

McKesson Europe

Financial Performance in 2018

McKesson Europe announced a net loss of EUR 59.0 mil in 2018, up 80.3% compared to the last year. Sales increased 0.412% yoy to EUR 21,177 mil, EBITDA fell 1.08% to EUR 146 mil and net margin amounted to -0.279%. McKesson Europe stock appreciated 7.53% in 2018 to EUR 25.2 per share and the stock traded at 12-month trailing PE of -17.1 and EV/EBITDA of 40.4x at the end of 2018.

- ✓ Sales increased 0.412% yoy to EUR 21,177 mil in 2018. That's compared to an average growth of -0.025% over the last three years and a 0.15% decrease on average for the last decade.
- ✓ EBITDA amounted to EUR 146 mil and fell -1.08% compared to the last year. EBITDA margin reached 0.689%, down 1.08 pp in comparison to the 5-year average.
- ✓ The company's indebtedness measured by Net Debt/Equity, reached 8.05% at the end of the year. Net Debt against EBITDA fell to 1.09x.
- ✓ McKesson Europe netted EUR -59.0 mil to its shareholders in the last year, down 74.3% when compared to the average seen in the last five years. The company produced a return on capital of -2.28% and return on equity of -3.02% in the last year.
- ✓ McKesson Europe stock traded at EUR 25.2 per share at the end of 2018 implying a market capitalization of USD 6,714 mil and enterprise value of USD 6,897 mil. This puts the stock at the 12-month trailing price to earnings of -17.1x and EV/EBITDA of 40.4x as of the end of 2018. Over the last five years, the stock price has increased by 5.52% a year on average and the firm generated its shareholders an average return on equity of -10.7%.

Sector:	Retail & Wholesale
Country:	Germany
Share Price:	EUR 25.2
Market Capitalization:	USD 6,714 mil
Shares Outstanding:	203 mil
Enterprise Value:	USD 6,897 mil
Net Debt:	EUR 160 mil
Net Debt / Equity:	8.05%
EBITDA Margin:	0.689%
Net Margin:	-0.279%

KEY FIGURES									
	SALES	EBITDA	NET PROFIT	EPS	EPS GROWTH	PER	EV/EBITDA	ROCE	DEBT/EBITDA
	EUR mil	EUR mil	EUR mil	EUR	%			%	
2018	21,177	146	-59.0	-1.47	-69.1	-17.1	40.4	-2.28	1.09
2017	21,090	148	-299	-4.76	-346	-4.92	37.9	-10.2	3.86
2016	20,644	394	-967	1.93	-282	11.5	15.9	-26.3	2.13
2015	21,193	733	393	-1.06	-524	-21.8	8.52	9.21	1.50
2014	22,216	464	-216	0.250	-72.8	90.4	12.8	-4.87	1.93

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

Data tells a story



1 Company Overview

McKesson Europe (formerly Celesio) is one of Europe's largest drug wholesalers, holding market-leading positions in several of the countries it serves. Its largest wholesale markets are France, Germany, and the UK. In addition to more than 130 wholesale distribution branches serving 65,000 pharmacies, McKesson Europe owns retail chains consisting of 2,200 pharmacies in Europe, including Norway, Italy, and the UK. The company, which was founded in 1835 and was acquired by North American pharmaceuticals distributor McKesson in 2014, has a presence in 14 countries.

McKesson Europe has been growing its sales by -1.05% a year on average in the last 5 years. EBITDA has fallen on average by 21.4% a year during that time to total of EUR 146 mil in 2018, or 0.689% of sales. That's compared to 1.77% average margin seen in last five years.

The company netted EUR -59.0 mil in 2018 implying ROE of -3.02% and ROCE of -2.28%. Again, the average figures were -10.7% and -6.90%, respectively when looking at the previous 5 years.

McKesson Europe's net debt amounted to EUR 160 mil at the end of 2018, or 8.05% of equity. When compared to EBITDA, net debt was 1.09x, down when compared to average of 2.10x seen in the last 5 years.

McKesson Europe stock traded at EUR 25.2 per share at the end of 2018 resulting in a market capitalization of USD 6,714 mil. Over the previous five years, stock price grew by 30.8% or 5.52% a year on average. The closing price put stock at a 12-month trailing EV/EBITDA of 40.4x and price to earnings (PE) of -17.1x as of 2018.

FINANCIALS		2011	2012	2013	2014	2015	2016	2017	2018
Sales	EUR mil	22,271	21,408	22,326	22,216	21,193	20,644	21,090	21,177
EBITDA	EUR mil	543	533	487	464	733	394	148	146
Net Profit	EUR mil	-156	160	48.6	-216	393	-967	-299	-59.0
Total Assets	EUR mil	7,929	7,598	7,830	7,769	8,082	6,858	6,899	7,091
Working Capital	EUR mil	1,353	1,296	1,490	1,264	1,296	1,179	1,025	696
Net Debt	EUR mil	1,559	1,363	867	897	1,098	838	570	160
Equity	EUR mil	2,196	2,192	2,762	2,537	2,753	1,893	1,918	1,984

RATIOS		2011	2012	2013	2014	2015	2016	2017	2018
ROE	%	-6.70	7.29	1.96	-8.15	14.9	-41.6	-15.7	-3.02
ROCE	%	-3.22	3.61	1.10	-4.87	9.21	-26.3	-10.2	-2.28
EBITDA Margin	%	2.44	2.49	2.18	2.09	3.46	1.91	0.699	0.689
Net Margin	%	-0.701	0.747	0.218	-0.971	1.85	-4.68	-1.42	-0.279
Net Debt/EBITDA		2.87	2.56	1.78	1.93	1.50	2.13	3.86	1.09
Net Debt/Equity	%	71.0	62.2	31.4	35.4	39.9	44.3	29.7	8.05

VALUATION		2011	2012	2013	2014	2015	2016	2017	2018
Market Capitalisation	USD mil	2,698	2,928	5,395	6,570	5,962	5,840	5,591	6,714
EV/EBITDA		6.25	6.90	10.2	12.8	8.52	15.9	37.9	40.4
Price/Earnings (P/E)		984	-11.6	20.9	90.4	-21.8	11.5	-4.92	-17.1
EV/Sales		0.152	0.172	0.222	0.267	0.295	0.304	0.265	0.278

