

Ernst Russ AG

Germany | Transport & Logistics | MCap EUR 236.5m

12 November 2025

UPDATE



Earnings beat in Q3 on further ship departures; BUY

What's it all about?

Ernst Russ ("ER") delivered an exceptionally strong Q3 25, with earnings well above expectations on the back of gains from ship disposals and other one-off related gains. Revenues of EUR 39.4m slightly exceeded estimates, while EBIT surged to EUR 22.1m (mwb est.: EUR 11.5m) for an impressive 56% margin. Net income after minorities rose to EUR 19.7m (+163% vs. est.), showcasing the scalability of ER's leaner structure. High fleet utilization (98.5%) and firm charter rates underline operational strength. With the rumored USD 17m sale of MV EF Elena set to deliver an additional EUR 8–10m gain in Q4 (mwb est.), ER is on track to reach the upper end of FY25 guidance. We reiterate BUY, PT EUR 12.00, reflecting sustained earnings momentum and strong balance sheet discipline. Note: Our model adjustments in 26/27 merely reflect costs associated to regular dry-dockings, which we are now expecting slightly earlier than previously anticipated.

BUY (BUY)

Target price	EUR 12.00 (12.00)
Current price	EUR 7.02
Up/downside	70.9%



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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 236.5m | EV EUR 128.9m

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Earnings beat in Q3 on further ship departures; BUY

Q3 results well ahead of expectations Ernst Russ ("ER") delivered a stronger-than-expected Q3 25, with earnings significantly ahead of forecasts on the back of gains from ship disposals and other one-off related gains. Revenues of EUR 39.4m were slightly ahead of mwb est. of EUR 38.0m but declined 5% yoy, reflecting a smaller fleet (26 vs. 29 vessels in Q3 24). Nonetheless, high fleet utilization (98.5%) and resilient charter rates (USD 18,601/day, +5% yoy) ensured stable topline development. Technical availability remained excellent at 98.5%, in our view underlining ER's operational strength.

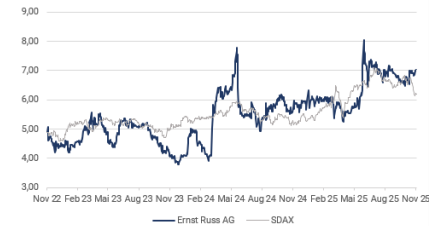
EBIT boosted by non-recurring effects EBIT rose to EUR 22.1m, almost double our EUR 11.5 m estimate, resulting in an EBIT margin of 56% (vs. 30% est. and 36% in Q3 24). The deviation was driven by further one-off gains from ship disposals and fleet departures, which complemented an otherwise solid recurring performance. Adjusted for these effects, underlying EBIT of around EUR 13 m would have been broadly in line with expectations. Net income after minorities rose to EUR 19.7m (mwb est.: EUR 7.5m; +163%) supported by a positive tax income of EUR 5.7m. EPS stood at EUR 0.58 (Q3 24: EUR 0.29) highlighting the bottom-line leverage of ER's streamlined structure.

Structural simplification and capital discipline ER continues to simplify its structure by buying out minorities, improving transparency and cash-flow attribution to shareholders. In that context, in October, the company signed the sale of the 1,338 TEU feeder vessel MV EF Elena for an estimated USD 17m, with delivery and gain recognition scheduled for Q4 25. Based on comparable book values of around USD 7m, we estimate a potential book gain of USD 9-10m (EUR 8-9m) to be recognized in Q4 (mwb est.). The transaction demonstrates disciplined portfolio rotation and value crystallization in a still-favorable sale and purchase market. The balance sheet remains a key strength with EUR 110m cash and an equity ratio of 87%, providing substantial financial flexibility for selective fleet renewals and shareholder returns.

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Ernst Russ AG	2022	2023	2024	2025E	2026E	2027E
Sales	191.7	202.7	172.7	155.7	142.2	126.5
<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	71.6	43.9
EBIT	90.1	86.6	67.7	94.8	49.1	21.3
Net profit	47.3	55.1	42.5	53.5	32.2	13.0
Net debt (net cash)	-54.5	-65.0	-108.6	-147.5	-173.6	-172.4
Net debt/EBITDA	-0.4x	-0.6x	-1.2x	-1.2x	-2.1x	-3.0x
EPS reported	1.46	1.66	1.26	1.59	0.96	0.39
DPS	0.20	1.00	0.20	0.30	0.35	0.30
<i>Dividend yield</i>	2.8%	14.2%	2.8%	4.3%	5.0%	4.3%
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%	16.2%	9.6%
EV/Sales	1.0x	0.9x	0.7x	0.6x	0.4x	0.5x
EV/EBITDA	1.5x	1.5x	1.4x	0.8x	0.8x	1.1x
EV/EBIT	2.0x	2.0x	1.9x	0.9x	1.1x	1.8x
PER	4.8x	4.2x	5.6x	4.4x	6.1x	10.5x

