

Fortum

Company report

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This report is a summary translation of the report “Uniperin suoritus ei herättänyt luottamusta” published on 08/18/2022 at 7:20 am.

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Uniper's performance did not inspire confidence

We lower our recommendation to Reduce (was Accumulate) and revise our target price to EUR 11.0 (was EUR 13.0) after Uniper's Q2 result. We were aware that Uniper's gas business was in disarray following the disruption of gas supplies from Russia, but more problems seem to be piling up all the time. In addition to the weak operational performance, concerns were raised by the lack of clarity on how Uniper's stabilization package will ultimately stop gas losses at the EUR 7 billion threshold, which is now being rapidly approached. Management's talk of "negotiations" doesn't inspire confidence in the situation. There is still value at the core of Fortum, but it is currently buried under the clutter of Uniper.

The result anticipated the future, but still raised concerns

The H1 report published by Uniper yesterday was largely very gloomy, which was to be expected given the information that came with the German stabilization package. The reported net result was more than EUR 9 billion negative, but this included losses of EUR 6.5 billion in "provisions" already expected to be realized at the end of the year, as Russian gas supplies remain at a low level. This loss will increase further if gas flows and gas prices remain at least at current levels but will in principle be limited to EUR 7 billion for Uniper, with Germany bearing the remaining losses under the stabilization package. The conference call was about this "backstop" and how to offset losses after the EUR 7 billion is reached without dilution to shareholders (as communicated). The company's communication gave the impression that the procedure was negotiated being between the parties, which didn't inspire confidence in the current situation.

Although there is supposedly an agreement in principle and it's a matter of ironing out the details, Germany's negotiating position will be strengthened as the situation escalates and Uniper's risk management has failed in the past.

Problems beyond gas

In addition to the problems in the gas business, Uniper's European Generation segment made an operating loss in Q2, despite high electricity prices. There were other reasons for this (shift caused by CO2 emission rights), but the electricity price level achieved by Uniper at the beginning of the year was a miserable EUR 15/MWh in Germany, where market prices were mostly more than 10 times higher. In addition, electricity hedge price levels (Germany H2'22: EUR 13/MWh and 85% as well as 2023: EUR 41/MWh and 90%) had weakened while electricity futures had also peaked. In our view, the reason for this is the disastrous and still open "proxy hedge", where the company has effectively taken a position on the narrowing price gap between the Nordic countries and Germany. In Germany, the 2023 electricity futures have continued to rise significantly faster than the Nordic countries, which means that the position must be heavily loss-making (during Q2, the gap widened from EUR -130/MWh to EUR -250/MWh). Somewhat ironically, only the Russia segment, whose value is otherwise highly questionable, performed well in Q2.

Value buried under the Uniper mess for now

In our view, Fortum's market value of around EUR 10 billion can be justified by its Nordic core business alone, which generates over EUR 1 billion in operating profit. However, the EUR 8 billion of financing now provided to Uniper is likely to be buried under Germany's better positioned debt mountain, and further hits to the already weakened balance sheet may come from Russia and collateral requirements. In a crisis, investors also need to be able to trust that management has the right situational awareness and ability to act. In the case of Uniper, this trust is being tested, and the mess is so big and complicated that we don't think it's worth getting involved until the situation is clearer. We will reassess our view after Fortum's Q2 results.

Recommendation

Reduce

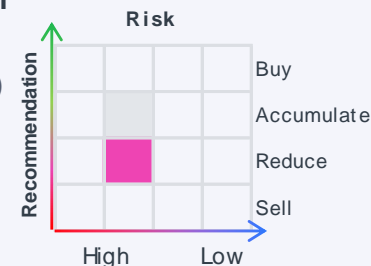
(previous Accumulate)

EUR 11.00

(previous EUR 13.00)

Share price:

11.41



Key figures

	2021	2022e	2023e	2024e
Revenue	112400	176189	159859	144346
growth-%	129%	57%	-9%	-10%
EBIT adj.	2536	-6821	562	1749
EBIT-% adj.	2.3 %	-3.9 %	0.4 %	1.2 %
Net Income	739	-13170	214	965
EPS (adj.)	2.00	-0.97	0.24	1.09

