



## ERIK PENSER BANK

Penser Access | Apparel/Footwear | Sweden | 23 August 2021

# Björn Borg

## Record strong Q2

### In line with preliminary figures

Björn Borg reported Q2 sales of SEK 163m (148), corresponding to 10% growth y/y and 15% against Q2 2019. When the company issued a reverse profit warning in July, the sales figures exceeded our estimates by 6%. The gross margin was 56.3% (49.1%), and currency-adjusted 52.2% (52%). EBIT for the period was SEK 19.3m (against the expected 9.4), and the difference is explained by a higher gross margin and better sales.

### Strengthened profitability ahead

Björn Borg continues to review the market conditions for physical stores, and a number were closed in 2021. We see this as positive and believe that although it will reduce sales it will strengthen profitability. We delve into the expected structure later in our analysis.

### Raised fair value

We believe that the review of the store structure strengthens the prospects for long-term profitability, and that the mix of sales channels will be more attractive in 2023, which will strengthen EBIT. We are adjusting our estimates to reflect stronger profitability and the loss of revenue from closed stores, with the greatest effect in 2023. We see a new fair value of SEK 42-44 (34-36) and medium risk.

Estimate Changes (SEK)			Estimates (SEK)					Risk and Potential		
	Now	Before		20	21e	22e	23e	Motivated value	42.00 - 44.00	
EPS, adj 21e	2.24	1.98	13.0%	Sales,m	705	758	802	830	Current price	35.95
EPS, adj 22e	2.66	2.62	1.6%	Sales Growth	(6.8)%	7.5%	5.7%	3.6%	Risk level	Medium
EPS, adj 23e	3.09	2.87	7.8%	EBITDA, m	75	113	127	142		
				EBIT, m	33.7	73.2	86.9	100.6		
				EPS, adj	0.75	2.24	2.66	3.09		
				EPS Growth	(51.6)%	199.6%	18.6%	16.2%		
				Equity/Share	11.6	12.3	13.5	15.1		
				Dividend	1.50	1.50	1.50	1.50		
				EBIT Marginal	4.8%	9.7%	10.8%	12.1%		
				ROE (%)	6.5%	18.2%	19.8%	20.5%		
				ROCE	8.0%	17.8%	22.9%	28.5%		
				EV/Sales	1.47x	1.37x	1.30x	1.25x		
				EV/EBITDA	13.9x	9.2x	8.2x	7.3x		
				EV/EBIT	30.8x	14.2x	12.0x	10.3x		
				P/E, adj	48.0x	16.0x	13.5x	11.6x		
				P/Equity	3.1x	2.9x	2.7x	2.4x		
				Dividend yield	7.0%	7.0%	7.0%	7.0%		
				FCF yield	24.7%	7.3%	18.3%	19.2%		
				Net Debt/EBITDA	1.7g	0.9g	0.3g	(0.2)g		

Calendar Events	
Q3'21	2021-11-19
Q4'21	2022-02-25

Key Figures (mkr)	
Number of Shares	25.1m
Market cap	904
Net Debt	135
EV	1,039
Free Float	90.00%
Avg. No. of Daily Traded Sh.	29.0(k)
Reuters/Bloomberg	BORG.ST/BORG SS

One Year Performance Chart	

Analysts	
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## Overview

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### Record strong Q2

#### Investment Case

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Björn Borg's transition from an underwear company into a sportswear brand has been hampered by the Covid-19 pandemic and shutdowns in the company's core markets. In the long term, however, the health and fitness trend will continue to drive the company's growth. Despite its strong brand, Björn Borg is today valued on a par with or lower than other clothing retailers. We believe a brand valuation is more relevant. Given the company's lower profitability and regional focus exclusively on northern Europe, a discount is justified against other brand companies, although the current discount is unjustifiably high.

#### Company Profile

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Björn Borg is a Swedish fashion company that designs and sells underwear, footwear, sportswear and other products under its own Björn Borg brand. The company's two largest markets are the Netherlands and Sweden, which together accounted for just over 62% of brand sales in 2020. The underwear product area accounted for the majority of sales in 2020, at 56%, while sports apparel accounted for some 13%. Own e-commerce and sales via external e-tailers made up 38% of sales in Q2 2021.

