

# Ernst Russ AG

Germany | Transport & Logistics | MCap EUR 246.6m

2 March 2026

UPDATE



## Strategic fleet expansion by acquiring two new vessels; BUY

### What's it all about?

Ernst Russ AG is acquiring two modern F500 multipurpose vessels, MV "Ronnie" and MV "Charlie" (12,500 dwt), with expected delivery in Q1 2026 and seven-year time charters to dship Carriers, securing visible cash flows and reducing spot exposure. The 2021/22-built, crane-equipped ships enhance fleet quality, diversification and earnings transparency through near-full ownership. Each priced at an estimated USD 25–30m (mwb est.) and funded via cash and moderate debt, the deal redeploys liquidity into income-generating assets while preserving balance sheet strength. We expect immediate EBITDA and free cash flow accretion with lower volatility. Strategically, the transaction advances Ernst Russ' shift toward a diversified, directly controlled platform. We reiterate BUY and raise our PT to EUR 12.50 (from EUR 12.00).

IMPORTANT. Please refer to the last page of this report for "Important disclosures" and analyst(s) certifications.

**BUY** (BUY)

Target price	EUR 12.50 (12.00)
Current price	EUR 7.32
Up/downside	70.8%



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Germany | Transport & Logistics | MCap EUR 246.6m | EV EUR 139.0m

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## Strategic fleet expansion by acquiring two new vessels; BUY

**Strategic transaction** Ernst Russ AG is expanding its footprint in the multipurpose/project cargo segment through the acquisition of two modern F500-type vessels, MV "Ronnie" and MV "Charlie", each at around 12,500 dwt with delivery expected in Q1 2026. The vessels are fixed on seven-year time charters to dship Carriers, locking in visible cash flows and materially lowering exposure to spot market volatility. The increase of the fleet outside of typical JV structures enhances earnings transparency and equity value capture for common shareholders.

**Asset quality and market positioning** The acquired ships are 2021/2022-built multipurpose units equipped with two Liebherr cranes and tandem lift capability up to 500 tons, allowing deployment across heavy lift, project cargo, containers, bulk and breakbulk trades. Their ability to operate in ports without shore cranes improves commercial attractiveness and utilization, especially in infrastructure and energy-related logistics. Given young age, competitive technical specification and structurally tight supply in the multipurpose space, we view residual value risk as well contained.

**Valuation, financing and capital allocation** Based on market benchmarks, an implied price range of USD 25–30m per vessel (USD 50–60m in total) appears reasonable to slightly conservative for this asset/charter profile. Management plans to fund the transaction via a mix of existing cash and debt, redeploying low-yield liquidity into income-generating tonnage while maintaining balance sheet resilience. This should support an improved return on equity over time without compromising financial flexibility or the capacity to pursue further accretive growth.

**Earnings impact and strategic implications** Although detailed charter economics are undisclosed, we expect an immediate positive EBITDA contribution, robust free cash flow generation and visibly lower earnings volatility over the seven-year charter horizon. Strategically, the deal accelerates Ernst Russ' transition from a container-centric investment manager towards a more diversified and directly controlled shipping platform with increased exposure to multipurpose/project cargo. The near-full ownership structure increases earnings throughput to equity holders by reducing leakage to minority shareholders.

-continued-

Ernst Russ AG	2022	2023	2024	2025E	2026E	2027E
Sales	191.7	202.7	172.7	155.7	148.8	135.4
<i>Growth yoy</i>	107.8%	5.7%	-14.8%	-9.9%	-4.4%	-9.0%
EBITDA	121.7	116.6	93.0	119.8	71.4	51.1
EBIT	90.1	86.6	67.7	94.8	41.1	21.9
Net profit	47.3	55.1	42.5	53.5	26.7	13.4
Net debt (net cash)	-54.5	-65.0	-108.6	-132.5	-90.2	-93.6
Net debt/EBITDA	-0.4x	-0.6x	-1.2x	-1.1x	-1.3x	-1.8x
EPS reported	1.46	1.66	1.26	1.59	0.79	0.40
DPS	0.20	1.00	0.20	0.30	0.35	0.30
<i>Dividend yield</i>	2.7%	13.7%	2.7%	4.1%	4.8%	4.1%
Gross profit margin	53.2%	53.1%	48.6%	51.2%	49.0%	34.1%
EBITDA margin	63.5%	57.5%	53.9%	76.9%	48.0%	37.8%
EBIT margin	47.0%	42.7%	39.2%	60.9%	27.6%	16.2%
ROCE	40.3%	32.1%	23.8%	28.9%	11.6%	6.1%
EV/Sales	1.0x	0.9x	0.8x	0.7x	1.1x	1.1x
EV/EBITDA	1.6x	1.6x	1.5x	1.0x	2.2x	3.0x
EV/EBIT	2.1x	2.1x	2.1x	1.2x	3.8x	7.0x
PER	5.0x	4.4x	5.8x	4.6x	9.2x	18.4x

