

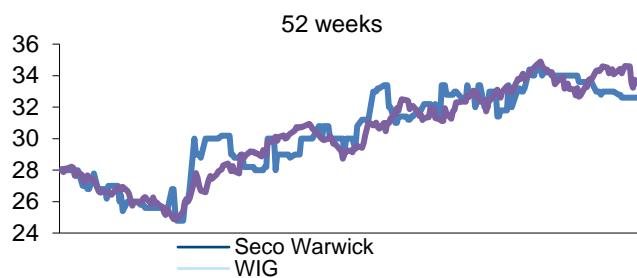
## COMPANY REPORT

# Seco Warwick

## from Buy to Hold

PLN mn	2023	2024e	2025e	2026e
Net sales	683.7	714.0	655.3	693.4
EBITDA	56.8	53.2	47.8	51.1
EBIT	40.5	35.7	29.2	31.9
Net result after min.	35.4	25.8	20.1	22.8
EPS (PLN)	3.54	2.58	2.01	2.28
CEPS (PLN)	5.17	4.34	3.88	4.20
BVPS (PLN)	24.29	25.87	26.88	27.95
Div./share (PLN)	1.00	1.00	1.00	1.21
EV/EBITDA (x)	5.6	6.6	7.1	6.5
P/E (x)	8.5	12.4	15.9	14.0
P/CE (x)	5.8	7.4	8.2	7.6
Dividend Yield	3.3%	3.1%	3.1%	3.8%

Share price (PLN) close as of 23/07/2024	32.0
Number of shares (mn)	10.0
Market capitalization (PLN mn / EUR mn)	320 / 75
Enterprise value (PLN mn / EUR mn)	350 / 82



Performance	12M	6M	3M	1M
in PLN	13.5%	6.7%	1.9%	-4.8%

Reuters	SWG.WA	Free float	34.5%
Bloomberg	SWG.PW	Shareholders	SW Holding (32.9%)
Div. Ex-date			SecoWarwick (13.84%)
<b>Target price</b>	<b>30.9</b>	Homepage:	<a href="https://www.secowarwick.com">https://www.secowarwick.com</a>

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### Sudden turnaround in performance prospects

**We are lowering our forecast for 2024-26 and our target price from PLN 36.2 to PLN 30.9. As a result, we are lowering our investment recommendation from Buy to Hold.**

Prospects of increased tariffs on Chinese imports and weak economic momentum in Europe are weighing on companies' investment decisions and Seco Warwick's ability to win orders. In our view, the 1H24 results may show that, despite a record backlog for the end of 2023, the current year's financial performance will not improve. We assume that Seco Warwick's order backlog will shrink in subsequent quarters, which will translate into a decline in earnings in 2024 and 2025.

It is worth noting that companies' investment plans are negatively affected by tightening protectionism in global trade. In May, the US raised tariffs on a range of Chinese imports, including quadrupling tariffs on Chinese electric vehicles to 100%. Brussels has proposed tariffs on electric vehicles (37.6%), which are still under discussion. Turkey has announced it will impose an additional 40% tariff on Chinese-made EVs, and Canada has said it is considering its own restrictions. Meanwhile, Indonesia plans to impose import tariffs of up to 200% on textile products that mainly come from China, and India is monitoring cheap Chinese steel.

## Risk factors

1. **High sensitivity of results to business cycles.** Historically, Seco Warwick's sales and results have been highly dependent on business cycles (capital goods market). A pronounced downturn could lead to a drastic decline in sales revenues and, consequently, financial results (see 2009).
2. **Strengthening of PLN against USD.** The strengthening of the zloty against foreign currencies is one of the biggest challenges for Seco Warwick from the point of view of competitiveness and the profitability of contracts executed. The plants in Poland are most exposed to currency risk (Europe ~30% of sales; 30% of sales in EUR, 20% in USD). The company hedges 60% of the net contract exposure at the time of contract conclusion. Companies in the US contract in USD and those in China mainly in CNY.
3. **High exposure to China.** Currently, more than 30% of the group's sales are realized in Asia (primarily China). In contrast, China accounted for 55% of the group's realized EBIT in 2022. A possible drastic economic slowdown in China, a US-China trade war, and a war over Taiwan could negatively affect the economic situation in China and, indirectly, the performance of the company there.
4. **Increase in personnel costs and access to highly qualified staff.** After material and energy costs, personnel costs are the second-largest category, accounting for 22% of total costs in 2022. Seco Warwick's workforce is primarily skilled engineers (over 60%), who are often attracted by competing companies. The group must keep salaries at a competitive level to avoid migration of talent out of the group. Seco Warwick is opening offices in locations where access to staff is better, e.g. Zielona Góra and Tarnowskie Góry, near Poznań.
5. **Exposure to defense industry.** Seco Warwick also has exposure to the defense industry (aircraft, helicopters, military drones) as a result of significant sales to the aerospace industry (approx. 1/3 of sales). In our view, exposure to the defense industry does not exceed 10% of total revenues. Some investors may statutorily exclude investments in companies with exposure to the defense industry, which may narrow the pool of potential investors (on the other hand, it is one of the factors for revenue growth).
6. **Risk of trade barriers.** The technological sophistication of Seco Warwick's products may result in part of the product range being subject to sanctions in the future, as was the case in Russia. The company has an outstanding deposit of EUR 252,000 relating to a contract that cannot be completed due to the sanctions in place (to date, a significant - more than 80% - part of the contract has been completed, all existing receivables have been paid by the counterparty). Also currently, trade barriers between China and India mean that Seco Warwick in China cannot supply products to India. The group plans to return to India in the future by building a branch there (there is already a sales & service division there).