Björn Borg updated its financial targets in 2019. The new targets are annual sales growth of 5%, an annual operating margin of 10%, an annual dividend of at least 50% of net profit after tax, and an equity/assets ratio not less than 35%.

#### Valuation approach

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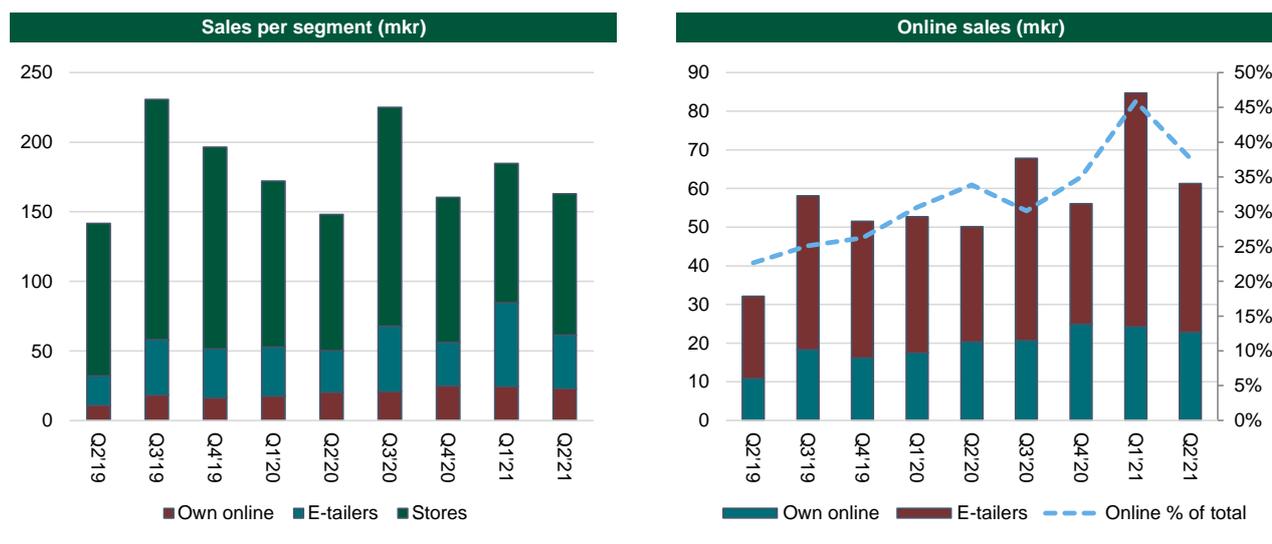
We value Björn Borg using a multiple approach supported by a DCF model. Given the company's profitability and strong brand, the valuation discount is unjustified. Björn Borg is traded at EV/EBIT 12x for 2022e and 10x for 2023e, which is closer to a retailer without the pricing freedom of a brand. Our comparison group of retailers trades at EV/EBIT 14x for 2023e, while brand companies are traded at EV/EBIT 21x for 2022e.

We believe Björn Borg is positioned to continue to grow its online business. We also note that the company has a strong brand in several segments and we find it has the potential to improve the discount level of its products, while closed stores will lead to stronger margins in our estimates. We believe that the company's improved profitability potential reduces the justified discount against brand companies. At a discount of 33% (previously 40%), a multiple of 14x is justified for 2022e. This justifies a value of SEK 42-44 per share. The valuation is supported by our DCF model, which indicates a fair value of SEK 43 per share. The DCF model applies a WACC of 8.5 %, which is slightly adjusted to reflect our view of lower risk in the company with fewer stores. The DCF model assumes growth beyond the forecast period of 1.5%, and a long-term profitability level of 10%, in line with the company's own profitability targets

## The quarter in detail

### Continuing to grow online

Net sales for the second quarter amounted to SEK 162.8 million (148.0), which corresponds to an increase of 10% y/y, and 14.9% compared with the same quarter in 2019. Revenues exceeded our estimate (before the reverse profit warning) of 153.3 SEK by the equivalent of 6.4%. Own online grew by 12.6% to SEK 22.8 million. Own e-commerce and e-tailers amounted to SEK 61.3 million and grew by 28.5%.