Source: Company Data, Helgi Analytics

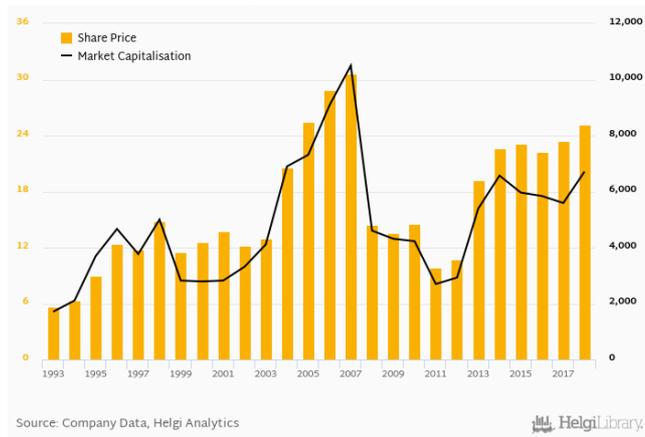


2 Valuation

McKesson Europe stock traded at EUR 25.2 per share at the end of 2018 translating into a market capitalization of USD 6,714 mil. Over the previous year, the stock appreciated by 7.53%. Over the previous three years, stock price rose by 8.77% or 2.84% a year on average. That's compared to an average ROE of -20.1% the company generated for its shareholders:

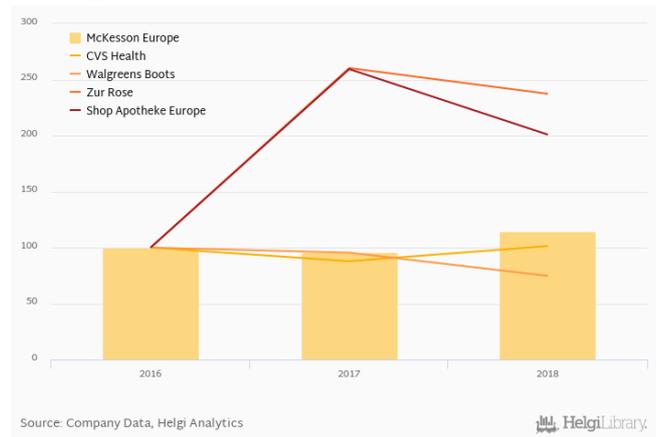
Stock Price & Market Capitalization

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



Market Capitalization Peers Comparison

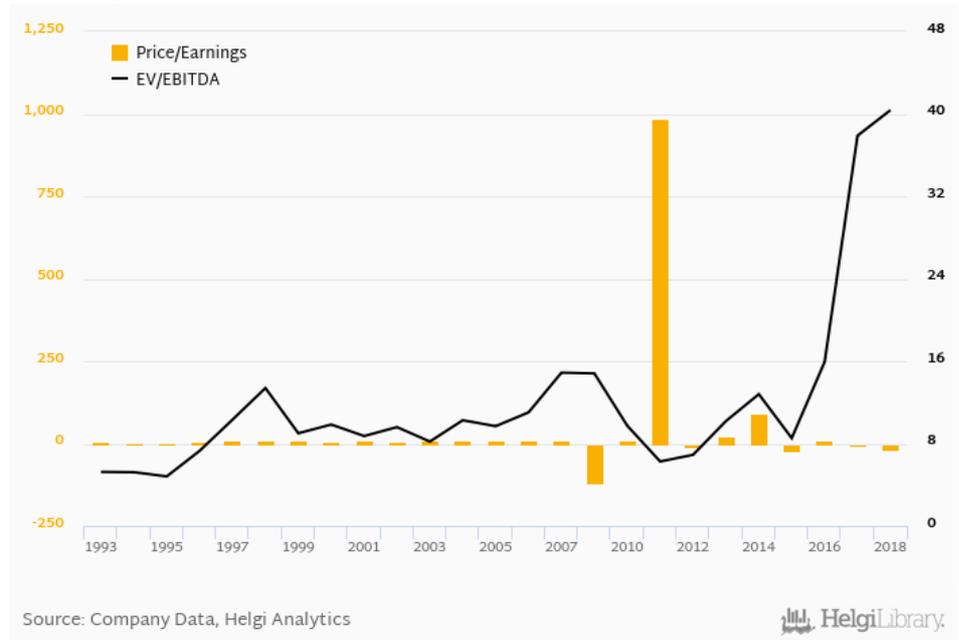
Market Capitalization (Rebased to 100)



The last price puts the company at the 12-month trailing price to earnings (PE) of 17.1x and enterprise value to EBITDA (EV/EBITDA) of 40.4x as of the end of 2018.

Price to Earnings & EV/EBITDA

Price/Earnings & EV/EBITDA





Within the last five years, the PE multiple reached a high of 90.4x in 2014 and a low of -21.8x in 2015 with an average of 11.6x.

PE MULTIPLE COMPARISON											
NAME	COUNTRY	Mkt Cap (USD mil)	2010	2011	2012	2013	2014	2015	2016	2017	2018
Shop Apotheke Europe	Netherlands	519	...	...	...	...	...	...	-8.77	-20.6	-13.5
ICA Gruppen	Sweden	7,177	-44.5	117	57.4	3.24	20.3	10.9	14.5	13.4	17.4
Zur Rose	Switzerland	758	19.1	6.59	11.8	-4.96	10.7	21.0	-21.0	-18.9	-14.6
CVS Health	USA	84,848	11.4	13.2	13.5	16.4	21.1	18.6	14.4	10.3	-109
Walgreens Boots	USA	65,278	10.1	9.72	12.3	16.1	26.5	19.2	19.1	19.9	12.8
McKesson Europe	Germany	6,714	9.81	984	-11.6	20.9	90.4	-21.8	11.5	-4.92	-17.1
Weighted Average			8.95	43.9	14.0	15.9	25.3	17.5	16.5	14.4	-50.7
Median			10.1	13.2	12.3	16.1	21.1	18.6	13.0	2.71	-14.0

Source: Company Data, Helgi Analytics

In terms of EV/EBITDA, McKesson Europe was trading at 40.4 at the end of 2018. Over the last five years, the multiple reached a high of 40.4x in 2018 and a low of 8.52x in 2015 with an average of 23.1x.

EV/EBITDA MULTIPLE COMPARISON											
NAME	COUNTRY	Mkt Cap (USD mil)	2010	2011	2012	2013	2014	2015	2016	2017	2018
Shop Apotheke Europe	Netherlands	519	...	...	...	...	...	...	-21.9	-47.1	-30.3
ICA Gruppen	Sweden	7,177	-34.8	-74.1	-399	3.97	9.72	10.8	10.0	10.0	8.14
Zur Rose	Switzerland	758	6.08	5.97	3.98	23.2	6.12	6.54	165	-34.6	-47.2
CVS Health	USA	84,848	7.36	7.79	7.58	9.46	11.2	11.5	8.38	8.21	22.5
Walgreens Boots	USA	65,278	5.50	6.02	8.58	9.98	12.0	15.6	10.8	13.5	10.0
McKesson Europe	Germany	6,714	9.73	6.25	6.90	10.2	12.8	8.52	15.9	37.9	40.4
Weighted Average			5.41	5.06	-6.98	9.42	11.4	13.2	10.1	11.4	17.2
Median			6.08	6.02	6.90	9.98	11.2	10.8	10.4	9.11	9.09

