

Ernst Russ AG

Germany | Transport & Logistics | MCap EUR 233.8m

5 September 2025

UPDATE



First newbuild orders in decades; long-term charters secured; BUY

What's it all about?

Ernst Russ ("ER") has placed its first newbuild order in decades, contracting two 2,280 TEU dual-fuel feeder vessels via its ElbFeeder JV with Eimskip for delivery in H2 2028. Both ships are secured on 10-year charters with Eimskip, ensuring stable, predictable cash flows. At an estimated USD 50–60m per vessel, the JV financing structure balances growth with capital discipline, while ER consolidates the assets fully given its c. 52% stake. The order strengthens a long-standing partnership with Eimskip and demonstrates the advantage of ER's Döhle Group affiliation, providing access to scarce shipbuilding capacity. With 21 of 26 ships already in the feeder range, ER consolidates its leading niche positioning, upgrades fleet quality, and adds long-term ESG-aligned earnings visibility. BUY with recently upgrades PT of EUR 11.00.

BUY (BUY)

Target price	EUR 11.00 (11.00)
Current price	EUR 6.94
Up/downside	58.5%



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First newbuild orders in decades with long-term charters; BUY

Strategic fleet renewal with secured employment Ernst Russ ("ER") announced the signing of shipbuilding contracts for two 2,280 TEU dual-fuel feeder containerships via its ElbFeeder JV with Icelandic partner Eimskip. Deliveries are scheduled for H2 2028, with both vessels committed to 10-year time charters on Eimskip's Blue Line service (Reykjavik-Rotterdam). The transaction represents ER's first newbuild order in decades and a major milestone in its fleet growth strategy. Upon delivery, the JV fleet will expand to nine vessels, with options for two more.

Visible, de-risked cash flows The long-term charter structure ensures stable, predictable earnings and minimizes exposure to charter market volatility. This adds visibility to ER's medium- to long-term earnings profile and underscores management's disciplined approach to capital deployment. With estimated capex of USD 50-60m per ship (mwb est., no official data available), the JV financing structure (mix of equity and debt) balances growth with balance sheet discipline. Importantly, the involvement of Eimskip as both JV partner and initial charterer underpins the project's financial viability and risk profile.

Strengthened partnership with Eimskip The order also deepens ER's long-standing partnership with Eimskip, which already spans several decades and has proven to be highly reliable. ER owns c. 52% of the ElbFeeder JV (according to the annual report) and fully consolidates its fleet, meaning that all new tonnage will be reported within ER's consolidated accounts. From ER's current shipping list, seven vessels already stem from this JV, highlighting the importance of the partnership to ER's overall fleet structure. The addition of two further newbuilds (with potential for more) will therefore not only expand capacity but also strengthen the weight of JV earnings in the group's P&L, increasing predictability for investors.

Upgrading fleet quality, ESG and market positioning The vessels are designed with North Atlantic trading requirements in mind and feature dual-fuel propulsion (LNG and methanol-ready), aligning the fleet with future environmental standards and enhancing asset longevity. The project significantly upgrades fleet quality, strengthens ER's competitive positioning, and increases the long-term attractiveness of its tonnage for charterers increasingly

-continued-

Ernst Russ AG	2022	2023	2024	2025E	2026E	2027E
Sales	191.7	202.7	172.7	152.5	143.1	122.2
Growth yoy	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
Dividend yield	2.9%	14.4%	2.9%	4.3%	5.0%	4.3%
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	1.5x	1.5x	1.4x	0.7x	0.6x	0.8x
EV/EBIT	2.0x	2.0x	1.9x	0.9x	0.8x	1.3x
PER	4.8x	4.2x	5.5x	4.5x	6.9x	13.1x

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	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) 11,314

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 manages a fleet of 26 vessels partially operated with strategic partners. 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.

focused on sustainability. Access to shipbuilding capacity in today's tight newbuild market also demonstrates the strategic benefit of being part of the Döhle Group network, which provides ER with privileged access to competitive contracting opportunities.

