

# Walgreens Boots

## Financial Performance in 2019

Walgreens Boots announced a net profit of USD 3,703 mil in 2019, down 30.5% when compared to the last year. Sales increased 2.1% yoy to USD 137,412 mil, EBITDA fell 8.53% to USD 7,312 mil and net margin amounted to 2.69%. Walgreens Boots stock depreciated 23.1% in 2019 to USD 49.8 per share and the stock traded at 12-month trailing PE of 11.6 and EV/EBITDA of 11.9x at the end of 2019.

- ✓ Sales increased 2.10% yoy to USD 137,412 mil in 2019. That's compared to average growth of 5.56% in the last three years and 7.81% when compared to the average annual increase in the last decade.
- ✓ EBITDA amounted to USD 7,312 mil and fell -8.53% when compared to last year. EBITDA margin reached 5.32%, down 0.840 pp when compared to 5-year average.
- ✓ Company's indebtedness rose when measured by Net Debt/Equity and reached 170% at the end of the year. When compared to EBITDA, net debt rose to 5.64x.
- ✓ Walgreens Boots netted USD 3,703 mil to its shareholders in the last year, down 13.8% when compared to the average seen in the last five years. The company produced a return on capital of 5.83% and return on equity of 14.6% in the last year.
- ✓ Walgreens Boots stock traded at USD 49.8 per share at the end of 2019 implying a market capitalization of USD 45,835 mil and enterprise value of USD 87,079 mil. This puts the stock at the 12-month trailing price to earnings of 11.6x and EV/EBITDA of 11.9x as of the end of 2019. Over the last five years, the stock price has decreased by 1.2% a year on average and the firm generated its shareholders an average return on equity of 15.8%.

<b>Sector:</b>	Retail & Wholesale
<b>Country:</b>	USA
<b>Share Price:</b>	USD 49.8
<b>Market Capitalization:</b>	USD 45,835 mil
<b>Shares Outstanding:</b>	924 mil
<b>Enterprise Value:</b>	USD 87,079 mil
<b>Net Debt:</b>	USD 41,244 mil
<b>Net Debt / Equity:</b>	170%
<b>EBITDA Margin:</b>	5.32%
<b>Net Margin:</b>	2.69%

KEY FIGURES									
	SALES	EBITDA	NET PROFIT	EPS	EPS GROWTH	PER	EV/EBITDA	ROCE	DEBT/EBITDA
	USD mil	USD mil	USD mil	USD	%			%	
2019	137,412	7,312	3,703	4.31	-14.7	11.6	11.9	5.83	5.64
2018	134,590	7,994	5,326	5.05	33.6	12.8	10.0	10.3	1.88
2017	120,453	7,074	3,845	3.78	-1.05	19.9	13.5	7.67	1.72
2016	116,819	8,952	4,117	3.82	-4.50	19.1	10.8	7.88	1.04
2015	112,923	6,786	4,480	4.00	100	19.2	15.6	10.6	1.73

Source: Company Data, Helgi Analytics, Valuation multiples calculated based on historical prices

Data tells a story



## 1 Company Overview

Walgreens Boots Alliance is a pharmacy-led health and wellbeing company. It operates retail drugstores that offer a wide variety of prescription and non-prescription drugs as well as general goods. The Company also offers health services, including primary and acute care, wellness, pharmacy and disease management services, and health and fitness.

Walgreens Boots has been growing its sales by 12.1% a year on average in the last 5 years. EBITDA has grown on average by 8.13% a year during that time to total of USD 7,312 mil in 2019, or 5.32% of sales. That's compared to 6.16% average margin seen in last five years.

The company netted USD 3,703 mil in 2019 implying ROE of 14.6% and ROCE of 5.83%. Again, the average figures were 15.8% and 8.45%, respectively when looking at the previous 5 years.

Walgreens Boots's net debt amounted to USD 41,244 mil at the end of 2019, or 170% of equity. When compared to EBITDA, net debt was 5.64x, up when compared to average of 2.40x seen in the last 5 years.

Walgreens Boots stock traded at USD 49.8 per share at the end of 2019 resulting in a market capitalization of USD 45,835 mil. Over the previous five years, stock price fell by 5.88% or -1.20% a year on average. The closing price put stock at a 12-month trailing EV/EBITDA of 11.9x and price to earnings (PE) of 11.6x as of 2019.

FINANCIALS		2012	2013	2014	2015	2016	2017	2018	2019
Sales	USD mil	70,792	73,230	77,617	112,923	116,819	120,453	134,590	137,412
EBITDA	USD mil	4,467	4,970	4,947	6,786	8,952	7,074	7,994	7,312
Net Profit	USD mil	1,986	2,732	2,067	4,480	4,117	3,845	5,326	3,703
Total Assets	USD mil	35,259	36,481	48,612	68,657	71,912	66,618	69,941	90,807
Working Capital	USD mil	5,264	5,694	4,908	6,062	4,805	3,298	3,460	2,570
Net Debt	USD mil	4,556	4,103	1,669	11,707	9,274	12,175	15,010	41,244
Equity	USD mil	18,379	20,056	20,767	31,154	29,692	26,756	26,263	24,313

RATIOS		2012	2013	2014	2015	2016	2017	2018	2019
ROE	%	12.0	14.2	10.1	17.3	13.5	13.6	20.1	14.6
ROCE	%	7.99	9.29	6.81	10.6	7.88	7.67	10.3	5.83
EBITDA Margin	%	6.31	6.79	6.37	6.01	7.66	5.87	5.94	5.32
Net Margin	%	2.81	3.73	2.66	3.97	3.52	3.19	3.96	2.69
Net Debt/EBITDA		1.02	0.826	0.337	1.73	1.04	1.72	1.88	5.64
Net Debt/Equity	%	24.8	20.5	8.04	37.6	31.2	45.5	57.2	170

VALUATION		2012	2013	2014	2015	2016	2017	2018	2019
Market Capitalisation	USD mil	33,759	45,503	57,517	94,332	87,408	83,444	65,278	45,835
EV/EBITDA		8.58	9.98	12.0	15.6	10.8	13.5	10.0	11.9
Price/Earnings (P/E)		12.3	16.1	26.5	19.2	19.1	19.9	12.8	11.6
EV/Sales		0.541	0.677	0.763	0.939	0.828	0.794	0.597	0.634