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 HXCK:GR

Changes in estimates

		Sales	EBIT	EPS
2025E	old	155.7	94.8	1.59
	Δ	0.0%	0.0%	0.0%
2026E	old	147.6	59.0	1.16
	Δ	-3.7%	-16.8%	-17.4%
2027E	old	131.4	35.3	0.67
	Δ	-3.7%	-39.6%	-42.3%

Key share data

Number of shares: (in m pcs) 33.69
Book value per share: (in EUR) 5.37
Ø trading vol.: (12 months) 10,890

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.

Guidance confirmed; visibility remains high Management reiterated its recently narrowed FY25 guidance and expects revenues of EUR 152-162m and EBIT of EUR 87-102m (incl. disposals and departure gains). Given the strong Q3, the forthcoming EF Elena disposal, and stable charter markets, we view our mid-range forecasts as well supported. With roughly 97% of operating days already fixed, earnings visibility remains high through year-end.

Conclusion ER posted an outstanding Q3 25 with earnings well above expectations, driven by one-off disposal/departure gains and continued operational resilience. The upcoming EF Elena disposal should add further upside in Q4, likely pushing FY25 EBIT toward the top of guidance. ER's strong liquidity, streamlined structure, and stable market exposure underpin its appealing investment case. We reiterate our BUY rating with unchanged PT of EUR 12.00 reflecting sustained earnings momentum. Note: Our model adjustments in 26/27 merely reflect costs associated to regular dry-dockings, which we are now expecting slightly earlier than previously anticipated.

The following table displays ER's Q3 2025 results vs. mwb est. and vs. previous year's figures.

QG&V in EURm	Q3 25	Q3 25E	deviation	Q3 24	yoy chg in %
Sales	39,4	38	3,7%	41,5	-5,1%
EBIT	22,1	11,5	92,2%	14,8	49,3%
EBIT margin in %	56%	30%		36%	
Net income after minorities	19,7	7,5	162,7%	9,9	99,0%
EPS	0,58	0,22	162,8%	0,29	101,6%
Number of vessels (fully consolidated)	26	26		29	-3
Technical availability	98,5%	97,5%		96,6%	1,9pp
Charter rates (USD)	18.601	17.678	5,2%	17.432	6,7%

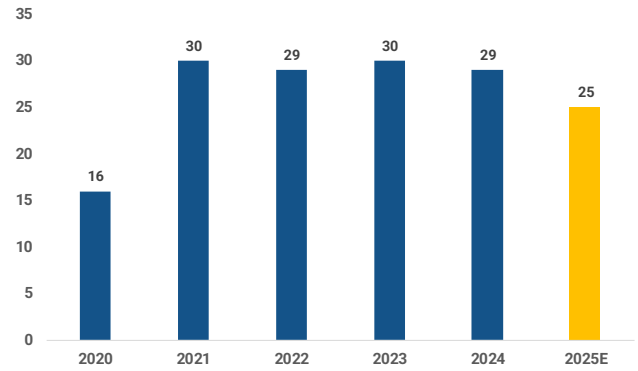
Source: Company data; mwb research est.

Investment case in six charts

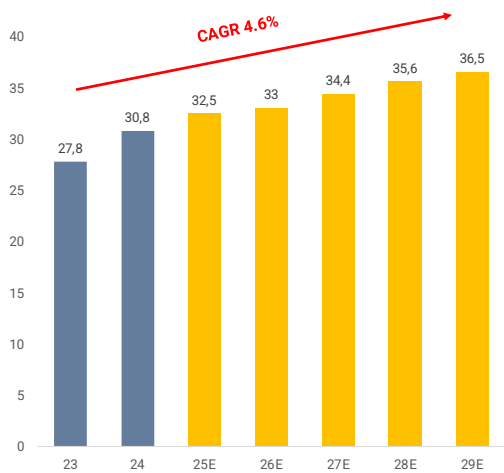
Products & Services



Number of fully consolidated ships (YE data)



