

# Ernst Russ AG

Germany | Transport & Logistics | MCap EUR 224.4m

13 October 2025

UPDATE



## Management meeting: Clear course for disciplined growth; BUY

### What's it all about?

We met the newly completed management team of Ernst Russ AG, including Dr Christopher Eilers (Co-CEO & CFO) and Joseph Schuchmann (Co-CEO & CCO), who outlined a clear roadmap focused on disciplined growth, portfolio diversification, and structural simplification. The management has voiced their intention to diversify into other strategic shipping segments to improve resilience through cycles. A key highlight is Ernst Russ's re-entry into the newbuild market through two jointly secured shipbuilding slots with long term charters attached in Asia—its first controlled newbuild exposure in years. Parallel efforts to buy out minorities and streamline the balance sheet enhance transparency and capital flexibility. With strong liquidity and stable charter coverage, we reiterate BUY, PT EUR 11.00.

**BUY** (BUY)

<b>Target price</b>	<b>EUR 11.00</b> (11.00)
Current price	EUR 6.66
Up/downside	65.2%



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Germany | Transport & Logistics | MCap EUR 224.4m | EV EUR 116.8m

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## Management meeting: Clear course for disciplined growth; BUY

**Meeting with the newly completed management team** We recently met the newly completed management team of Ernst Russ AG, comprising Dr Christopher Eilers (Co-CEO & CFO) and Joseph Schuchmann (Co-CEO & CCO) as well as Head of IR Anika Hillmer. The meeting conveyed a strong sense of strategic direction, operational focus, and continuity. Both executives presented a clear roadmap aimed at consolidating Ernst Russ's position as a specialized, independent ship-owner in the European maritime-real-assets space, underpinned by financial discipline and controlled expansion.

**Transitioning into a stable, increasingly diversified vessel owner** From a strategic top-down view, management intends to combine selective growth with strict capital discipline. Fleet expansion remains measured and opportunity-driven, focused on modern, energy-efficient tonnage and counter-cyclical acquisitions that enhance scale without compromising balance-sheet strength. While the container segment remains the earnings backbone, the management has voiced their intention to diversify into other strategic shipping segments to improve resilience through cycles.

**Entering the newbuild market** An important step in this context is Ernst Russ's recently announced entry into the newbuild market, where the company—together with a long-standing joint-venture partner—has secured two shipbuilding slots at a leading Asian yard with an initial 10 years time charter contract (read [here](#) for more details). This marks the first move into controlled newbuild exposure in several years and demonstrates growing confidence in the long-term fundamentals of modern, fuel-efficient container vessels. The project also showcases Ernst Russ's ability to leverage its partner network and technical expertise while maintaining a conservative risk profile, as the JV structure limits upfront capital commitments and balances exposure across stakeholders.

**Simplifying balance sheet structure** In parallel, management continues to simplify the corporate structure and clean up the balance sheet by buying out minority stakes of non-strategic JV-partners and consolidating vessel holdings. This process enhances transparency, streamlines governance, and improves cash-flow control, creating room for more flexible reinvestment and potential dividend optimization.

-continued-

Ernst Russ AG	2022	2023	2024	2025E	2026E	2027E
Sales	191.7	202.7	172.7	152.5	143.1	122.2
<i>Growth yoy</i>	107.8%	5.7%	-14.8%	-11.7%	-6.2%	-14.6%
EBITDA	121.7	116.6	93.0	116.8	76.6	52.1
EBIT	90.1	86.6	67.7	91.9	55.4	30.6
Net profit	47.3	55.1	42.5	51.8	33.9	17.9
Net debt (net cash)	-54.5	-65.0	-108.6	-155.9	-188.3	-193.9
Net debt/EBITDA	-0.4x	-0.6x	-1.2x	-1.3x	-2.5x	-3.7x
EPS reported	1.46	1.66	1.26	1.54	1.01	0.53
DPS	0.20	1.00	0.20	0.30	0.35	0.30
<i>Dividend yield</i>	3.0%	15.0%	3.0%	4.5%	5.3%	4.5%
Gross profit margin	53.2%	53.1%	48.6%	50.4%	48.3%	37.4%
EBITDA margin	63.5%	57.5%	53.9%	76.6%	53.5%	42.6%
EBIT margin	47.0%	42.7%	39.2%	60.2%	38.7%	25.0%
ROCE	40.3%	32.1%	23.8%	28.3%	15.1%	8.0%
EV/Sales	0.9x	0.8x	0.7x	0.5x	0.3x	0.3x
EV/EBITDA	1.4x	1.4x	1.3x	0.6x	0.5x	0.6x
EV/EBIT	1.9x	1.9x	1.7x	0.8x	0.7x	1.0x
PER	4.6x	4.0x	5.3x	4.3x	6.6x	12.5x