## Valuation

We base our valuation of the Seco Warwick group on a 50% discounted cash flow method and a 50% comparative valuation.

(PLN)	Weight	Price
Relative valuation (PLN)	50%	30.5
DCF valuation (PLN)	50%	31.4
<b>12M target price per share (PLN)</b>		<b>30.9</b>

### Relative valuation

In the comparative valuation, we seek to benchmark Seco Warwick's performance against industrial capital goods producers. We include a 20% discount in the valuation due to the fact that the comparators are clearly larger in terms of business scale and many have greater sales diversification.

	P/E			EV/EBITDA			Dyield		
	2024e	2025e	2026e	2024e	2025e	2026e	2024e	2025e	2026e
AMG CRITICAL MAT	12.0	6.0	6.4	5.6	3.8	3.8	3.6%	4.7%	6.2%
PVA TEPLA AG	16.8	14.6	12.6	9.7	8.5	7.5	-	-	-
ANDRITZ AG	11.0	10.6	10.2	6.1	5.9	5.8	4.3%	4.5%	4.0%
MITSUBISHI HEAVY	12.3	10.7	9.9	8.0	7.0	6.6	2.2%	2.7%	3.0%
AIDA ENGINEERING	11.0	-	-	3.6	3.9	-	3.5%	-	-
DANIELI & CO	8.9	6.9	-	0.4	0.3	-	1.7%	1.3%	-
GEA GROUP AG	14.5	13.5	12.8	7.8	7.4	7.0	2.9%	3.1%	3.5%
JUDGES SCIENTIFI	24.7	22.9	21.4	17.0	16.0	15.5	1.1%	1.2%	1.3%
EINHELL (HANS)-P	9.2	8.3	-	6.8	6.2	-	2.1%	2.2%	-
PALFINGER AG	11.0	8.9	9.6	6.7	6.1	6.2	3.2%	3.7%	3.6%
INTERROLL HLDG-R	28.1	24.3	21.7	16.7	14.6	12.9	1.3%	1.4%	1.6%
MIN	8.9	6.0	6.4	0.4	0.3	3.8	1.1%	1.2%	1.3%
MAX	28.1	24.3	21.7	17.0	16.0	15.5	4.3%	4.7%	6.2%
<b>Median</b>	<b>12.0</b>	<b>10.6</b>	<b>11.4</b>	<b>6.8</b>	<b>6.2</b>	<b>6.8</b>	<b>2.6%</b>	<b>2.7%</b>	<b>3.5%</b>
Seco Warwick	12.4	15.9	14.0	6.5	7.0	6.4	3.1%	3.1%	3.8%
premium (discount)	3%	49%	23%	-4%	13%	-6%	21%	16%	9%
<b>Implied valuation</b>									
Median	12.0	10.6	11.4	6.8	6.2	6.8			
Discount	20%	20%	20%	20%	20%	20%			
Weight of the indicator		50%			50%				
Weight of the year	33%	33%	33%	33%	33%	33%			
Target value per share (PLN)	28.8								
<b>12m target value per share (PLN)</b>	<b>30.5</b>								

### DCF valuation

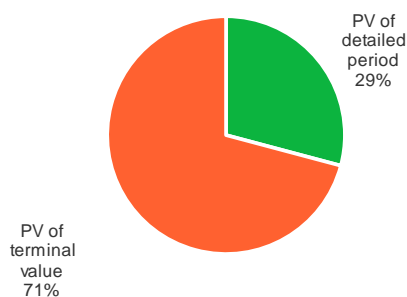
- 5-year forecast period.
- Risk-free rate of 5.5% (10-year government bond yield).
- To net debt we add value of dividend paid in 2024 (PLN 1/share).
- Beta 1.2. High volatility of past performance (capital goods market exposed to business cycles).

