Stern Groep

H121 results

A strong H1, more emphasis on used/rental

Automobiles & parts

25 August 2021

Stern's 2020 financial and operational restructuring has placed it in a good position to cope with the uncertain car market in 2021. Opportunities to create further shareholder value range from M&A to high dividend pay-outs. We are increasing our EPS forecasts by 10.5% and 9.9% in 2021 and 2022 respectively, driven by the restructured organisation, digitisation efforts and an improving market environment. The valuation is undemanding, at 6.7x 2022e P/E.

Year end	Revenue (€m)	EBIT* (€m)	EPS* (€)	DPS (€)	P/E (x)	Yield (%)
12/19	876.8	5.1	0.29	3.50	48.6	24.8
12/20	751.1	6.3	(0.85)	0.00	N/A	N/A
12/21e	837.9	13.9	1.64	0.00	8.6	N/A
12/22e	873.3	17.0	2.12	0.84	6.7	6.0

Note: *EBIT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

Strong H121 results despite COVID-19 impact

Stern's H121 results were affected by the pandemic, with closed dealerships in Q1 and a recovery in Q2 when dealerships opened again. Used cars were in strong demand, as well as light commercial vehicles, while new car sales lagged as chip shortages limited supply. Average selling prices were higher, driven by demand for electric vehicles (Evs) and SUVs, which are relatively expensive. All in all, Stern's H121 sales came in 9.8% higher year-on-year at €419.5m. Adjusted EBIT was €7.9m (H120: €6.4m), in line with our estimate of €8.1m. Government aid programmes supported Stern's results in H1 and will continue until Q321, after which they will stop. Net profit amounted to €5.1m compared to a loss of €19.1m in H120. Supply chain issues relating to chip shortages for the OEMs bring uncertainty for H221 and therefore Stern did not provide specific FY21 guidance.

Increasing ROI, more used and rent/short lease

Stern sees OEM car distribution developing more towards an agent model, as opposed to the current dedicated importer/dealer model, in the coming years. This could imply lower working capital (less balance sheet risk) at the cost of gross margin for the dealers, but also a much higher return on investment. Moreover, Stern wants to concentrate more on used cars for which it has a relatively strong supply chain with Stern Rent (for which Stern seeks expansion) and the cooperation with ALD Automotive. In addition to this, there are other opportunities for Stern shareholders that could materialise: distributions of Stern's 'over-solvency' of €44.8m (Q1: €39.5m, €7.9 per share), a sale/IPO of unlisted car insurer Bovemij (book value €3.47/share) and M&A, both as a target and a purchaser.

Valuation: Attractive on a standalone basis

Stern is trading at an FY22e P/E of 6.7x based on an anticipated recovery in profitability in the coming years. Compared to the peer group average of 11.3x, this reflects a large discount. Applying the average peer multiple and adding the book value of the stake in insurer Bovemij (€3.47 per Stern share) results in an implied valuation of €27.31/share (versus €26.70/share in March 2021).

Price	**€14.10**
Market cap	**€84m**
Net debt (€m) at H121	92.8
Shares in issue	5.7m
Free float	29.5%
Code	STRN
Primary exchange	Euronext
Secondary exchange	N/A

Share price performance

%	1m	3m	12m
Abs	3.7	4.4	36.9
Rel (local)	(0.8)	(5.2)	(1.9)
52-week high/low		€14.25	€10.45

Business description

Stern Groep is the fifth largest automotive group in the Netherlands. It has around 60 dealer and Stern Point car repair locations and revenues of over €800m. The company had 1,674 full- and parttime employees at year end 2020.

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Edison profile page

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Aiming for higher returns on investment

Despite uncertainty in the car market, there are a number of opportunities that could start to crystalise value for shareholders. For more detail, please see also Edison's interview with CEO Henk van der Kwast (www.edisongroup.com/edison-tv/stern-groep-executive-interview/).