Focus on feeder segment supports competitive edge With 21 out of its 26 ships already positioned in the 700–4,200 TEU feeder segment, the newbuild orders reinforce ER's market strength in this niche. The specialized North Atlantic design of the new ships not only adds capacity but further consolidates ER's reputation as a feeder vessel specialist with strong, long-term client relationships. This targeted expansion in its core segment supports sustained earnings resilience and strategic differentiation versus peers.

Conclusion The newbuild order marks a strategically important step for Ernst Russ, combining long-term earnings visibility with a meaningful upgrade to fleet quality, ESG alignment, and competitive positioning in the feeder market. The fact that the ships are consolidated at group level, and that they strengthen the already well-established ElbFeeder partnership, makes the project directly accretive to ER's consolidated portfolio. Access to newbuilding capacity via the Döhle Group further highlights ER's competitive edge in securing attractive assets in a supply-constrained environment. We view this as an important milestone that enhances confidence in the company's long-term trajectory, underpins sustainable earnings growth, and increases the attractiveness of the equity story. We reiterate our BUY rating with unchanged (recently upgraded) PT of EUR 11.00, as the order adds structural value to the fleet, increases medium-term visibility, and supports the potential for a re-rating of the shares over time

Q2 2025 recent earnings vs. mwb research's expectations:

QG&V in EURm	Q2 25	Q2 25E	deviation	Q2 24	yoy chg in %
Sales	38,9	39	-0,3%	40,7	-4,4%
EBIT	15,3	14,2	7,7%	15,5	-1,3%
EBIT margin in %	39%	36%		38%	
Net income after minorities	10,3	9,5	8,4%	10,2	1,0%
EPS	0,31	0,28	10,0%	0,31	0,0%
Number of vessels (fully consolidated)	26	26		29	-3
Technical availability	97,3%	99,2%		97,3%	0,0pp
Charter rates (USD)	17.412	17.500	-0,5%	17.500	-0,5%