Source: Company Data, Helgi Analytics

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

VALUATION MULTIPLES		MKT CAP	ROE			PE			EV/EBITDA		
NAME	COUNTRY	(USD mil)	2016	2017	2018	2016	2017	2018	2016	2017	2018
Shop Apotheke Europe	Netherlands	519	-38.5	-12.9	-14.8	-8.77	-20.6	-13.5	-21.9	-47.1	-30.3
ICA Gruppen	Sweden	7,177	11.8	13.4	10.7	14.5	13.4	17.4	10.0	10.0	8.14
Zur Rose	Switzerland	758	-14.5	-18.2	-10.6	-21.0	-18.9	-14.6	165	-34.6	-47.2
CVS Health	USA	84,848	14.4	17.8	-1.23	14.4	10.3	-109	8.38	8.21	22.5
Walgreens Boots	USA	65,278	13.5	13.6	20.1	19.1	19.9	12.8	10.8	13.5	10.0
McKesson Europe	Germany	6,714	-41.6	-15.7	-3.02	11.5	-4.92	-17.1	15.9	37.9	40.4
Weighted Average			12.0	14.2	7.55	16.5	14.4	-50.7	10.1	11.4	17.2
Median			-1.32	0.264	-2.13	13.0	2.71	-14.0	10.4	9.11	9.09

Source: Company Data, Helgi Analytics



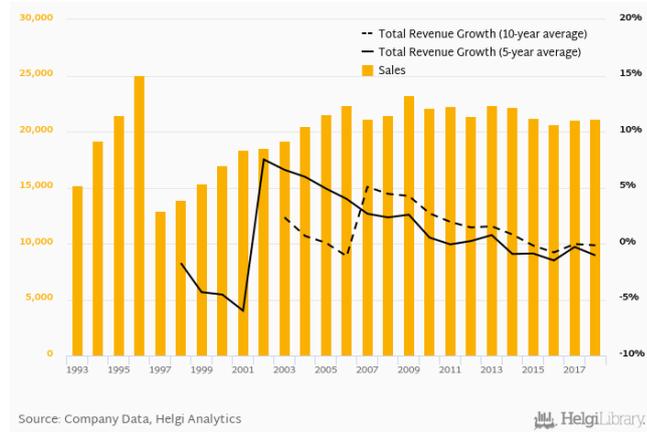
3 Sales, Production & Margins

3.1 Sales & Production

McKesson Europe reached total sales of EUR 21,177 mil in 2018, up 0.412% when compared to the previous year. In the last five years sales have decreased by -5.15%, or -1.05% a year.

Sales Momentum

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



3.2 Margins

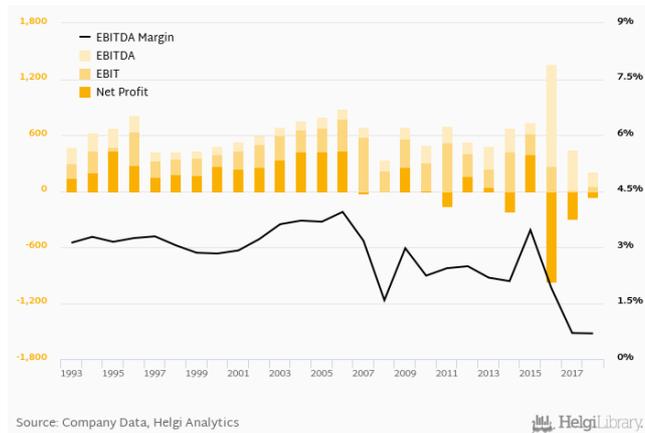
The company made a net loss of EUR 59.0 mil under revenues of EUR 21,177 mil in 2018, what translates into a net margin of -0.279%.

Between 1993 and 2018, the net margin has reached a high of 2.05% in 2004 and a low of -4.68% in 2016 with an average at -0.411% seen in the last decade.

On the operating level, the company produced EBITDA of EUR 146 mil, down 1.08% yoy. Over the last five years, company's EBITDA has grown -21.4% a year on average.

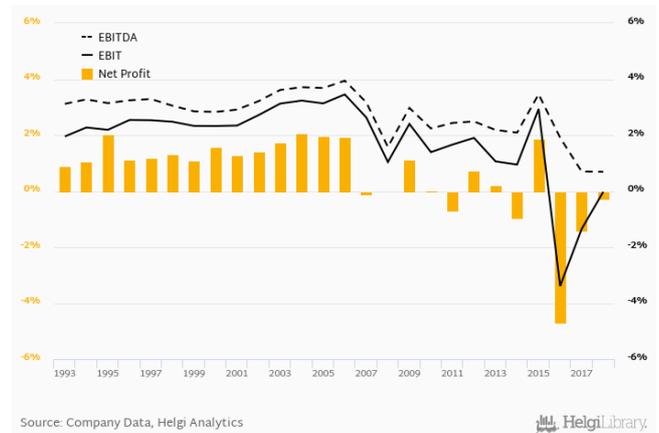
From EBITDA to Net Profit

Net Profit, EBIT & EBITDA (EUR mil)



Profit Margins

Net Profit, EBIT & EBITDA as % of Sales





When compared to a few selected peers, McKesson Europe has been operating with 84.7% lower EBITDA margin in 2018 than the weighted average of the group.

EBITDA MARGIN COMPARISON										
NAME	COUNTRY	2010	2011	2012	2013	2014	2015	2016	2017	2018
Pilulka	Czechia	...	...	...	...	...	...	...	1.82	-2.69
Shop Apotheke Europe	Netherlands	...	...	...	-1.36	-2.83	-4.18	-4.72	-4.27	-2.88
ICA Gruppen	Sweden	-19.0	-7.49	-2.16	18.3	7.14	6.10	5.77	6.11	8.48
Apoteket	Sweden	-2.44	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	2.87	2.00	4.59	0.512	1.89	1.89	0.241	-2.16	-1.16
CVS Health	USA	7.94	7.37	7.28	7.82	7.70	7.55	7.24	6.50	3.46
Walgreens Boots	USA	6.80	7.42	6.31	6.79	6.37	6.01	7.66	5.87	5.94
McKesson Europe	Germany	2.24	2.44	2.49	2.18	2.09	3.46	1.91	0.699	0.689
Weighted Average		3.98	5.46	5.66	11.2	6.89	6.48	6.71	5.99	5.14
Median		2.55	2.00	2.49	5.09	2.85	3.71	3.27	3.72	2.20

MCKESSON EUROPE'S PREMIUM/DISCOUNT TO:										
Weighted Average		-43.9%	-55.4%	-56.0%	-80.4%	-69.7%	-46.6%	-71.6%	-88.3%	-86.6%
Median		-12.4%	21.6%	0	-57.1%	-26.7%	-6.76%	-41.7%	-81.2%	-68.7%

Source: Company Data, Helgi Analytics



4 Indebtedness & Investments

4.1 Balance Sheet & Indebtedness

McKesson Europe's total assets reached EUR 7,091 mil at 2018, up 2.79% when compared to the previous year. Current assets amounted to EUR 5,332 mil, or 75.2% of total assets while cash reached EUR 827 mil at the end of 2018.