P/E (adj.)	13.5	neg.	47.3	10.5
P/B	2.0	neg.	neg.	neg.
Dividend yield-%	4.2 %	0.0 %	0.0 %	4.4 %
EV/EBIT (adj.)	12.9	neg.	57.2	16.2
EV/EBITDA	47.2	neg.	16.8	9.3
EV/S	0.3	0.2	0.2	0.2

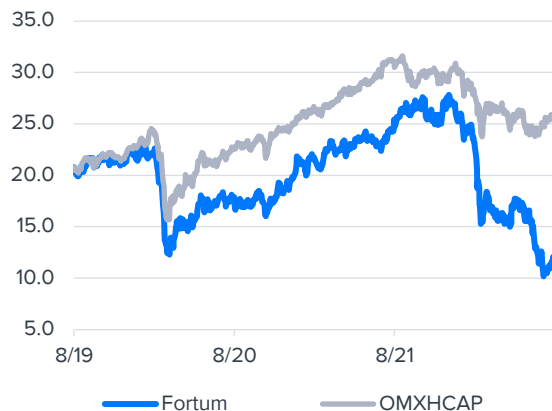
Source: Inderes

Guidance

(Unchanged)

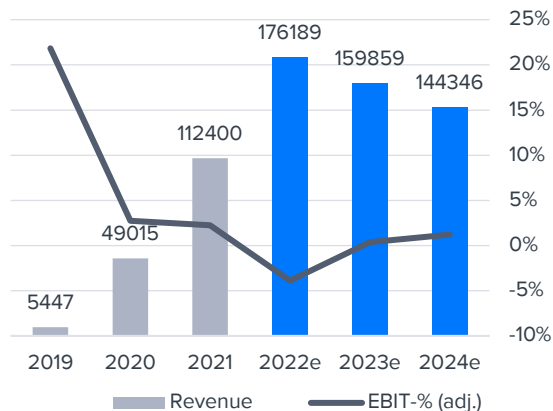
The Generation segment's Nordic generation hedges: approximately 80% at EUR 35 per MWh for the remainder of 2022, and approximately 55% at EUR 33 per MWh for 2023.

Share price



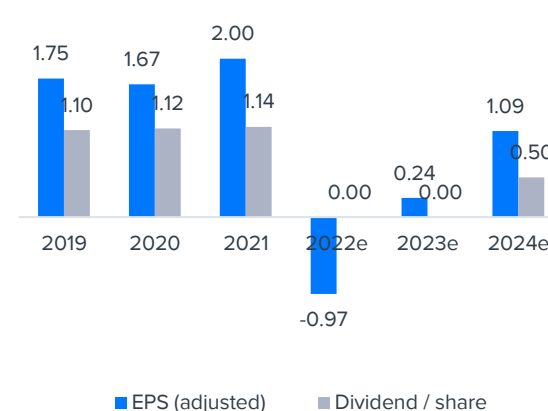
Source: Millstream Market Data AB

Revenue and EBIT %



Source: Inderes

EPS and dividend



Source: Inderes



Value drivers

- Uniper overcoming the energy crisis is key
- Removal of Russia risks as part of the exit from the country
- Improving the investment profile
- Improving operational efficiency
- Successful investments and divestments in accordance with the strategy
- Sustainable increase in the price of electricity, e.g., through higher prices of emission allowances
- New potential from a possible rise in the hydrogen economy



Risk factors

- Uncertainties of the Uniper stabilization package and the fate of Fortum's EUR 8 billion financing
- Huge losses generated for Uniper from the end of Russian gas flows
- Risks related to the financing provided to Uniper
- Russian war in Ukraine and related cycle of sanctions, possible new write-downs
- A drop in electricity prices would ultimately be reflected in the result, despite hedging
- Unfavorable regulatory developments in the Nordic countries, Europe or Russia

Valuation	2022e	2023e	2024e
Share price	11.4	11.4	11.4
Number of shares, millions	888.3	888.3	888.3
Market cap	10131	10131	10131
EV	34597	32099	28385
P/E (adj.)	neg.	47.3	10.5
P/E	neg.	47.3	10.5
P/FCF	neg.	3.7	2.5
P/B	neg.	neg.	neg.
P/S	0.1	0.1	0.1
EV/Sales	0.2	0.2	0.2
EV/EBITDA	neg.	16.8	9.3
EV/EBIT (adj.)	neg.	57.2	16.2
Payout ratio (%)	0.0 %	0.0 %	46.0 %
Dividend yield-%	0.0 %	0.0 %	4.4 %