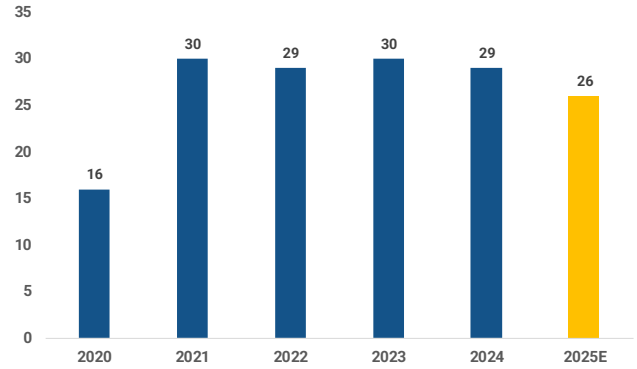
Source: Company data, mwb research

Investment case in six charts

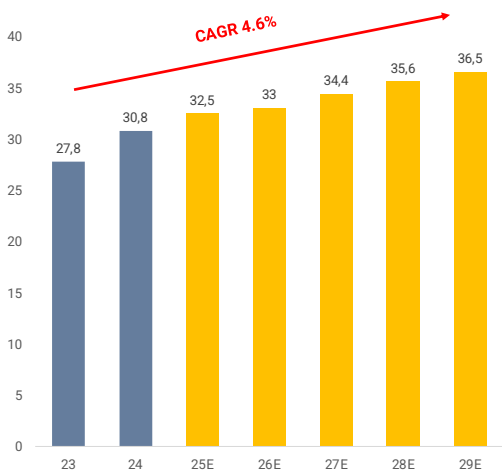
Products & Services



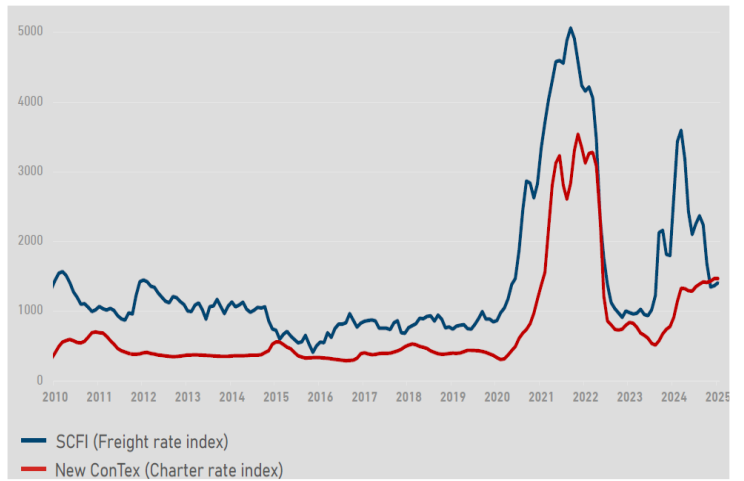
Number of fully consolidated ships (YE data)



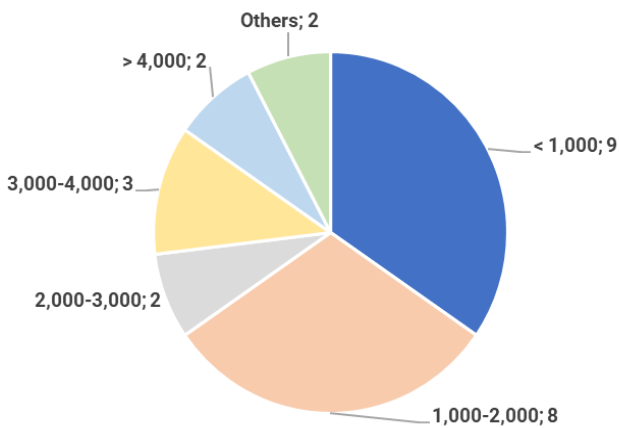
Nominal capacity addition (net in TEUm)



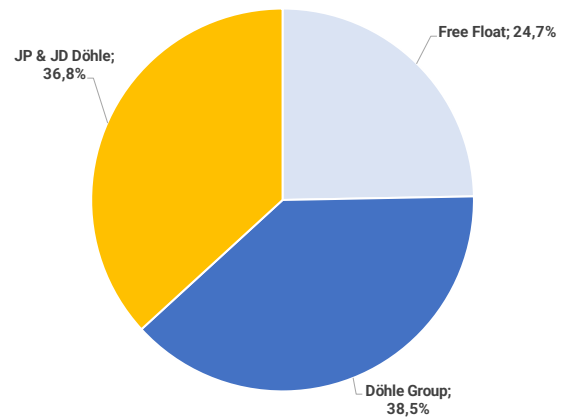
Charter and freight rates



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

Valuation

DCF Model

The DCF model results in a **fair value of EUR 11.17 per share**:

Top-line growth: We expect Ernst Russ AG to grow revenues at a CAGR of -1.7% between 2025E and 2032E. The long-term growth rate is set at 2.0%.

ROCE. Returns on capital are developing from 28.3% in 2025E to 7.5% in 2032E.

WACC. Starting point is a historical equity beta of 1.40. Unlevering and correcting for mean reversion yields an asset beta of 1.00. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 11.0%. With pre-tax cost of borrowing at 5.0% and target debt/equity of 0.5 this results in a long-term WACC of 9.0%.