In the last few years, Stern has been proactive in restructuring the organisation to keep up with the structural change in the automotive market. A key part of that has been the progress made in digitalisation of sales and service operations, in which it was lagging Dutch peers. Looking forward Stern now sees OEMs moving towards an agent model, which implies a large change in the operating environment compared to the current dedicated dealer model, and this could trigger further consolidation. Furthermore, Stern believes that the interest in rent/short lease and relatively new used cars will continue as modern car users want flexibility. To summarise:

1. Stern sees the automotive world developing more towards an agent model as opposed to the current dedicated dealer model in the coming years. Stellantis and Mercedes (in which Stern is market leader in the Netherlands) have already implied that they would act in this direction. This new operating model probably implies that there is no need for most of the new cars that are now on the dealers' balance sheets, implying much lower working capital requirements. Of course, this would be at the cost of gross margin for the dealers, but return on investments will probably be much higher and balance sheet risk will be lower, implying higher valuations.
2. Operationally, the transformation from a traditional bricks and mortar car dealership to an integrated automotive service platform with a strong digital offering is progressing well. This is part of the effort of Stern to become cost and service leader in the Netherlands with a large offering in used cars. Used cars were a less important part of sales for Stern in the past, but these cars have become very popular since the start of the pandemic and the trend is expected to continue. Last quarter, used cars from lease partner ALD were advertised on Stern's platform, which we believe is a signal that Stern's proposition is maturing and adding extra sources of revenue. Furthermore, expansion of the short lease/rent activities, another focus point for Stern, will lead to a continuous flow of young used cars.
3. M&A offers optionality: Although we expect that talks with Scandinavian automotive group Hedin are still in the early stages, Stern is open to team up with an international group, as discussed in our interview with Stern CEO Henk van der Kwast. Alternatively, Stern also indicated that it could expand its Dutch activities again, especially in dealerships of strong car brands and in short lease/rent.
4. Stern's balance sheet developed favourably in 2020 and that persisted into H121. Stern's reported 'over-solvency' increased further to €44.8m, compared to €39.5m in Q121 and €29.5m at the end of FY20. Over-solvency refers to the difference between healthy (as determined by the company) and actual proportions of equity and liabilities on the balance sheet. The difference, expressed as an amount, is available to distribute to shareholders. Stern cannot pay a dividend in both 2020 and 2021 as a result of government restrictions because it uses COVID-19 related government support. However, we would expect a significant part of this amount to be paid to shareholders in the coming years. For now, we continue to model a dividend pay-out of 40% (€0.84 per share in 2022), but we would not rule out a significantly higher pay-out once government restrictions are lifted.
5. Privately owned car insurer Bovemij has indicated that it is working on a way to increase the liquidity of its shares. This could imply a liquidity event like a sale or IPO, which could benefit Stern shareholders. Stern, which is a 5% shareholder in Bovemij, indicated that its participation in Bovemij is not a strategic asset and hence it will probably be divested in such an event. With

a book value of €3.32 per Stern share at FY20 (€18.8m for a 5% stake), this could represent a material increase of surplus capital.

Strong H121 results, despite pandemic impact

Stern's H121 results were still heavily affected by the pandemic, with closed dealerships in Q1 and a recovery in Q2 when dealerships were opened again. Used cars were in strong demand (sector organisation VWE: +6.7% in H121), as well as light commercial vehicles (sector organisation RDC: +30% in H121), while new car sales (sector organisation RDC: +3.3% in H121) lagged.

For Stern this meant that H121 sales came in higher than our expectations at €419.5m, an increase of 10% y-o-y, compared to our estimate of €401.1m. Stern sold approximately the same number of new passenger cars in H121 compared to H120. As such, its market share decreased to 4.1% from 4.4% in H120, although it marks an increase compared the 3.8% reported over FY20. The flat volume development was partly caused by Stern deciding to postpone deliveries to January from last year as a result of lockdown measures at that time, which was offset by lower deliveries in Q2 as a popular EV model became available later in the quarter than expected. Average selling prices of new cars are clearly higher.

Gross margin for the group came in lower at 17.7% compared to 18.0% in H120, driven by mix effects because of relatively lower workshop revenues, as traffic on the Dutch roads did not recover as much as was expected, partly offset by higher margins for new and used cars.