The gross margin was 56.3% (49.1%). Organically, the gross margin was 52.2% (52%). Our estimate for the gross margin was 53%. Operating profit amounted to SEK 19.3 million (-13.4) against the expected SEK 9.4 million (before the reverse profit warning). The discrepancy is explained by a higher gross margin and higher sales, primarily in e-tailers. The stronger gross margin is primarily explained by exchange rates, as the FX-adjusted gross margin amounted to 52% against the expected 53%. The operating margin was very strong and amounted to 11.8%. EBIT and revenue were known since the reverse profit warning in mid-July. See the table below for all estimate differences for the second quarter.

### Deviations

Item	Result	EPB estimate	Diff	Comment
Revenue	162,8	153,3	6%	E-tailers stronger than est
EBITDA	28,0	18,5	51%	Stronger gross marg + revenue
EBIT	19,3	9,4	105%	Stronger gross marg + revenue
EPS	0,5	0,3	116%	Stronger gross marg + revenue

## Estimate changes

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Closed stores will cause Björn Borg to lose sales in the short term, but given the low profitability of its own stores (own stores in consumer direct had an EBIT margin of -29% H1 2021), the overall profitability profile will improve in the future. However, in our opinion, the stores had a strong gross margin (57-60%), which is likely to mean that the gross margin for the group will weaken. Own e-commerce instead had a strong operating margin of 20% for H1 2021, which helped to strengthen the profitability profile of the company at EBIT levels and down.

At the end of 2020, Björn Borg had 29 wholly owned physical stores, and at the end of Q2 it had 25. These effects are likely to become visible during Q3, but we believe that they may be partially offset by the growth in e-tailers and own online. In addition, we estimate that Björn Borg will continue to close stores in 2022, with the impact in 2023. The estimate changes are summarised below. The changes for 2021 and 2022 correspond to expectations of increased revenues driven by online sales, while revenues in 2023 are left almost unchanged as we estimate that the stores closed during Q4 2022 will negatively impact sales in 2023. However, we estimate that the mix of sales channels will be more attractive in 2023, which means that we are upping the profitability estimate for 2023. Overall, our expectations for the EBIT margin are enhanced by 1% for 2023.

<b>New estimates</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>
Revenue	758 246	801 611	826 350
Growth	7,5%	5,7%	3,1%
EBIT	73 179	86 911	99 689
Operating margin	10%	11%	12%
EPS	2,24	2,66	3,07

<b>Previous estimates</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>
Revenue	750 203	795 215	825 189
Growth	6%	6%	4%
EBIT	64 112	85 573	93 505
Operating margin	8,5%	10,8%	11,3%
EPS	1,98	2,62	2,87

<b>Change, %</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>
Revenue	1%	1%	0%
EBIT	14%	2%	7%
EPS	13%	2%	7%

## Graphs

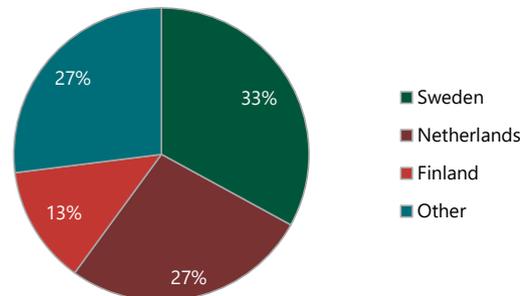
### Shareholder data

Shareholder	Votes	Shares
Martin Bjäringer	9,9%	9,9%
Mats Nilsson	6,5%	6,5%
Nordnet	5,3%	5,3%
Avanza Pension	5,2%	5,2%
Other	73%	73%

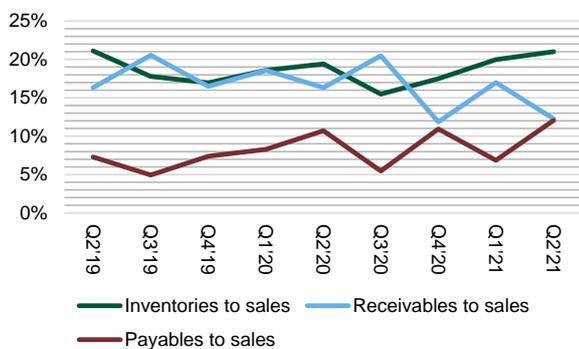
  

Chairman	Heiner Olbrich
CEO	Henrik Bunge
CFO	Jens Nyström
Contact	Pernilla Johansson
Website	<a href="http://www.corporate.bjornborg.com">www.corporate.bjornborg.com</a>