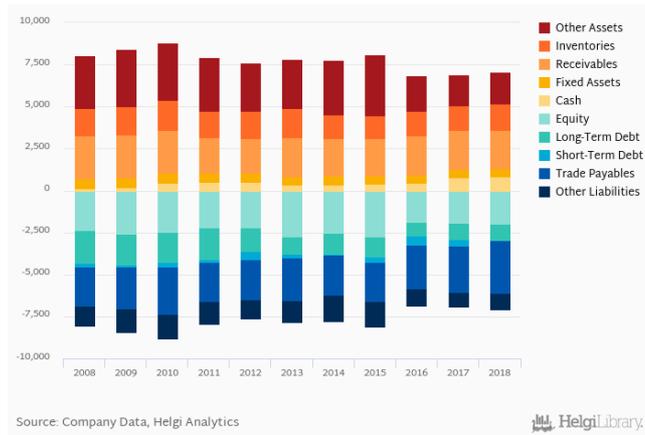
On the other hand, total debt reached EUR 986 mil at the end of 2018, or 13.9% of total assets while firm's equity amounted to EUR 1,984 mil. As a result, net debt reached EUR 160 mil in 2018 and accounted for 8.05% of equity.

Historically, between 1993 and 2018, the firm's net debt to equity reached a high of 136% in 2000 and a low of 8.05% in 2018.

When compared to EBITDA, net debt amounted to 1.09x at the end of 2018. The ratio reached a high of 5.78x in 2008 and a low of 0.706x in 1995 in the period of 1993 - 2018.

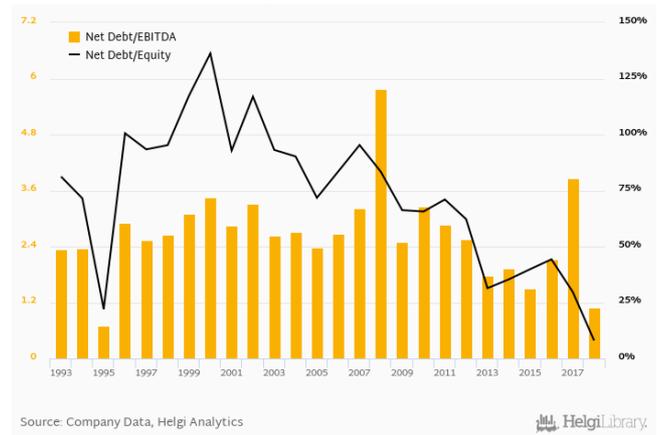
Balance Sheet

Assets and their Funding (EUR mil)



Indebtedness

Net Debt/EBITDA & Net Debt/Equity





When compared to the selected peers, McKesson Europe has been operating with 4.89 pp lower indebtedness measured by Net Debt/EBITDA at the end of 2018:

NET DEBT/EBITDA COMPARISON										
NAME	COUNTRY	2010	2011	2012	2013	2014	2015	2016	2017	2018
Pilulka	Czechia	...	...	...	...	...	...	...	...	-2.60
Shop Apotheke Europe	Netherlands	...	...	...	0.122	0.124	0.672	6.99	1.93	-1.92
ICA Gruppen	Sweden	1.41	4.12	20.3	0.531	0.779	1.27	1.08	0.507	1.90
Zur Rose	Switzerland	0.489	0.899	0.963	5.80	2.12	2.05	13.9	4.47	5.90
CVS Health	USA	1.13	1.09	0.943	0.931	0.967	2.15	1.87	2.10	9.92
Walgreens Boots	USA	0.073	0.241	1.02	0.826	0.337	1.73	1.04	1.72	1.88
McKesson Europe	Germany	3.27	2.87	2.56	1.78	1.93	1.50	2.13	3.86	1.09
Weighted Average		1.07	1.28	2.75	0.803	0.787	1.74	1.41	1.55	6.12
Median		1.13	1.09	1.02	0.878	0.873	1.61	2.00	2.01	1.88

MCKESSON EUROPE'S PREMIUM/DISCOUNT TO:										
Weighted Average		206%	124%	-6.89%	122%	145%	-13.9%	50.6%	150%	-82.1%
Median		188%	164%	151%	103%	121%	-7.04%	6.40%	91.9%	-41.7%

Source: Company Data, Helgi Analytics

4.2 Cash Flow & Investments

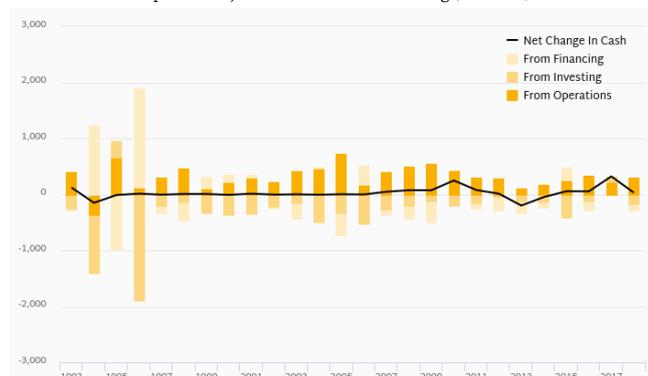
McKesson Europe's operating cash flow reached EUR 314 mil in 2018, up 39.6% when compared to the previous year. Historically, between 1993 and 2018, the firm's operating cash flow reached a high of EUR 733 mil in 2005 and a low of EUR -358 mil in 1994.

McKesson Europe's total investments reached EUR -171 mil and accounted for 0.643% of sales in 2018. This is compared to 0.645% seen on average in the last five years.

Since cash from financing amounted to EUR -111 mil, net cash the company generated in 2018 reached EUR 827 mil.

Cash Flow

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

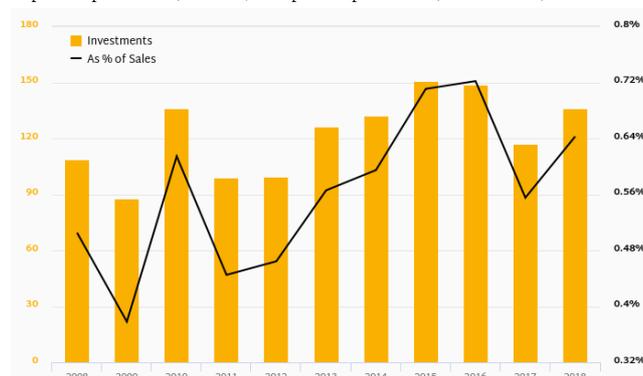


Source: Company Data, Helgi Analytics



How Much Does McKesson Europe Invests?