Source: Company Data, Helgi Analytics

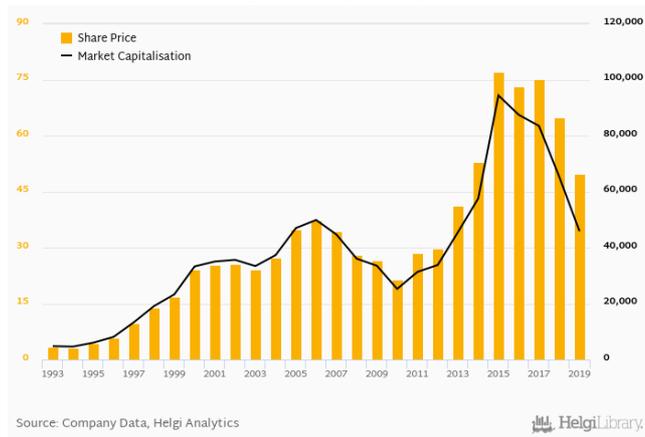


## 2 Valuation

Walgreens Boots stock traded at USD 49.8 per share at the end of 2019 translating into a market capitalization of USD 45,835 mil. Over the previous year, the stock depreciated by 23.1%. Over the previous three years, stock price declined by 31.9% or 12% a year on average. That's compared to an average ROE of 16.1% the company generated for its shareholders:

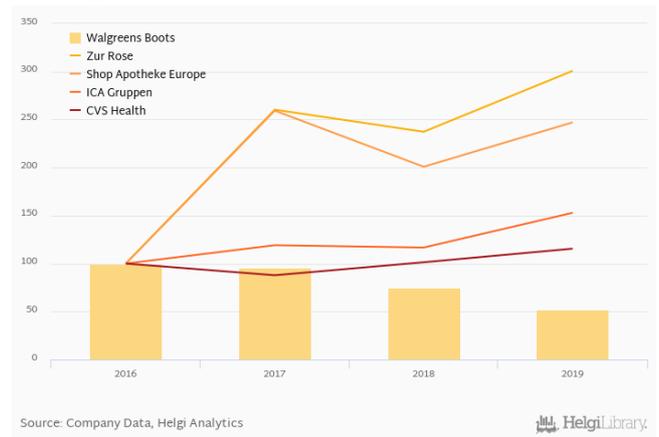
### Stock Price & Market Capitalization

Share Price (USD) & Market Capitalisation (USD mil)



### Market Capitalization Peers Comparison

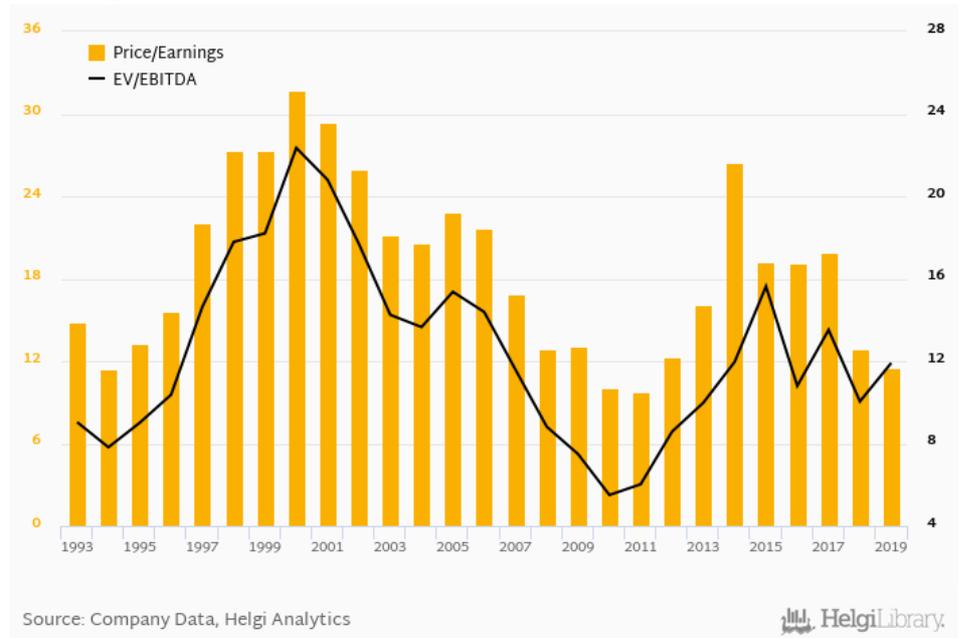
Market Capitalization (Rebased to 100)



The last price puts the company at the 12-month trailing price to earnings (PE) of 11.6x and enterprise value to EBITDA (EV/EBITDA) of 11.9x as of the end of 2019.

### Price to Earnings & EV/EBITDA

Price/Earnings & EV/EBITDA





Within the last five years, the PE multiple reached a high of 19.9x in 2017 and a low of 11.6x in 2019 with an average of 16.5x.

PE MULTIPLE COMPARISON											
NAME	COUNTRY	Mkt Cap (USD mil)	2011	2012	2013	2014	2015	2016	2017	2018	2019
McKesson Europe	Germany	...	984	-11.6	20.9	90.4	-21.8	11.5	-4.92	-17.1	...
Shop Apotheke Europe	Netherlands	638	...	...	...	...	...	-8.77	-20.6	-13.5	-15.6
ICA Gruppen	Sweden	9,405	117	57.4	3.24	20.3	10.9	14.5	13.4	17.4	25.3
Zur Rose	Switzerland	961	6.59	11.8	-4.96	10.7	21.0	-21.0	-18.9	-14.6	-17.7
CVS Health	USA	96,726	13.2	13.5	16.4	21.1	18.6	14.4	10.3	-109	14.3
Walgreens Boots	USA	45,835	9.72	12.3	16.1	26.5	19.2	19.1	19.9	12.8	11.6
Weighted Average			43.9	14.0	15.9	25.3	17.5	16.5	14.4	-50.7	13.8
Median			13.2	12.3	16.1	21.1	18.6	13.0	2.71	-14.0	11.6

Source: Company Data, Helgi Analytics

In terms of EV/EBITDA, Walgreens Boots was trading at 11.9 at the end of 2019. Over the last five years, the multiple reached a high of 15.6x in 2015 and a low of 10.0x in 2018 with an average of 12.4x.

EV/EBITDA MULTIPLE COMPARISON											
NAME	COUNTRY	Mkt Cap (USD mil)	2011	2012	2013	2014	2015	2016	2017	2018	2019
McKesson Europe	Germany	...	6.25	6.90	10.2	12.8	8.52	15.9	37.9	40.4	...
Shop Apotheke Europe	Netherlands	638	...	...	...	...	...	-21.9	-47.1	-30.3	-32.2
ICA Gruppen	Sweden	9,405	-74.1	-399	3.97	9.72	10.8	10.0	10.0	8.14	9.86
Zur Rose	Switzerland	961	5.97	3.98	23.2	6.12	6.54	165	-34.6	-47.2	-84.8
CVS Health	USA	96,726	7.79	7.58	9.46	11.2	11.5	8.38	8.21	22.5	9.34
Walgreens Boots	USA	45,835	6.02	8.58	9.98	12.0	15.6	10.8	13.5	10.0	11.9
Weighted Average			5.06	-6.98	9.42	11.4	13.2	10.1	11.4	17.2	9.38
Median			6.02	6.90	9.98	11.2	10.8	10.4	9.11	9.09	9.34