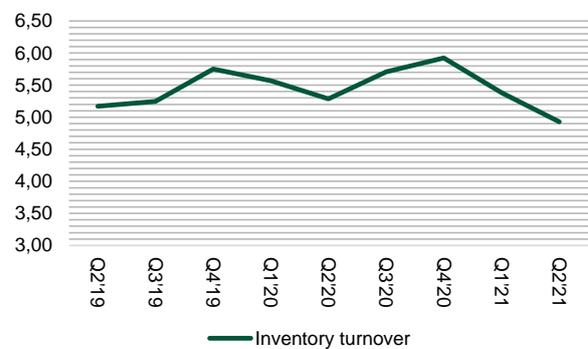
### Sales per market (2020)



### Working Capital to sales RTM (%)



### Inventory turnover, RTM (x)



## Valuation

Below is a summary of our valuation. We believe that the company's improved profitability potential reduces the justified discount against branded companies. At a discount of 33% (previously 40%), a multiple of 14x is justified for 2022e. This in turn justifies a value of SEK 42-44 per share. We are therefore raising our fair value from SEK 34-36 to SEK 42-44 per share.

Valuation output	
Last paid	35
Aktier	25 148
BV	880 180
EV	880 211
Cash	31
Debt	166
Net debt	135
Target multiple (22e EBIT)	14
Target EV	1 217
Less net debt	135
Target BV	1 082
Price per share	43,0

Below is a summary of our DCF model. The DCF model has applied a WACC of 8.5%, which is somewhat adjusted to reflect our view of lower risk in the company with fewer stores. The DCF model assumes growth beyond the forecast period of 1%, and a long-term profitability level of 12% (slightly adjusted upwards with reference to higher expected long-term profitability). Below is how the DCF valuation is affected by other assumptions regarding the discount rate, long-term operating margin and long-term growth.

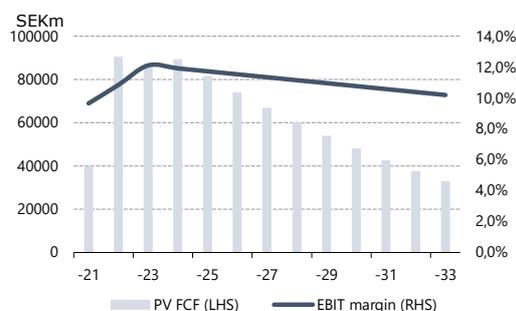
### Sensitivity analysis

		Long-term growth rate				
		0,0%	0,5%	1,0%	1,5%	2,0%
WACC	7,5%	45	47	49	52	55
	8,0%	42	44	46	48	51
	8,5%	40	41	43	45	47
	9,0%	37	39	40	42	44
	9,5%	35	37	38	39	41

		Long-term EBIT margin				
		5,0%	7,5%	10,0%	12,5%	15,0%
WACC	7,5%	35	42	49	57	64
	8,0%	33	39	46	52	59
	8,5%	31	37	43	49	55
	9,0%	29	35	40	46	51
	9,5%	28	33	38	43	48

### PV of FCF and EBIT margin



## Comparison companies

The valuations of sector companies, based on consensus estimates, are summarised below. Björn Borg's expected revenues and profitability are EPB's estimates. Björn Borg is traded at EV/EBIT 12x for 2022e and 10x for 2023e, which is closer to a retail company without the pricing strength of a brand. Our comparison group of retailers is traded at EV/EBIT 14x for 2022e, while brand companies are traded at EV/EBIT 21x for 2022e.