Source: Company data, mwb research



Source: Company data, mwb research

**High/low 52 weeks** 8.10 / 4.85  
**Price/Book Ratio** 1.2x

### Ticker / Symbols

ISIN DE000A161077  
WKN A16107  
Bloomberg HXCK:GR

### Changes in estimates

		Sales	EBIT	EPS
2025E	old	152.5	91.9	1.54
	Δ	0.0%	0.0%	0.0%
2026E	old	143.1	55.4	1.01
	Δ	0.0%	0.0%	0.0%
2027E	old	122.2	30.6	0.53
	Δ	0.0%	0.0%	0.0%

### Key share data

Number of shares: (in m pcs) 33.69  
Book value per share: (in EUR) 5.37  
Ø trading vol.: (12 months) 10,864

### 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.

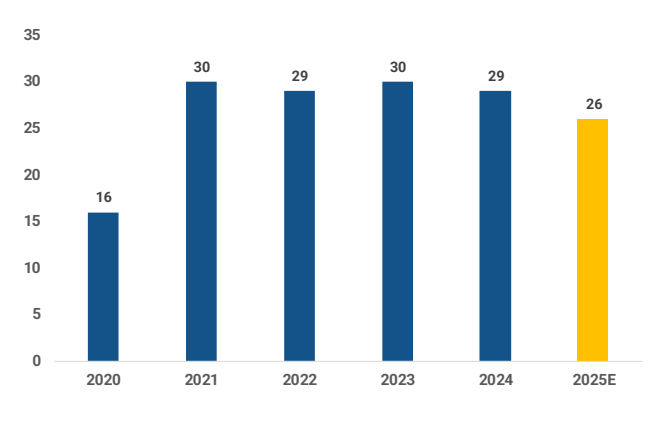
**Conclusion** Overall, the meeting reflected strategic clarity and renewed momentum. With a robust financial base, high charter coverage, and a cohesive management team now fully in place, Ernst Russ appears well positioned to pursue disciplined growth and unlock further value in a gradually normalizing shipping market. We therefore reiterate our BUY rating with recently upgraded PT of EUR 11.00.

# Investment case in six charts

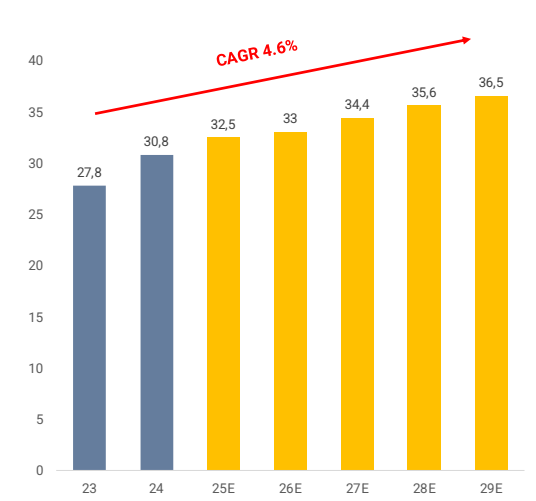
## Products & Services



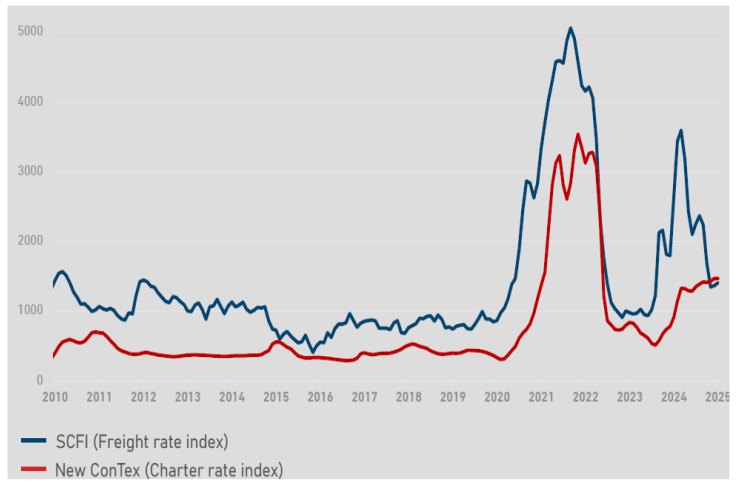
## Number of fully consolidated ships (YE data)