Source: Inderes

Uniper's Q2 results were poor, but future losses were already taken in

Uniper's H1 report published yesterday was largely very gloomy, which was to be expected given the withdrawal of guidance and the information provided by the German support package. Contrary to our expectations, net operating profit was positive in Q2. However, reported net profit was more than EUR 9 billion negative. The figure already includes EUR 6.5 billion of losses expected to be realized in the rest of the year as a provision for the low level of gas supplies from Russia. This figure is likely to increase further through gas flows and gas prices but will be limited in principle to EUR 7 billion for Uniper under the stabilization package. Due to the massive loss, Uniper's balance sheet equity was EUR 5 billion negative at the end of Q2, but the balance sheet will be supported by the German government as the stabilization package progresses. Uniper's credit rating also relies on this.

Operating result was weak, but in principle better than expected

Uniper's adjusted EBIT, indicative of its operating performance, was positive by ca. EUR 265 million in Q2. In principle, the result was clearly better than we expected, but due to a number of unforeseen adjustments to the result, its comparability with our forecast is poor. With adjusted figures, EBIT improved significantly in the early part of the year (like the company indicated at the time) and the then center of attention Global Commodities segment posted a clearly positive and quite good operating result. However, the Russian gas flow stopped at the end of Q2 (significant reduction 6/16/2022), so the impact on the operational result was still limited - and the reported figures already showed the strong impact.

The problems in the Global Commodities segment's gas business ("gas midstream") have been in the spotlight for a long time, but in Q2 Uniper's European Generation segment hit a new low. Despite peak electricity prices, the segment's adjusted operating result in Q2 remained in the red. This was apparently driven by the shift in earnings from CO2 emission rights that occurred last year, which should support earnings in Q4. In addition, the SE2 regional price in Sweden, which is significantly lower than the rest of the market, caused problems again.

Yet the electricity price level achieved by Uniper at the beginning of the year was a miserable EUR 15/MWh in Germany, where market prices were more than 10 times higher most of the time. In addition, electricity hedge price levels (Germany H2'22: EUR 13/MWh and 85% as well as 2023: EUR 41/MWh and 90%) had weakened while electricity futures had also peaked. In our view, the reason for this is the disastrous and still open "proxy hedge", where the company has effectively taken a position on the narrowing price gap between the Nordic countries and Germany (long Nordic / short German Power). Germany's 2023 electricity futures have continued to rise much faster than the Nordic countries, which is why this position is heavily loss-making. In Q1 the difference was still around EUR -130/MWh, but now it was a whopping EUR -250/MWh. The position may also cause interesting changes in the future, but it's far from a successful hedge in any case.

Russian Power Generation was the best performing of Uniper's segments, but its value is still highly questionable in the current environment. Despite all this, Uniper's adjusted net income for Q2 was about EUR 256 million positive, but there are many different

adjustments behind the net income and not all of them are easy to understand. Aiming for comparability is good, but the figures should still be a reasonable reflection of operational developments. Now operating cash flow was negative EUR 2.2 billion in H1 (vs. H1'22 adjusted EBIT of 564 MEUR), which gives a different picture of the business development. Uniper optimized cash flow at the end of last year, and we are now seeing the backlash.

The reported result was not a pretty sight, but also included future losses

Uniper reported a net loss of EUR 12.4 billion for H1, which translates into a loss of around EUR 9.3 billion for Q2. The difference between the adjusted net result for H1 (EUR -0.4 billion) and the reported net result was huge at around EUR 12 billion, which is mainly explained by three major factors. The first of these is a EUR 6.5 billion provision for the disruption of Russian gas flows, which is likely to increase further. According to Uniper, the loss rate is now around 100 MEUR/day, which would mean losses of over 8 billion by early October. In our view, it's reasonable to think that this adjustment would amount to at least EUR 7 billion, after which the German state would have to finance the excess. The item will eventually move with gas flow and gas price.