Varumärken	PEERS: Varumärken											
	EV/EBIT				P/E				EV/Sales			
	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
Bolag												
adidas AG	28.0	21.6	18.5	16.9	38.6	29.5	24.6	21.3	2.8	2.5	2.3	2.2
NIKE, Inc. Class B	34.1	29.2	N/A	N/A	38.8	33.1	28.6	25.0	5.4	4.9	4.5	4.1
HUGO BOSS AG	25.9	18.9	13.3	N/A	35.6	21.1	16.6	N/A	1.7	1.5	1.4	1.3
Moncler SpA	25.4	20.6	18.3	17.6	37.7	30.2	26.7	26.4	7.4	6.2	5.6	5.3
Prada S.p.A.	40.9	28.1	21.6	N/A	54.8	36.1	30.6	N/A	4.6	4.1	3.7	N/A
Hermes International SCA	39.8	36.6	33.3	29.5	60.0	53.8	47.7	N/A	14.7	13.1	11.9	11.1
Under Armour, Inc. Class A	28.8	21.7	18.1	16.3	42.1	37.0	28.7	33.3	2.0	1.9	1.8	2.0
Lululemon Athletica Inc	41.6	33.7	25.8	N/A	57.5	47.0	38.9	31.9	8.7	7.4	6.4	5.8
PUMA SE	32.6	23.6	19.4	16.4	53.4	36.8	29.6	25.1	2.5	2.2	2.0	1.8
Abercrombie & Fitch Co.	9.2	10.4	N/A	N/A	10.8	12.3	13.5	N/A	0.8	0.8	0.8	N/A
Bath & Body Works, Inc.	10.2	10.0	9.2	N/A	15.4	13.7	12.7	13.8	3.1	2.9	2.7	N/A
Canada Goose Holdings, Inc	29.7	19.5	N/A	N/A	39.0	25.7	20.6	N/A	4.8	4.1	3.8	N/A
Ralph Lauren Corporation	13.1	12.0	10.9	9.9	16.4	14.5	12.4	11.3	1.6	1.5	1.5	1.4
Guess?, Inc.	N/A	N/A	N/A	N/A	10.0	8.8	8.0	7.1	0.9	0.9	0.8	0.8
Asics Corporation	32.5	21.9	18.7	N/A	81.4	34.9	27.5	N/A	1.3	1.2	1.1	N/A
Burberry Group plc	16.1	13.9	12.4	12.0	21.5	18.7	17.5	16.1	2.7	2.5	2.4	2.3
PVH Corp.	15.6	13.4	11.9	11.9	15.5	12.3	10.5	9.0	1.3	1.2	1.1	1.1
Fenix Outdoor International	17.7	15.2	14.3	N/A	23.2	19.2	17.9	N/A	2.7	2.6	2.5	N/A
Lexington Co. AB	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Björn Borg	14.2	12.0	10.4		16.0	13.5	11.7		1.4	1.3	1.3	
<b>Average exkl Borg</b>	<b>26.0</b>	<b>20.5</b>	<b>17.5</b>	<b>16.3</b>	<b>36.2</b>	<b>26.9</b>	<b>22.9</b>	<b>20.0</b>	<b>3.8</b>	<b>3.4</b>	<b>3.1</b>	<b>3.3</b>

Detaljhandel	PEERS: Detaljhandel											
	EV/EBIT				P/E				EV/Sales			
	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
Bolag												
Gap, Inc.	13.6	10.6	8.7	N/A	15.8	12.7	10.0	N/A	0.9	0.9	0.9	N/A
H&M Hennes & Mauritz AB C	23.7	16.1	14.4	12.3	28.5	19.1	16.9	15.1	1.6	1.5	1.4	1.3
JD Sports Fashion Plc	17.2	15.0	13.6	N/A	25.5	21.8	20.0	N/A	1.5	1.4	1.3	N/A
Next plc	14.6	13.6	13.1	N/A	16.4	14.7	14.4	N/A	2.7	2.5	2.4	N/A
Foot Locker, Inc.	8.8	8.9	N/A	N/A	9.3	9.4	8.8	7.7	0.8	0.8	0.8	0.7
Footway Group AB Class B	N/A	N/A	N/A	N/A	260.0	40.0	N/A	N/A	N/A	N/A	N/A	N/A
ASOS plc	20.3	18.7	15.5	14.3	26.7	25.3	21.3	18.5	1.1	0.9	0.8	0.7
XXL ASA	13.9	12.6	11.2	N/A	15.1	12.4	10.5	N/A	0.7	0.7	0.7	N/A
Björn Borg	14.2	12.0	10.4		16.0	13.5	11.7		1.4	1.3	1.3	
<b>Average exkl Borg</b>	<b>16.0</b>	<b>13.6</b>	<b>12.8</b>	<b>13.3</b>	<b>49.7</b>	<b>19.4</b>	<b>14.6</b>	<b>13.8</b>	<b>1.3</b>	<b>1.2</b>	<b>1.2</b>	<b>0.9</b>