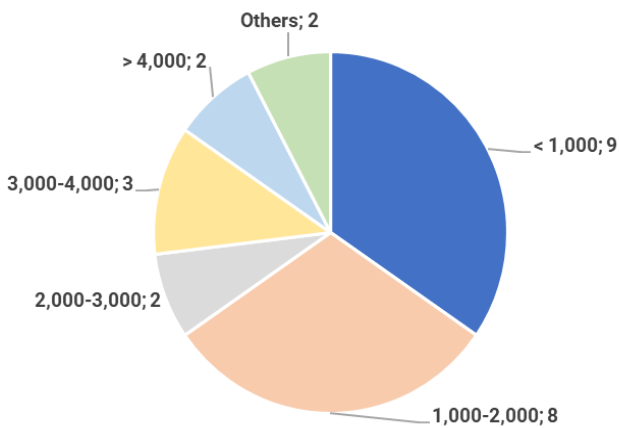
## Nominal capacity addition (net in TEUm)



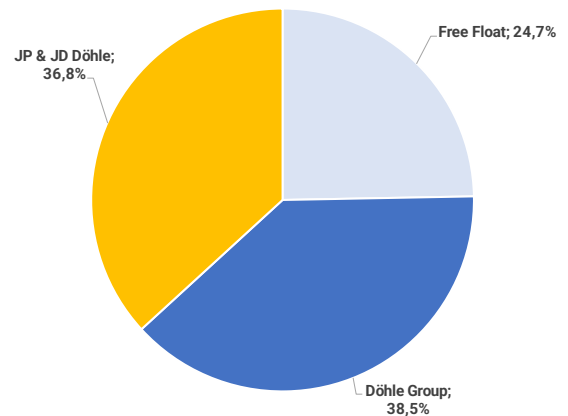
## Charter and freight rates



## 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 21.09 per share based on 2025E and EUR 12.73 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>116.8</b>	<b>76.6</b>	<b>52.1</b>	<b>52.6</b>	<b>53.7</b>
- Maintenance capex	25.0	21.2	21.5	21.4	21.4
- Minorities	36.0	18.2	9.6	9.6	10.0
- tax expenses	1.8	1.1	0.9	1.4	1.5
<b>= Adjusted FCF</b>	<b>54.0</b>	<b>36.1</b>	<b>20.1</b>	<b>20.1</b>	<b>20.8</b>
<b>Actual Market Cap</b>	<b>224.4</b>	<b>224.4</b>	<b>224.4</b>	<b>224.4</b>	<b>224.4</b>
+ Net debt (cash)	-101.3	-122.4	-126.0	-136.5	-147.3
+ Pension provisions	0.9	0.9	0.7	0.7	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	48.8
<i>EV Reconciliations</i>	-110.1	-141.4	-156.9	-177.5	-198.4
<b>= Actual EV'</b>	<b>114.2</b>	<b>83.0</b>	<b>67.5</b>	<b>46.9</b>	<b>26.0</b>
<b>Adjusted FCF yield</b>	<b>47.3%</b>	<b>43.5%</b>	<b>29.8%</b>	<b>42.8%</b>	<b>79.8%</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>600.5</b>	<b>400.8</b>	<b>223.4</b>	<b>223.2</b>	<b>230.6</b>
- <i>EV Reconciliations</i>	-110.1	-141.4	-156.9	-177.5	-198.4
<b>Fair Market Cap</b>	<b>710.6</b>	<b>542.2</b>	<b>380.3</b>	<b>400.7</b>	<b>429.0</b>
No. of shares (million)	33.7	33.7	33.7	33.7	33.7
<b>Fair value per share in EUR</b>	<b>21.09</b>	<b>16.09</b>	<b>11.29</b>	<b>11.89</b>	<b>12.73</b>
<b>Premium (-) / discount (+)</b>	<b>216.7%</b>	<b>141.7%</b>	<b>69.5%</b>	<b>78.6%</b>	<b>91.2%</b>

Sensitivity analysis FV						
<b>Adjusted hurdle rate</b>	7.0%	26.2	19.5	13.2	13.8	14.7
	8.0%	23.3	17.6	12.1	12.7	13.6
	<b>9.0%</b>	<b>21.1</b>	<b>16.1</b>	<b>11.3</b>	<b>11.9</b>	<b>12.7</b>
	10.0%	19.3	14.9	10.6	11.2	12.0
	11.0%	17.9	13.9	10.1	10.7	11.5