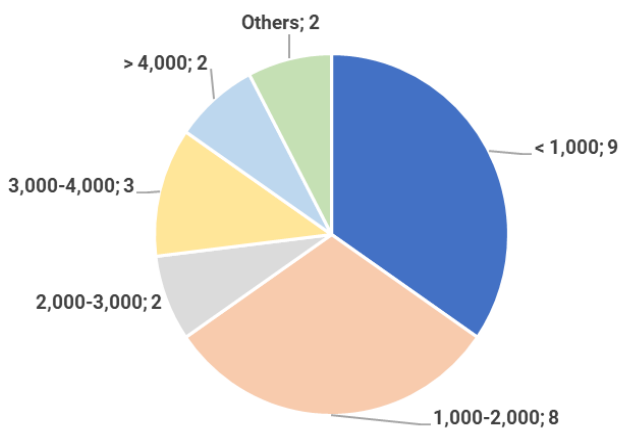
Nominal capacity addition (net in TEUm)



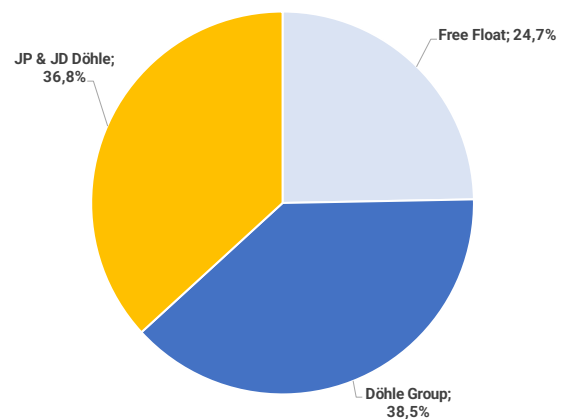
Charter and freight rates



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 12.55 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
EBITDA	119.8	71.6	43.9	52.5	53.6
- Maintenance capex	25.0	22.5	22.6	22.5	22.5
- Minorities	37.2	13.8	5.6	7.9	8.2
- tax expenses	1.9	0.9	0.6	1.4	1.4
= Adjusted FCF	55.7	34.4	15.2	20.7	21.4
Actual Market Cap	236.5	236.5	236.5	236.5	236.5
+ Net debt (cash)	-95.9	-112.8	-112.1	-122.0	-129.4
+ 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	53.2
<i>EV Reconciliations</i>	-104.7	-131.8	-142.9	-163.0	-184.8
= Actual EV'	131.8	104.7	93.6	73.5	51.7
Adjusted FCF yield	42.3%	32.9%	16.2%	28.1%	41.5%
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	619.4	382.2	168.6	230.0	238.2
- <i>EV Reconciliations</i>	-104.7	-131.8	-142.9	-163.0	-184.8
Fair Market Cap	724.1	514.1	311.6	392.9	423.0
No. of shares (million)	33.7	33.7	33.7	33.7	33.7
Fair value per share in EUR	21.49	15.26	9.25	11.66	12.55
Premium (-) / discount (+)	206.2%	152.3%	82.8%	78.7%	90.8%

Sensitivity analysis FV						
Adjusted hurdle rate	7.0%	26.7	18.5	10.7	13.6	14.6
	8.0%	23.8	16.7	9.9	12.5	13.4
	9.0%	21.5	15.3	9.2	11.7	12.6
	10.0%	19.7	14.1	8.7	11.0	11.8
	11.0%	18.2	13.2	8.3	10.4	11.3

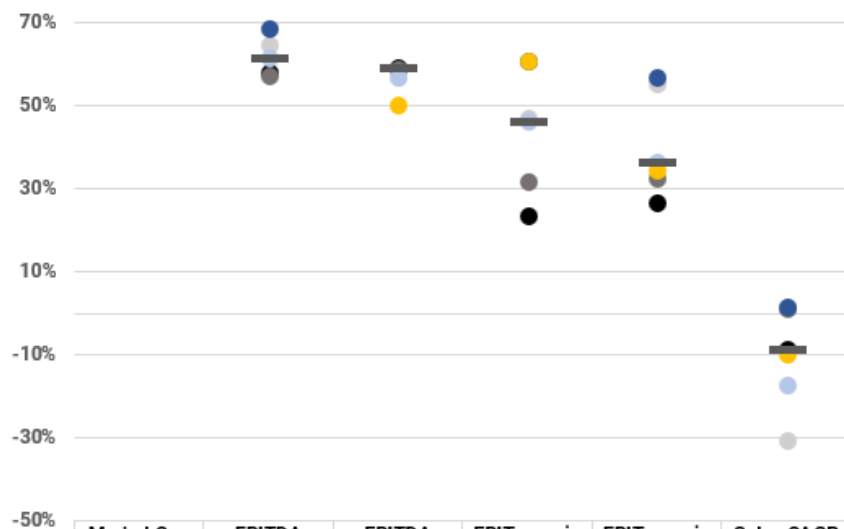
Source: Company data; mwb research

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 12 November 2025 the median market cap of the peer group was EUR 955.9m, compared to EUR 236.5m 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 higher for the peer group than for Ernst Russ AG.