Varumärken	PEERS: Varumärken											
	Sales growth				EBIT-growth				EPS-growth			
	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
Bolag												
adidas AG	10%	10%	9%	8%	190%	28%	17%	13%	263%	31%	20%	15%
NIKE, Inc. Class B	13%	10%	9%	9%	19%	15%	14%	14%	22%	17%	16%	14%
HUGO BOSS AG	32%	13%	8%	6%	-179%	53%	24%	23%	-142%	68%	27%	N/A
Moncler SpA	35%	19%	11%	6%	50%	25%	12%	3%	21%	25%	13%	1%
Prada S.p.A.	29%	12%	10%	N/A	2259%	42%	26%	N/A	-510%	52%	18%	N/A
Hermes International SCA	35%	12%	10%	7%	60%	11%	12%	9%	56%	12%	13%	N/A
Under Armour, Inc. Class A	24%	5%	5%	-9%	N/A	18%	22%	-13%	-314%	14%	29%	-14%
Lululemon Athletica Inc	35%	17%	16%	10%	46%	22%	19%	12%	47%	22%	21%	22%
PUMA SE	24%	13%	11%	8%	141%	37%	21%	10%	276%	45%	24%	18%
Abercrombie & Fitch Co.	19%	3%	0%	N/A	540%	-10%	-8%	N/A	-583%	-12%	-9%	N/A
Bath & Body Works, Inc.	-35%	7%	7%	N/A	6%	3%	7%	N/A	54%	12%	8%	-8%
Canada Goose Holdings, Inc	19%	17%	9%	N/A	36%	44%	20%	N/A	46%	52%	24%	N/A
Ralph Lauren Corporation	31%	4%	5%	5%	250%	9%	11%	4%	316%	13%	17%	10%
Guess?, Inc.	37%	6%	4%	2%	1004%	14%	13%	16%	-3382%	13%	10%	13%
Asics Corporation	20%	5%	5%	N/A	-490%	43%	21%	N/A	-135%	133%	27%	N/A
Burberry Group plc	17%	8%	6%	3%	17%	15%	11%	5%	26%	15%	7%	9%
PVH Corp.	25%	6%	5%	2%	-2051%	18%	11%	1%	-442%	26%	17%	17%
Fenix Outdoor International	12%	5%	4%	N/A	58%	16%	7%	N/A	115%	21%	7%	N/A
Lexington Co. AB	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Björn Borg	8%	6%	3%		117%	19%	15%		200%	19%	15%	
<b>Average exkl Borg</b>	<b>21%</b>	<b>10%</b>	<b>7%</b>	<b>5%</b>	<b>115%</b>	<b>22%</b>	<b>14%</b>	<b>8%</b>	<b>-237%</b>	<b>31%</b>	<b>16%</b>	<b>9%</b>

PEERS: Detaljhandel												
Detaljhandel	Sales growth				EBIT-growth				EPS-growth			
	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
Bolag												
Gap, Inc.	24%	3%	2%	N/A	-232%	19%	16%	N/A	-201%	24%	27%	N/A
H&M Hennes & Mauritz AB C	10%	10%	3%	7%	385%	45%	12%	13%	960%	49%	13%	12%
JD Sports Fashion Plc	19%	9%	10%	N/A	38%	14%	13%	N/A	21%	17%	9%	N/A
Next plc	29%	8%	5%	N/A	98%	10%	5%	N/A	115%	12%	1%	N/A
Foot Locker, Inc.	16%	1%	2%	9%	113%	-4%	3%	9%	123%	-1%	7%	14%
Footway Group AB Class B	50%	34%	N/A	N/A	385%	-311%	N/A	N/A	-133%	550%	N/A	N/A
ASOS plc	21%	18%	15%	16%	36%	8%	20%	10%	22%	6%	19%	15%
XXL ASA	-3%	5%	3%	N/A	48%	13%	16%	N/A	164%	21%	18%	N/A
Björn Borg	8%	6%	3%		117%	19%	15%		200%	19%	15%	
<b>Average exkl Borg</b>	<b>21%</b>	<b>11%</b>	<b>6%</b>	<b>11%</b>	<b>109%</b>	<b>-26%</b>	<b>12%</b>	<b>11%</b>	<b>134%</b>	<b>85%</b>	<b>14%</b>	<b>14%</b>