Exhibit 1: Stern financial performance H1 results

€m	H120	H121e	H121	Difference
Revenue	382.0	401.1	419.5	4.6%
Cost of sales	(313.2)	(328.9)	(345.2)	5.0%
Gross profit	68.8	72.2	74.3	2.9%
Normalised operating profit	5.1	8.1	7.9	-2.5%
Exceptionals	(20.0)	-	(0.5)	N/A
Reported operating profit	(14.9)	8.1	7.4	-8.6%
Net income (normalised)	13.1	5.1	5.6	10.3%
Net income (reported)	(19.0)	5.1	5.1	0.5%

Source: Stern, Edison Investment Research estimates

Adjusted EBIT came in at €7.9m (was €6.4m in H120), compared to our estimate of €8.1m. We have adjusted for negative one-off effects of €0.5m related to restructuring. Government support measures (NOW) continued to support Stern's results in H1. The support will continue in Q321, after which it will probably stop.

Very strong operational dealer division results were offset by a €3.2m lower valuation benefit of the Bovemij participation and lower than expected results from Stern Mobility Services, both in rent and car services. All in all, reported EBIT was €7.4m compared to a loss of €14.9m in H120, which included a large impairment charge. Net profit amounted to €5.1m compared to a loss of €19.0m in H120.

The pandemic has affected and still is affecting Stern in several ways. Showrooms have been closed for parts of 2021 and working from home continues to be encouraged, leading to less traffic and less accidents, etcetera. Given the supply chain issues relating to chip shortages for the OEMs (also an impact of COIVD-19), it is uncertain how the year will progress and as such Stern did not provide specific FY21 guidance, but it expects a further improvement of results in H221.

The 2020 tax asset/goodwill impairments have resulted in a solid, fully impaired balance sheet. In H121, Stern's equity ratio came in at 32.2% compared to 28.9% at the end of 2020. Net debt amounted to €92.8m (FY20: €104.2m) as the balance of long- and short-term bearing debt (€8.6m and €85.0m) and cash of €0.7m.

Where we had expected a decrease in operational cash flow in H121, there was a large cash inflow of €28.3m, after the strong cash inflow of €45.5m in 2020 (€8.7m in 2019), as working capital (stocks of new cars) were significantly lower. The operational cash flow was partly used for investments (cars for the rental fleet) of €9.8m and the redemption of interest-bearing debt of €10.9m.

With the progress that we have seen in underlying results and activities, a strong balance sheet and with the now fully impaired asset base leading to a book value of €23.01 for H121 (FY20: €22.19 per share), Stern seems to be well positioned for the uncertain market environment in 2021.

Margin improvement potential remains intact

After a 20% drop in new car sales in 2020 to 356,051 in the Netherlands, sector organisation Aumacon now expects a stable market of 360,000 new cars (it was previously expected to rebound 16.6% to 415,000), while sector organisations RAI and Bovag still expect a rebound of 12.3% to 400,000. Given that H121 new car sales were only 3.3% higher, this might seem very challenging. However, as Q120 was still pretty strong and Q220 was the first fully COVID-19 affected quarter, we believe a high single-digit increase in new car sales is plausible based on the anticipated further economic recovery in H221. However, we note that new car sales levels are still well below pre pandemic levels.

While we already expected a much more modest recovery in our FY20 update, we have further trimmed our new car sales estimates. However, driven by a greater proportion of more expensive EVs and SUVs with higher average selling prices (ASPs), the total revenue effect is positive. All in all, we have increased our FY21 revenue estimate by 2.2%.