Source: Company Data, Helgi Analytics

The detailed comparison of Walgreens Boots's valuation multiples with its peers could be seen below:

VALUATION MULTIPLES		MKT CAP	ROE			PE			EV/EBITDA		
NAME	COUNTRY	(USD mil)	2017	2018	2019	2017	2018	2019	2017	2018	2019
McKesson Europe	Germany	...	-15.7	-3.02	...	-4.92	-17.1	...	37.9	40.4	...
Shop Apotheke Europe	Netherlands	638	-12.9	-14.8	-16.2	-20.6	-13.5	-15.6	-47.1	-30.3	-32.2
ICA Gruppen	Sweden	9,405	13.4	10.7	10.3	13.4	17.4	25.3	10.0	8.14	9.86
Zur Rose	Switzerland	961	-18.2	-10.6	-12.3	-18.9	-14.6	-17.7	-34.6	-47.2	-84.8
CVS Health	USA	96,726	17.8	-1.23	10.8	10.3	-109	14.3	8.21	22.5	9.34
Walgreens Boots	USA	45,835	13.6	20.1	14.6	19.9	12.8	11.6	13.5	10.0	11.9
Weighted Average			14.2	7.55	11.7	14.4	-50.7	13.8	11.4	17.2	9.38
Median			0.264	-2.13	10.3	2.71	-14.0	11.6	9.11	9.09	9.34

Source: Company Data, Helgi Analytics



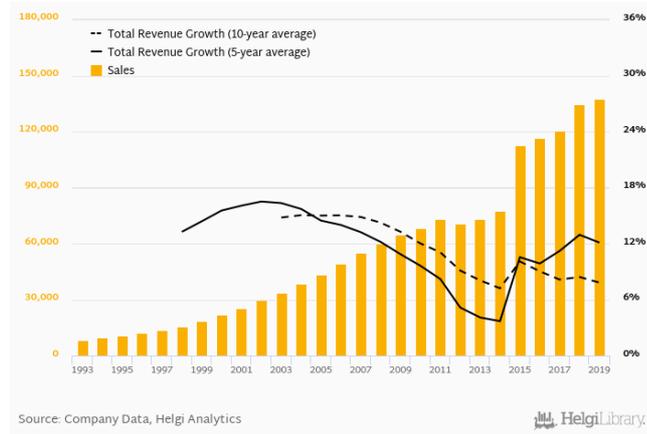
### 3 Sales, Production & Margins

#### 3.1 Sales & Production

Walgreens Boots reached total sales of USD 137,412 mil in 2019, up 2.1% when compared to the previous year. In the last five years sales have increased by 77.0%, or 12.1% a year.

##### Sales Momentum

Sales (USD mil) vs. Revenue Growth (%)



#### 3.2 Margins

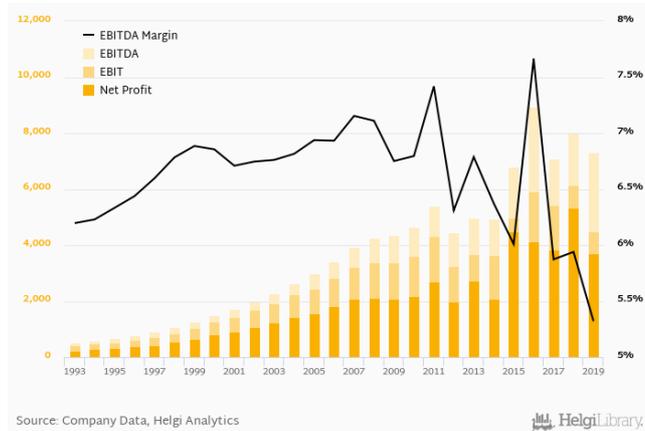
The company made a net profit of USD 3,703 mil under revenues of USD 137,412 mil in 2019, what translates into a net margin of 2.69%.

Between 1993 and 2019, the net margin has reached a high of 3.97% in 2015 and a low of 2.65% in 1993 with an average at 3.34% seen in the last decade.

On the operating level, the company produced EBITDA of USD 7,312 mil, down 8.53% yoy. Over the last five years, company's EBITDA has grown 8.13% a year on average.

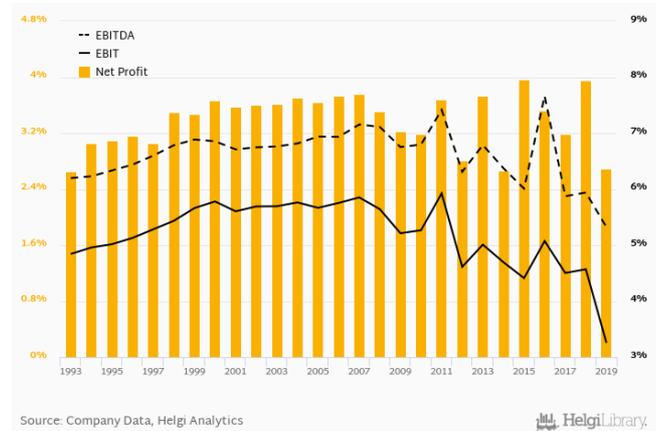
##### From EBITDA to Net Profit

Net Profit, EBIT & EBITDA (USD mil)



##### Profit Margins

Net Profit, EBIT & EBITDA as % of Sales





When compared to a few selected peers, Walgreens Boots has been operating with 21.3% lower EBITDA margin in 2019 than the weighted average of the group.

EBITDA MARGIN COMPARISON										
NAME	COUNTRY	2011	2012	2013	2014	2015	2016	2017	2018	2019
Pilulka	Czechia	...	...	...	...	...	...	1.82	-2.69	-2.15
McKesson Europe	Germany	2.44	2.49	2.18	2.09	3.46	1.91	0.699	0.689	...
Shop Apotheke Europe	Netherlands	...	...	-1.36	-2.83	-4.18	-4.72	-4.27	-2.88	-2.65
ICA Gruppen	Sweden	-7.49	-2.16	18.3	7.14	6.10	5.77	6.11	8.48	8.48
Apoteket	Sweden	1.40	0.525	5.66	3.61	3.96	4.64	4.81	3.98	...
Apotea	Sweden	-161	-2.75	4.52	2.04	2.07	1.60	3.72	2.20	...
Zur Rose	Switzerland	2.00	4.59	0.512	1.89	1.89	0.241	-2.16	-1.16	-1.02
CVS Health	USA	7.37	7.28	7.82	7.70	7.55	7.24	6.50	3.46	7.41
Walgreens Boots	USA	7.42	6.31	6.79	6.37	6.01	7.66	5.87	5.94	5.32
Weighted Average		5.46	5.66	11.2	6.89	6.48	6.71	5.99	5.14	7.17
Median		2.00	2.49	5.09	2.85	3.71	3.27	3.72	2.20	2.15

WALGREENS BOOTS'S PREMIUM/DISCOUNT TO:										
Weighted Average		35.7%	11.5%	-39.2%	-7.47%	-7.25%	14.2%	-1.90%	15.6%	-25.8%
Median		270%	154%	33.4%	124%	62.0%	134%	58.1%	170%	147%

Source: Company Data, Helgi Analytics



## 4 Indebtedness & Investments

### 4.1 Balance Sheet & Indebtedness

Walgreens Boots's total assets reached USD 90,807 mil at 2019, up 29.8% when compared to the previous year. Current assets amounted to USD 19,604 mil, or 21.6% of total assets while cash reached USD 811 mil at the end of 2019.