**WACC calculation**

	2024e	2025e	2026e	2027e	2028e	TV
Risk free rate	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Equity risk premium	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Beta	1.2	1.2	1.2	1.2	1.2	1.2
Cost of equity	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
Cost of debt	5.6%	5.5%	5.5%	5.5%	5.5%	5.5%
Effective tax rate	19.8%	22.0%	22.0%	22.0%	22.0%	22.0%
Equity weigh	92%	96%	97%	100%	100%	100%
WACC	11.3%	11.2%	11.0%	11.2%	11.3%	11.5%

**DCF valuation**

(mn PLN)	2024e	2025e	2026e	2027e	2028e	TV
Sales growth	4.4%	-8.2%	5.8%	7.8%	2.3%	2.1%
EBIT	36	29	32	46	45	44
EBIT margin	5.0%	4.5%	4.6%	6.1%	5.8%	5.6%
Tax rate	19.8%	22.0%	22.0%	22.0%	22.0%	22.0%
Taxes on EBIT	7	6	7	10	10	10
<b>NOPAT</b>	<b>29</b>	<b>23</b>	<b>25</b>	<b>36</b>	<b>35</b>	<b>34</b>
Depreciation	18	19	19	19	19	
CAPEX	-40	-25	-19	-20	-20	
Working Capital	0	11	-2	-4	1	
Other	0	0	0	0	0	
FCF to the firm	6	28	23	31	35	34
<b>Discounted cash flow</b>	<b>56</b>	<b>36</b>	<b>6</b>	<b>23</b>	<b>17</b>	<b>20</b>
Terminal value growth	2.0%					
Terminal value	357					
Discounted FCF	207					
<b>Enterprise value</b>	<b>292</b>					
Minorities	3					
Net debt	37					
Other adjustments	44					
<b>Equity value</b>	<b>297</b>					
Number of shares (mn)	10					
Cost of equity	5.6%					
<b>12M target value per share (PLN)</b>	<b>31.4</b>					
Up/Downside	-2%					



		Terminal value growth				
		0.0%	1.0%	2.0%	3.0%	5.0%
WACC	+1.0 p.p.	26.5	27.3	28.1	29.1	30.1
	+0.5 p.p.	27.8	28.7	29.7	30.7	31.9
	+0.0 p.p.	29.3	30.3	<b>31.4</b>	32.6	33.9
	-0.5 p.p.	30.9	32.0	33.2	34.6	36.2
	-1.0 p.p.	32.6	33.9	35.3	36.9	38.7

## Seco Warwick forecast update

We are significantly lowering our earnings forecast for 2024-26, mainly due to the expected weaker pace of new order inflows in 1H24.

In our view, Seco Warwick's order backlog will fall to around PLN 580mn at the end of 2024 vs. a record PLN 780mn at the end of 2023. We assume that the lower order backlog will continue in 2025 as well, and only 2026 will bring a recovery in the order book.

	2024e	2025e	2026e	2027e	2028e
Revenues	-3.6%	-16.7%	-15.5%	-12.8%	-14.0%
EBITDA	-11.5%	-24.5%	-23.2%	-1.7%	-5.7%
Net profit	-17.9%	-38.2%	-34.5%	-1.4%	-6.6%
DPS	-4.5%	-36.4%	-38.2%	-34.5%	-1.4%
Vacuum furnaces	-26.3%	-33.4%	-16.8%	+6.8%	+12.8%
CAB AP	-17.4%	-53.2%	-45.2%	-57.7%	-58.1%
Vacuum metallurgy	+47.6%	+18.2%	+20.4%	+12.9%	+11.6%
Aftersales	-11.7%	+2.4%	-21.0%	-5.3%	-16.2%
Backlog	-3.3%	-7.0%	-10.1%	-11.7%	-11.4%
New orders	-32.6%	-19.2%	-17.5%	-14.0%	-14.0%

Lower revenues as a result will prompt significantly lower earnings in 2024-26, mainly at the EBITDA and net profit levels.