DCF (EURm) (except per share data and beta)	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	Terminal value
NOPAT	54.0	36.0	20.0	20.0	20.6	21.3	21.9	22.6	
Depreciation & amortization	25.0	21.2	21.5	21.4	21.4	21.4	21.5	21.6	
Change in working capital	-8.3	-5.0	-8.8	-1.1	-1.2	-1.0	-1.0	-1.1	
Chg. in long-term provisions	-4.6	-1.4	-2.1	-0.5	-0.5	-0.5	-0.5	0.1	
Capex	-25.9	-24.3	-20.8	-21.2	-21.6	-22.0	-22.5	-22.9	
Cash flow	40.1	26.4	9.9	18.7	18.8	19.2	19.4	20.2	294.9
Present value	39.2	23.9	8.2	14.4	13.4	12.7	11.8	11.4	156.9
WACC	8.0%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%	9.0%

DCF per share derived from	
Total present value	291.9
Mid-year adj. total present value	303.6
Net debt / cash at start of year	-70.6
Financial assets	3.0
Provisions and off b/s debt	1.0
Equity value	376.2
No. of shares outstanding	33.7
Discounted cash flow / share upside/(downside)	11.17 / 60.9%

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2025E-2032E)	-1.7%
Terminal value growth (2032E - infinity)	2.0%
Terminal year ROCE	7.5%
Terminal year WACC	9.0%

Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	0%
Equity beta	1.40
Unlevered beta (industry or company)	1.00
Target debt / equity	0.5
Relevered beta	1.50
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	11.0%

Share price	6.94
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Sensitivity analysis DCF							
Change in WACC (%-points)	Long term growth					Share of present value	
	1.0%	1.5%	2.0%	2.5%	3.0%		
2.0%	9.1	9.3	9.5	9.7	9.9	2025E-2028E	29.4%
1.0%	9.7	10.0	10.2	10.5	10.8	2029E-2032E	16.9%
0.0%	10.5	10.8	11.2	11.6	12.0	terminal value	53.8%
-1.0%	11.5	11.9	12.4	13.0	13.7		
-2.0%	12.9	13.5	14.2	15.1	16.2		

Source: mwb research

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
EBITDA	116.8	76.6	52.1	52.6	53.7
- 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
= Adjusted FCF	54.0	36.1	20.1	20.1	20.8
Actual Market Cap	233.8	233.8	233.8	233.8	233.8
+ 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
= Actual EV'	123.7	92.4	76.9	56.3	35.5
Adjusted FCF yield	43.7%	39.0%	26.1%	35.7%	58.5%
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	600.5	400.8	223.4	223.2	230.6
- <i>EV Reconciliations</i>	-110.1	-141.4	-156.9	-177.5	-198.4
Fair Market Cap	710.6	542.2	380.3	400.7	429.0
No. of shares (million)	33.7	33.7	33.7	33.7	33.7
Fair value per share in EUR	21.09	16.09	11.29	11.89	12.73
Premium (-) / discount (+)	203.9%	131.9%	62.7%	71.4%	83.5%

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

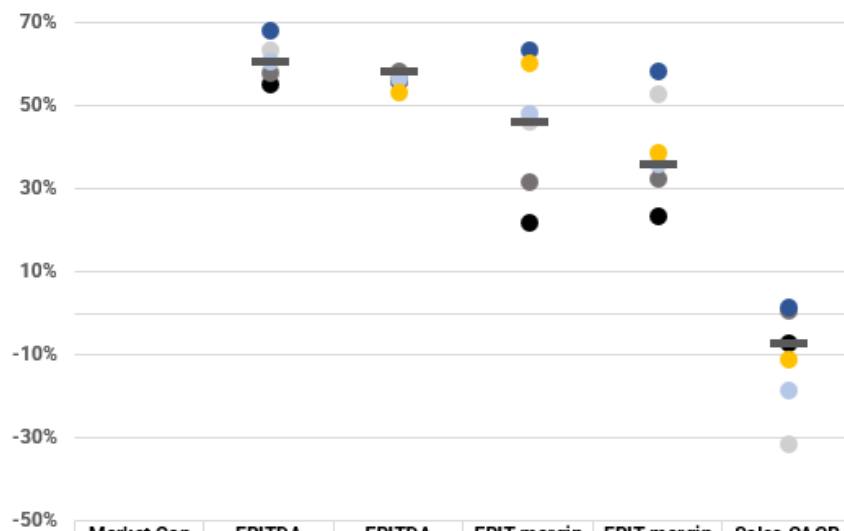
Source: Company data; mwb research

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 5 September 2025 the median market cap of the peer group was EUR 926.4m, compared to EUR 233.8m 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 higher for the peer group than for Ernst Russ AG.