Source: Company data, mwb research



Source: Company data, mwb research

**High/low 52 weeks** 8.10 / 4.85  
**Price/Book Ratio** 1.4x

**Ticker / Symbols**

ISIN DE000A161077  
WKN A16107  
Bloomberg ERAG:GR

**Changes in estimates**

		Sales	EBIT	EPS
<b>2025E</b>	old	155.7	94.8	1.59
	Δ	0.0%	0.0%	0.0%
<b>2026E</b>	old	142.2	49.1	0.96
	Δ	4.7%	-16.4%	-17.2%
<b>2027E</b>	old	126.5	21.3	0.39
	Δ	7.0%	2.7%	3.0%

**Key share data**

Number of shares: (in m pcs) 33.69  
Book value per share: (in EUR) 5.37  
Ø trading vol.: (12 months) 9,922

**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 27 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 three multi-purpose vessel.

**Model adjustments:** We have incorporated the two new vessels and the purchase price as of Q2 2026 into our forecasts. Given the relatively smaller ship size, we expect group average daily charter rates to slightly decrease as of 2026 (USD 17.8K vs. USD 18.2K our previous estimate). On a separate note, we have updated our model with latest FX expectations (mainly USD). In sum, this leads us to tweak our short term assumptions by some 2-7% going forward.

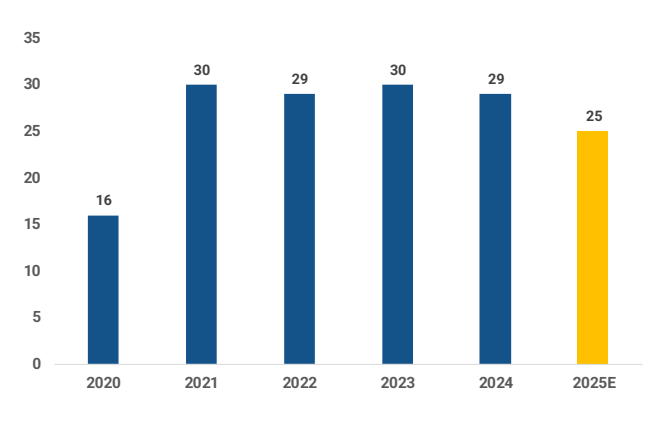
**Conclusion** Overall, we regard the acquisition of the two F500 multipurpose vessels as strategically consistent, financially sound and structurally earnings-enhancing, improving fleet quality, diversification and cash flow stability. In our view, the transaction underpins the long-term investment case built on disciplined balance sheet deployment and a more resilient earnings profile. We reiterate our BUY rating and slightly increase our PT to EUR 12.50 (prev. EUR 12.00), reflecting an attractive risk-reward skew driven by enhanced earnings quality and capital allocation discipline.

# Investment case in six charts

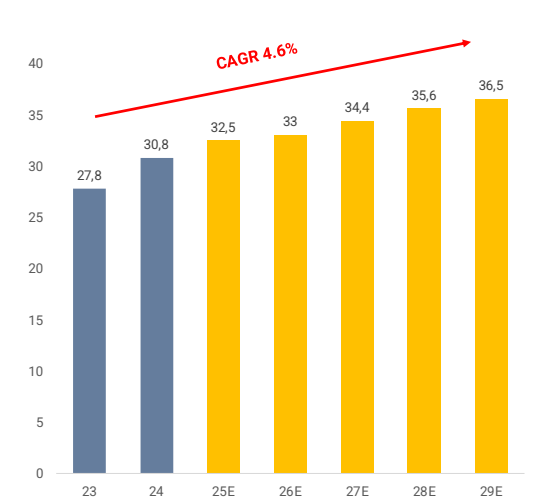
## Products & Services



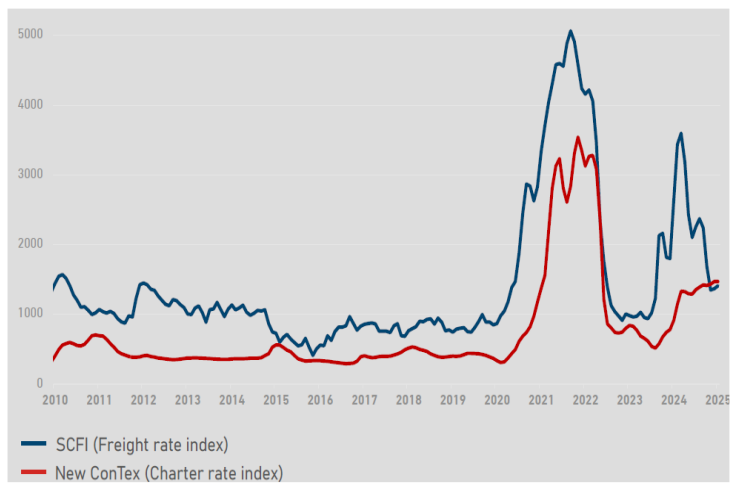
## Number of fully consolidated ships (YE data)