In this environment, we do not assume the possibility of increasing the dividend stream in 2025.

**Income statement**

(mn PLN)	2021	2022	2023	2024e	2025e	2026e
<b>Net sales</b>	<b>463</b>	<b>623</b>	<b>684</b>	<b>714</b>	<b>655</b>	<b>693</b>
Vacuum furnaces	137	191	184	165	117	151
Atmosphere furnaces	2	0	0	0	0	0
CAB AP	98	154	138	117	103	121
Vacuum metallurgy	127	152	208	249	258	265
Aftersales	98	124	154	181	177	156
Other	0	2	0	1	1	1
<b>Costs</b>	<b>359</b>	<b>485</b>	<b>531</b>	<b>560</b>	<b>515</b>	<b>547</b>
Gross profit from sales	104	137	153	154	140	146
Vacuum furnaces	32	44	42	36	25	33
Atmosphere furnaces	-3	0	0	0	0	0
CAB AP	18	38	38	25	21	24
Vacuum metallurgy	30	16	23	29	32	34
Aftersales	27	40	51	63	62	54
Other	0	0	-1	0	0	0
<b>EBIT</b>	<b>24</b>	<b>42</b>	<b>41</b>	<b>36</b>	<b>29</b>	<b>32</b>
Net financials	-1	-3	-10	-3	-3	-3
Gross profit	19	33	30	32	26	29
CIT	2	1	6	7	6	7
Minorities	0	1	1	1	1	1
Net Income after minorities	17	31	35	26	20	23
<b>adj. EBITDA</b>	<b>37</b>	<b>57</b>	<b>57</b>	<b>53</b>	<b>48</b>	<b>51</b>
<b>adj. Net profit</b>	<b>17</b>	<b>31</b>	<b>35</b>	<b>26</b>	<b>20</b>	<b>23</b>

Source: SecoWarwick, forecasts by Erste Group Research

**Income statement**

(mn PLN)	2021	2022	2023	2024e	2025e	2026e
Backlog	347	566	776	578	574	586
New orders	459	842	902	515	650	704
Book to bill	1.3	1.1	0.9	1.2	1.1	1.2

**Cash flow**

(mn PLN)	2021	2022	2023	2024e	2025e	2026e
<b>Cash flow from operating activities</b>	<b>10</b>	<b>27</b>	<b>59</b>	<b>43</b>	<b>50</b>	<b>40</b>
Working capital	-3	12	7	0	11	-2
<b>Cash flow from investing activities</b>	<b>-9</b>	<b>-12</b>	<b>-22</b>	<b>-40</b>	<b>-25</b>	<b>-19</b>
CAPEX	-9	-12	-22	-40	-25	-19
<b>Cash flow from financing activities</b>	<b>0</b>	<b>5</b>	<b>-35</b>	<b>-18</b>	<b>-18</b>	<b>-20</b>
Dividend/buyback	-14	-3	-10	-10	-10	-12
<b>Cash flow</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>-15</b>	<b>7</b>	<b>1</b>
CFO/EBITDA	26%	47%	103%	82%	105%	79%
FCFF	18	38	80	83	75	59
<b>FCFF/EV</b>	<b>5%</b>	<b>11%</b>	<b>24%</b>	<b>24%</b>	<b>22%</b>	<b>18%</b>
DPS	0.48	0.25	1.00	1.00	1.00	1.21
Dividend payment ratio	35.9%	15.1%	32.7%	28.2%	38.8%	60.0%
<b>DYield</b>	<b>1.5%</b>	<b>0.8%</b>	<b>3.1%</b>	<b>3.1%</b>	<b>3.1%</b>	<b>3.8%</b>