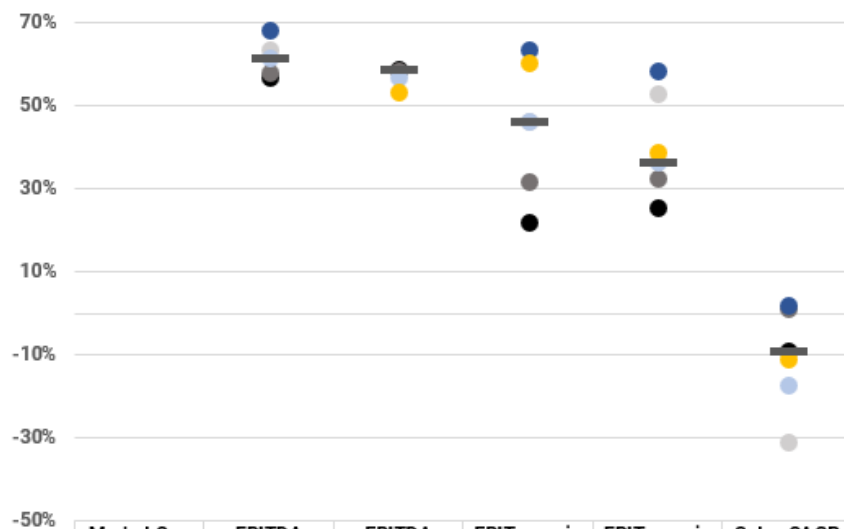
Source: Company data; mwb research

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 13 October 2025 the median market cap of the peer group was EUR 795.5m, compared to EUR 224.4m 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



13-Oct-25

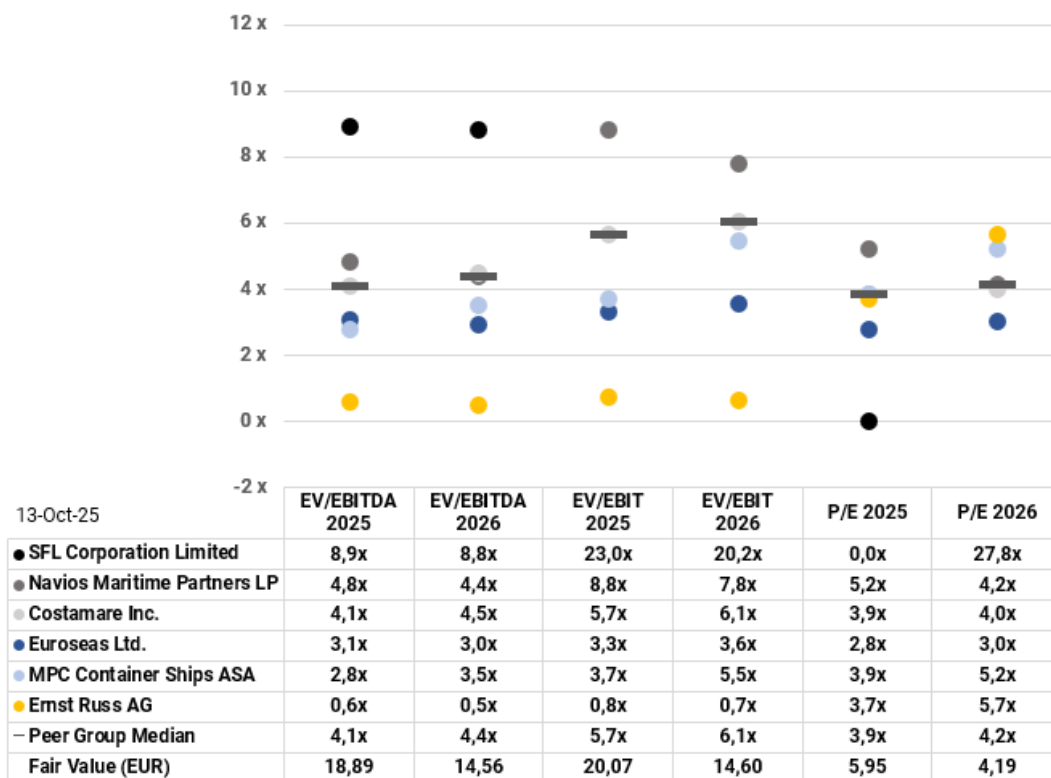
	Market Cap (EURm)	EBITDA margin 2025	EBITDA margin 2026	EBIT margin 2025	EBIT margin 2026	Sales CAGR 2024-2027
● SFL Corporation Limited	796	56,8%	58,6%	22,0%	25,6%	-9,2%
● Navios Maritime Partners LP	1.086	58,1%	58,4%	31,8%	32,6%	1,1%
● Costamare Inc.	1.129	63,5%	71,9%	46,1%	53,0%	-31,1%
● Euroseas Ltd.	323	68,2%	70,6%	63,7%	58,2%	1,8%
● MPC Container Ships ASA	583	61,6%	57,0%	46,4%	36,5%	-17,3%
● Ernst Russ AG	224	76,6%	53,5%	60,2%	38,7%	-10,9%
– Peer Group Median	796	61,6%	58,6%	46,1%	36,5%	-9,2%