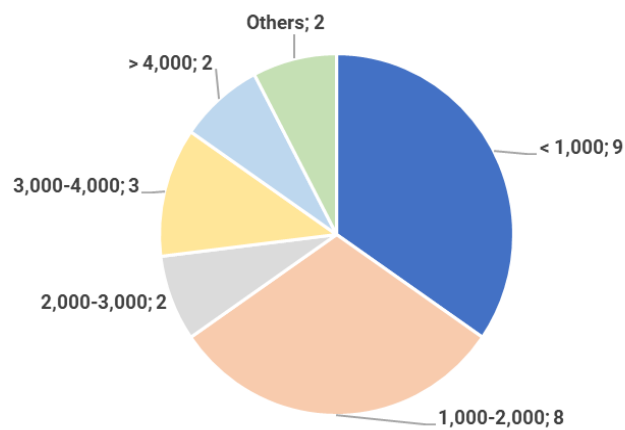
## Nominal capacity addition (net in TEUm)



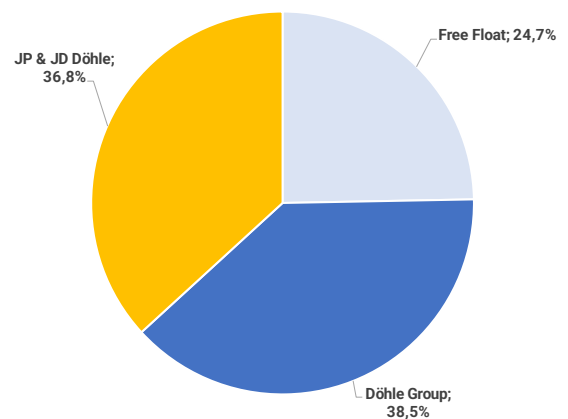
## Charter and freight rates



## 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 21.20 per share based on 2025E and EUR 10.73 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>119.8</b>	<b>71.4</b>	<b>51.1</b>	<b>56.2</b>	<b>57.3</b>
- Maintenance capex	25.0	30.3	29.2	28.5	28.0
- Minorities	37.2	11.4	5.7	7.3	7.7
- tax expenses	1.9	0.8	0.6	1.3	1.4
<b>= Adjusted FCF</b>	<b>55.7</b>	<b>28.9</b>	<b>15.6</b>	<b>19.1</b>	<b>20.3</b>
<b>Actual Market Cap</b>	<b>246.6</b>	<b>246.6</b>	<b>246.6</b>	<b>246.6</b>	<b>246.6</b>
+ Net debt (cash)	-86.1	-58.6	-60.8	-72.5	-82.8
+ 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	51.5
<i>EV Reconciliations</i>	-94.9	-77.6	-91.7	-113.4	-136.5
<b>= Actual EV'</b>	<b>151.7</b>	<b>169.0</b>	<b>154.9</b>	<b>133.2</b>	<b>110.1</b>
<b>Adjusted FCF yield</b>	<b>36.8%</b>	<b>17.1%</b>	<b>10.0%</b>	<b>14.4%</b>	<b>18.4%</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>320.7</b>	<b>173.0</b>	<b>212.6</b>	<b>225.0</b>
- <i>EV Reconciliations</i>	-94.9	-77.6	-91.7	-113.4	-136.5
<b>Fair Market Cap</b>	<b>714.3</b>	<b>398.3</b>	<b>264.7</b>	<b>326.0</b>	<b>361.5</b>
No. of shares (million)	33.7	33.7	33.7	33.7	33.7
<b>Fair value per share in EUR</b>	<b>21.20</b>	<b>11.82</b>	<b>7.86</b>	<b>9.68</b>	<b>10.73</b>
<b>Premium (-) / discount (+)</b>	<b>189.7%</b>	<b>61.5%</b>	<b>7.3%</b>	<b>32.2%</b>	<b>46.6%</b>

Sensitivity analysis FV						
<b>Adjusted hurdle rate</b>	7.0%	26.5	14.5	9.3	11.5	12.6
	8.0%	23.5	13.0	8.5	10.5	11.6
	<b>9.0%</b>	<b>21.2</b>	<b>11.8</b>	<b>7.9</b>	<b>9.7</b>	<b>10.7</b>
	10.0%	19.4	10.9	7.3	9.0	10.1
	11.0%	17.9	10.1	6.9	8.5	9.5