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



Source: Company Data, Helgi Analytics

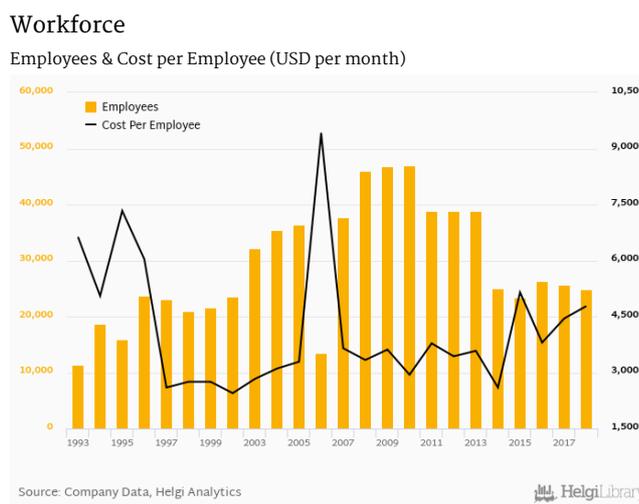




4.3 Workforce

McKesson Europe employed 24,878 persons in 2018, down up 3.32 when compared to the previous year. Historically, between 1993 and 2018, the firm's workforce hit a high of 46,977 in 2010 and a low of 11,313 in 1993.

Average cost reached EUR 4,082 per month per employee, 3.03% more than a year ago. This figure was EUR 2,280 per month some 10 years ago:



When compared to selected peers, cost per employee at McKesson Europe was 1.71% higher.

COST PER EMPLOYEE										
NAME	COUNTRY	2010	2011	2012	2013	2014	2015	2016	2017	2018
Pilulka	Czechia	...	...	...	...	...	...	...	...	1,171
Shop Apotheke Europe	Netherlands	...	...	...	3,808	3,752	3,382	3,469	3,875	4,629
ICA Gruppen	Sweden	485	453	424	3,095	3,621	3,996	3,779	4,334	4,696
Zur Rose	Switzerland	5,802	6,729	6,525	7,389	7,294	6,299	6,634	5,923	6,063
McKesson Europe	Germany	2,942	3,783	3,435	3,582	2,600	5,149	3,804	4,449	4,781
Weighted Average		1,649	1,959	1,767	3,157	3,532	4,114	3,789	4,350	4,701
Median		2,942	3,783	3,435	3,695	3,687	4,573	3,791	4,392	4,696

Source: Company Data, Helgi Analytics



5 Profitability

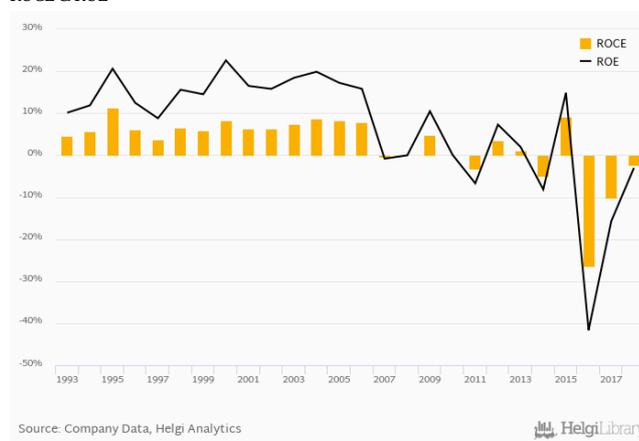
McKesson Europe made a net loss of EUR 59.0 mil in 2018, up 80.3% when compared to the previous year. Historically, between 1993 and 2018, company's net profit reached a high of EUR 435 mil in 1995 and a low of EUR -967 mil in 2016

The loss implies the company generated a return on equity of -3.02% and return on invested capital of -2.28% in 2018. That is compared to -10.7% and -6.90% average seen in the last five years.

Since 2013, net profit of the firm decreased by 221%.

Profitability

ROCE & ROE



When compared to its peers, McKesson Europe's profitability is 6.16 pp below average when measured by the ROCE:

ROCE COMPARISON										
NAME	COUNTRY	2010	2011	2012	2013	2014	2015	2016	2017	2018
Shop Apotheke Europe	Netherlands	...	...	...	...	-37.3	-58.6	-60.2	-15.3	-13.6
ICA Gruppen	Sweden	-3.29	1.15	3.34	33.2	5.26	9.77	6.54	7.76	5.59
Zur Rose	Switzerland	3.83	8.95	5.33	-12.3	5.56	2.63	-9.22	-17.8	-12.1
CVS Health	USA	6.10	6.09	6.65	7.72	7.51	7.23	6.48	7.98	-0.466
Walgreens Boots	USA	11.5	13.1	7.99	9.29	6.81	10.6	7.88	7.67	10.3
Lloyds Pharmacy	UK	10.8	3.13	3.32	4.15	4.59	2.58	-24.3	-27.9	-30.6
Chemist Direct	UK	1,467	154	154	552	632	540	256	162	32.3
McKesson Europe	Germany	0.037	-3.22	3.61	1.10	-4.87	9.21	-26.3	-10.2	-2.28
Weighted Average		6.10	6.69	6.55	17.2	6.06	8.98	5.84	7.13	2.99
Median		6.10	6.09	5.33	7.72	5.41	8.22	-1.37	-1.27	-1.37

Source: Company Data, Helgi Analytics

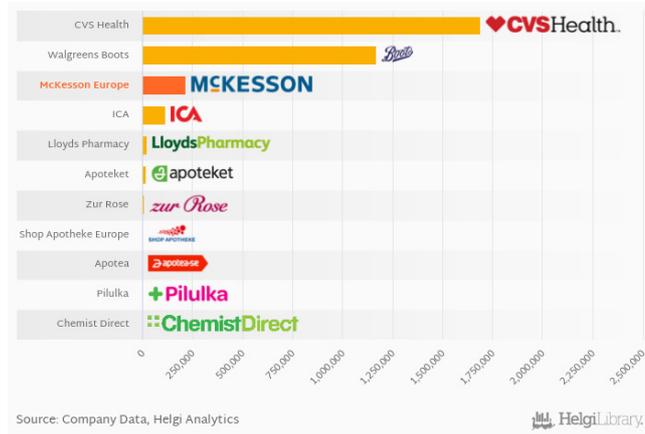


6 Relative Performance Compared to Peers

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

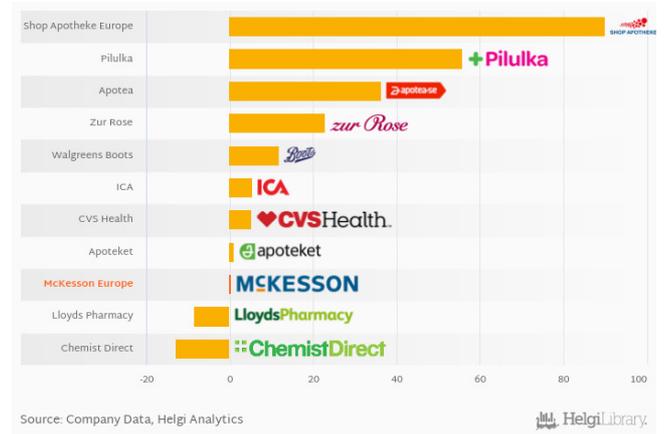
Who Was the Largest by Sales?