Peer Group – Key data



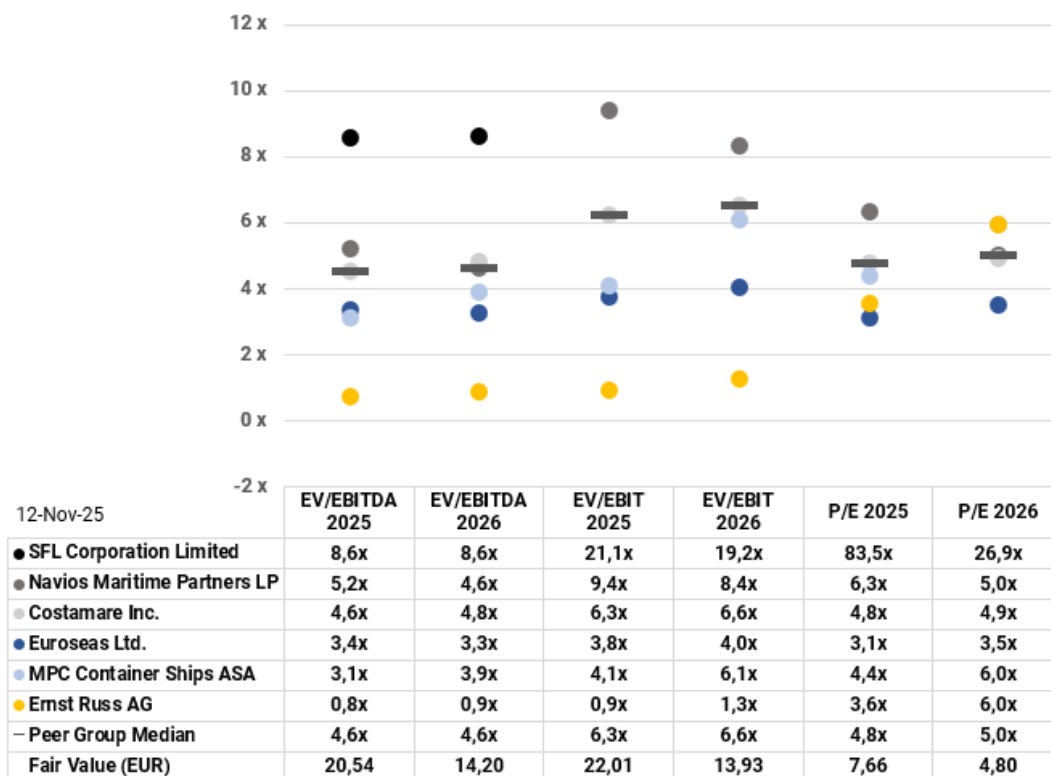
12-Nov-25	Market Cap (EURm)	EBITDA margin 2025	EBITDA margin 2026	EBIT margin 2025	EBIT margin 2026	Sales CAGR 2024-2027
● SFL Corporation Limited	956	57,9%	59,1%	23,5%	26,6%	-8,8%
● Navios Maritime Partners LP	1.273	57,4%	58,8%	31,8%	32,6%	1,1%
● Costamare Inc.	1.471	64,8%	74,8%	47,0%	55,3%	-30,4%
● Euroseas Ltd.	360	68,5%	70,2%	60,9%	56,8%	1,7%
● MPC Container Ships ASA	664	61,6%	57,0%	46,4%	36,5%	-17,3%
● Ernst Russ AG	236	76,9%	50,4%	60,9%	34,6%	-9,9%
– Peer Group Median	956	61,6%	59,1%	46,4%	36,5%	-8,8%

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 4.80 to EUR 22.01.