## Income statement

SEK m	2017A	2018A	2019A	2020A	2021E	2022E	2023E
Net sales	696	710	757	705	758	802	826
Other operating income	8	7	22	29	26	26	26
Cost of goods sold	-320	-303	-351	-335	-346	-353	-360
Gross profit	<b>376</b>	<b>407</b>	<b>406</b>	<b>370</b>	<b>412</b>	<b>449</b>	<b>466</b>
Selling and administrative expenses	-319	-334	-320	-324	-325	-347	-350
Other operating costs	0,0	0,0	0,0	0,0	0,0	0,0	0,0
<b>EBITDA</b>	<b>65,3</b>	<b>79,9</b>	<b>108,6</b>	<b>74,5</b>	<b>112,6</b>	<b>127,5</b>	<b>141,5</b>
Depreciation/amortisation	-9,9	-8,9	-57,2	-40,8	-39,4	-40,6	-41,8
<b>EBIT</b>	<b>55,4</b>	<b>71,0</b>	<b>51,4</b>	<b>33,7</b>	<b>73,2</b>	<b>86,9</b>	<b>99,7</b>
Extraordinary Items							
<b>Adjusted EBIT</b>	<b>55,4</b>	<b>71,0</b>	<b>51,4</b>	<b>33,7</b>	<b>73,2</b>	<b>86,9</b>	<b>99,7</b>
Net financial items	-4,0	3,0	-2,7	-16,1	-1,8	-2,7	-2,7
<b>Profit before tax (EBT)</b>	<b>51,4</b>	<b>74,0</b>	<b>48,7</b>	<b>17,6</b>	<b>71,4</b>	<b>84,2</b>	<b>97,0</b>
Income tax	-14,0	-14,1	-9,7	1,3	-14,9	-17,3	-19,9
Minority Interest							
<b>Net Income</b>	<b>37,4</b>	<b>59,9</b>	<b>38,9</b>	<b>18,8</b>	<b>56,4</b>	<b>66,9</b>	<b>77,1</b>
<b>Net Income (Adjusted)</b>	<b>37,4</b>	<b>59,9</b>	<b>38,9</b>	<b>18,8</b>	<b>56,4</b>	<b>66,9</b>	<b>77,1</b>

## Cashflow statement

SEK m	2017A	2018A	2019A	2020A	2021E	2022E	2023E
EBITDA	65	80	109	75	113	127	141
Changes in working capital	-8	-54	21	89	-51	-3	-9
Other items	0	0	0	0	0	0	0
<b>Cash flow from operating activities</b>	<b>57</b>	<b>20</b>	<b>113</b>	<b>143</b>	<b>45</b>	<b>104</b>	<b>110</b>
Net financial expenses	-2	-3	-3	-16	-2	-3	-3
Income taxes paid	-3	-1	-10	1	-15	-17	-20
Investments	15	-16	-13	-9	-5	-5	-5
<b>Free Cash Flow</b>	<b>73</b>	<b>4</b>	<b>100</b>	<b>134</b>	<b>40</b>	<b>99</b>	<b>105</b>
Dividends	-50	-50	-50	0	-38	-38	-38
Right issue/Share buyback	0	0	0	0	0	0	0
Acquisitions	28	-2	0	0	0	0	0
Debt financing and other adjustments	-5	-7	-4	-3	0	0	0
<b>Cash Flow</b>	<b>7</b>	<b>-21</b>	<b>-8</b>	<b>43</b>	<b>2</b>	<b>62</b>	<b>67</b>
Adjustments for non-cash items	0	0	0	0	0	0	0
<b>Net debt (Adjusted)</b>	<b>90</b>	<b>114</b>	<b>262</b>	<b>128</b>	<b>102</b>	<b>40</b>	<b>-27</b>