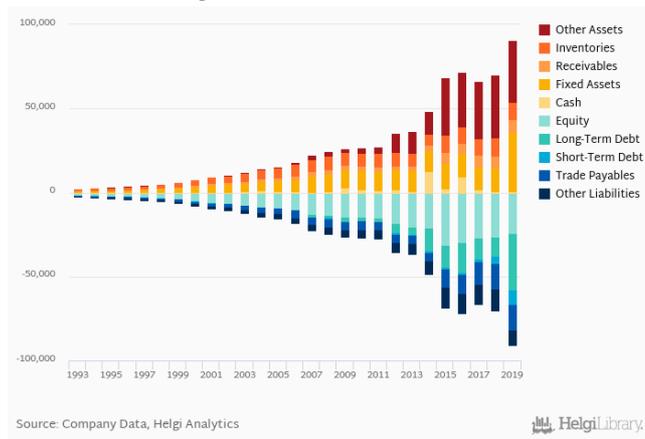
On the other hand, total debt reached USD 42,055 mil at the end of 2019, or 46.3% of total assets while firm's equity amounted to USD 24,313 mil. As a result, net debt reached USD 41,244 mil in 2019 and accounted for 170% of equity.

Historically, between 1993 and 2019, the firm's net debt to equity reached a high of 170% in 2019 and a low of -15.6% in 2004.

When compared to EBITDA, net debt amounted to 5.64x at the end of 2019. The ratio reached a high of 5.64x in 2019 and a low of -0.498x in 2004 in the period of 1993 - 2019.

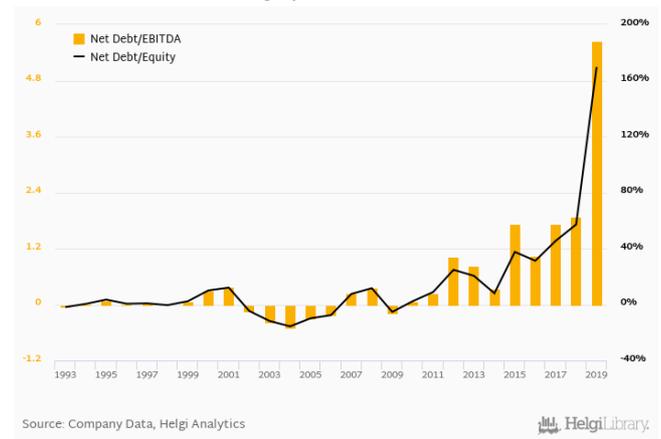
#### Balance Sheet

Assets and their Funding (USD mil)



#### Indebtedness

Net Debt/EBITDA & Net Debt/Equity





When compared to the selected peers, Walgreens Boots has been operating with 1.30 pp higher indebtedness measured by Net Debt/EBITDA at the end of 2019:

NET DEBT/EBITDA COMPARISON										
NAME	COUNTRY	2011	2012	2013	2014	2015	2016	2017	2018	2019
Pilulka	Czechia	...	...	...	...	...	...	...	-2.60	-2.10
McKesson Europe	Germany	2.87	2.56	1.78	1.93	1.50	2.13	3.86	1.09	...
Shop Apotheke Europe	Netherlands	...	...	0.122	0.124	0.672	6.99	1.93	-1.92	-1.94
ICA Gruppen	Sweden	4.12	20.3	0.531	0.779	1.27	1.08	0.507	1.90	1.41
Zur Rose	Switzerland	0.899	0.963	5.80	2.12	2.05	13.9	4.47	5.90	-16.8
CVS Health	USA	1.09	0.943	0.931	0.967	2.15	1.87	2.10	9.92	4.25
Walgreens Boots	USA	0.241	1.02	0.826	0.337	1.73	1.04	1.72	1.88	5.64
Weighted Average		1.28	2.75	0.803	0.787	1.74	1.41	1.55	6.12	3.82
Median		1.09	1.02	0.878	0.873	1.61	2.00	2.01	1.88	-0.262

WALGREENS BOOTS'S PREMIUM/DISCOUNT TO:										
Weighted Average		-81.2%	-62.9%	2.83%	-57.1%	-0.817%	-26.7%	11.2%	-69.3%	47.8%
Median		-77.8%	0	-6.01%	-61.3%	7.04%	-48.2%	-14.5%	0	2,255%

Source: Company Data, Helgi Analytics

## 4.2 Cash Flow & Investments

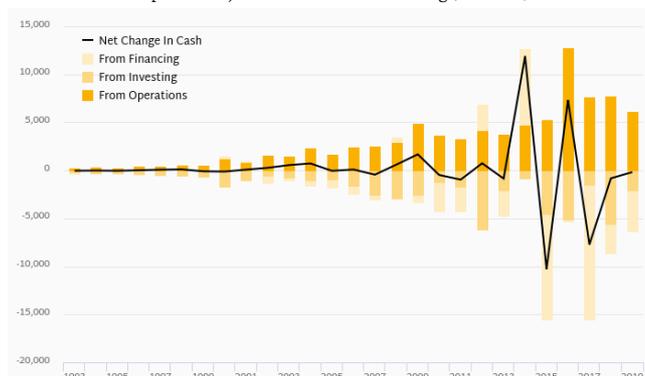
Walgreens Boots's operating cash flow reached USD 6,195 mil in 2019, down 20.2% when compared to the previous year. Historically, between 1993 and 2019, the firm's operating cash flow reached a high of USD 12,829 mil in 2016 and a low of USD 296 mil in 1993.

Walgreens Boots's total investments reached USD -2,074 mil and accounted for 1.10% of sales in 2019. This is compared to 1.08% seen on average in the last five years.

Since cash from financing amounted to USD -4,303 mil, net cash the company generated in 2019 reached USD 811 mil.