Top Companies by Sales (SEK mil), 2018



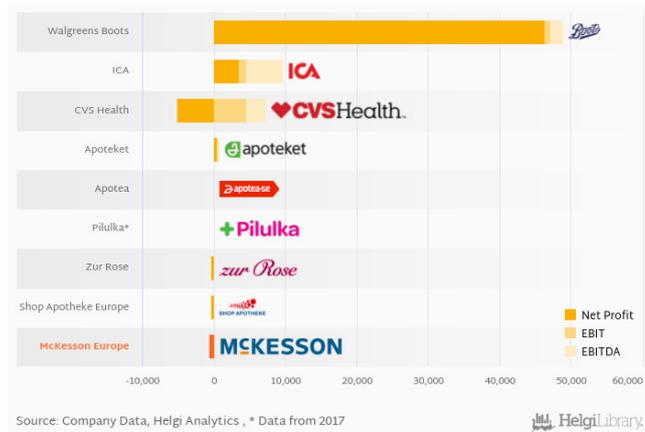
Who Has Grown the Most in Sales?

Total Revenue Growth (%), 2018



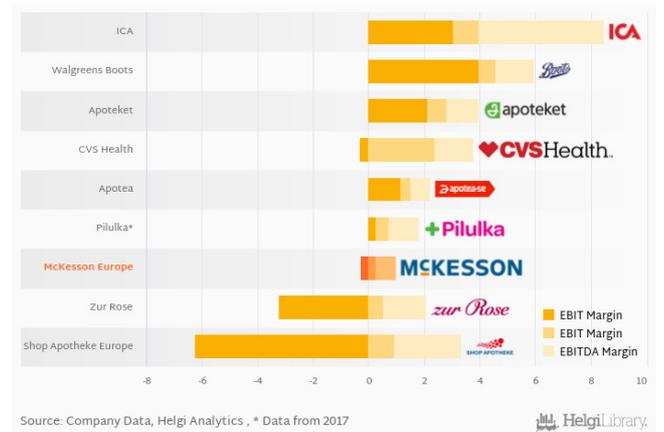
Who Created the Largest EBITDA?

Top Companies by EBITDA (SEK mil), 2018



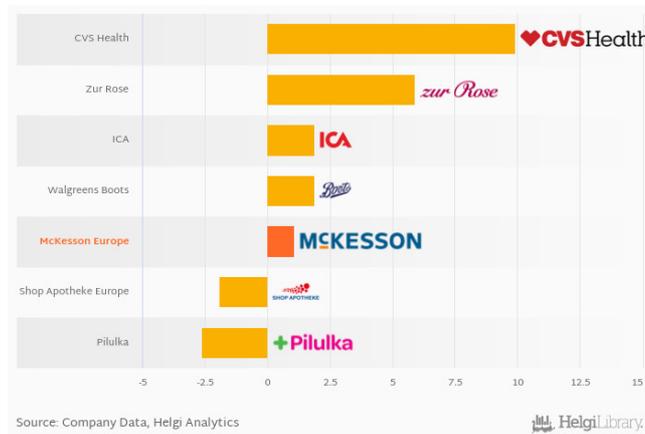
Who Operated with the Highest Margins?

Top Companies by EBITDA Margin (%), 2018



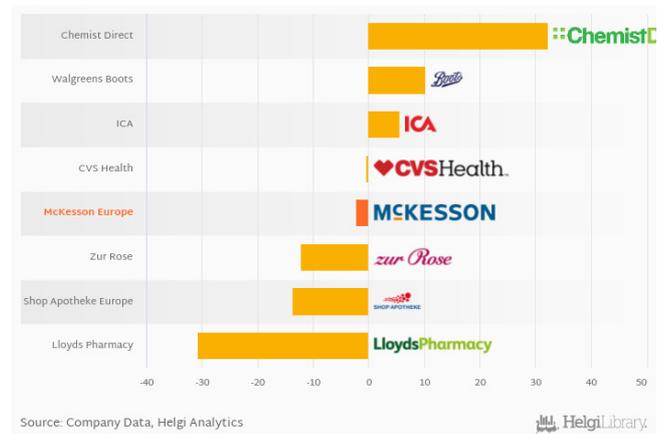
Who Was the Most Indebted to EBITDA?

Net Debt / EBITDA Ratio, 2018



Who Utilized Capital the Most?

Top Companies by ROCE (%), 2018





Financial Data – Annual

Income Statement – Annual

INCOME STATEMENT		2011	2012	2013	2014	2015	2016	2017	2018
Sales	EUR mil	22,271	21,408	22,326	22,216	21,193	20,644	21,090	21,177
Cost of Goods & Services	EUR mil	19,846	19,058	19,947	19,841	18,717	18,518	18,964	19,131
Gross Profit	EUR mil	2,425	2,350	2,379	2,375	2,476	2,126	2,126	2,046
Selling, General & Admin	EUR mil	48.2	54.8	95.3	...	...	...	...	...
Research & Development	EUR mil	7.70	7.00	7.10	0	0	0	0	0
Other Operating Expense	EUR mil	2,102	1,979	2,127	2,336	2,049	2,826	2,405	2,042
Staff Cost	EUR mil	1,271	1,247	1,256	608	1,262	1,121	1,224	1,219
Other Operating Cost (Income)	EUR mil	247	220	209	206	305	98.4	88.9	92.5
EBITDA	EUR mil	543	533	487	464	733	394	148	146
Depreciation	EUR mil	94.5	90.1	90.2	23.5	86.4	70.5	63.9	68.4
EBIT	EUR mil	370	407	237	211	622	-699	-285	-5.90
Net Financing Cost	EUR mil	167	135	89.0	81.0	56.1	64.4	47.2	38.4
Financing Cost	EUR mil	178	145	96.8	88.7	61.2	73.0	52.0	45.4
Financing Income	EUR mil	10.6	9.80	7.80	7.70	5.10	8.60	4.80	7.00
FX (Gain) Loss	EUR mil	0.800	3.90	-15.4	0	0	0	0	0
(Income) / Loss from Affiliates	EUR mil	-2.80	-5.40	-12.8	-26.4	-14.7	-16.0	-22.5	-34.1
Extraordinary Cost	EUR mil	259	4.80	0.500	255	94.3	159	-3.90	2.60
Pre-Tax Profit	EUR mil	215	269	159	144	574	-749	-304	-7.70
Tax	EUR mil	105	97.5	106	102	82.5	55.6	-4.90	44.3
Minorities	EUR mil	7.10	6.50	3.80	2.80	3.90	3.00	3.70	4.40
Net Profit	EUR mil	-156	160	48.6	-216	393	-967	-299	-59.0
Net Profit Avail. to Common	EUR mil	-156	160	48.6	-216	393	-967	-299	-59.0
Dividends	EUR mil	51.0	51.0	169	169	169	169	169	169

