparation of this financial analysis. In case a research analyst or a closely related person is confronted with a conflict of interest, the research analyst is restricted from covering this company.

**4. Information Concerning the Methods of Valuation/Update** The determination of the fair value per share, i.e. the price target, and the resultant rating is done on the basis of the adjusted free cash flow (adj. FCF) method and on the basis of the discounted cash flow – DCF model. Furthermore, a peer group comparison is made. The adj. FCF method is based on the assumption that investors purchase assets only at a price (enterprise value) at which the operating cash flow return after taxes on this investment exceeds their opportunity costs in the form of a hurdle rate. The operating cash flow is calculated as EBITDA less maintenance capex and taxes. Within the framework of the DCF approach, the future free cash flows are calculated initially on the basis of a fictitious capital structure of 100% equity, i.e. interest and repayments on debt capital are not factored in initially. The adjustment towards the actual capital structure is done by discounting the calculated free cash flows with the weighted average cost of capital (WACC), which takes into account both the cost of equity capital and the cost of debt. After discounting, the calculated total enterprise value is reduced by the interest-bearing debt capital in order to arrive at the equity value. Detailed information on the valuation principles and methods used and the underlying assumptions can be found at <https://www.mwb.-research.com>.

mwb research AG uses the following four-step rating system for the analyzed companies:

- **Speculative (Spec.) BUY:** Sustainable upside potential of more than 25% within 12 months, above average risk
- **BUY:** Sustainable upside potential of more than 10% within 12 months
- **SELL:** Sustainable downside potential of more than 10% within 12 months.
- **HOLD:** Upside/downside potential is limited. No immediate catalyst visible.

NB: The ratings of mwb research AG are not based on a performance that is expected to be "relative" to the market.

The decision on the choice of the financial instruments analyzed in this document was solely made by mwb research AG. The opinions and estimates in this research report are subject to change without notice. It is within the discretion of mwb research AG whether and when it publishes an update to this research report, but in general updates are created on a regular basis, after 6 months at the latest. A sensitivity analysis is included and published in company's initial studies.

**5. Date and time of first publication of this financial analysis**  
6-Nov-25 11:30:47

## 6. Risk information

- 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.
- In the case of shares in narrow markets, it may also happen that there is no or very little actual trading there and that published prices are not based on actual trading but have only been provided by a stockbroker.
- 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.

**8. Competent Supervisory Authority** mwb research AG are under supervision of the BaFin – German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht), Graurheindorfer Straße 108, 53117 Bonn and Marie-Curie-Straße 24 – 28, 60439 Frankfurt a.M. This document is distributed in the UK under a MiFID EEA branch passport and in compliance with the applicable FCA requirements.

**9. Specific Comments for Recipients Outside of Germany** This research report is subject to the law of the Federal Republic of Germany. The distribution of this information to other states in particular to the USA, Canada, Australia and Japan may be restricted or prohibited by the laws applicable within this state.

**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..](https://www.mwb.-research.com..)

## Contacts

**mwb research AG**  
**Mittelweg 142**  
**20148 Hamburg**  
**Germany**

Tel.: +49 40 309 293-52  
Email.: [contact@mwb-research.com](mailto:contact@mwb-research.com)  
Website: [www.mwb-research.com](http://www.mwb-research.com)  
Research: [www.research-hub.de](http://www.research-hub.de)

### Research

**HARALD HOF**  
Senior Analyst  
Tel: +49 40 309 293-53  
E-Mail: [h.hof@mwb-research.com](mailto:h.hof@mwb-research.com)

**LEON MÜHLENBRUCH**  
Analyst  
Tel: +49 40 309 293-57  
E-Mail: [l.muehlenbruch@mwb-research.com](mailto:l.muehlenbruch@mwb-research.com)

**ABED JARAD**  
Analyst  
Tel: +49 40 309 293-54  
E-Mail: [a.jarad@mwb-research.com](mailto:a.jarad@mwb-research.com)

**JENS-PETER RIECK**  
Analyst  
Tel: +49 40 309 293-54  
E-Mail: [jp.riECK@mwb-research.com](mailto:jp.riECK@mwb-research.com)

**THOMAS WISSLER**  
Senior Analyst  
Tel: +49 40 309 293-58  
E-Mail: [t.wissler@mwb-research.com](mailto:t.wissler@mwb-research.com)

**DR. OLIVER WOJAHN, CFA**  
Senior Analyst  
Tel: +49 40 309 293-55  
E-Mail: [o.wojahn@mwb-research.com](mailto:o.wojahn@mwb-research.com)

**ALEXANDER ZIENKOWICZ**  
Senior Analyst  
Tel: +49 40 309 293-56  
E-Mail: [a.zienkowitz@mwb-research.com](mailto:a.zienkowitz@mwb-research.com)

### Sales

**HOLGER NASS**  
Head of Sales  
Tel: +49 40 309 293-52  
E-Mail: [h.nass@mwb-research.com](mailto:h.nass@mwb-research.com)

### Team Assistant

**HANNAH GABERT**  
Team Assistant  
Tel: +49 40 309 293-52  
E-Mail: [h.gabert@mwb-research.com](mailto:h.gabert@mwb-research.com)

**mwb fairtrade**  
**Wertpapierhandelsbank AG**  
**Rottenbucher Straße 28**  
**82166 Gräfelfing**

Tel: +49 89 85852-0  
Fax: +49 89 85852-505  
Website: [www.mwbfairtrade.com](http://www.mwbfairtrade.com)  
E-Mail: [info@mwbfairtrade.com](mailto:info@mwbfairtrade.com)

### Sales / Designated Sponsoring /Corporate Finance

**KAI JORDAN**  
Corporates & Markets  
Tel: +49 40 36 0995-22  
E-Mail: [kjordan@mwbfairtrade.com](mailto:kjordan@mwbfairtrade.com)

**SASCHA GUENON**  
Head of Designated Sponsoring  
Tel: +49 40 360 995-23  
E-Mail: [sguenon@mwbfairtrade.com](mailto:sguenon@mwbfairtrade.com)

**JAN NEYNABER**  
Institutional Sales  
Tel: +49 69 1387-1255  
E-Mail: [jneynaber@mwbfairtrade.com](mailto:jneynaber@mwbfairtrade.com)

**DIRK WEYERHÄUSER**  
Corporate Finance  
Tel: +49 69 1387-1250  
E-Mail: [dweyerhaeuser@mwbfairtrade.com](mailto:dweyerhaeuser@mwbfairtrade.com)

### Locations

**HAMBURG (Research)**  
Mittelweg 142  
20148 Hamburg  
+49 40 309 293-52

**HAMBURG (Corporates & Markets)**  
Kleine Johannisstraße 4  
20457 Hamburg  
+49 40 360 995-0

**FRANKFURT A.M.**  
Unterlindau 29  
60323 Frankfurt am Main  
+49 40 360 995-22

**MUNICH**  
Rottenbucher Str. 28  
82166 Gräfelfing  
+49 89-85852-0

**BERLIN**  
Kurfürstendamm 151  
10709 Berlin

**HANNOVER**  
An der Börse 2  
30159 Hannover

### Our research can be found at

**ResearchHub**  
**Bloomberg**  
**FactSet**  
**Thomson Reuters / Refinitiv**  
**CapitalIQ**

[www.research-hub.de](http://www.research-hub.de)  
[www.bloomberg.com](http://www.bloomberg.com)  
[www.factset.com](http://www.factset.com)  
[www.refinitiv.com](http://www.refinitiv.com)  
[www.capitaliq.com](http://www.capitaliq.com)