### Cash Flow

Total Cash from Operations, Investment and Financing (USD mil)

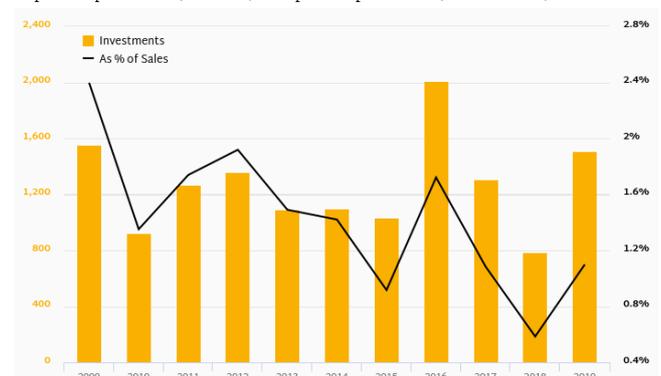


Source: Company Data, Helgi Analytics



### How Much Does Walgreens Boots Invests?

Capital Expenditure (USD mil) & Capital Expenditure (as % of Sales)



Source: Company Data, Helgi Analytics





## 5 Profitability

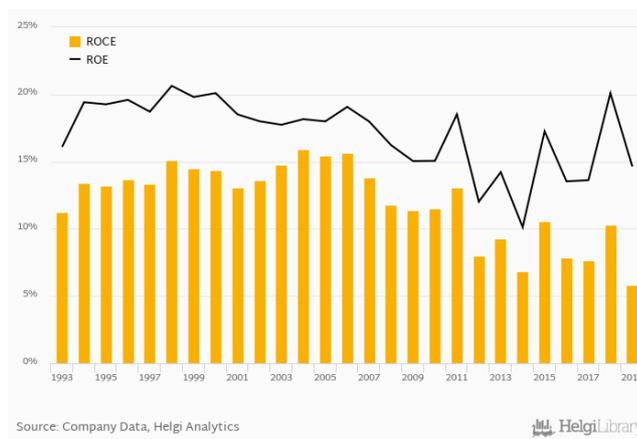
Walgreens Boots made a net profit of USD 3,703 mil in 2019, down 30.5% when compared to the previous year. Historically, between 1993 and 2019, company's net profit reached a high of USD 5,326 mil in 2018 and a low of USD 226 mil in 1993

The profit implies the company generated a return on equity of 14.6% and return on invested capital of 5.83% in 2019. That is compared to 15.8% and 8.45% average seen in the last five years.

Since 2014, net profit of the firm increased by 79.1% or 12.4% a year on average.

### Profitability

#### ROCE & ROE



When compared to its peers, Walgreens Boots's profitability is 1.61 pp above average when measured by the ROCE:

ROCE COMPARISON										
NAME	COUNTRY	2011	2012	2013	2014	2015	2016	2017	2018	2019
Pilulka	Czechia	...	...	...	...	...	...	...	...	-43.8
McKesson Europe	Germany	-3.22	3.61	1.10	-4.87	9.21	-26.3	-10.2	-2.28	...
Shop Apotheke Europe	Netherlands	...	...	...	-37.3	-58.6	-60.2	-15.3	-13.6	-13.9
ICA Gruppen	Sweden	1.15	3.34	33.2	5.26	9.77	6.54	7.76	5.59	4.75
Zur Rose	Switzerland	8.95	5.33	-12.3	5.56	2.63	-9.22	-17.8	-12.1	-9.90
CVS Health	USA	6.09	6.65	7.72	7.51	7.23	6.48	7.98	-0.466	3.65
Lloyds Pharmacy	UK	3.13	3.32	4.15	4.59	2.58	-24.3	-27.9	-30.6	...
Chemist Direct	UK	154	154	552	632	540	256	162	32.3	-3.18
Walgreens Boots	USA	13.1	7.99	9.29	6.81	10.6	7.88	7.67	10.3	5.83
Weighted Average		6.69	6.55	17.2	6.06	8.98	5.84	7.13	2.99	4.30
Median		6.09	5.33	7.72	5.41	8.22	-1.37	-1.27	-1.37	-3.18

WALGREENS BOOTS'S PREMIUM/DISCOUNT TO:										
Weighted Average		95.3%	22.0%	-45.9%	12.4%	17.8%	34.8%	7.51%	244%	35.5%
Median		115%	49.9%	20.3%	25.9%	28.7%	676%	702%	848%	283%

Source: Company Data, Helgi Analytics

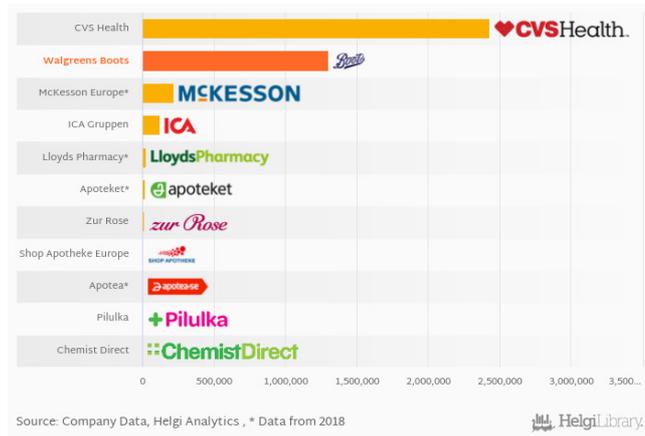


## 6 Relative Performance Compared to Peers

Based on last available data, following charts demonstrate Walgreens Boots's relative performance when compared to selected peers:

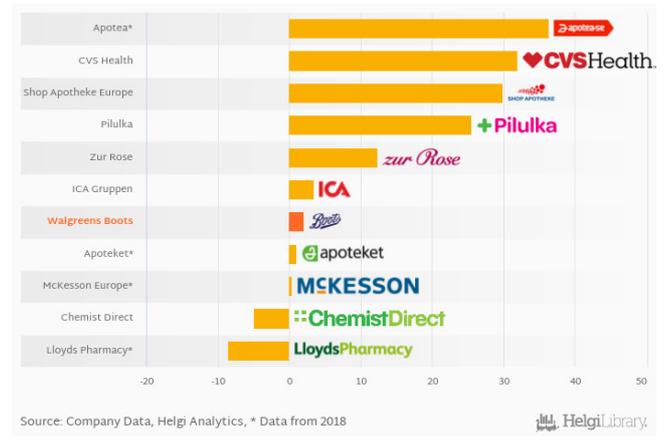
### Who Was the Largest by Sales?

Top Companies by Sales (SEK mil), 2019



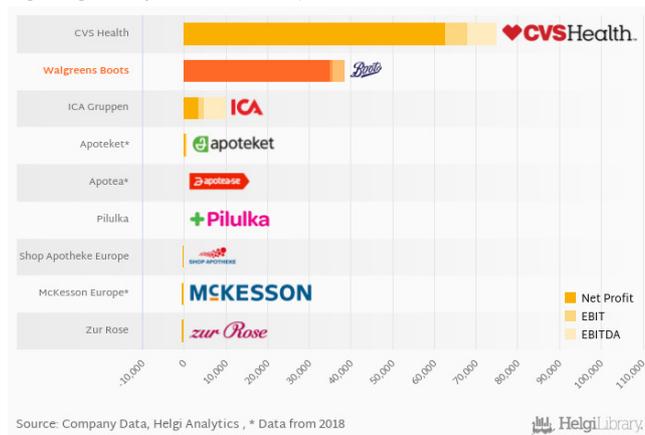
### Who Has Grown the Most in Sales?