## Balance sheet

SEK m	2017A	2018A	2019A	2020A	2021E	2022E	2023E
<b>Assets</b>							
Goodwill	36	35	35	34	34	34	34
Other Intangible assets	193	197	329	198	193	152	110
Tangible fixed assets	15	15	18	17	22	27	32
Other fixed assets	23	23	15	16	16	16	16
<b>Total fixed assets</b>	<b>266</b>	<b>271</b>	<b>397</b>	<b>265</b>	<b>264</b>	<b>229</b>	<b>192</b>
Inventory	110	140	128	123	136	144	149
Accounts receivable	91	130	125	84	114	120	124
Other current assets	21	14	20	77	43	43	43
Cash and cash equivalents	53	36	29	70	72	134	201
<b>Total current assets</b>	<b>274</b>	<b>320</b>	<b>302</b>	<b>355</b>	<b>366</b>	<b>442</b>	<b>516</b>
<b>Total assets</b>	<b>541</b>	<b>591</b>	<b>699</b>	<b>619</b>	<b>630</b>	<b>670</b>	<b>709</b>
<b>Equity and liabilities</b>							
Equity	277	288	265	291	310	339	378
Minority Interest	0,49	-5,86	0,00	0,00	0,00	0,00	0,00
<b>Total equity</b>	<b>277</b>	<b>282</b>	<b>265</b>	<b>291</b>	<b>310</b>	<b>339</b>	<b>378</b>
Non-current liabilities	125	150	150	99	99	99	99
Provisions for pensions	0	0	0	0	0	0	0
Deferred tax liabilities	0	0	0	0	0	0	0
Other non-current liabilities	66	47	137	75	75	75	75
<b>Total non-current liabilities</b>	<b>191</b>	<b>197</b>	<b>287</b>	<b>174</b>	<b>174</b>	<b>174</b>	<b>174</b>
Current liabilities	0	0	7	0	0	0	0
Accounts payable	20	38	56	77	70	81	79
Tax liability	0	0	0	0	0	0	0
Other current liabilities	52,0	74,8	84,7	76,8	76,8	76,8	76,8
<b>Total current liabilities</b>	<b>72</b>	<b>112</b>	<b>148</b>	<b>154</b>	<b>146</b>	<b>157</b>	<b>156</b>
<b>Total equity and liabilities</b>	<b>541</b>	<b>585</b>	<b>699</b>	<b>619</b>	<b>630</b>	<b>670</b>	<b>709</b>

## Capital efficiency

	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
ROE	14%	16%	13%	21%	15%	6%	18%	20%	20%
ROCE, adjusted	12%	13%	12%	15%	9%	7%	15%	17%	18%
ROIC	7%	9%	7%	10%	6%	6%	9%	10%	11%
Investments	(5)	(5)	(8)	(6)	(9)	(5)	(5)	(5)	(5)
Investments / Sales	0,8%	0,8%	1,1%	0,9%	1,2%	0,8%	0,7%	0,6%	0,6%
Selling and Administrative expenses / Sales	44%	41%	47%	48%	50%	52%	48%	48%	47%
Inventory / Sales	13%	11%	16%	20%	17%	17%	18%	18%	18%
Accounts receivable / Sales	15%	22%	13%	18%	16%	12%	15%	15%	15%

## Debt

	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Net debt	23,0	75,8	89,7	113,6	261,5	128,3	101,6	40,0	-26,7
Equity ratio	50%	54%	51%	48%	38%	47%	49%	51%	53%
Net debt / Equity	26%	31%	41%	93%	48%	35%	13%	-8%	0%
Net debt / EBITDA	35%	107%	137%	142%	241%	172%	90%	31%	-19%

## Per share data

	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
EPS	1,79	1,88	1,48	2,39	1,55	0,75	2,24	2,66	3,07
FCF per share	1,03	2,58	2,89	0,16	3,97	5,31	1,58	3,95	4,16
Dividend per share	2,00	2,00	2,00	2,00	0,00	1,50	1,50	1,50	1,50
Shares outstanding after dilution at period end (million)	25,15	25,15	25,15	25,15	25,15	25,15	25,15	25,15	25,15

## Valuation

	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
P/E	10,45	12,69	11,58	9,58	16,75	30,35	16,02	13,50	11,73
P/EK	1,62	2,08	1,55	2,05	2,46	1,96	2,92	2,67	2,39
P/FCF	18,14	9,26	5,91	139,49	6,53	4,28	22,70	9,10	8,65
Div yield	0,11	0,08	0,12	0,09	0,00	0,07	0,04	0,04	0,04
Payout ratio	1,12	1,06	1,36	0,84	0,00	2,00	0,67	0,56	0,49
EV/Sales	0,86	1,07	0,75	0,97	1,21	0,99	1,37	1,30	1,26
EV/EBITDA	7,58	9,53	7,95	8,63	8,42	9,39	9,23	8,15	7,35
EV/EBIT	8,43	10,54	9,38	9,71	17,80	20,77	14,20	11,96	10,42
EV, year end	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00

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