Peer Group – Key data



5-Sep-25

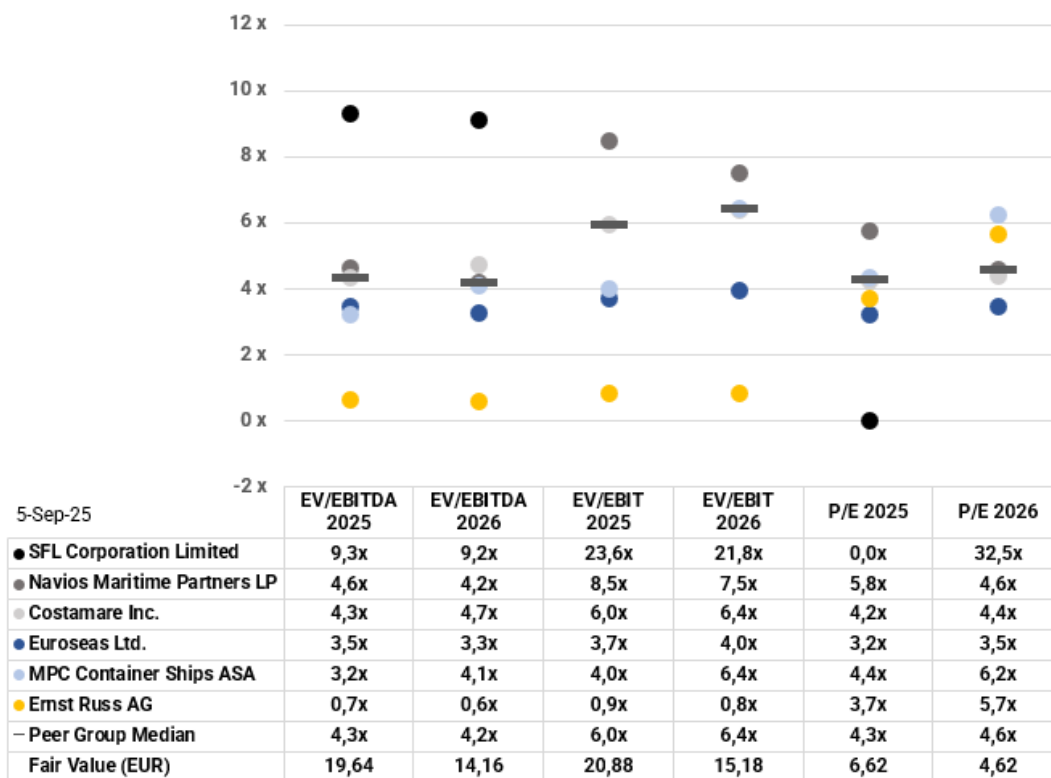
	Market Cap (EURm)	EBITDA margin 2025	EBITDA margin 2026	EBIT margin 2025	EBIT margin 2026	Sales CAGR 2024-2027
● SFL Corporation Limited	926	55,1%	55,9%	21,8%	23,5%	-7,2%
● Navios Maritime Partners LP	1.203	58,1%	58,4%	31,8%	32,6%	1,0%
● Costamare Inc.	1.232	63,5%	71,9%	46,1%	53,0%	-31,2%
● Euroseas Ltd.	372	68,1%	70,7%	63,6%	58,4%	1,6%
● MPC Container Ships ASA	689	60,6%	56,5%	48,3%	36,0%	-18,3%
● Ernst Russ AG	234	76,6%	53,5%	60,2%	38,7%	-10,9%
– Peer Group Median	926	60,6%	58,4%	46,1%	36,0%	-7,2%

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 4.62 to EUR 20.88.