Total Revenue Growth (%), 2019



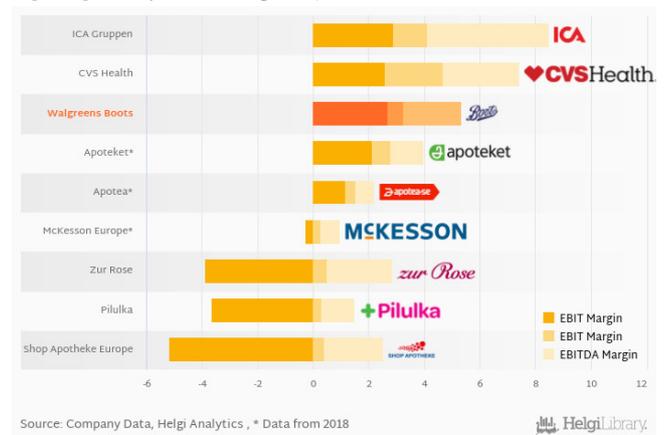
### Who Created the Largest EBITDA?

Top Companies by EBITDA (SEK mil), 2019



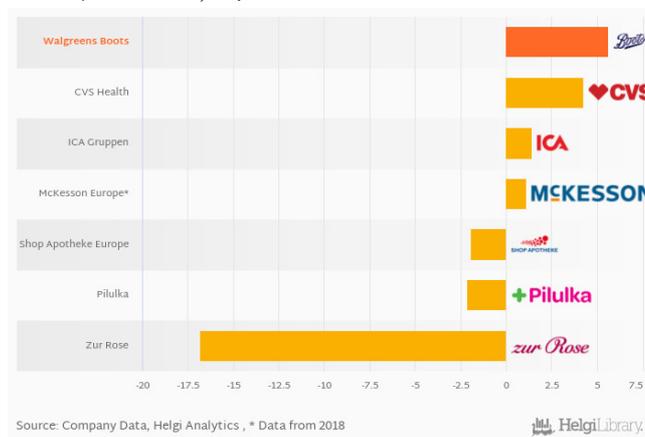
### Who Operated with the Highest Margins?

Top Companies by EBITDA Margin (%), 2019



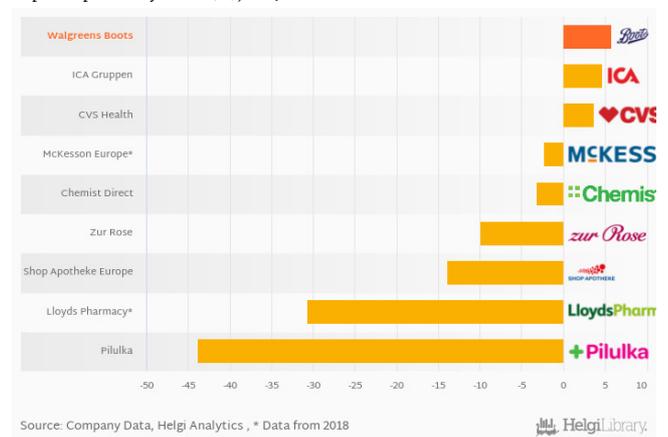
### Who Was the Most Indebted to EBITDA?

Net Debt / EBITDA Ratio, 2019



### Who Utilized Capital the Most?

Top Companies by ROCE (%), 2019





## Financial Data – Annual

### Income Statement – Annual

INCOME STATEMENT		2012	2013	2014	2015	2016	2017	2018	2019
Sales	USD mil	70,792	73,230	77,617	112,923	116,819	120,453	134,590	137,412
Cost of Goods & Services	USD mil	50,455	52,058	55,904	83,946	87,248	91,066	103,498	107,714
Gross Profit	USD mil	20,337	21,172	21,713	28,977	29,571	29,387	31,092	29,698
Selling, General & Admin	USD mil	17,072	17,524	18,069	23,996	23,645	23,964	24,942	25,224
Research & Development	USD mil	0	0	0	0	0	0	0	0
Other Operating Expense	USD mil	0	-20.0	0	0	0	0	0	2.00
Other Operating Cost (Income)	USD mil	0	0	0	0	0	0	0	0
EBITDA	USD mil	4,467	4,970	4,947	6,786	8,952	7,074	7,994	7,312
Depreciation	USD mil	803	910	768	1,342	1,337	1,401	1,421	1,366
EBIT	USD mil	3,265	3,668	3,644	4,981	5,926	5,423	6,150	4,472
Net Financing Cost	USD mil	108	169	170	688	631	669	628	709
Financing Cost	USD mil	114	205	176	713	655	669	628	709
Financing Income	USD mil	6.00	36.0	6.00	25.0	24.0	0	0	0
FX (Gain) Loss	USD mil	0	0	0	0	0	0	0	...
(Income) / Loss from Affiliates	USD mil	...	-491	-639	-101	-54.0	-6.00	-342	-139
Extraordinary Cost	USD mil	0	0	0	0	0	0	0	0
Pre-Tax Profit	USD mil	3,161	4,335	3,606	5,386	5,146	4,614	6,204	4,144
Tax	USD mil	1,175	1,594	1,422	902	1,050	767	951	439
Minorities	USD mil	0	9.00	117	39.0	24.0	11.0	-17.0	0
Net Profit	USD mil	1,986	2,732	2,067	4,480	4,117	3,845	5,326	3,703
Net Profit Avail. to Common	USD mil	1,986	2,732	2,067	4,480	4,117	3,845	5,326	3,703
Dividends	USD mil	906	1,121	1,245	1,507	1,590	1,639	1,645	1,626

Source: Company Data, Helgi Analytics

### Growth Rates – Annual

GROWTH RATES		2012	2013	2014	2015	2016	2017	2018	2019
Total Revenue Growth	%	-3.02	3.44	5.99	45.5	3.45	3.11	11.7	2.10
EBITDA Growth	%	-17.5	11.3	-0.463	37.2	31.9	-21.0	13.0	-8.53
EBIT Growth	%	-24.5	12.3	-0.654	36.7	19.0	-8.49	13.4	-27.3
Pre-Tax Profit Growth	%	-25.7	37.1	-16.8	49.4	-4.46	-10.3	34.5	-33.2
Net Profit Growth	%	-26.1	37.6	-24.3	117	-8.10	-6.61	38.5	-30.5

Source: Company Data, Helgi Analytics

### Ratios – Annual

RATIOS		2012	2013	2014	2015	2016	2017	2018	2019
ROE	%	12.0	14.2	10.1	17.3	13.5	13.6	20.1	14.6
ROA	%	6.34	7.62	4.86	7.64	5.86	5.55	7.80	4.61
ROCE	%	7.99	9.29	6.81	10.6	7.88	7.67	10.3	5.83
Gross Margin	%	28.7	28.9	28.0	25.7	25.3	24.4	23.1	21.6
EBITDA Margin	%	6.31	6.79	6.37	6.01	7.66	5.87	5.94	5.32
EBIT Margin	%	4.61	5.01	4.69	4.41	5.07	4.50	4.57	3.25
Net Margin	%	2.81	3.73	2.66	3.97	3.52	3.19	3.96	2.69
Payout Ratio	%	45.6	41.0	60.2	33.6	38.6	42.6	30.9	43.9