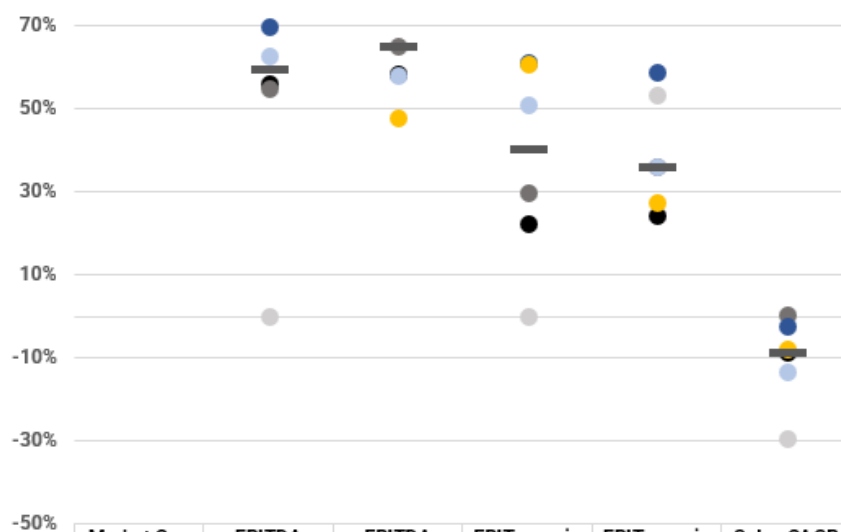
Source: Company data; mwb research

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 2 March 2026 the median market cap of the peer group was EUR 1,238.3m, compared to EUR 246.6m 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



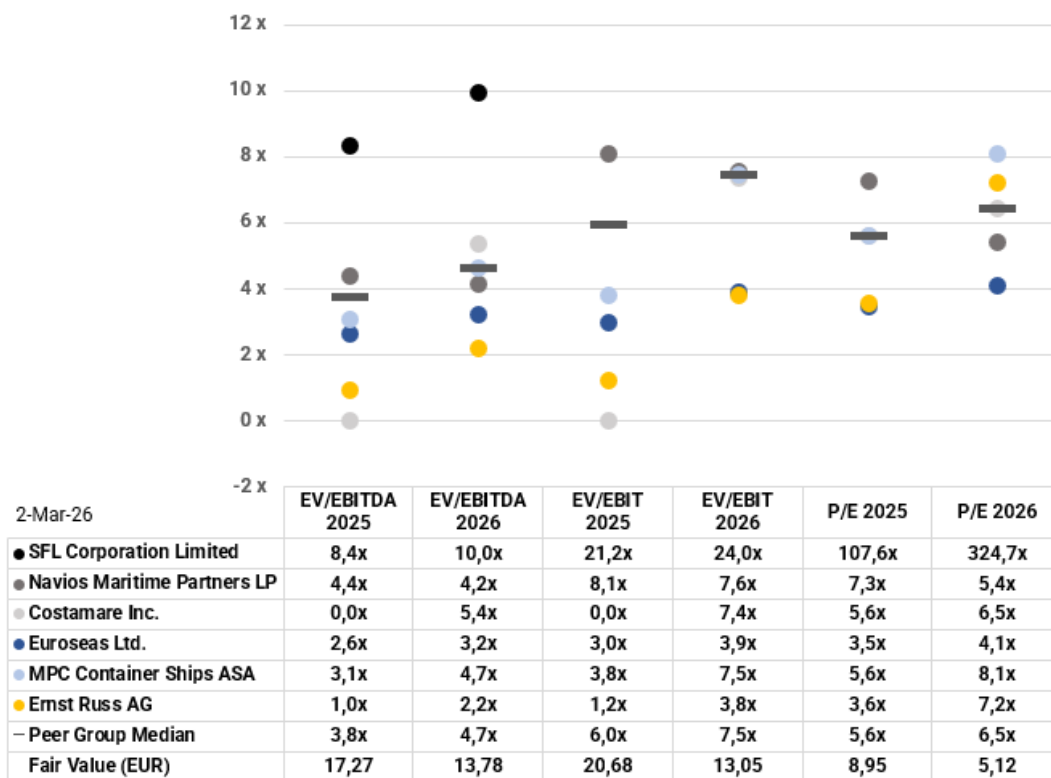
2-Mar-26	Market Cap (EURm)	EBITDA margin 2025	EBITDA margin 2026	EBIT margin 2025	EBIT margin 2026	Sales CAGR 2024-2027
● SFL Corporation Limited	1.238	56,2%	58,2%	22,2%	24,3%	-8,7%
● Navios Maritime Partners LP	1.764	55,1%	65,2%	30,0%	35,9%	0,2%
● Costamare Inc.	1.790	0,0%	73,4%	0,0%	53,3%	-29,6%
● Euroseas Ltd.	408	69,9%	71,5%	61,3%	58,8%	-2,2%
● MPC Container Ships ASA	879	62,7%	58,2%	50,9%	36,1%	-13,3%
● Ernst Russ AG	247	76,9%	48,0%	60,9%	27,6%	-7,8%
– Peer Group Median	1.238	59,5%	65,2%	40,5%	36,1%	-8,7%