Exhibit 2: Revised estimates

€m	FY19	FY20	FY21e old	FY21e new	Change	FY22e old	FY22e new	Change
Revenue	876.8	751.1	819.8	837.9	2.2%	846.7	873.3	3.1%
Cost of Sales	(719.8)	(614.2)	(669.8)	(684.6)	2.2%	(696.5)	(717.1)	3.0%
Gross Profit	157.1	136.9	150	153.3	2.2%	155.0	159.8	3.1%
EBITDA	26.4	27.8	18.4	19.9	8.1%	21.7	23.7	9.4%
Normalised operating profit	5.1	6.3	13.4	13.9	3.7%	16.6	17.0	2.2%
Amortisation of acquired intangibles	(0.1)	(0.1)	0	0.0		0	0.0	
Reported operating profit	0.2	(16.3)	13.4	13.4	-0.1%	16.6	17.0	2.2%
Net Interest	2.1	(5.5)	(3.8)	(3.6)	-4.3%	(3.8)	(3.7)	-3.7%
Profit Before Tax (norm)	(6.6)	0.8	9.7	9.8	0.6%	12.8	13.3	3.9%
Profit Before Tax (reported)	(1.4)	(21.7)	9.7	9.8	0.6%	12.8	13.3	3.9%
Reported tax	(4.4)	(4.8)	(1.2)	(1.0)	-18.7%	(2.0)	(1.3)	-33.5%
Profit After Tax (norm)	3.1	(4.0)	8.4	9.3	10.5%	10.9	12.0	9.9%
Profit After Tax (reported)	1.7	(26.6)	8.4	8.8	4.5%	10.9	12.0	9.9%
Minority interests	(1.3)	0.0	0	0.0		0	0.0	
Discontinued operations	22.6	(0.8)	0	0.0		0	0.0	
Net income (normalised)	1.7	(4.8)	8.4	9.3	10.5%	10.9	12.0	9.9%

Source: Stern Group, Edison Investment Research

Gross margins developed well in 2020 driven by mix effects (relatively more higher-margin workshop revenues) and that effect is levelling off as the pandemic eases. However, increased traffic will also lead to more car accidents and maintenance, which will benefit Stern. FY21 gross margins on new and used cars are higher given the low availability leading to higher prices and on balance we estimate a slightly higher gross margin of 18.3% for FY21 (FY20: 18.2%).

Opex was lower because of cost reductions and lower than expected staff expenses, partly due to government support measures (NOW) and restructuring. We have decreased our opex estimates for FY21 given the strong execution in H1, but increased our depreciation estimates (more rent cars) and arrive at an adjusted group EBIT of €13.9m (+3.7% compared to our previous estimate) for FY21. We consider that government support measures will end this year, which will lead to higher staff costs in H2. For 2022, we increase our EBIT estimate by 2.2% to €17.0m.

As a result of lower tax charges, we expect net profit of €8.8m (vs €8.4m) in 2021 and €12.0m in 2022 (vs €10.9m).

Dealer EBIT very strong in H121; moderate growth

The most important factor in Stern's profit and loss accounts are the **Dealergroup** results, as they generate the bulk (~95%) of revenues. EBIT in this division impressed with €9.7m (H120 adjusted: €2.6m) as a result of lower opex and was above the 2% level that is targeted (2.5%). This is partly because of government stimulus that is not expected to continue as of Q4.

We expected Stern's new passenger car revenues to rebound 9% to €383m in 2021, following a 20.8% decline in 2020, based on the average sales estimates from ING and sector organisations RAI/Bovag and Aumacon. With new car sales roughly around the same level as last year, with higher ASP's in H1, we now expect 9% higher FY21 revenues, also because many EV's from the order book that were not available in Q2 from one popular model, will now be delivered in H2.

On the other hand, used car sales seemed under pressure in the first months of 2021 and have rebounded to a plus 6.7% for the first half year. We expect Stern to win some market share there (+7% revenue growth), because it is better positioned to collect new supplies with its partnership with ALD and the own rental fleet. Importing cars has been more difficult, as demand is high European wide.

Light commercial vehicles showed a 30% volume increase in H121. Our previous estimate for Stern in 2021 was a 17% revenue increase following the 43% decrease in 2020. Ford, Mercedes and Renault are all doing very well in this segment, and these are Stern's stronger brands. We estimate 28% higher revenues in 2021 now. For maintenance and parts, we have reduced our estimates from 5% growth to decreases of 2%, as demand for mechanics decreased as a result of less accidents and lower demand for maintenance as traffic in The Netherlands is not yet on pre pandemic levels.