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 4.19 to EUR 20.07.**

**Peer Group – Multiples and valuation**

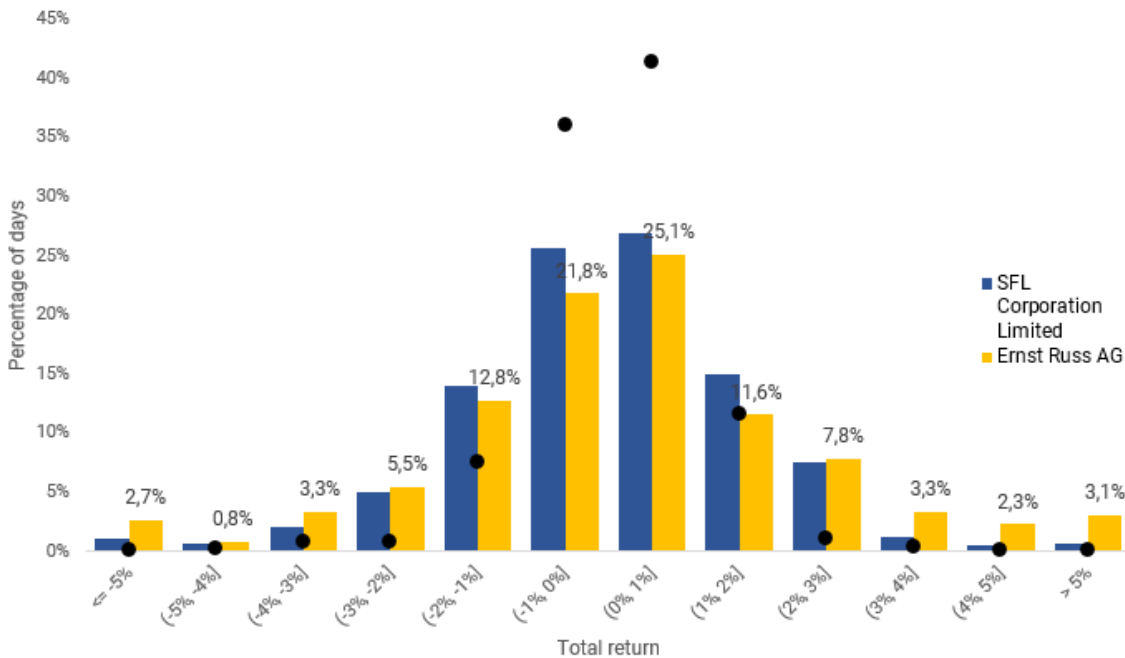


Source: FactSet, mwb research

# 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%.

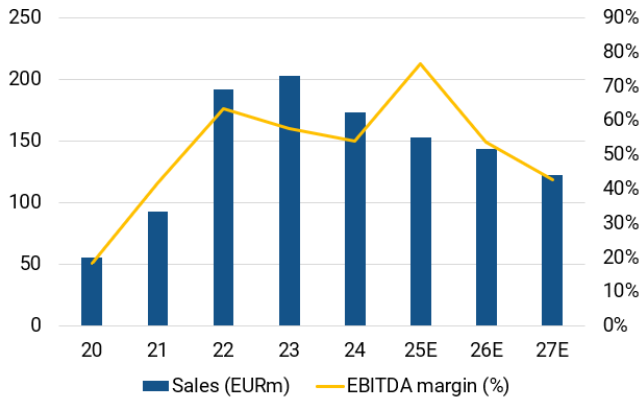
**Risk – Daily Returns Distribution (trailing 3 years)**