The second adjustment is also relatively straightforward and includes EUR 2.7 billion of write-downs, mainly related to Russia (Nord Stream 2, Russian Power Generation / Global Commodities). Uniper had increased its risk premiums for Russia and lowered its business growth forecasts.

Uniper's outlook was gloomier than expected

The third adjustment was EUR 4.9 billion related to the calculation of the fair value of derivatives. The increase in raw material prices has led the company to calculate sales price hedges in accordance with IFRS accounting. However, the values of the company's inventories and production facilities haven't risen because they are not given a similar economic value on a quarterly basis. Evaluating the item from outside is difficult: In principle, a lot is pointless if Uniper has the physical resources to produce the product (energy) to be sold at the previous cost, with both ends hedged. However, given Uniper's hedging and risk management problems, it's impossible for us to be confident that the counterpart is "balanced".

Equity capital at EUR 5 billion below zero

After the massive reported loss, Uniper's equity was around EUR 5 billion negative at the end of Q2. This combined with the huge size of the balance sheet (over EUR 200 billion) is obviously not a good situation. Nevertheless, after the announcement of the German stabilization package, the credit rating agencies S&P and Fitch confirmed Uniper's BBB- (S&P) / BBB (Fitch) investment grade credit ratings, effectively arguing that Uniper can be defined as a government-related entity that would very likely be supported by the state. In practice, this means that Germany will support the company if necessary, which means that the risk of bankruptcy isn't particularly high.

Outlook was gloomier than expected

Uniper didn't provide guidance for 2022 because the uncertainty surrounding earnings development is too high at the moment and a reasonable earnings range couldn't be given. This is understandable in the

current situation. However, the company's management stated in a conference call that, based on current public information, Uniper will make an operating loss of around EUR 5-9 billion ("mid-to-high single-digit billion") in 2022. The previous loss of over EUR 6 billion is probably optimistic with current information, and we have lowered our own estimate to around EUR 8.3 billion for Fortum's Uniper segment. The figure is more of a guess at the ballpark of the loss, and it depends on gas flows and prices.

An explosion at the Freeport LNG terminal in the US, which resulted in the closure of the facility for the time being, cast yet another shadow on the outlook. Uniper has a long-term contract with Freeport, so this will have consequences for Uniper's earnings for the rest of the year. The amount of the losses depends on the price at which the replacement gas must be bought on the market. While the amount would be highly significant for Uniper in a normal year, but next to the billions in losses it's mostly a forecasting error. Practically, the same applies to the low hedging prices in the European Generation segment.

Looking at the big picture, Uniper indicates that the company is likely to make a clear loss also in 2023, although the loss will be significantly reduced from the current year. The company indicates that it will reach profitability in 2024. We had estimated that Uniper's losses would continue next year, but our perception of their magnitude changed significantly. However, the visibility for the coming years is poor, making it impossible to make accurate estimates. Overall, the outlook was in any case significantly weaker than expected, which is why our Fortum forecasts have been significantly lowered (see next page).

A brief summary of the Uniper stabilization package

On July 27, 2022, Fortum and Uniper announced a stabilization package granted by Germany to Uniper consisting of three main components. 1) The German State will take a 30% equity stake in Uniper by subscribing approximately 157 million new shares at nominal value of EUR 1.70 per share. With a capitalization of EUR 267 million, Fortum's holding will drop from about 80% to 56%. 2) The German government has committed to make available further capital of up to EUR 7.7 billion against issuance of mandatory convertible instruments. The purpose of the financing is to cover losses arising from Uniper's gas supply business as Gazprom's supply volumes decline considerably. 3) The German state-owned KfW bank will provide Uniper with an additional EUR 7 billion in liquidity support to strengthen the company's financial position. In addition, the German government will introduce a mechanism that will allow Uniper to pass on 90% of the higher gas procurement costs to its customers from October 1, unless the German government takes a separate decision before then.

If Uniper's losses in the current year exceed EUR 7 billion, the German government is also prepared to provide further support to Uniper so that it doesn't dilute the ownership of shareholders. Exactly what kind of support this means is still unclear. Hybrid financing and equity financing are subject to approval by Uniper's General Meeting and require other conditions to be met. In addition, the EU Commission still has to approve the stabilization package, which will take time to finalize. We covered the package in more detail in our previous [update](#).