Source: Company Data, Helgi Analytics

Growth Rates – Annual

GROWTH RATES		2011	2012	2013	2014	2015	2016	2017	2018
Total Revenue Growth	%	0.532	-3.88	4.29	-0.494	-4.60	-2.59	2.16	0.412
Staff Cost Growth	%	1.36	-1.90	0.746	-51.6	108	-11.2	9.15	-0.392
EBITDA Growth	%	9.51	-1.79	-8.52	-4.74	57.8	-46.2	-62.6	-1.08
EBIT Growth	%	20.2	9.86	-41.7	-11.1	195	-213	-59.3	-97.9
Pre-Tax Profit Growth	%	21.4	25.2	-40.9	-9.19	298	-231	-59.4	-97.5
Net Profit Growth	%	-8,316	-202	-69.6	-544	-282	-346	-69.1	-80.3

Source: Company Data, Helgi Analytics

Ratios – Annual

RATIOS		2011	2012	2013	2014	2015	2016	2017	2018
ROE	%	-6.70	7.29	1.96	-8.15	14.9	-41.6	-15.7	-3.02
ROA	%	-1.86	2.06	0.630	-2.77	4.96	-12.9	-4.35	-0.843
ROCE	%	-3.22	3.61	1.10	-4.87	9.21	-26.3	-10.2	-2.28
Gross Margin	%	10.9	11.0	10.7	10.7	11.7	10.3	10.1	9.66
EBITDA Margin	%	2.44	2.49	2.18	2.09	3.46	1.91	0.699	0.689
EBIT Margin	%	1.66	1.90	1.06	0.948	2.93	-3.39	-1.35	-0.028
Net Margin	%	-0.701	0.747	0.218	-0.971	1.85	-4.68	-1.42	-0.279
Payout Ratio	%	-32.7	31.9	347	-78.2	42.9	-17.4	-56.4	-286

Source: Company Data, Helgi Analytics



Balance Sheet – Annual

BALANCE SHEET		2011	2012	2013	2014	2015	2016	2017	2018
Cash & Cash Equivalents	EUR mil	524	536	336	372	424	476	796	827
Receivables	EUR mil	2,096	2,083	2,298	2,202	2,225	2,290	2,308	2,291
Inventories	EUR mil	1,582	1,598	1,745	1,448	1,377	1,484	1,466	1,554
Other ST Assets	EUR mil	547	344	413	683	1,148	645	642	660
Current Assets	EUR mil	4,749	4,561	4,792	4,704	5,173	4,895	5,212	5,332
Property, Plant & Equipment	EUR mil	530	507	526	517	451	486	479	481
LT Investments & Receivables	EUR mil	98.0	110	55.4	50.5	292	57.4	65.4	73.6
Intangible Assets	EUR mil	2,297	2,199	2,179	2,287	1,965	1,127	833	902
Goodwill	EUR mil	2,153	2,083	2,103	2,221	1,872	962	685	708
Non-Current Assets	EUR mil	3,180	3,038	3,037	3,065	2,909	1,963	1,687	1,759
Total Assets	EUR mil	7,929	7,598	7,830	7,769	8,082	6,858	6,899	7,091
Trade Payables	EUR mil	2,325	2,385	2,553	2,385	2,306	2,595	2,749	3,149
Short-Term Debt	EUR mil	167	503	211	22.2	355	508	400	4.70
Other ST Liabilities	EUR mil	806	617	691	1,027	1,052	614	374	402
Current Liabilities	EUR mil	3,354	3,568	3,577	3,501	3,846	3,797	3,613	3,676
Long-Term Debt	EUR mil	1,916	1,396	992	1,246	1,166	806	967	982
Other LT Liabilities	EUR mil	463	443	499	485	317	362	402	450
Liabilities	EUR mil	5,733	5,406	5,068	5,232	5,329	4,965	4,981	5,108
Preferred Equity and Hybrid Capital	EUR mil	0	0	0	0	0	0	0	0
Share Capital	EUR mil	218	218	260	260	260	260	260	260
Treasury Stock	EUR mil	0	0	0	0	0	0	0	0
Equity Before Minority Interest	EUR mil	2,162	2,158	2,744	2,519	2,734	1,873	1,897	1,980
Minority Interest	EUR mil	34.3	34.0	18.0	18.8	18.8	19.4	20.6	4.00
Equity	EUR mil	2,196	2,192	2,762	2,537	2,753	1,893	1,918	1,984

Source: Company Data, Helgi Analytics

Growth Rates – Annual

GROWTH RATES		2011	2012	2013	2014	2015	2016	2017	2018
Total Asset Growth	%	-10.2	-4.17	3.04	-0.773	4.02	-15.1	0.601	2.79
Shareholders' Equity Growth	%	-11.0	-0.178	26.0	-8.12	8.48	-31.2	1.34	3.43
Net Debt Growth	%	-3.69	-12.5	-36.4	3.46	22.4	-23.7	-32.0	-72.0
Total Debt Growth	%	0.769	-8.82	-36.7	5.47	19.9	-13.6	3.93	-27.8

Source: Company Data, Helgi Analytics

Ratios – Annual

RATIOS		2011	2012	2013	2014	2015	2016	2017	2018
Total Debt	EUR mil	2,083	1,899	1,203	1,269	1,521	1,315	1,366	986
Net Debt	EUR mil	1,559	1,363	867	897	1,098	838	570	160
Working Capital	EUR mil	1,353	1,296	1,490	1,264	1,296	1,179	1,025	696
Capital Employed	EUR mil	4,533	4,334	4,528	4,329	4,204	3,142	2,712	2,456
Net Debt/Equity	%	71.0	62.2	31.4	35.4	39.9	44.3	29.7	8.05
Net Debt/EBITDA		2.87	2.56	1.78	1.93	1.50	2.13	3.86	1.09
Cost of Financing	%	8.58	7.28	6.24	7.18	4.39	5.15	3.88	3.86
Current Ratio		1.42	1.28	1.34	1.34	1.35	1.29	1.44	1.45
Quick Ratio		0.781	0.734	0.736	0.735	0.689	0.729	0.859	0.848