All in all we have increased our 2021 top line estimates for the dealer division slightly (+0,4%) to a growth of 8.5% to €842m. For the years ahead we expect moderate growth towards the 2019 level of €900m sales again driven by higher car sales (new and used).

We estimate somewhat lower gross margins as maintenance/parts revenues decrease and decrease our opex estimate by €3m after the decrease in H121. All in all, our adjusted EBIT for the dealer division is expected to be €16.3m in 2021 vs €8.8m in FY20 as a result of stringent restructuring, especially cutting down on staff and locations, gradually increasing to €17.1m by 2022. This means that the 2% margin target for which Stern strives seems within reach for 2023 with already 1.9% in FY21e (H1: 2.5%).

Exhibit 3: Dealer results

(€m)	FY17	FY18	FY19	FY20	FY21e	FY22e	FY23e
Gross revenues	1,119	1,113	938	776	842	901	937
Growth	3%	-1%	-16%	-17%	8%	7%	4%
Gross margin	145	145	123	100	111	120	126
Opex estimate	-141	-141	-117	-91	-94	-103	-107
EBIT	4.9	3.2	5.5	8.8	16.3	17.1	18.7
EBIT margin	0.4%	0.3%	0.6%	1.1%	1.9%	1.9%	2.0%
Revenue segmentation							
Passenger cars	493	482	444	352	383	399	415
– growth	10.3%	-2.1%	-8.0%	-20.8%	9.0%	4.0%	4.0%
Company vehicles	151	154	190	108	138	142	146
– growth	0.2%	2.3%	23.3%	-43.4%	28.0%	3.0%	3.0%
– Used cars	277	273	224	203	218	228	235
– growth	-4.8%	-1.5%	-17.8%	-9.3%	7.0%	5.0%	3.0%
Total cars	921	910	859	663	739	769	796
– growth	3.6%	-1.2%	-5.6%	-22.8%	11.5%	6.4%	3.5%
– Maintenance	86	90	79	71	69	86	92
– growth	3.5%	4.4%	-12.1%	-10.4%	-2.0%	10.0%	7.0%
– Parts	112	113	100	94	92	106	112
– growth	0.3%	0.7%	-11.6%	-6.0%	-2.0%	10.0%	5.0%
Total revenues	1119	1113	938	776	842	901	937

Source: Stern Groep, Edison Investment Research. Note: FY19 numbers not adjusted for Heron divestment.

Mobility Services to recover post pandemic

This is the first time that mobility services and car services were reported as one division. Revenues in the combined division decreased 26.0% to €33.1m in H121, driven by the lower number of accidents on the Dutch roads leading to lower revenues in car services and also much lower remarketing income from rental cars, as the fleet was much smaller than in H120. The EBIT loss amounted of €0.2m (H121: loss of €1.1m).

With 2,400 rental cars by July (FY20: 1,968), the rental fleet is increasing rapidly again. By 2022, the rental fleet should be getting back to more normal levels of around 2,700. In Car Services, we expect growth to accelerate as the pandemic fades out, partly driven by the service level agreement with ALD (oil refreshing, winter/summer tyre changes, bodywork repairs for lease cars), but also market recovery, as much repair work has been postponed in the current economic environment. We conservatively forecast stable gross margins and opex of about €28.0m pa, and EBIT margins should recover to 2.4% by 2022 from 0.4% in 2021 and -2.7% in 2020.

Exhibit 4: Car Services and group costs

(€m)	FY20	FY21e	FY22e	FY23e
Gross revenues	81	71	85	91
– growth (%)		-12.6%	20.0%	6.4%
EBIT	-2.2	0.3	2.1	2.8
EBIT margin (%)	-2.7%	0.4%	2.4%	3.1%
Group costs	-2.1	-2.7	-2.2	-2.2

Source: Stern Groep, Edison Investment Research

Group costs (labelled other) are stable at around €2m in our forecasts but include one-offs that make the final results very volatile. H121 was affected by a one-off charge of €0.5m as a result of restructuring. Also, the revaluation of Bovemij is in this result and this is also a very volatile component. As the increase of the valuation of Bovemij was €3.2m lower compared to last year, this resulted in an EBIT loss in other of €1.7m. For FY21 we now calculate a €2.7m loss.