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 5.12 to EUR 20.68.**

**Peer Group – Multiples and valuation**

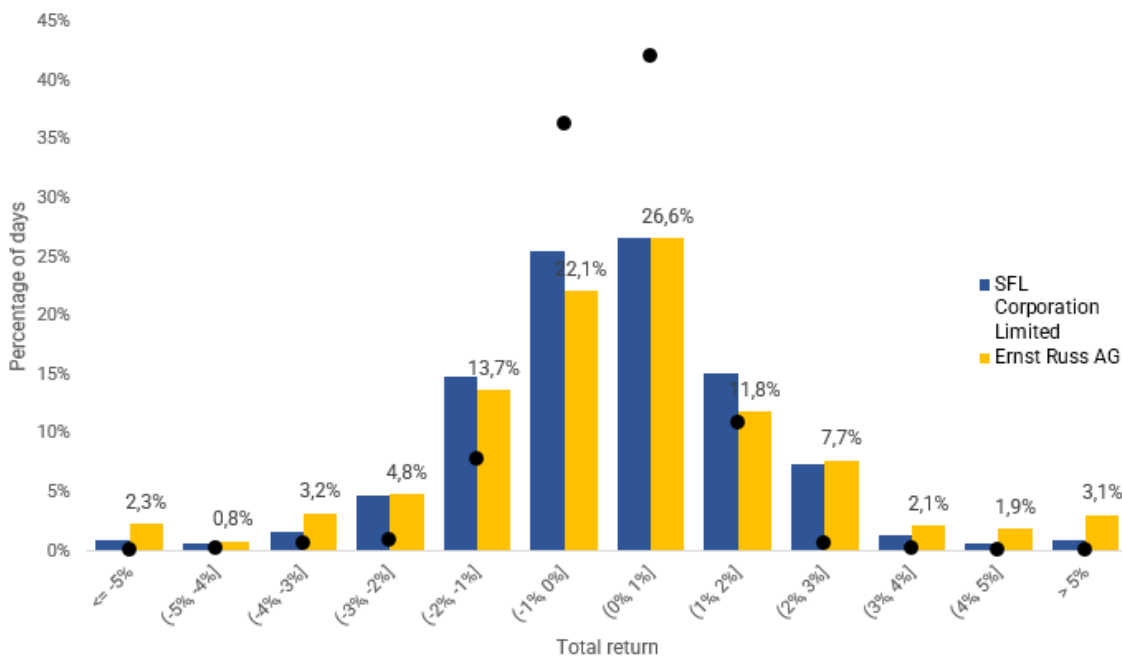


Source: FactSet, mwb research

# 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%.

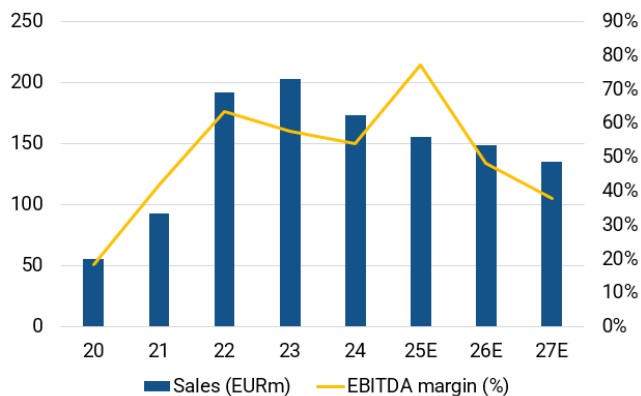
**Risk – Daily Returns Distribution (trailing 3 years)**