Peer Group – Multiples and valuation

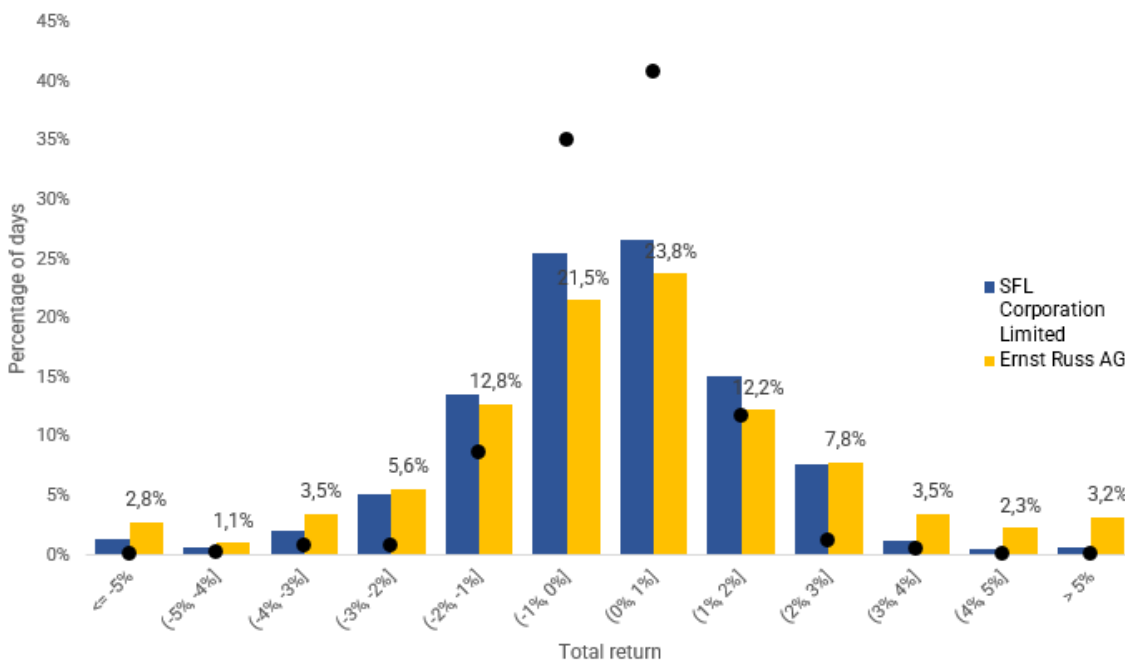


Source: FactSet, mwb research

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%.

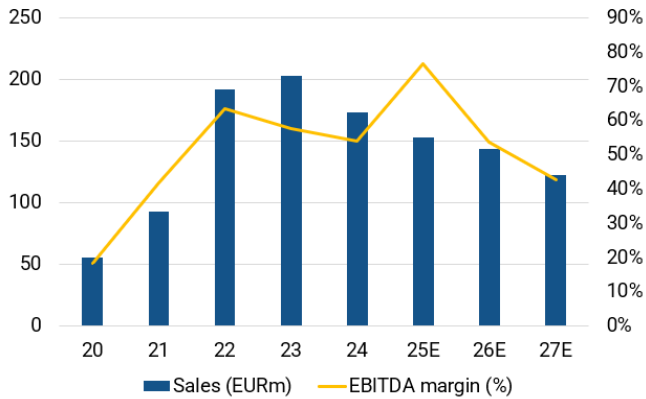
Risk – Daily Returns Distribution (trailing 3 years)