Further estimate revisions to come

Waiting for the dust to settle

We have lowered Uniper's estimates for the coming years significantly since the Q2 report, but visibility is currently poor and there are a lot of moving parts. The size of the losses will depend on the development of gas volumes and prices, and on the overall success of energy policy. It's a moving target, which is why we haven't even tried to make accurate estimates for Uniper.

For Fortum, the situation is also significantly complicated by the fact that the company's stake in Uniper is expected to go down (from around 80% to 56%) when the German stabilization package enters into force, while Uniper's balance sheet will strengthen significantly. We have yet to make this change as the overall impact is still unclear. In principle, however, German support should put Uniper's balance sheet in order. In addition to the structural changes, modeling is made extremely challenging by Uniper's huge balance sheet, whose changes are difficult to estimate in the middle of an energy crisis. Overall, it's currently almost impossible to forecast cash flows for the coming years with reasonable accuracy. Because of this, we have

exceptionally omitted the DCF calculation from this report.

We will revisit our estimates in the context of Fortum's pre-earnings comment, or at the latest after Fortum's Q2 results announcement. Fortum will publish its Q2 results on August 25, 2022. The earnings outlook for "old Fortum" is operationally very good, but with Uniper the figures take on a completely different tone. There is also still a lot of uncertainty surrounding business in Russia.

The impact on Fortum is not entirely straightforward

Fortum currently owns about 80% of Uniper and consolidates it as a subsidiary in its group figures. As a result, Uniper's huge loss will also be reflected in Fortum's Q2 numbers and consolidated balance sheet, and we have tried to take this into account in our estimates. Broadly similar adjustments are presumably also made in Fortum's comparable results, but there are always at least minor discrepancies in the reporting. In Fortum's results, part of Uniper's loss will flow to the minority shareholders with a 20% stake in Uniper.

In Q2, Fortum will still presumably report a huge loss, which will also put a strain on its balance sheet equity. However, it's important to note that under Uniper's stabilization package, the German State will generally finance Uniper and eventually also cover the capital shortfall in its balance sheet. Although Uniper's dismal figures will be consolidated in the Fortum Group's earnings and balance sheet, they are separate companies and, if the stabilization package is implemented, Uniper's gas losses will presumably be financed by the German state.

Therefore, if the Uniper stabilization package is implemented, the loss of Uniper won't have such a direct impact on Fortum's balance sheet. Nevertheless, the accumulation of Uniper's losses continues to increase the funding from the German state, which is supposedly in a position ("super-senior") overall above the funding previously provided by Fortum. Thus, the increase in this financing will further postpone the repayment of the EUR 8 billion previously provided by Fortum. In this way, the currency of the financing can be called into question as the repayment period may be pushed further and further away.

Estimate revisions	2022e	2022e	Change	2023e	2023e	Change	2024e	2024e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	140684	176189	25%	127905	159859	25%	115440	144346	25%
EBITDA	-6206	-17821	187%	2712	1912	-30%	3059	3064	0%
EBIT (exc. NRIs)	-6137	-6821	11%	1362	562	-59%	1702	1749	3%
EBIT	-7515	-19130	155%	1362	562	-59%	1702	1749	3%
PTP	-8760	-20375	133%	1192	204	-83%	1532	1375	-10%
EPS (excl. NRIs)	-4.15	-0.97	-77%	1.10	0.24	-78%	1.22	1.09	-11%
DPS	0.00	0.00	0%	0.40	0.00	-100%	0.50	0.50	0%