Peer Group – Multiples and valuation

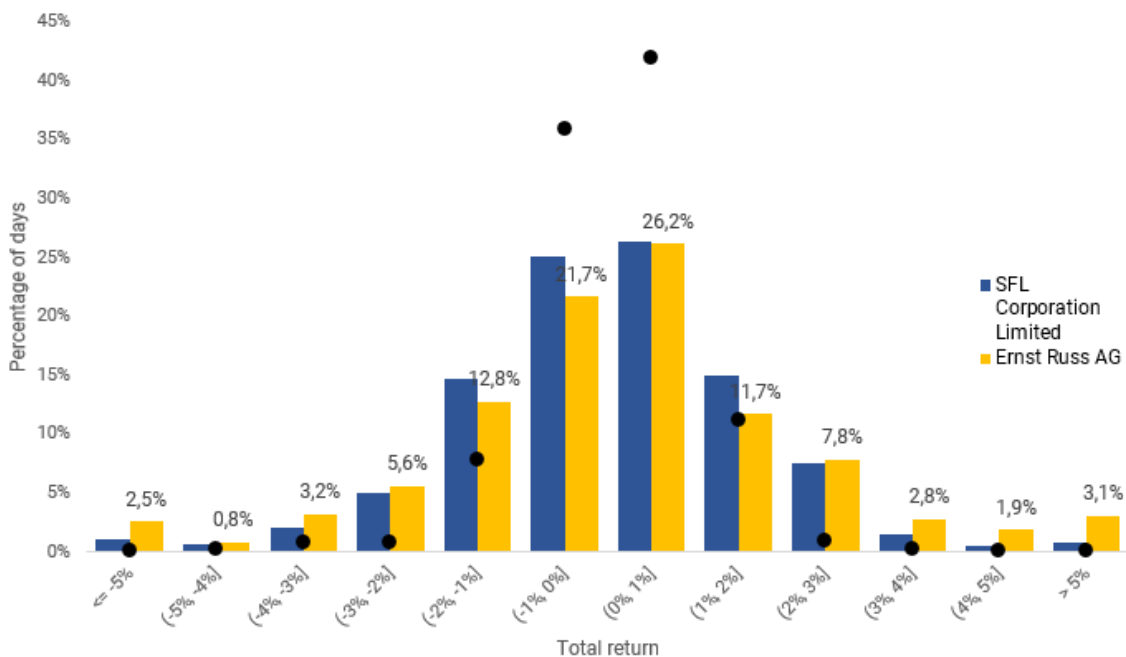


Source: FactSet, mwb research

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%.

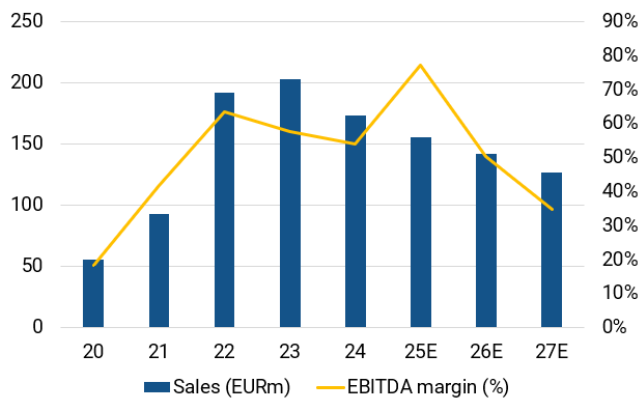
Risk – Daily Returns Distribution (trailing 3 years)