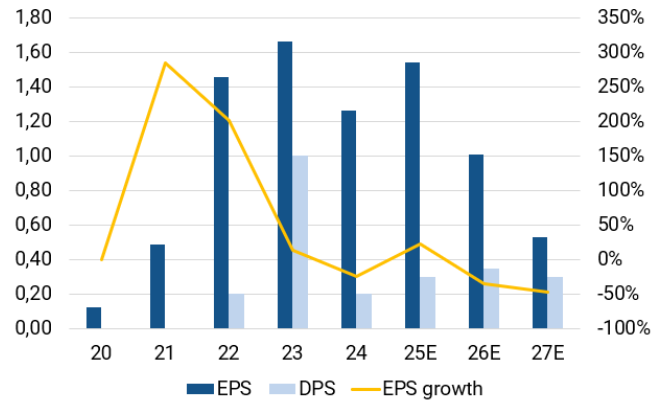
Source: FactSet, mwb research

# Financials in six charts

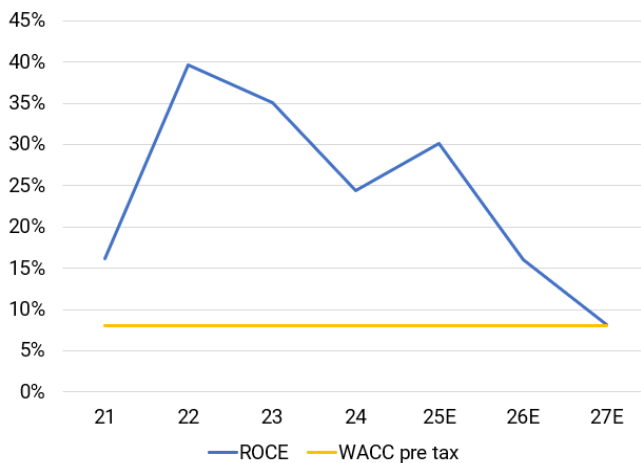
**Sales vs. EBITDA margin development**



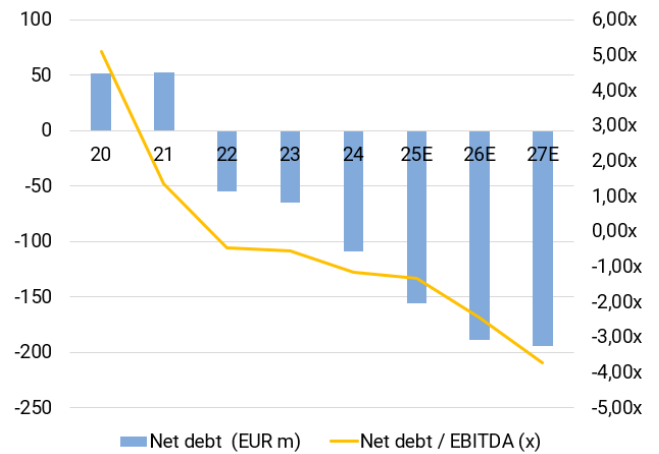
**EPS, DPS in EUR & yoy EPS growth**



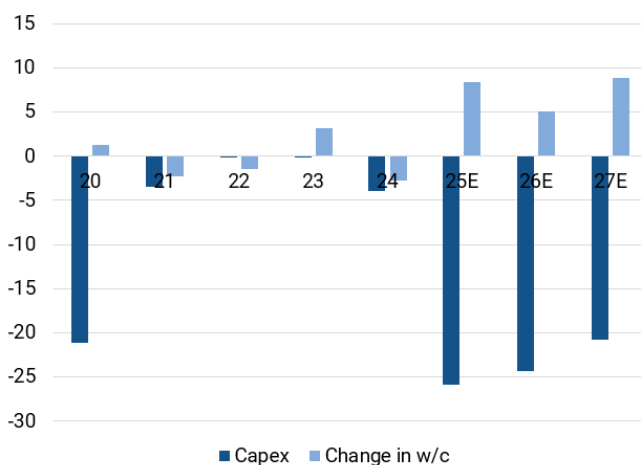
**ROCE vs. WACC (pre tax)**



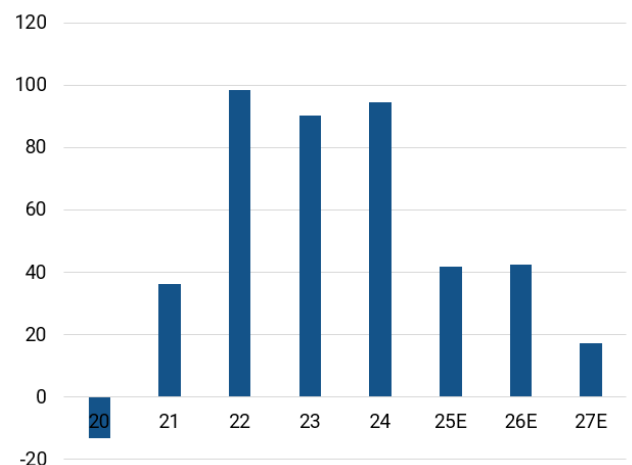
**Net debt and net debt/EBITDA**



**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>152.5</b>	<b>143.1</b>	<b>122.2</b>
Sales growth	107.8%	5.7%	-14.8%	-11.7%	-6.2%	-14.6%
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>152.5</b>	<b>143.1</b>	<b>122.2</b>
Material expenses	89.7	95.0	88.7	75.6	73.9	76.5
<b>Gross profit</b>	<b>102.0</b>	<b>107.7</b>	<b>84.0</b>	<b>76.9</b>	<b>69.1</b>	<b>45.8</b>
Other operating income	30.7	19.6	20.4	49.8	16.7	14.3
Personnel expenses	4.8	4.8	4.3	3.8	3.6	3.1
Other operating expenses	6.2	5.9	7.1	6.1	5.7	4.9
<b>EBITDA</b>	<b>121.7</b>	<b>116.6</b>	<b>93.0</b>	<b>116.8</b>	<b>76.6</b>	<b>52.1</b>
Depreciation	30.6	29.2	25.3	25.0	21.2	21.5
EBITA	91.1	87.3	67.7	91.9	55.4	30.6
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>91.9</b>	<b>55.4</b>	<b>30.6</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	89.7	53.2	28.4
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	84.3	82.2	73.5	89.7	53.2	28.4
Taxes	0.4	0.6	1.7	1.8	1.1	0.9
Net income from continuing operations	83.9	81.6	71.8	87.9	52.1	27.5
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>87.9</b>	<b>52.1</b>	<b>27.5</b>
Minority interest	-36.6	-26.5	-29.3	-36.0	-18.2	-9.6
Net profit (reported)	47.3	55.1	42.5	51.8	33.9	17.9
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>1.54</b>	<b>1.01</b>	<b>0.53</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%	50%	52%	63%
<b>Gross profit</b>	<b>53%</b>	<b>53%</b>	<b>49%</b>	<b>50%</b>	<b>48%</b>	<b>37%</b>
Other operating income	16%	10%	12%	33%	12%	12%
Personnel expenses	3%	2%	2%	3%	2%	3%
Other operating expenses	3%	3%	4%	4%	4%	4%
<b>EBITDA</b>	<b>63%</b>	<b>58%</b>	<b>54%</b>	<b>77%</b>	<b>54%</b>	<b>43%</b>
Depreciation	16%	14%	15%	16%	15%	18%
EBITA	48%	43%	39%	60%	39%	25%
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>60%</b>	<b>39%</b>	<b>25%</b>
Financial result	-3%	-2%	3%	-1%	-2%	-2%
Recurring pretax income from continuing operations	44%	41%	43%	59%	37%	23%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	44%	41%	43%	59%	37%	23%
Taxes	0%	0%	1%	1%	1%	1%
Net income from continuing operations	44%	40%	42%	58%	36%	23%