Source: Company Data, Helgi Analytics



## Balance Sheet – Annual

BALANCE SHEET		2012	2013	2014	2015	2016	2017	2018	2019
Cash & Cash Equivalents	USD mil	1,829	969	12,861	2,570	9,598	1,830	980	811
Receivables	USD mil	2,264	2,727	3,579	6,821	6,138	6,858	7,144	7,435
Inventories	USD mil	7,821	7,729	6,518	9,884	10,039	10,010	10,976	10,536
Other ST Assets	USD mil	248	297	322	956	893	983	983	822
Current Assets	USD mil	12,162	11,722	23,280	20,231	26,668	19,681	20,083	19,604
Property, Plant & Equipment	USD mil	12,110	12,351	12,103	14,878	13,709	13,693	13,821	35,294
LT Investments & Receivables	USD mil	0	0	0	0	0	0	0	0
Intangible Assets	USD mil	3,745	5,107	4,598	28,235	24,931	26,519	28,393	27,855
Goodwill	USD mil	2,404	2,491	2,356	16,195	15,203	15,931	16,809	16,800
Non-Current Assets	USD mil	23,097	24,759	25,332	48,426	45,244	46,937	49,858	71,203
Total Assets	USD mil	35,259	36,481	48,612	68,657	71,912	66,618	69,941	90,807
Trade Payables	USD mil	4,821	4,762	5,189	10,643	11,372	13,570	14,660	15,401
Short-Term Debt	USD mil	1,316	571	774	1,083	1,095	1,268	4,344	8,556
Other ST Liabilities	USD mil	0	0	96.0	0	0	15.0	3.00	33.0
Current Liabilities	USD mil	9,320	8,821	9,877	16,874	17,729	20,517	25,099	29,494
Long-Term Debt	USD mil	5,069	4,501	13,756	13,194	17,777	12,737	11,646	33,499
Other LT Liabilities	USD mil	2,831	3,519	4,378	7,619	6,885	6,772	7,116	3,501
Non-Current Liabilities	USD mil	...	...	...	...	...	...	...	37,000
Liabilities	USD mil	16,880	16,425	27,845	37,503	42,220	39,862	43,678	66,494
Preferred Equity and Hybrid Capital	USD mil	0	0	0	0	0	0	0	0
Share Capital	USD mil	1,010	1,133	1,259	10,009	10,144	10,371	10,534	10,660
Treasury Stock	USD mil	2,969	3,042	3,558	4,446	5,341	12,459	15,862	19,496
Equity Before Minority Interest	USD mil	18,379	20,021	20,636	30,709	29,325	25,929	25,609	23,661
Minority Interest	USD mil	0	35.0	131	445	367	827	654	652
Equity	USD mil	18,379	20,056	20,767	31,154	29,692	26,756	26,263	24,313

Source: Company Data, Helgi Analytics

## Growth Rates – Annual

GROWTH RATES		2012	2013	2014	2015	2016	2017	2018	2019
Total Asset Growth	%	28.5	3.47	33.3	41.2	4.74	-7.36	4.99	29.8
Shareholders' Equity Growth	%	25.2	9.12	3.55	50.0	-4.69	-9.89	-1.84	-7.42
Net Debt Growth	%	249	-9.94	-59.3	601	-20.8	31.3	23.3	175
Total Debt Growth	%	166	-20.6	186	-1.74	32.2	-25.8	14.2	163

Source: Company Data, Helgi Analytics

## Ratios – Annual

RATIOS		2012	2013	2014	2015	2016	2017	2018	2019
Total Debt	USD mil	6,385	5,072	14,530	14,277	18,872	14,005	15,990	42,055
Net Debt	USD mil	4,556	4,103	1,669	11,707	9,274	12,175	15,010	41,244
Working Capital	USD mil	5,264	5,694	4,908	6,062	4,805	3,298	3,460	2,570
Capital Employed	USD mil	28,361	30,453	30,240	54,488	50,049	50,235	53,318	73,773
Net Debt/Equity	%	24.8	20.5	8.04	37.6	31.2	45.5	57.2	170
Net Debt/EBITDA		1.02	0.826	0.337	1.73	1.04	1.72	1.88	5.64
Cost of Financing	%	2.60	3.58	1.80	4.95	3.95	4.07	4.19	2.44
Current Ratio		1.30	1.33	2.36	1.20	1.50	0.959	0.800	0.665
Quick Ratio		0.439	0.419	1.66	0.557	0.888	0.423	0.324	0.280

Source: Company Data, Helgi Analytics



## Cash Flow – Annual

CASH FLOW		2012	2013	2014	2015	2016	2017	2018	2019
Net Profit	USD mil	1,986	2,732	2,067	4,480	4,117	3,845	5,326	3,703
Depreciation	USD mil	803	910	768	1,342	1,337	1,401	1,421	1,366
Non-Cash Items	USD mil	459	-150	246	-333	942	168	-949	130
Change in Working Capital	USD mil	576	-51.0	1,175	-587	1,601	2,065	1,543	337
Total Cash From Operations	USD mil	4,223	3,833	4,791	5,365	12,829	7,729	7,764	6,195
Capital Expenditures	USD mil	-1,358	-1,091	-1,102	-1,035	-2,010	-1,305	-787	-1,510
Net Change in LT Investment	USD mil	0	0	0	0	0	0	0	0
Net Cash From Acquisitions	USD mil	-908	-382	620	-3,775	156	-250	-4,728	-721
Other Investing Activities	USD mil	-3,906	-639	-379	318	-3,264	24.0	-22.0	157
Total Cash From Investing	USD mil	-6,172	-2,112	-861	-4,492	-5,118	-1,531	-5,537	-2,074
Dividends Paid	USD mil	-845	-1,078	-1,223	-1,455	-2,750	-1,730	-1,748	-1,631
Issuance Of Shares	USD mil	-465	-156	-284	-793	-1,852	-7,080	-3,372	-3,634
Issuance Of Debt	USD mil	4,000	-1,300	242	-8,422	3,879	-5,164	2,159	879
Other Financing Activities	USD mil	-6.00	-47.0	-94.0	-347	-185	-39.0	-87.0	83.0
Total Cash From Financing	USD mil	2,684	-2,581	7,972	-11,017	-213	-14,013	-3,048	-4,303
Effect of FX Rates	USD mil	0	0	-29.8	-147	-179	94.0	-15.0	-1.00
Net Change In Cash	USD mil	735	-860	11,892	-10,291	7,319	-7,721	-836	-183