Source: SecoWarwick, forecasts by Erste Group Research

**Balance sheet**

(mn PLN)	2021	2022	2023	2024e	2025e	2026e
<b>Fixed assets</b>	<b>167</b>	<b>166</b>	<b>190</b>	<b>212</b>	<b>219</b>	<b>218</b>
Tangible assets	75	82	101	123	130	129
Intangible assets	47	48	52	52	52	52
Goodwill	41	32	32	32	32	32
Deferred charges and accruals	1	2	3	3	3	3
<b>Current assets</b>	<b>295</b>	<b>415</b>	<b>437</b>	<b>438</b>	<b>414</b>	<b>435</b>
Inventories	62	89	89	93	85	90
Receivables	106	106	132	138	127	134
Cash	41	74	76	61	68	69
<b>Equity</b>	<b>167</b>	<b>222</b>	<b>243</b>	<b>259</b>	<b>269</b>	<b>280</b>
Minorities	1	2	3	3	4	4
<b>Long term liabilities</b>	<b>23</b>	<b>26</b>	<b>44</b>	<b>39</b>	<b>34</b>	<b>29</b>
Debt	23	26	41	36	31	26
<b>Short term liabilities</b>	<b>100</b>	<b>150</b>	<b>159</b>	<b>164</b>	<b>155</b>	<b>161</b>
Debt	34	65	51	51	51	51
Trade liabilities	66	85	108	112	103	109
Deferred charges and accruals	80	127	158	165	152	161
<b>Net Debt</b>	<b>16</b>	<b>18</b>	<b>17</b>	<b>27</b>	<b>15</b>	<b>9</b>
DN/EBITDA	0.4	0.3	0.3	0.5	0.3	0.2
DN/adjusted EBITDA	0.4	0.3	0.3	0.5	0.3	0.2

Source: SecoWarwick, forecasts by Erste Group Research

### Ratios

	2021	2022	2023	2024e	2025e	2026e
P/E	19.5	10.8	9.0	12.4	15.9	14.0
<b>P/E adj.</b>	<b>19.5</b>	<b>10.8</b>	<b>9.0</b>	<b>12.4</b>	<b>15.9</b>	<b>14.0</b>
EV/EBITDA	9.4	6.1	5.9	6.5	7.0	6.4
<b>EV/EA adj.</b>	<b>9.4</b>	<b>6.1</b>	<b>5.9</b>	<b>6.5</b>	<b>7.0</b>	<b>6.4</b>
P/S	0.7	0.5	0.5	0.4	0.5	0.5
P/BV	2.0	1.5	1.3	1.2	1.2	1.1
<b>EBITDA margin</b>	<b>8.0%</b>	<b>9.2%</b>	<b>8.3%</b>	<b>7.5%</b>	<b>7.3%</b>	<b>7.4%</b>
EBITDA r/r change	15%	55%	0%	-6%	-10%	7%
Net income margin	3.7%	4.9%	5.2%	3.6%	3.1%	3.3%
<b>EPS y/y change</b>	<b>23%</b>	<b>81%</b>	<b>19%</b>	<b>-27%</b>	<b>-22%</b>	<b>13%</b>
Share price (PLN)	32.00	32.00	32.00	32.00	32.00	32.00
Number of shares (mn)	10.3	10.3	10.0	10.0	10.0	10.0
MCap	330	330	320	320	320	320
EV	346	347	337	347	335	329