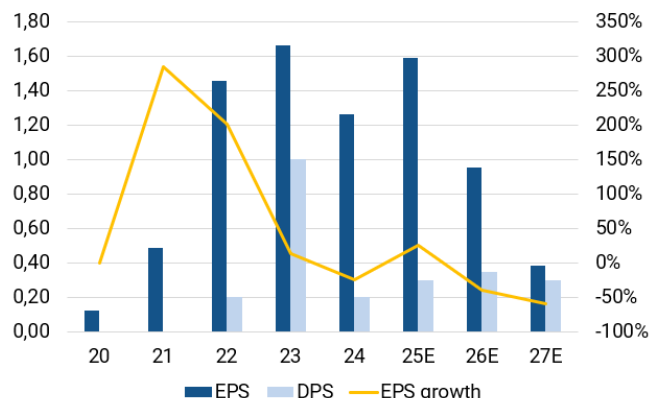
Source: FactSet, mwb research

Financials in six charts

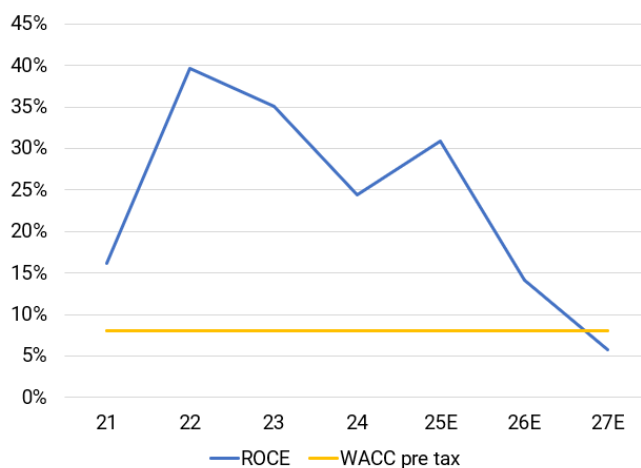
Sales vs. EBITDA margin development



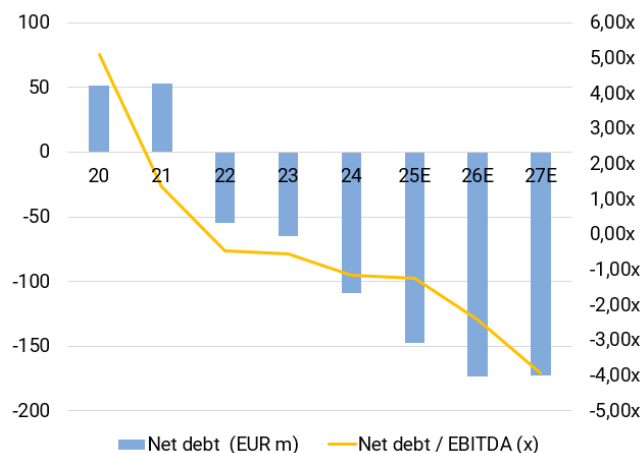
EPS, DPS in EUR & yoy EPS growth



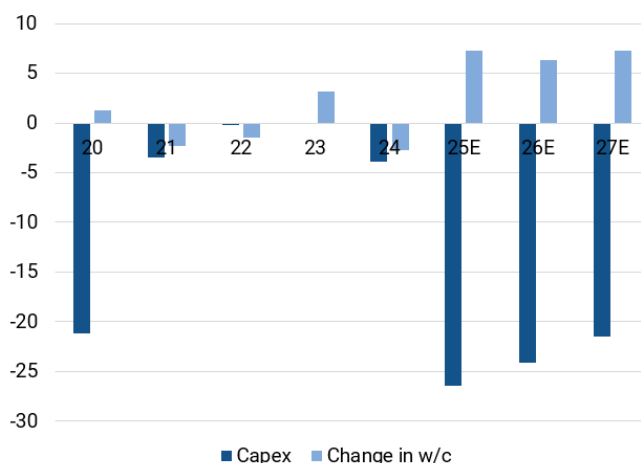
ROCE vs. WACC (pre tax)