Source: Company Data, Helgi Analytics



Cash Flow – Annual

CASH FLOW		2011	2012	2013	2014	2015	2016	2017	2018
Net Profit	EUR mil	-156	160	48.6	-216	393	-967	-299	-59.0
Depreciation	EUR mil	94.5	90.1	90.2	23.5	86.4	70.5	63.9	68.4
Non-Cash Items	EUR mil	314	78.9	21.4	414	-76.3	131	51.5	26.9
Change in Working Capital	EUR mil	-0.300	-64.0	-205	-242	-156	118	39.2	201
Total Cash From Operations	EUR mil	320	307	115	188	251	357	225	314
Capital Expenditures	EUR mil	-99.1	-99.4	-126	-132	-151	-149	-117	-136
Net Change in LT Investment	EUR mil	0	0	0	0	0	0	0	0
Net Cash From Acquisitions	EUR mil	-194	41.2	-3.50	-12.8	-261	-113	-41.4	-34.9
Other Investing Activities	EUR mil	131	10.0	0	13.3	0.100	237	275	0
Total Cash From Investing	EUR mil	-162	-48.2	-130	-133	-420	-120	117	-171
Dividends Paid	EUR mil	-43.9	-52.2	-53.0	-53.1	-10.0	-130	0	-18.3
Issuance Of Shares	EUR mil	0	0	0	0	0	0	0	0
Issuance Of Debt	EUR mil	-43.5	-188	-132	128	259	-22.4	-76.9	-399
Other Financing Activities	EUR mil	-0.800	0	-13.0	-212	-32.5	24.1	60.7	306
Total Cash From Financing	EUR mil	-88.2	-240	-198	-104	244	-160	-16.2	-111
Effect of FX Rates	EUR mil	7.20	-6.60	12.7	0	-19.2	-24.4	-5.10	-1.30
Net Change In Cash	EUR mil	76.7	11.8	-200	-49.0	54.8	52.8	320	30.3

Source: Company Data, Helgi Analytics

Ratios – Annual

RATIOS		2011	2012	2013	2014	2015	2016	2017	2018
Days Sales Outstanding	days	34.4	35.5	37.6	36.2	38.3	40.5	39.9	39.5
Days Sales Of Inventory	days	29.1	30.6	31.9	26.6	26.8	29.2	28.2	29.7
Days Payable Outstanding	days	42.8	45.7	46.7	43.9	45.0	51.1	52.9	60.1
Cash Conversion Cycle	days	20.7	20.4	22.8	18.9	20.2	18.6	15.2	9.06
Cash Earnings	EUR mil	-61.6	250	139	-192	479	-896	-235	9.40
Free Cash Flow	EUR mil	158	259	-14.5	55.1	-170	237	341	143
Capital Expenditures (As % of Sales)	%	0.445	0.464	0.566	0.595	0.711	0.722	0.555	0.643

Source: Company Data, Helgi Analytics

Other Ratios – Annual

OTHER RATIOS		2011	2012	2013	2014	2015	2016	2017	2018
Employees		38,940	38,871	38,788	25,118	23,404	26,329	25,732	24,878
Cost Per Employee	USD per month	3,783	3,435	3,582	2,600	5,149	3,804	4,449	4,781
Cost Per Employee (Local Currency)	EUR per month	2,720	2,673	2,698	2,017	4,492	3,548	3,962	4,082
Women (As % of Workforce)	%	...	...	...	...	70.0	69.8	...	65.0
Operating Cost (As % of Sales)	%	10.3	10.1	10.5	10.7	10.2	14.2	11.9	10.1
Research & Development (As % of Sales)	%	0.035	0.033	0.032	0	0	0	0	0
Staff Cost (As % of Sales)	%	5.71	5.82	5.63	2.74	5.95	5.43	5.80	5.75
Effective Tax Rate	%	49.0	36.3	66.7	70.9	14.4	-7.42	1.61	-575
Total Revenue Growth (5-year average)	%	-0.071	0.227	0.759	-0.930	-0.883	-1.51	-0.299	-1.05
Total Revenue Growth (10-year average)	%	1.94	1.44	1.54	0.811	-0.176	-0.791	-0.036	-0.150

Source: Company Data, Helgi Analytics



Valuation - Annual

VALUATION		2011	2012	2013	2014	2015	2016	2017	2018
Market Capitalisation	USD mil	2,698	2,928	5,395	6,570	5,962	5,840	5,591	6,714
Enterprise Value (EV)	USD mil	4,719	4,727	6,586	7,656	7,157	6,725	6,274	6,897
Number Of Shares	mil	170	170	186	199	203	203	203	203
Share Price	EUR	9.84	10.7	19.2	22.6	23.1	22.2	23.4	25.2
EV/EBITDA		6.25	6.90	10.2	12.8	8.52	15.9	37.9	40.4
Price/Earnings (P/E)		984	-11.6	20.9	90.4	-21.8	11.5	-4.92	-17.1
Price/Free Cash Flow (P/FCF)		10.6	7.04	-246	81.7	-27.8	19.1	13.9	35.8
Price/Book Value (P/BV)		0.762	0.831	1.29	1.77	1.71	2.39	2.48	2.58
Dividend Yield	%	5.08	2.33	1.56	1.33	1.30	4.68	3.55	3.30
Free Cash Flow Yield	%	8.13	11.3	-0.357	1.08	-3.26	4.35	6.86	2.49
Earnings Per Share (EPS)	EUR	0.010	-0.920	0.920	0.250	-1.06	1.93	-4.76	-1.47
Cash Earnings Per Share	EUR	-0.362	1.47	0.748	-0.966	2.36	-4.41	-1.16	0.046
Free Cash Flow Per Share	EUR	0.927	1.52	-0.078	0.277	-0.833	1.17	1.68	0.704
Book Value Per Share	EUR	12.9	12.9	14.9	12.7	13.5	9.31	9.44	9.76
Dividend Per Share	EUR	0.500	0.250	0.300	0.300	0.300	1.04	0.830	0.830
EV/Sales		0.152	0.172	0.222	0.267	0.295	0.304	0.265	0.278
EV/EBIT		9.17	9.05	20.9	28.2	10.0	-8.97	-19.6	-99.8
EV/Free Cash Flow		21.5	14.2	-342	108	-36.8	26.5	16.4	41.2
EV/Capital Employed		0.803	0.827	1.06	1.46	1.56	2.03	1.93	2.45
Earnings Per Share Growth	%	-99.3	-9,300	-200	-72.8	-524	-282	-346	-69.1
Cash Earnings Per Share	EUR	-0.362	1.47	0.748	-0.966	2.36	-4.41	-1.16	0.046
Book Value Per Share Growth	%	-2.83	-0.178	15.4	-14.3	6.14	-31.2	1.34	3.43

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 or contact us at info@helgilibrary.com.

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