Valuation remains appealing

Stern's valuation compared to international peers continues to be on a much lower level on adjusted P/E. Among other things, this could be explained by the fact that Stern's profitability is generally lower compared to international peers, especially the Scandinavian companies, and because of the relatively low liquidity. We continue to believe that the current share price does not take into account the potential for significant dividend payments in the future, a liquidity event from its participation in car insurer Bovemij and/or M&A.

Stern's operations are moving to satisfactory levels with operational (EBIT) margin in the dealer division already at >2% levels in H121, although this is a bit distorted by government support. We currently model group EBIT margins to gradually recover to 2.1% by 2023 from 1.7% in 2021. In the coming years, changes in the dedicated dealer model for OEMs could change to an agent model, in which case we would expect some pressure on margins, but a much lower capital intensity and this should provide multiple expansion on a P/E ratio level. In H121, net debt decreased to €92.8m (FY20: €104.2m) driven by a strong operational cash flow.

Overall, noting the difference in capital structures and quality of balance sheet in the peer group companies, we consider P/E as a more relevant valuation metric for the sector. We apply the average FY22e P/E of the comparable European dealership holdings to our FY22 adjusted EPS estimate of €2.12 and add the book value of the Bovemij stake (which we estimate at €3.47 per Stern share), arriving at an implied value for Stern of €27.31 per share (previously €26.70 per share).

Exhibit 5: Peer group valuation

	Market cap	EV	P/E (x)			P/B (x)			EV/EBITDA (x)		
Company	**€m**	**€m**	**2020**	**2021e**	**2022e**	**2020**	**2021e**	**2022e**	**2020**	**2021e**	**2022e**
Bilia	1,705.7	1,983.7	14.4	10.4	10.7	4.4	3.6	3.1	8.5	6.3	6.3
Kamux	569.1	613.9	24.9	21.2	17.2	5.9	5.3	4.5	15.2	14.2	12.2
Marshall Motors	225.8	304.8	11.9	6.0	10.8	0.9	N/A	N/A	4.9	3.5	4.8
Pendragon	304.5	689.2	31.1	6.1	6.4	0.7	N/A	N/A	4.6	3.7	3.8
Peer average			**20.6**	**10.9**	**11.3**	**3.0**	**4.5**	**3.8**	**8.3**	**6.9**	**6.8**
Stern	79.1	167.1	-10.3	8.5	6.6	0.5	0.6	0.6	3.9	5.4	4.9
Premium/(discount)			***-150%***	***-22%***	***-42%***	***-83%***	***-87%***	***-85%***	***-53%***	***-22%***	***-27%***

Source: Refinitiv, Edison Investment Research. Note: Prices at 20 August. Stern's P/E is based on adjusted EPS. Stern's net debt is at FY20 and does not include leases.