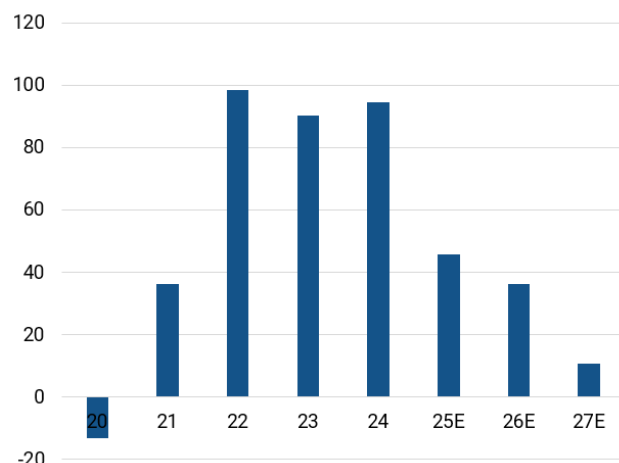
Net debt and net debt/EBITDA



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
Net sales	191.7	202.7	172.7	155.7	142.2	126.5
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
Total sales	191.7	202.7	172.7	155.7	142.2	126.5
Material expenses	89.7	95.0	88.7	76.0	78.0	87.3
Gross profit	102.0	107.7	84.0	79.7	64.2	39.3
Other operating income	30.7	19.6	20.4	50.2	16.6	14.6
Personnel expenses	4.8	4.8	4.3	3.9	3.6	3.5
Other operating expenses	6.2	5.9	7.1	6.2	5.7	6.3
EBITDA	121.7	116.6	93.0	119.8	71.6	43.9
Depreciation	30.6	29.2	25.3	25.0	22.5	22.6
EBITA	91.1	87.3	67.7	94.8	49.1	21.3
Amortisation of goodwill and intangible assets	1.0	0.8	0.0	0.0	0.0	0.0
EBIT	90.1	86.6	67.7	94.8	49.1	21.3
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	46.9	19.1
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	46.9	19.1
Taxes	0.4	0.6	1.7	1.9	0.9	0.6
Net income from continuing operations	83.9	81.6	71.8	90.8	46.0	18.5
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	83.9	81.6	71.8	90.8	46.0	18.5
Minority interest	-36.6	-26.5	-29.3	-37.2	-13.8	-5.6
Net profit (reported)	47.3	55.1	42.5	53.5	32.2	13.0
Average number of shares	32.43	33.17	33.69	33.69	33.69	33.69
EPS reported	1.46	1.66	1.26	1.59	0.96	0.39

Profit and loss (common size)	2022	2023	2024	2025E	2026E	2027E
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%	47%	51%	49%	55%	69%
Gross profit	53%	53%	49%	51%	45%	31%
Other operating income	16%	10%	12%	32%	12%	11%
Personnel expenses	3%	2%	2%	3%	3%	3%
Other operating expenses	3%	3%	4%	4%	4%	5%
EBITDA	63%	58%	54%	77%	50%	35%
Depreciation	16%	14%	15%	16%	16%	18%
EBITA	48%	43%	39%	61%	35%	17%
Amortisation of goodwill and intangible assets	1%	0%	0%	0%	0%	0%
EBIT	47%	43%	39%	61%	35%	17%
Financial result	-3%	-2%	3%	-1%	-2%	-2%
Recurring pretax income from continuing operations	44%	41%	43%	59%	33%	15%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	44%	41%	43%	59%	33%	15%
Taxes	0%	0%	1%	1%	1%	0%
Net income from continuing operations	44%	40%	42%	58%	32%	15%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	44%	40%	42%	58%	32%	15%
Minority interest	-19%	-13%	-17%	-24%	-10%	-4%
Net profit (reported)	25%	27%	25%	34%	23%	10%

Source: Company data; mwb research

Balance sheet (EURm)	2022	2023	2024	2025E	2026E	2027E
Intangible assets (excl. Goodwill)	0.6	0.5	0.3	0.3	0.3	0.3
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	226.3	225.2
Financial assets	6.8	3.2	3.0	3.0	3.0	3.0
FIXED ASSETS	205.1	256.7	230.8	228.3	230.0	228.9
Inventories	1.7	2.5	2.7	2.1	2.1	2.4
Accounts receivable	4.9	2.7	2.1	2.1	2.3	3.1
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	177.6	176.4
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	1.7	1.5
CURRENT ASSETS	78.2	83.6	124.2	162.5	190.6	190.3
TOTAL ASSETS	283.3	340.3	355.0	390.8	420.7	419.2
SHAREHOLDERS EQUITY	118.0	170.7	180.8	228.9	264.8	271.5
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	9.2	7.6
Non-current liabilities	16.2	9.7	18.2	13.9	14.1	12.4
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	2.3	2.4
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	42.6	36.7
Deferred taxes	5.7	5.8	6.3	6.3	6.3	6.3
Deferred income	9.3	7.1	4.6	5.4	5.0	4.4
Current liabilities	59.5	70.4	70.4	62.5	56.3	49.8
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	283.3	340.3	355.0	390.8	420.7	419.2

Balance sheet (common size)	2022	2023	2024	2025E	2026E	2027E
Intangible assets (excl. Goodwill)	0%	0%	0%	0%	0%	0%
Goodwill	1%	0%	0%	0%	0%	0%
Property, plant and equipment	69%	74%	64%	57%	54%	54%
Financial assets	2%	1%	1%	1%	1%	1%
FIXED ASSETS	72%	75%	65%	58%	55%	55%
Inventories	1%	1%	1%	1%	1%	1%
Accounts receivable	2%	1%	1%	1%	1%	1%
Other current assets	4%	2%	2%	2%	2%	2%
Liquid assets	20%	20%	31%	38%	42%	42%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	1%	1%	1%	0%	0%	0%
CURRENT ASSETS	28%	25%	35%	42%	45%	45%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	42%	50%	51%	59%	63%	65%
MINORITY INTEREST	32%	26%	24%	22%	20%	20%
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%
Non-current liabilities	6%	3%	5%	4%	3%	3%
short-term liabilities to banks	0%	0%	0%	0%	0%	0%
Accounts payable	2%	1%	1%	1%	1%	1%
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%	2%
Deferred income	3%	2%	1%	1%	1%	1%
Current liabilities	21%	21%	20%	16%	13%	12%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100%	100%	100%	100%	100%	100%