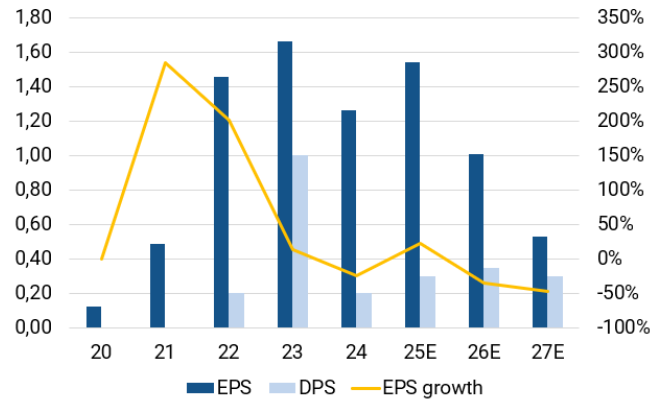
Source: FactSet, mwb research

Financials in six charts

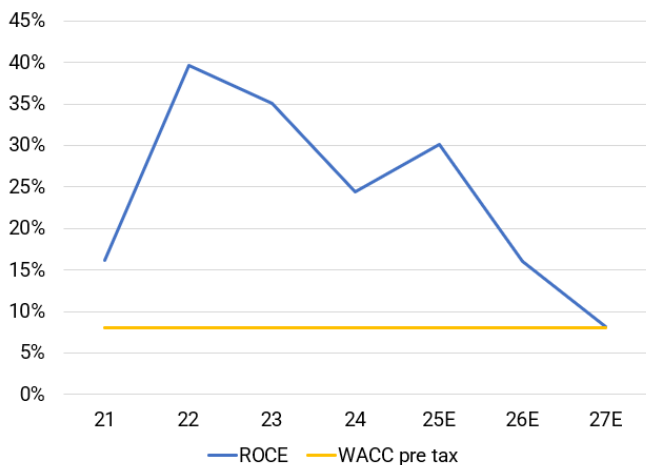
Sales vs. EBITDA margin development



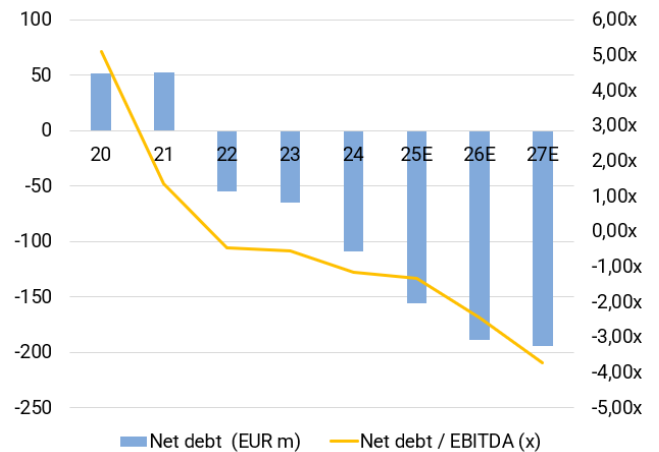
EPS, DPS in EUR & yoy EPS growth



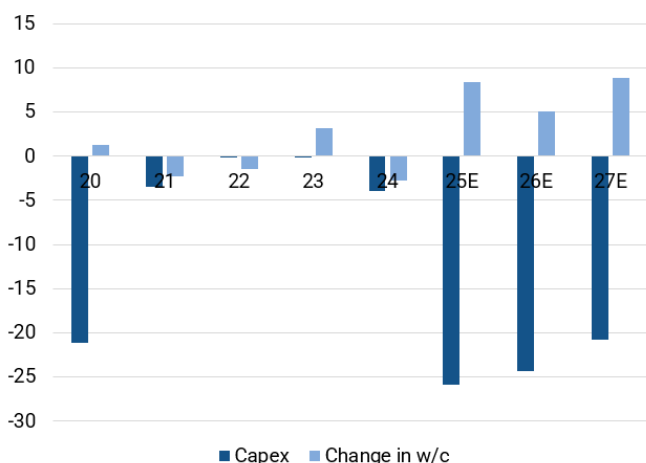
ROCE vs. WACC (pre tax)