Source: SecoWarwick, forecasts by Erste Group Research



<b>Income Statement</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024e</b>	<b>2025e</b>	<b>2026e</b>
(IAS, PLN mn, 31/12)	31/12/2021	31/12/2022	31/12/2023	31/12/2024	31/12/2025	31/12/2026
<b>Net sales</b>	<b>463.20</b>	<b>622.73</b>	<b>683.66</b>	<b>713.98</b>	<b>655.33</b>	<b>693.35</b>
Cost of goods sold	358.94	485.39	530.55	560.22	515.46	546.95
<b>Gross profit</b>	<b>104.26</b>	<b>137.34</b>	<b>153.11</b>	<b>153.76</b>	<b>139.87</b>	<b>146.40</b>
SG&A	76.41	94.77	112.71	118.10	110.69	114.53
Other operating revenues	2.12	4.84	4.34	0.00	0.00	0.00
Other operating expenses	-5.96	-5.36	-4.24	0.00	0.00	0.00
<b>EBITDA</b>	<b>36.91</b>	<b>57.06</b>	<b>56.80</b>	<b>53.24</b>	<b>47.85</b>	<b>51.11</b>
Depreciation/amortization	12.89	15.01	16.30	17.57	18.67	19.24
<b>EBIT</b>	<b>24.01</b>	<b>42.05</b>	<b>40.50</b>	<b>35.67</b>	<b>29.18</b>	<b>31.87</b>
Financial result	-0.62	-3.09	-10.02	-3.44	-3.15	-2.64
Extraordinary result	0.00	0.00	0.00	0.00	0.00	0.00
<b>EBT</b>	<b>19.45</b>	<b>33.34</b>	<b>30.27</b>	<b>32.22</b>	<b>26.02</b>	<b>29.23</b>
Income taxes	2.15	1.28	6.23	7.06	6.42	7.01
Result from discontinued operations						
Minorities and cost of hybrid capital	11.40	13.44	14.10	14.64	15.52	16.58
<b>Net result after minorities</b>	<b>16.91</b>	<b>30.62</b>	<b>35.41</b>	<b>25.81</b>	<b>20.13</b>	<b>22.80</b>
<b>Balance Sheet</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024e</b>	<b>2025e</b>	<b>2026e</b>
(IAS, PLN mn, 31/12)						
Intangible assets	75.23	82.00	100.94	123.36	129.69	129.46
Tangible assets	47.30	48.47	52.31	52.31	52.31	52.31
Financial assets	2.06	2.19	1.64	1.64	1.64	1.64
<b>Total fixed assets</b>	<b>166.89</b>	<b>166.20</b>	<b>189.88</b>	<b>212.30</b>	<b>218.64</b>	<b>218.40</b>
Inventories	295.35	415.46	436.70	437.52	414.02	435.35
Receivables and other current assets	105.57	106.38	132.32	138.19	126.84	134.20
Other assets	98.01	157.94	148.67	155.69	145.05	153.60
Cash and cash equivalents	41.20	73.90	75.74	60.79	67.89	69.39
<b>Total current assets</b>	<b>393.35</b>	<b>573.41</b>	<b>585.37</b>	<b>593.21</b>	<b>559.07</b>	<b>588.95</b>
<b>TOTAL ASSETS</b>	<b>462.24</b>	<b>581.66</b>	<b>626.58</b>	<b>649.82</b>	<b>632.65</b>	<b>653.75</b>
Shareholders'equity	166.64	221.66	242.89	258.69	268.82	279.54
Minorities	1.20	2.41	2.68	3.32	3.84	4.42
Hybrid capital and other reserves	0.00	0.00	0.00	0.00	0.00	0.00
Pension and other LT personnel accruals	0.00	0.00	0.00	0.00	0.00	0.00
LT provisions	0.00	0.00	0.00	0.00	0.00	0.00
Interest-bearing LT debts	23.47	26.34	41.46	36.46	31.46	26.46
Other LT liabilities	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total long-term liabilities</b>	<b>23.47</b>	<b>26.34</b>	<b>44.41</b>	<b>39.41</b>	<b>34.41</b>	<b>29.41</b>
Interest-bearing ST debts	34.05	65.45	51.49	51.49	51.49	51.49
Other ST liabilities	157.46	224.12	278.93	291.72	269.91	285.70
<b>Total short-term liabilities</b>	<b>100.07</b>	<b>150.14</b>	<b>159.10</b>	<b>163.87</b>	<b>154.64</b>	<b>160.63</b>
<b>TOTAL LIAB. , EQUITY</b>	<b>462.24</b>	<b>581.66</b>	<b>626.58</b>	<b>649.82</b>	<b>632.65</b>	<b>653.75</b>
<b>Cash Flow Statement</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024e</b>	<b>2025e</b>	<b>2026e</b>
(IAS, PLN mn, 31/12)						
Cash flow from operating activities	9.56	26.55	58.57	43.49	50.26	40.21
Cash flow from investing activities	-8.55	-11.67	-21.62	-40.00	-25.00	-19.00
Cash flow from financing activities	0.00	0.00	1.84	-14.95	7.11	1.49
<b>CHANGE IN CASH , CASH EQU.</b>	<b>54.22</b>	<b>73.90</b>	<b>75.74</b>	<b>60.79</b>	<b>67.89</b>	<b>69.39</b>
<b>Margins &amp; Ratios</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024e</b>	<b>2025e</b>	<b>2026e</b>
Sales growth	18.9%	34.4%	9.8%	4.4%	-8.2%	5.8%
EBITDA margin	8.0%	9.2%	8.3%	7.5%	7.3%	7.4%
EBIT margin	5.2%	6.8%	5.9%	5.0%	4.5%	4.6%
Net profit margin	3.7%	4.9%	5.2%	3.6%	3.1%	3.3%
ROE	9.1%	15.8%	15.2%	10.3%	7.6%	8.3%
ROCE	7.6%	11.3%	9.7%	5.9%	4.1%	5.1%
Equity ratio	35.8%	37.7%	38.3%	39.3%	41.9%	42.1%
Net debt	16.3	17.9	17.2	27.2	15.1	8.6
Working capital	195.3	265.3	277.6	273.6	259.4	274.7
Capital employed	181.8	237.1	260.4	285.5	283.0	286.6
Inventory turnover	-1.2	-1.4	-1.2	-1.3	-1.2	-1.3

Source: Company data, Erste Group estimates

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