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	46.0	18.5
Depreciation of fixed assets (incl. leases)	33.5	35.3	26.3	25.0	22.5	22.6
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	-1.7	-1.7
Cash flow from operations before changes in w/c	97.3	93.3	95.7	79.4	66.7	39.4
Increase/decrease in inventory	0.0	0.0	-0.3	0.7	-0.1	-0.3
Increase/decrease in accounts receivable	0.0	0.0	0.6	-0.1	-0.2	-0.8
Increase/decrease in accounts payable	5.8	-5.5	-0.6	-0.3	-0.1	0.0
Increase/decrease in other w/c positions	-4.3	2.3	3.0	-7.6	-5.9	-6.3
Increase/decrease in working capital	1.4	-3.2	2.7	-7.3	-6.3	-7.3
Cash flow from operating activities	98.8	90.2	98.5	72.1	60.4	32.1
CAPEX	-0.2	-0.0	-3.9	-26.5	-24.2	-21.5
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
Cash flow from investing activities	12.6	-71.8	6.5	-26.5	-24.2	-21.5
Cash flow before financing	111.4	18.4	105.0	45.6	36.2	10.6
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
Cash flow from financing activities	-80.0	-8.8	-61.6	-6.7	-8.2	-11.8
Increase/decrease in liquid assets	31.4	9.6	43.4	38.9	28.0	-1.2
Liquid assets at end of period	57.7	67.3	110.7	149.6	177.6	176.4

Source: Company data; mwb research

Ratios	2022	2023	2024	2025E	2026E	2027E
Per share data						
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	1.13	0.28
Book value per share	3.64	5.15	5.37	6.79	7.86	8.06
Dividend per share	0.20	1.00	0.20	0.30	0.35	0.30
Valuation						
P/E	4.8x	4.2x	5.6x	4.4x	6.1x	10.5x
P/CF	3.3x	3.8x	3.2x	5.0x	6.2x	25.2x
P/BV	1.9x	1.4x	1.3x	1.0x	0.9x	0.9x
Dividend yield (%)	2.8%	14.2%	2.8%	4.3%	5.0%	4.3%
FCF yield (%)	29.9%	26.2%	30.9%	19.9%	16.0%	4.0%
EV/Sales	1.0x	0.9x	0.7x	0.6x	0.4x	0.5x
EV/EBITDA	1.5x	1.5x	1.4x	0.8x	0.8x	1.1x
EV/EBIT	2.0x	2.0x	1.9x	0.9x	1.1x	1.8x
Income statement (EURm)						
Sales	191.7	202.7	172.7	155.7	142.2	126.5
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	64.2	39.3
Gross margin in %	53.2%	53.1%	48.6%	51.2%	50.0%	40.4%
EBITDA	121.7	116.6	93.0	119.8	71.6	43.9
EBITDA margin in %	63.5%	57.5%	53.9%	76.9%	55.2%	44.1%
EBIT	90.1	86.6	67.7	94.8	49.1	21.3
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	32.2	13.0
Cash flow statement (EURm)						
CF from operations	98.8	90.2	98.5	72.1	60.4	32.1
Capex	-0.2	-0.0	-3.9	-26.5	-24.2	-21.5
Maintenance Capex	30.6	29.2	25.3	25.0	22.5	22.6
Free cash flow	98.6	90.1	94.6	45.6	36.2	10.6
Balance sheet (EURm)						
Intangible assets	2.2	1.5	0.8	0.8	0.8	0.8
Tangible assets	196.1	252.0	227.1	224.6	226.3	225.2
Shareholders' equity	118.0	170.7	180.8	228.9	264.8	271.5
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	14.1	12.4
Net financial debt	-54.5	-65.0	-108.6	-147.5	-173.6	-172.4
w/c requirements	1.5	1.7	2.0	1.7	2.1	3.1
Ratios						
ROE	71.1%	47.8%	39.7%	39.7%	21.0%	11.8%
ROCE	40.3%	32.1%	23.8%	28.9%	16.2%	9.6%
Net gearing	-46.2%	-38.1%	-60.1%	-64.4%	-65.6%	-63.5%
Net debt / EBITDA	-0.4x	-0.6x	-1.2x	-1.2x	-2.1x	-3.0x

Source: Company data; mwb research

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