Valuation table

Arvostustaso	2017	2018	2019	2020	2021	2022e	2023e	2024e	2025e
Share price	16.5	19.1	22.0	19.7	27.0	11.4	11.4	11.4	11.4
Numbers of shares, millions	888.4	888.4	888.3	888.4	888.3	888.3	888.3	888.3	888.3
Market cap	14658	16968	19542	17501	23975	10131	10131	10131	10131
EV	13955	16805	18665	25567	32676	34597	32099	28385	26836
P/E (adj.)	22.2	24.1	12.6	11.8	13.5	neg.	47.3	10.5	10.3
P/E	16.9	20.1	13.2	9.6	32.5	neg.	47.3	10.5	10.3
P/CF	neg.	10.0	46.5	neg.	neg.	neg.	3.7	2.5	4.2
P/B	1.1	1.4	1.5	1.4	2.0	neg.	neg.	neg.	neg.
P/S	3.2	3.2	3.6	0.4	0.2	0.1	0.1	0.1	0.1
EV/Sales	3.1	3.2	3.4	0.5	0.3	0.2	0.2	0.2	0.2
EV/EBITDA (adj.)	8.6	10.0	11.0	9.5	47.2	neg.	16.8	9.3	8.5
EV/EBIT (adj.)	16.9	17.0	15.7	19.0	12.9	neg.	57.2	16.2	14.6
Dividend/earnings (%)	112.8 %	115.9 %	66.0 %	54.6 %	137.1 %	0.0 %	0.0 %	46.0 %	90.7 %
Payout ratio	6.7 %	5.8 %	5.0 %	5.7 %	4.2 %	0.0 %	0.0 %	4.4 %	8.8 %

Lähde: Inderes

Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		P/E		Dividend yield-%		P/B
Company	MEUR	MEUR	2022e	2023e	2022e	2023e	2022e	2023e	2022e	2023e	2022e
RWE	29328	37465	12.3	16.4	8.2	10.0	14.6	21.0	2.1	2.1	1.7
Engie	31600	23090	3.2	3.4	2.0	2.0	7.9	8.6	7.9	7.6	0.9
E.ON	24997	61748	13.4	13.7	8.1	8.3	10.6	10.8	5.3	5.5	2.0
Verbund	38250	42434	15.4	11.3	13.0	10.1	20.2	14.8	2.8	3.1	5.2
EDF	46289	42833	8.5	5.8	3.1	2.3		10.6	5.2	4.0	1.0
CEZ	23869						12.5	9.6	5.3	6.9	3.0
Enel	51870	89053	7.5	6.9	4.6	4.4	9.2	8.4	7.9	8.4	1.5
Uniper	2842	3132		6.3	1.8	1.9	3.5	4.1	5.6	9.9	0.4
Orsted	45332	47914	16.7	23.6	12.2	14.0	24.9	34.9	1.7	1.8	4.2
Fortum (Inderes)	10131	34597	neg.	57.2	neg.	16.8	neg.	47.3	0.0	0.0	-4.9
Average			11.0	10.9	6.6	6.6	12.9	13.7	4.8	5.5	2.2
Median			12.3	9.1	6.4	6.3	11.5	10.6	5.3	5.5	1.7
Diff-% to median				526%		165%		347%	-100%	-100%	-396%

Source: Refinitiv / Inderes. NB: The market cap Inderes uses does not consider own shares held by the company.