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>36%</b>	<b>23%</b>
Minority interest	-19%	-13%	-17%	-24%	-13%	-8%
<b>Net profit (reported)</b>	<b>25%</b>	<b>27%</b>	<b>25%</b>	<b>34%</b>	<b>24%</b>	<b>15%</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	212.0	215.1	214.4
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>215.8</b>	<b>218.9</b>	<b>218.2</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	3.0
Other current assets	10.4	8.3	6.7	6.7	6.7	6.7
Liquid assets	57.7	67.3	110.7	157.9	192.3	197.9
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	1.8	1.7	1.5
<b>CURRENT ASSETS</b>	<b>78.2</b>	<b>83.6</b>	<b>124.2</b>	<b>170.8</b>	<b>205.2</b>	<b>211.3</b>
<b>TOTAL ASSETS</b>	<b>283.3</b>	<b>340.3</b>	<b>355.0</b>	<b>386.6</b>	<b>424.1</b>	<b>429.5</b>
<b>SHAREHOLDERS EQUITY</b>	<b>118.0</b>	<b>170.7</b>	<b>180.8</b>	<b>226.0</b>	<b>268.0</b>	<b>283.7</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	0.7
Other provisions	11.7	6.3	15.1	10.7	9.3	7.3
<b>Non-current liabilities</b>	<b>16.2</b>	<b>9.7</b>	<b>18.2</b>	<b>13.7</b>	<b>14.2</b>	<b>12.1</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	47.3	42.9	35.4
Deferred taxes	5.7	5.8	6.3	6.3	6.3	6.3
Deferred income	9.3	7.1	4.6	5.3	5.0	4.3
<b>Current liabilities</b>	<b>59.5</b>	<b>70.4</b>	<b>70.4</b>	<b>61.4</b>	<b>56.5</b>	<b>48.1</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>283.3</b>	<b>340.3</b>	<b>355.0</b>	<b>386.6</b>	<b>424.1</b>	<b>429.5</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%	55%	51%	50%
Financial assets	2%	1%	1%	1%	1%	1%
<b>FIXED ASSETS</b>	<b>72%</b>	<b>75%</b>	<b>65%</b>	<b>56%</b>	<b>52%</b>	<b>51%</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%	41%	45%	46%
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>44%</b>	<b>48%</b>	<b>49%</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>58%</b>	<b>63%</b>	<b>66%</b>
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%
<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%	8%
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>11%</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	55.9	52.1	27.5
Depreciation of fixed assets (incl. leases)	33.5	35.3	26.3	25.0	21.2	21.5
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	-4.6	-1.4	-2.1
Cash flow from operations before changes in w/c	97.3	93.3	95.7	76.3	71.9	47.0
Increase/decrease in inventory	0.0	0.0	-0.3	0.7	0.0	-0.1
Increase/decrease in accounts receivable	0.0	0.0	0.6	-0.0	-0.3	-0.7