Source: Company Data, Helgi Analytics

## Ratios – Annual

RATIOS		2012	2013	2014	2015	2016	2017	2018	2019
Days Sales Outstanding	days	11.7	13.6	16.8	22.0	19.2	20.8	19.4	19.7
Days Sales Of Inventory	days	56.6	54.2	42.6	43.0	42.0	40.1	38.7	35.7
Days Payable Outstanding	days	34.9	33.4	33.9	46.3	47.6	54.4	51.7	52.2
Cash Conversion Cycle	days	33.4	34.4	25.5	18.7	13.6	6.51	6.38	3.26
Cash Earnings	USD mil	2,789	3,642	2,835	5,822	5,454	5,246	6,747	5,069
Free Cash Flow	USD mil	-1,949	1,721	3,930	873	7,711	6,198	2,227	4,121
Capital Expenditures (As % of Sales)	%	1.92	1.49	1.42	0.917	1.72	1.08	0.585	1.10

Source: Company Data, Helgi Analytics

## Other Ratios – Annual

OTHER RATIOS		2012	2013	2014	2015	2016	2017	2018	2019
Employees		173,000	175,000	245,000	240,000	354,000	354,000	342,000	...
Employee Turnover	%	...	...	...	32.0	21.0	21.0	19.0	...
Women (As % of Workforce)	%	55.0	65.2	...	66.0	66.0	67.0	68.0	...
Operating Cost (As % of Sales)	%	24.1	23.9	23.3	21.2	20.2	19.9	18.5	18.4
Research & Development (As % of Sales)	%	0	0	0	0	0	0	0	0
Effective Tax Rate	%	37.2	36.8	39.4	16.7	20.4	16.6	15.3	10.6
Total Revenue Growth (5-year average)	%	5.15	4.08	3.69	10.5	9.86	11.2	12.9	12.1
Total Revenue Growth (10-year average)	%	9.11	8.05	7.21	10.1	9.03	8.14	8.42	7.81

Source: Company Data, Helgi Analytics



## Valuation - Annual

VALUATION		2012	2013	2014	2015	2016	2017	2018	2019
Market Capitalisation	USD mil	33,759	45,503	57,517	94,332	87,408	83,444	65,278	45,835
Enterprise Value (EV)	USD mil	38,315	49,606	59,186	106,039	96,682	95,619	80,288	87,079
Number Of Shares	mil	880	955	965	1,054	1,091	1,079	995	924
Share Price	USD	29.8	41.2	52.9	77.0	73.1	75.2	64.8	49.8
EV/EBITDA		8.58	9.98	12.0	15.6	10.8	13.5	10.0	11.9
Price/Earnings (P/E)		12.3	16.1	26.5	19.2	19.1	19.9	12.8	11.6
Price/Free Cash Flow (P/FCF)		-13.5	22.9	13.0	92.9	10.3	13.1	29.0	11.2
Price/Book Value (P/BV)		1.43	1.96	2.46	2.60	2.69	3.03	2.46	1.89
Dividend Yield	%	3.18	2.77	2.42	1.78	1.99	2.03	2.53	3.57
Free Cash Flow Yield	%	-5.77	3.78	6.83	0.925	8.82	7.43	3.41	8.99
Earnings Per Share (EPS)	USD	2.42	2.56	2.00	4.00	3.82	3.78	5.05	4.31
Cash Earnings Per Share	USD	3.17	3.81	2.94	5.52	5.00	4.86	6.78	5.49
Free Cash Flow Per Share	USD	-2.21	1.80	4.07	0.828	7.07	5.75	2.24	4.46
Book Value Per Share	USD	20.9	21.0	21.5	29.6	27.2	24.8	26.4	26.3
Dividend Per Share	USD	0.950	1.14	1.28	1.37	1.46	1.53	1.64	1.78
EV/Sales		0.541	0.677	0.763	0.939	0.828	0.794	0.597	0.634
EV/EBIT		11.7	13.5	16.2	21.3	16.3	17.6	13.1	19.5
EV/Free Cash Flow		-19.7	28.8	15.1	121	12.5	15.4	36.1	21.1
EV/Capital Employed		1.35	1.63	1.96	1.95	1.93	1.90	1.51	1.18
Earnings Per Share Growth	%	-17.7	5.79	-21.9	100	-4.50	-1.05	33.6	-14.7
Cash Earnings Per Share	USD	3.17	3.81	2.94	5.52	5.00	4.86	6.78	5.49
Book Value Per Share Growth	%	31.6	0.545	2.47	37.4	-7.94	-8.84	6.39	-0.257

Source: Company Data, Helgi Analytics



## ABOUT HELGI ANALYTICS

Helgi Analytics is a consulting company based in the Czech Republic. The company mainly provides consultancy in the area of financial services and real estate and focuses primarily on the region of Central and Eastern Europe.

Helgi Analytics also runs a web application called Helgi Library, which is a database/library offering data and analyses on more than 99% of the world's economy and population. The Library aims to bring interesting statistical data and analyses to a wide audience under affordable conditions. If you wish to get more details, please visit [www.helgilibrary.com](http://www.helgilibrary.com) or contact us at [info@helgilibrary.com](mailto:info@helgilibrary.com).

Helgi Analytics  
Eliášova 38, Prague 6  
160 00, Czech Republic  
[www.helgianalytics.com](http://www.helgianalytics.com)

© 2020, HELGI ANALYTICS LTD. ALL RIGHTS RESERVED. All information contained herein is protected by Copyright Law and no such information may be copied or otherwise reproduced, in whole or in part, in any form or manner, by any Person or Company without Helgi Analytics' prior written consent.

## DISCLAIMER

The purpose of this document is to assist the recipient in deciding whether it wishes to proceed with a further investigation of the matters referred to herein. The information in this document, which does not purport to be comprehensive, is believed in good faith to originate from reliable sources, and the views and opinions expressed herein are based on reasonable analysis of source material in the possession of the provider(s) of the document at the time of provision of the document. While the document has been prepared in good faith, no representation, warranty, assurance or undertaking (express or implied) is or will be made, and no responsibility or liability is or will be accepted in relation to the adequacy, accuracy, completeness or reasonableness of the document, or any information contained within it. All and any such responsibility and liability is expressly disclaimed. In particular, but without prejudice to the generality of the foregoing, no representation, warranty, assurance or undertaking is given as to the achievement or reasonableness of any future projections, estimates, prospects or returns contained or referred to in this document. The provider(s) of this document may change any opinion expressed herein without being under any obligation to inform the recipient or to provide to them a revised version. By accepting this document, the recipient agrees to be bound by the foregoing limitations, and acknowledges that it must at all times exercise its own skill and judgment in relation to any decision by it relating to the matters contained within this document. The information, opinions and views contained herein may have been provided to other clients prior to being disseminated herein. This document shall not exclude any liability for, or remedy in respect of, fraudulent misrepresentation.