Income statement

Income statement	2020	Q1'21	Q2'21	Q3'21	Q4'21	2021	Q1'22	Q2'22e	Q3'22e	Q4'22e	2022e	2023e	2024e	2025e
Revenue	49015	21493	17128	23701	50078	112400	43623	36797	34943	60826	176189	159859	144346	130772
<i>Generation</i>	2006	675	576	684	964	2899	710	705	649	1055	3118	3501	3102	3108
<i>City Solutions</i>	1075	418	256	202	426	1302	390	258	210	414	1272	1326	1353	1381
<i>Consumer Solutions</i>	1267	661	424	485	1052	2622	1168	562	642	1210	3582	3719	3800	3882
<i>Russia</i>	929	264	182	193	267	906	223	174	184	254	835	827	827	827
<i>Uniper</i>	44514	19770	15893	22411	47918	105992	41484	35307	33541	58354	168686	151817	136636	122972
<i>Other</i>	140	34	36	33	35	138	35	37	34	36	141	144	148	151
<i>Eliminations</i>	-916	-329	-239	-307	-584	-1459	-387	-246	-316	-496	-1446	-1475	-1519	-1549
EBITDA	2689	1653	-527	-2791	2358	693	-2082.0	-9492.7	-6490.7	244	-17821.3	1912	3064	3146
Depreciation	-1090	-308	-313	-314	-346	-1281	-334	-320	-325	-330	-1309	-1350	-1315	-1307
EBIT (excl. NRI)	1344	1171	35	260	1070	2536	-438	518	-6816	-86	-6821	562	1749	1839
EBIT	1599	1345	-840	-3105	2012	-588	-2416	-9813	-6816	-86	-19130	562	1749	1839
<i>Generation</i>	722	269	195	245	401	1110	282	259	176	453	1171	1284	1086	1092
<i>City Solutions</i>	47	86	-4	-20	73	135	48	-7	-25	69	85	77	71	65
<i>Consumer Solutions</i>	90	36	19	13	-16	52	35	21	27	55	138	148	151	154
<i>Russia</i>	251	100	37	45	79	261	61	29	36	67	193	173	161	148
<i>Uniper</i>	363	711	-177	9	577	1120	-833	246	-7000	-700	-8287	-1000	400	500
<i>Other</i>	-129	-31	-35	-32	-44	-142	-31	-30	-30	-30	-121	-120	-120	-120
<i>Items affecting comparability</i>	255	174	-875	-3365	942	-3124	-1978	-10331	0	0	-12309	0	0	0
<i>Share of associates' profit or loss</i>	656	79	62	11	40	192	-190	15	0	25	-150	30	30	30
Net financial items	-56	36	35	-40	76	107	-955	-40	-50	-50	-1095	-388	-404	-475
PTP	2199	1460	-743	-3134	2128	-289	-3561	-9838	-6866	-111	-20375	204	1375	1394
Taxes	-344	-150	84	1366	-1125	176	729	1330	1613	32	3704	-40	-309	-314
Minority interest	-32	-218	185	1047	-162	852	610	1834	878	179	3501	50	-100	-101
Net earnings	1823	1092	-474	-721	842	739	-2222	-6674	-4374	100	-13170	214	965	979
EPS (adj.)	1.67	0.94	0.09	0.19	0.78	2.00	-0.27	4.12	-4.92	0.11	-0.97	0.24	1.09	1.10
EPS (rep.)	2.05	1.23	-0.53	-0.81	0.95	0.83	-2.50	-7.51	-4.92	0.11	-14.83	0.24	1.09	1.10

Source: Inderes

Balance sheet

Assets	2020	2021	2022e	2023e	2024e
Non-current assets	35604	49399	64090	43940	38825
Goodwill	1069	1021	1021	1021	1021
Intangible assets	1739	1146	1146	1146	1146
Tangible assets	19367	19049	18940	18790	18675
Associated companies	2912	2461	2261	2261	2261
Other investments	7959	6477	6477	6477	6477
Other non-current assets	2402	17096	32096	12096	7096
Deferred tax assets	156	2149	2149	2149	2149
Current assets	22206	100262	113375	80536	59723
Inventories	1396	2275	3566	3236	2922
Other current assets	8998	65500	65500	35500	20500
Receivables	9504	24895	39023	35406	30527
Cash and equivalents	2308	7592	5286	6394	5774
Balance sheet total	57810	149661	177465	124476	98547

Source: Inderes

Liabilities & equity	2020	2021	2022e	2023e	2024e
Equity	15577	13665	-551.5	-337.5	628
Share capital	3046	3046	3046	3046	3046
Retained earnings	10149	10062	-4120.5	-3906.5	-2941.2
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	-242.0	-977.0	-977.0	-977.0	-977.0
Minorities	2624	1534	1500	1500	1500
Non-current liabilities	22356	38070	67076	48450	42160
Deferred tax liabilities	952	827	827	827	827
Provisions	8098	10298	10298	10298	10298
Long term debt	8785	8701	19707	21081	19791
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	4521	18244	36244	16244	11244
Current liabilities	19877	97926	110940	76364	55760
Short term debt	1877	8519	10805	8042	4998
Payables	9525	17462	28190	26377	23817
Other current liabilities	8475	71945	71945	41945	26945
Balance sheet total	57810	149661	177465	124476	98547