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	-8.6	-4.6	-8.0
Increase/decrease in working capital	1.4	-3.2	2.7	-8.3	-5.0	-8.8
<b>Cash flow from operating activities</b>	<b>98.8</b>	<b>90.2</b>	<b>98.5</b>	<b>67.9</b>	<b>66.9</b>	<b>38.1</b>
CAPEX	-0.2	-0.0	-3.9	-25.9	-24.3	-20.8
Payments for acquisitions	-33.8	-98.1	0.0	-20.0	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>-13.9</b>	<b>-24.3</b>	<b>-20.8</b>
Cash flow before financing	111.4	18.4	105.0	54.0	42.5	17.4
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	47.3	34.4	5.6
<b>Liquid assets at end of period</b>	<b>57.7</b>	<b>67.3</b>	<b>110.7</b>	<b>158.0</b>	<b>192.3</b>	<b>197.9</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	1.54	1.01	0.53
Cash flow per share	2.10	1.84	2.17	1.28	1.36	0.49
Book value per share	3.64	5.15	5.37	6.71	7.95	8.42
Dividend per share	0.20	1.00	0.20	0.30	0.35	0.30
<b>Valuation</b>						
P/E	4.6x	4.0x	5.3x	4.3x	6.6x	12.5x
P/CF	3.2x	3.6x	3.1x	5.2x	4.9x	13.5x
P/BV	1.8x	1.3x	1.2x	1.0x	0.8x	0.8x
Dividend yield (%)	3.0%	15.0%	3.0%	4.5%	5.3%	4.5%
FCF yield (%)	31.5%	27.6%	32.6%	19.1%	20.3%	7.4%
EV/Sales	0.9x	0.8x	0.7x	0.5x	0.3x	0.3x
EV/EBITDA	1.4x	1.4x	1.3x	0.6x	0.5x	0.6x
EV/EBIT	1.9x	1.9x	1.7x	0.8x	0.7x	1.0x
<b>Income statement (EURm)</b>						
Sales	191.7	202.7	172.7	152.5	143.1	122.2
yoy chg in %	107.8%	5.7%	-14.8%	-11.7%	-6.2%	-14.6%
Gross profit	102.0	107.7	84.0	76.9	69.1	45.8
Gross margin in %	53.2%	53.1%	48.6%	50.4%	48.3%	37.4%
EBITDA	121.7	116.6	93.0	116.8	76.6	52.1
EBITDA margin in %	63.5%	57.5%	53.9%	76.6%	53.5%	42.6%
EBIT	90.1	86.6	67.7	91.9	55.4	30.6
EBIT margin in %	47.0%	42.7%	39.2%	60.2%	38.7%	25.0%
Net profit	47.3	55.1	42.5	51.8	33.9	17.9
<b>Cash flow statement (EURm)</b>						
CF from operations	98.8	90.2	98.5	67.9	66.9	38.1
Capex	-0.2	-0.0	-3.9	-25.9	-24.3	-20.8
Maintenance Capex	30.6	29.2	25.3	25.0	21.2	21.5
Free cash flow	98.6	90.1	94.6	42.0	42.5	17.4
<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	212.0	215.1	214.4
Shareholders' equity	118.0	170.7	180.8	226.0	268.0	283.7
Pension provisions	1.3	1.2	1.0	0.9	0.9	0.7
Liabilities and provisions	16.2	9.7	18.2	13.7	14.2	12.1
Net financial debt	-54.5	-65.0	-108.6	-155.9	-188.3	-193.9
w/c requirements	1.5	1.7	2.0	1.7	2.1	3.0
<b>Ratios</b>						
ROE	71.1%	47.8%	39.7%	38.9%	19.4%	9.7%
ROCE	40.3%	32.1%	23.8%	28.3%	15.1%	8.0%
Net gearing	-46.2%	-38.1%	-60.1%	-69.0%	-70.3%	-68.3%
Net debt / EBITDA	-0.4x	-0.6x	-1.2x	-1.3x	-2.5x	-3.7x

Source: Company data; mwb research

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