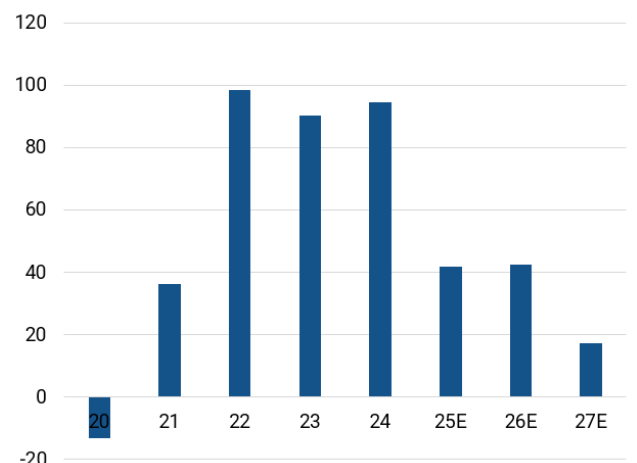
Net debt and net debt/EBITDA



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	152.5	143.1	122.2
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
Total sales	191.7	202.7	172.7	152.5	143.1	122.2
Material expenses	89.7	95.0	88.7	75.6	73.9	76.5
Gross profit	102.0	107.7	84.0	76.9	69.1	45.8
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
EBITDA	121.7	116.6	93.0	116.8	76.6	52.1
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
EBIT	90.1	86.6	67.7	91.9	55.4	30.6
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
Net income	83.9	81.6	71.8	87.9	52.1	27.5
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
EPS reported	1.46	1.66	1.26	1.54	1.01	0.53

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%	50%	52%	63%
Gross profit	53%	53%	49%	50%	48%	37%
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%
EBITDA	63%	58%	54%	77%	54%	43%
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%
EBIT	47%	43%	39%	60%	39%	25%
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%
Net income	44%	40%	42%	58%	36%	23%
Minority interest	-19%	-13%	-17%	-24%	-13%	-8%
Net profit (reported)	25%	27%	25%	34%	24%	15%

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	212.0	215.1	214.4
Financial assets	6.8	3.2	3.0	3.0	3.0	3.0
FIXED ASSETS	205.1	256.7	230.8	215.8	218.9	218.2
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
CURRENT ASSETS	78.2	83.6	124.2	170.8	205.2	211.3
TOTAL ASSETS	283.3	340.3	355.0	386.6	424.1	429.5
SHAREHOLDERS EQUITY	118.0	170.7	180.8	226.0	268.0	283.7
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
Non-current liabilities	16.2	9.7	18.2	13.7	14.2	12.1
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
Current liabilities	59.5	70.4	70.4	61.4	56.5	48.1
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	283.3	340.3	355.0	386.6	424.1	429.5

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%	55%	51%	50%
Financial assets	2%	1%	1%	1%	1%	1%
FIXED ASSETS	72%	75%	65%	56%	52%	51%
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%
CURRENT ASSETS	28%	25%	35%	44%	48%	49%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	42%	50%	51%	58%	63%	66%
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%	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%
Current liabilities	21%	21%	20%	16%	13%	11%
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	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
Cash flow from operating activities	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
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
Cash flow from investing activities	12.6	-71.8	6.5	-13.9	-24.3	-20.8
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
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	47.3	34.4	5.6
Liquid assets at end of period	57.7	67.3	110.7	158.0	192.3	197.9

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	1.54	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
Valuation						
P/E	4.8x	4.2x	5.5x	4.5x	6.9x	13.1x
P/CF	3.3x	3.8x	3.2x	5.4x	5.1x	14.1x
P/BV	1.9x	1.3x	1.3x	1.0x	0.9x	0.8x
Dividend yield (%)	2.9%	14.4%	2.9%	4.3%	5.0%	4.3%
FCF yield (%)	30.3%	26.5%	31.3%	18.4%	19.5%	7.1%
EV/Sales	0.9x	0.8x	0.7x	0.5x	0.3x	0.3x
EV/EBITDA	1.5x	1.5x	1.4x	0.7x	0.6x	0.8x
EV/EBIT	2.0x	2.0x	1.9x	0.9x	0.8x	1.3x
Income statement (EURm)						
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
Cash flow statement (EURm)						
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
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	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
Ratios						
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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