Summary

Income statement	2019	2020	2021	2022e	2023e	Per share data	2019	2020	2021	2022e	2023e
Revenue	5447	49015	112400	176189	159859	EPS (reported)	1.67	2.05	0.83	-14.83	0.24
EBITDA	1693	2689	693	-17821	1912	EPS (adj.)	1.75	1.67	2.00	-0.97	0.24
EBIT	1118	1599	-588	-19130	562	OCF / share	1.51	1.75	-2.90	-21.40	4.41
PTP	1728	2199	-289	-20375	204	FCF / share	0.47	-8.69	-0.21	-19.37	3.06
Net Income	1482	1823	739	-13170	214	Book value / share	14.62	14.58	13.66	-2.31	-2.07
Extraordinary items	-72	255	-3124	-12309	0	Dividend / share	1.10	1.12	1.14	0.00	0.00
Balance sheet	2019	2020	2021	2022e	2023e	Growth and profitability	2019	2020	2021	2022e	2023e
Balance sheet total	23364	57810	149661	177465	124476	Revenue growth-%	4%	800%	129%	57%	-9%
Equity capital	13235	15577	13665	-551	-337	EBITDA growth-%	1%	59%	-74%	-2672%	-111%
Goodwill	612	1069	1021	1021	1021	EBIT (adj.) growth-%	21%	13%	89%	-369%	-108%
Net debt	5255	8354	9628	25227	22729	EPS (adj.) growth-%	120%	-4%	19%	-148%	-125%
Cash flow	2019	2020	2021	2022e	2023e	EBITDA-%	31.1 %	5.5 %	0.6 %	-10.1 %	1.2 %
EBITDA	1693	2689	693	-17821	1912	EBIT (adj.)-%	21.8 %	2.7 %	2.3 %	-3.9 %	0.4 %
Change in working capital	-240	-785	-1365	-4691	2134	EBIT-%	20.5 %	3.3 %	-0.5 %	-10.9 %	0.4 %
Operating cash flow	1340	1556	-2575	-19009	3916	ROE-%	11.9 %	14.1 %	5.9 %	-261.3 %	-11.0 %
CAPEX	-617	-20567	-13534	-16200	18800	ROI-%	9.9 %	10.3 %	-1.3 %	-63.4 %	2.0 %
Free cash flow	420	-7721	-186	-17209	2716	Equity ratio	56.6 %	26.9 %	9.1 %	-0.3 %	-0.3 %
						Gearing	39.7 %	53.6 %	70.5 %	-4574.4 %	-6734.5 %
Valuation multiples	2019	2020	2021	2022e	2023e						
EV/S	3.4	0.5	0.3	0.2	0.2						
EV/EBITDA (adj.)	11.0	9.5	47.2	neg.	16.8						
EV/EBIT (adj.)	15.7	19.0	12.9	neg.	57.2						
P/E (adj.)	12.6	11.8	13.5	neg.	47.3						
P/E	1.5	1.4	2.0	neg.	neg.						
Dividend-%	5.0 %	5.7 %	4.2 %	0.0 %	0.0 %						

Source: Inderes

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Recommendation history (>12 mo)

Date	Recommendation	Target price	Share price
2/4/2019	Accumulate	21.00 €	19.95 €
4/29/2019	Accumulate	20.00 €	18.67 €
7/22/2019	Accumulate	21.00 €	20.86 €
9/18/2019	Reduce	21.00 €	21.40 €
10/9/2019	Reduce	21.00 €	21.00 €
10/25/2019	Reduce	21.00 €	21.60 €
2/7/2020	Accumulate	23.00 €	21.99 €
3/17/2020	Buy	15.00 €	13.31 €
4/27/2020	Buy	17.00 €	14.86 €
5/18/2020	Buy	17.50 €	14.92 €
7/21/2020	Buy	20.00 €	17.84 €
8/20/2020	Buy	20.00 €	17.02 €
11/18/2020	Buy	20.00 €	17.63 €
12/4/2020	Buy	20.00 €	18.30 €
2/15/2021	Accumulate	22.50 €	21.97 €
5/14/2021	Accumulate	24.00 €	22.74 €
8/18/2021	Accumulate	26.50 €	24.49 €
11/15/2021	Reduce	25.00 €	25.30 €
2/28/2022	Reduce	19.00 €	19.47 €
3/7/2022	Accumulate	16.00 €	15.26 €
4/27/2022	Reduce	16.00 €	15.63 €
5/13/2022	Reduce	16.00 €	15.31 €
6/21/2022	Accumulate	18.00 €	16.31 €
7/25/2022	Accumulate	13.00 €	11.36 €
8/18/2022	Reduce	11.00 €	11.41 €



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