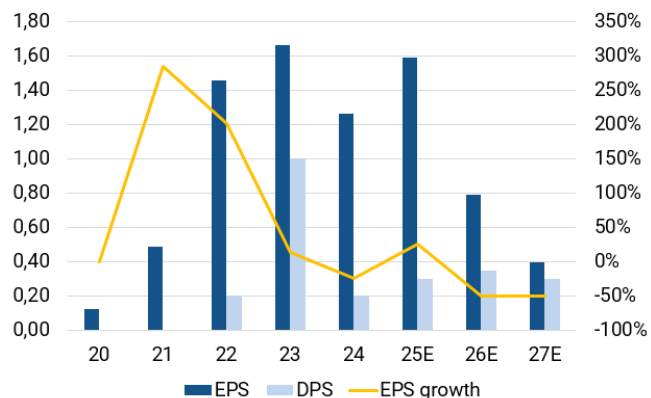
Source: FactSet, mwb research

# Financials in six charts

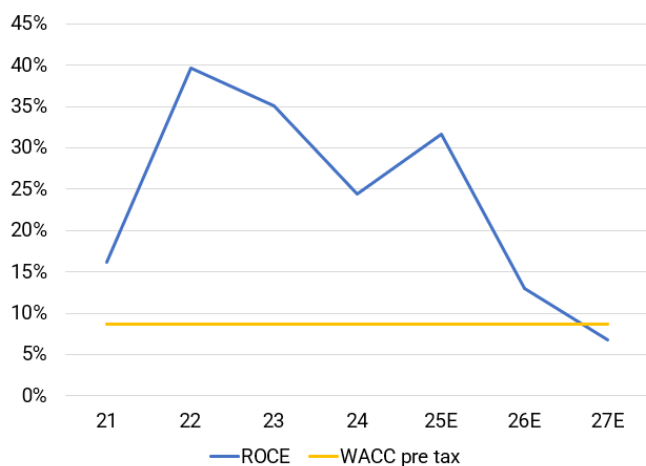
**Sales vs. EBITDA margin development**



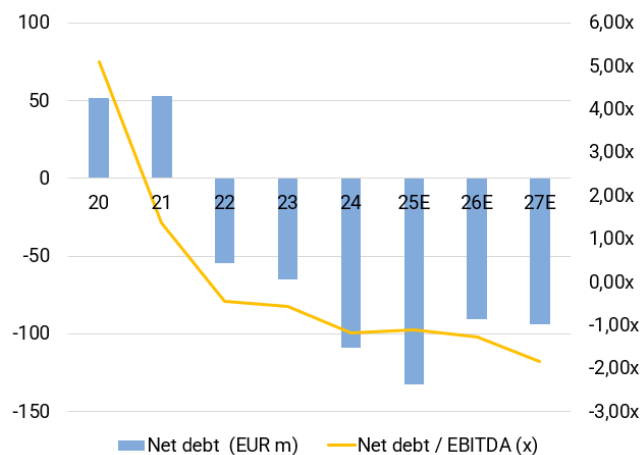
**EPS, DPS in EUR & yoy EPS growth**



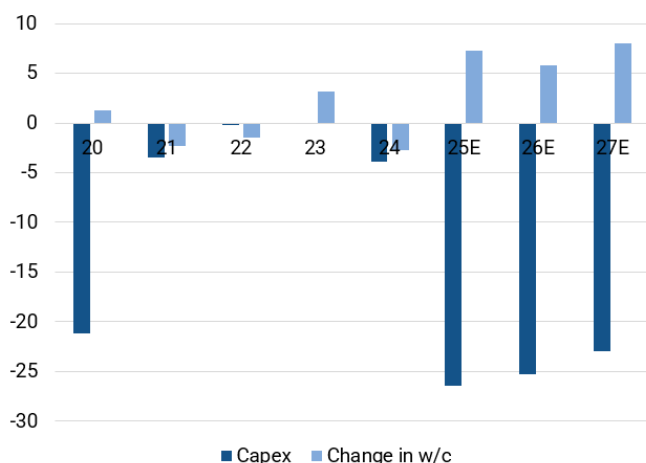
**ROCE vs. WACC (pre tax)**



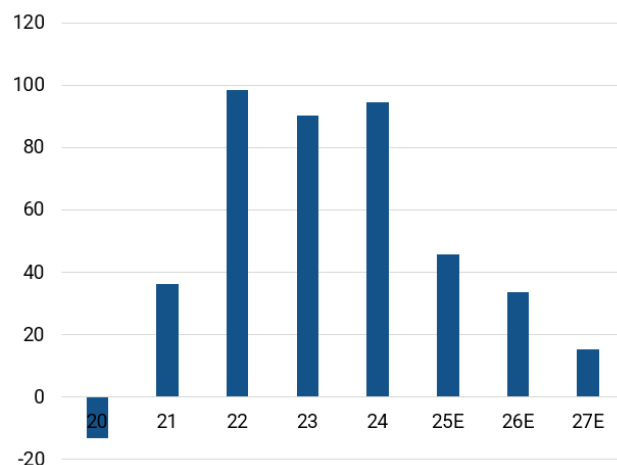
**Net debt and net debt/EBITDA**



**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>148.8</b>	<b>135.4</b>
Sales growth	107.8%	5.7%	-14.8%	-9.9%	-4.4%	-9.0%
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>148.8</b>	<b>135.4</b>
Material expenses	89.7	95.0	88.7	76.0	75.9	89.3
<b>Gross profit</b>	<b>102.0</b>	<b>107.7</b>	<b>84.0</b>	<b>79.7</b>	<b>72.9</b>	<b>46.1</b>
Other operating income	30.7	19.6	20.4	50.2	10.4	15.6
Personnel expenses	4.8	4.8	4.3	3.9	3.7	3.8
Other operating expenses	6.2	5.9	7.1	6.2	8.2	6.8
<b>EBITDA</b>	<b>121.7</b>	<b>116.6</b>	<b>93.0</b>	<b>119.8</b>	<b>71.4</b>	<b>51.1</b>
Depreciation	30.6	29.2	25.3	25.0	30.3	29.2
EBITA	91.1	87.3	67.7	94.8	41.1	21.9
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>41.1</b>	<b>21.9</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	38.9	19.7
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	38.9	19.7
Taxes	0.4	0.6	1.7	1.9	0.8	0.6
Net income from continuing operations	83.9	81.6	71.8	90.8	38.1	19.1
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>38.1</b>	<b>19.1</b>
Minority interest	-36.6	-26.5	-29.3	-37.2	-11.4	-5.7
Net profit (reported)	47.3	55.1	42.5	53.5	26.7	13.4
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>0.79</b>	<b>0.40</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%	51%	66%
<b>Gross profit</b>	<b>53%</b>	<b>53%</b>	<b>49%</b>	<b>51%</b>	<b>49%</b>	<b>34%</b>
Other operating income	16%	10%	12%	32%	7%	12%
Personnel expenses	3%	2%	2%	3%	2%	3%
Other operating expenses	3%	3%	4%	4%	5%	5%
<b>EBITDA</b>	<b>63%</b>	<b>58%</b>	<b>54%</b>	<b>77%</b>	<b>48%</b>	<b>38%</b>
Depreciation	16%	14%	15%	16%	20%	22%
EBITA	48%	43%	39%	61%	28%	16%
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>28%</b>	<b>16%</b>
Financial result	-3%	-2%	3%	-1%	-1%	-2%
Recurring pretax income from continuing operations	44%	41%	43%	59%	26%	15%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	44%	41%	43%	59%	26%	15%
Taxes	0%	0%	1%	1%	1%	0%
Net income from continuing operations	44%	40%	42%	58%	26%	14%
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>26%</b>	<b>14%</b>
Minority interest	-19%	-13%	-17%	-24%	-8%	-4%