Exhibit 6: Financial summary

€m	2018	2019	2020	2021e	2022e	2023e
Year end 31 December	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
INCOME STATEMENT						
Revenue	988.7	876.8	751.1	837.9	873.3	910.3
Cost of Sales	(812.3)	(719.8)	(614.2)	(684.6)	(717.1)	(747.0)
Gross Profit	176.4	157.0	136.9	153.3	156.2	163.3
EBITDA	6.1	26.4	27.8	19.9	23.7	26.4
Normalised operating profit	(1.7)	5.1	6.3	13.9	17.0	19.3
Amortisation of acquired intangibles	(0.1)	(0.1)	(0.1)	0.0	0.0	0.0
Exceptionals	0.2	0.0	(22.4)	(0.5)	0.0	0.0
Share-based payments	0.0	0.0	0.0	0.0	0.0	0.0
Reported operating profit	(1.5)	2.1	(16.3)	13.4	17.0	19.3
Net Interest	(4.1)	(6.6)	(5.5)	(3.6)	(3.7)	(3.7)
Joint ventures & associates (post tax)	0.0	0.1	0.0	0.0	0.0	0.0
Exceptionals	0.0	0.0	0.0	0.0	0.0	0.0
Profit Before Tax (norm)	(5.8)	(1.4)	0.8	10.3	13.3	15.7
Profit Before Tax (reported)	(5.6)	(4.4)	(21.7)	9.8	13.3	15.7
Reported tax	1.7	3.1	(4.8)	(1.0)	(1.3)	(1.6)
Profit After Tax (norm)	(4.1)	1.7	(4.0)	9.3	12.0	14.1
Profit After Tax (reported)	(4.0)	(1.4)	(26.6)	8.8	12.0	14.1
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0
Discontinued operations	4.5	22.6	(0.8)	0.0	0.0	0.0
Net income (normalised)	(4.1)	1.7	(4.8)	9.3	12.0	14.1
Net income (reported)	0.5	21.2	(27.4)	8.8	12.0	14.1
Average number of shares outstanding	5.68	5.68	5.68	5.68	5.68	5.68
EPS (€)	0.09	3.74	(4.83)	1.55	2.12	2.49
Normalised EPS (€)	(0.73)	0.29	(0.85)	1.64	2.12	2.49
DPS (€)	0.00	3.50	0.00	0.00	0.84	0.99
Revenue growth (%)	-12.1	-11.3	-14.3	11.6	4.2	4.2
Gross Margin (%)	17.8	17.9	18.2	18.3	17.9	17.9
EBITDA Margin (%)	0.6	3.0	3.7	2.4	2.7	2.9
Normalised Operating Margin (%)	-0.2	0.6	0.8	1.7	1.9	2.1
BALANCE SHEET						
Fixed Assets	391.8	278.6	227.8	244.0	243.3	241.8
Intangible Assets	30.6	22.4	2.3	2.2	2.2	2.2
Tangible Assets	343.1	243.5	198.5	214.7	214.1	212.5
Investments & other	18.1	12.7	27.0	27.0	27.0	27.0
Current Assets	283.6	294.8	205.6	198.1	211.5	226.7
Stocks	237.6	201.4	181.2	143.2	161.6	163.9
Debtors	35.3	41.7	10.9	33.5	34.9	36.4
Cash & cash equivalents	0.7	0.7	0.3	8.9	4.5	17.3
Other	10.0	51.0	13.2	12.6	10.5	9.1
Current Liabilities	272.6	271.7	177.2	195.7	201.1	206.1
Creditors	139.9	97.4	71.5	82.2	86.0	89.6
Tax and social security	0.0	0.0	0.0	0.0	0.0	0.0
Short term borrowings	93.9	90.0	76.5	80.0	81.0	81.0
Other	38.8	84.3	29.2	33.5	34.1	35.5
Long Term Liabilities	247.6	149.1	130.8	111.8	111.9	112.0
Long term borrowings	244.0	49.7	27.9	8.0	8.0	8.0
Other long term liabilities	3.6	99.4	102.9	103.8	103.9	104.0
Net Assets	155.2	152.6	125.4	134.7	141.9	150.3
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0
Shareholders' equity	155.2	152.6	125.4	134.7	141.9	150.3
CASH FLOW						
Op Cash Flow before WC and tax	52.6	11.9	(6.8)	16.8	18.8	21.2
Working capital	(0.9)	(8.3)	7.8	31.0	(13.2)	2.6
Net operating cash flow	51.6	3.6	39.9	47.7	5.6	23.9
Capex	(81.6)	26.6	10.2	(22.7)	(6.1)	(5.5)
Dividends	(4.3)	(19.9)	0.0	0.0	(4.8)	(5.6)
Other	33.7	(10.4)	(15.2)	(19.9)	0.0	0.0
Net Cash Flow	(0.5)	(0.1)	34.8	5.1	(5.3)	12.8
Opening net debt/(cash)	302.9	337.1	139.0	104.2	99.1	84.5
Closing net debt/(cash)	337.1	139.0	104.2	99.1	84.5	71.7

Source: Stern Groep, Edison Investment Research. Note: 2019 numbers adjusted for Heron divestment.