<b>Net profit (reported)</b>	<b>25%</b>	<b>27%</b>	<b>25%</b>	<b>34%</b>	<b>18%</b>	<b>10%</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	265.5	259.3
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>269.3</b>	<b>263.1</b>
Inventories	1.7	2.5	2.7	2.1	2.1	2.4
Accounts receivable	4.9	2.7	2.1	2.1	2.4	3.3
Other current assets	10.4	8.3	6.7	6.7	6.7	6.7
Liquid assets	57.7	67.3	110.7	134.6	94.2	97.6
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>147.5</b>	<b>107.3</b>	<b>111.8</b>
<b>TOTAL ASSETS</b>	<b>283.3</b>	<b>340.3</b>	<b>355.0</b>	<b>375.8</b>	<b>376.7</b>	<b>374.9</b>
<b>SHAREHOLDERS EQUITY</b>	<b>118.0</b>	<b>170.7</b>	<b>180.8</b>	<b>228.9</b>	<b>256.9</b>	<b>264.2</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	7.4	5.4
<b>Non-current liabilities</b>	<b>16.2</b>	<b>9.7</b>	<b>18.2</b>	<b>13.9</b>	<b>12.3</b>	<b>10.2</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	2.3	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	43.1	36.5
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	4.7
<b>Current liabilities</b>	<b>59.5</b>	<b>70.4</b>	<b>70.4</b>	<b>62.5</b>	<b>56.9</b>	<b>50.0</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>411.7</b>	<b>409.9</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%	60%	70%	69%
Financial assets	2%	1%	1%	1%	1%	1%
<b>FIXED ASSETS</b>	<b>72%</b>	<b>75%</b>	<b>65%</b>	<b>61%</b>	<b>72%</b>	<b>70%</b>
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%	36%	25%	26%
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>39%</b>	<b>28%</b>	<b>30%</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>61%</b>	<b>68%</b>	<b>70%</b>
MINORITY INTEREST	32%	26%	24%	23%	23%	23%
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%	1%
<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%	1%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	14%	16%	16%	13%	11%	10%
Deferred taxes	2%	2%	2%	2%	2%	2%
Deferred income	3%	2%	1%	1%	1%	1%
<b>Current liabilities</b>	<b>21%</b>	<b>21%</b>	<b>20%</b>	<b>17%</b>	<b>15%</b>	<b>13%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>104%</b>	<b>109%</b>	<b>109%</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	38.1	19.1
Depreciation of fixed assets (incl. leases)	33.5	35.3	26.3	25.0	30.3	29.2
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	-3.5	-2.1
Cash flow from operations before changes in w/c	97.3	93.3	95.7	79.4	64.9	46.2
Increase/decrease in inventory	0.0	0.0	-0.3	0.7	0.0	-0.4
Increase/decrease in accounts receivable	0.0	0.0	0.6	-0.1	-0.3	-0.9
Increase/decrease in accounts payable	5.8	-5.5	-0.6	-0.3	-0.2	0.2
Increase/decrease in other w/c positions	-4.3	2.3	3.0	-7.6	-5.3	-6.9
Increase/decrease in working capital	1.4	-3.2	2.7	-7.3	-5.8	-8.0
<b>Cash flow from operating activities</b>	<b>98.8</b>	<b>90.2</b>	<b>98.5</b>	<b>72.1</b>	<b>59.1</b>	<b>38.2</b>
CAPEX	-0.2	-0.0	-3.9	-26.5	-25.3	-23.0
Payments for acquisitions	-33.8	-98.1	0.0	-32.0	-46.0	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>-71.3</b>	<b>-23.0</b>
Cash flow before financing	111.4	18.4	105.0	45.6	-12.2	15.2
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	-15.0	-20.0	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>-21.7</b>	<b>-28.2</b>	<b>-11.8</b>
Increase/decrease in liquid assets	31.4	9.6	43.4	23.9	-40.4	3.4
<b>Liquid assets at end of period</b>	<b>57.7</b>	<b>67.3</b>	<b>110.7</b>	<b>134.6</b>	<b>94.2</b>	<b>97.6</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	0.79	0.40
Cash flow per share	2.10	1.84	2.17	1.40	0.85	0.27
Book value per share	3.64	5.15	5.37	6.79	7.62	7.84
Dividend per share	0.20	1.00	0.20	0.30	0.35	0.30
<b>Valuation</b>						
P/E	5.0x	4.4x	5.8x	4.6x	9.2x	18.4x
P/CF	3.5x	4.0x	3.4x	5.2x	8.6x	27.4x
P/BV	2.0x	1.4x	1.4x	1.1x	1.0x	0.9x
Dividend yield (%)	2.7%	13.7%	2.7%	4.1%	4.8%	4.1%
FCF yield (%)	28.7%	25.1%	29.7%	19.1%	11.7%	3.6%
EV/Sales	1.0x	0.9x	0.8x	0.7x	1.1x	1.1x
EV/EBITDA	1.6x	1.6x	1.5x	1.0x	2.2x	3.0x
EV/EBIT	2.1x	2.1x	2.1x	1.2x	3.8x	7.0x
<b>Income statement (EURm)</b>						
Sales	191.7	202.7	172.7	155.7	148.8	135.4
yoy chg in %	107.8%	5.7%	-14.8%	-9.9%	-4.4%	-9.0%
Gross profit	102.0	107.7	84.0	79.7	72.9	46.1
Gross margin in %	53.2%	53.1%	48.6%	51.2%	49.0%	34.1%
EBITDA	121.7	116.6	93.0	119.8	71.4	51.1
EBITDA margin in %	63.5%	57.5%	53.9%	76.9%	48.0%	37.8%
EBIT	90.1	86.6	67.7	94.8	41.1	21.9
EBIT margin in %	47.0%	42.7%	39.2%	60.9%	27.6%	16.2%
Net profit	47.3	55.1	42.5	53.5	26.7	13.4
<b>Cash flow statement (EURm)</b>						
CF from operations	98.8	90.2	98.5	72.1	59.1	38.2
Capex	-0.2	-0.0	-3.9	-26.5	-25.3	-23.0
Maintenance Capex	30.6	29.2	25.3	25.0	30.3	29.2
Free cash flow	98.6	90.1	94.6	45.6	33.8	15.2
<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	265.5	259.3
Shareholders' equity	118.0	170.7	180.8	228.9	256.9	264.2
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	12.3	10.2
Net financial debt	-54.5	-65.0	-108.6	-132.5	-90.2	-93.6
w/c requirements	1.5	1.7	2.0	1.7	2.2	3.3
<b>Ratios</b>						
ROE	71.1%	47.8%	39.7%	39.7%	14.8%	7.2%
ROCE	40.3%	32.1%	23.8%	28.9%	11.6%	6.1%
Net gearing	-46.2%	-38.1%	-60.1%	-57.9%	-35.1%	-35.4%
Net debt / EBITDA	-0.4x	-0.6x	-1.2x	-1.1x	-1.3x	-1.8x

Source: Company data; mwb research

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