

# CVS Health

## Financial Performance in 2019

CVS Health announced a net profit of USD 6,634 mil in 2019, up 1% compared to the last year. Sales increased 32% yoy to USD 256,776 mil, EBITDA rose 182% to USD 19,028 mil and net margin amounted to 2.58%. CVS Health stock appreciated 17.3% in 2019 to USD 72.6 per share and the stock traded at 12-month trailing PE of 14.3 and EV/EBITDA of 9.34x at the end of 2019.

- ✓ Sales increased 32.0% yoy to USD 256,776 mil in 2019. That's compared to an average growth of 13.1% over the last three years and a 10.1% increase on average for the last decade.
- ✓ EBITDA amounted to USD 19,028 mil and grew 182% compared to the last year. EBITDA margin reached 7.41%, up 0.977 pp in comparison to the 5-year average.
- ✓ The company's indebtedness measured by Net Debt/Equity, reached 126% at the end of the year. Net Debt against EBITDA fell to 4.25x.
- ✓ CVS Health netted USD 6,634 mil to its shareholders in the last year, up 42.9% when compared to the average seen in the last five years. The company produced a return on capital of 3.65% and return on equity of 10.8% in the last year.
- ✓ CVS Health stock traded at USD 72.6 per share at the end of 2019 implying a market capitalization of USD 96,726 mil and enterprise value of USD 177,672 mil. This puts the stock at the 12-month trailing price to earnings of 14.3x and EV/EBITDA of 9.34x as of the end of 2019. Over the last five years, the stock price has decreased by 2.78% a year on average and the firm generated its shareholders an average return on equity of 11.1%.

<b>Sector:</b>	Retail & Wholesale
<b>Country:</b>	USA
<b>Share Price:</b>	USD 72.6
<b>Market Capitalization:</b>	USD 96,726 mil
<b>Shares Outstanding:</b>	1,305 mil
<b>Enterprise Value:</b>	USD 177,672 mil
<b>Net Debt:</b>	USD 80,946 mil
<b>Net Debt / Equity:</b>	126%
<b>EBITDA Margin:</b>	7.41%
<b>Net Margin:</b>	2.58%

KEY FIGURES									
	SALES	EBITDA	NET PROFIT	EPS	EPS GROWTH	PER	EV/EBITDA	ROCE	DEBT/EBITDA
	USD mil	USD mil	USD mil	USD	%			%	
2019	256,776	19,028	6,634	5.08	-991	14.3	9.34	3.65	4.25
2018	194,579	6,739	-594	-0.570	-109	-109	22.5	-0.466	9.92
2017	184,786	12,017	6,622	6.44	31.4	10.3	8.21	7.98	2.10
2016	177,546	12,861	5,317	4.90	5.83	14.4	8.38	6.48	1.87
2015	153,290	11,567	5,237	4.63	16.9	18.6	11.5	7.23	2.15

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

Data tells a story



## 1 Company Overview

CVS Health Corporation is an integrated pharmacy health care provider. The Company's offerings include pharmacy benefit management services, mail order, retail and specialty pharmacy, disease management programs, and retail clinics. The Company operates drugstores throughout the U.S., the District of Columbia, and Puerto Rico. Company's retail segment sells prescription and over-the-counter drugs, beauty and personal care products, and cosmetics; and provides health care services through its MinuteClinic walk-in medical clinics. This segment also distributes prescription drugs; and provides related pharmacy consulting and other ancillary services to chronic care facilities and other care settings. At the end of 2019, it operated approximately 9,900 retail locations and 1,100 MinuteClinic locations, as well as online retail pharmacy websites, LTC pharmacies, and onsite pharmacies

CVS Health has been growing its sales by 13.0% a year on average in the last 5 years. EBITDA has grown on average by 12.1% a year during that time to total of USD 19,028 mil in 2019, or 7.41% of sales. That's compared to 6.43% average margin seen in last five years.

The company netted USD 6,634 mil in 2019 implying ROE of 10.8% and ROCE of 3.65%. Again, the average figures were 11.1% and 4.98%, respectively when looking at the previous 5 years.

CVS Health's net debt amounted to USD 80,946 mil at the end of 2019, or 126% of equity. When compared to EBITDA, net debt was 4.25x, up when compared to average of 4.06x seen in the last 5 years.

CVS Health stock traded at USD 72.6 per share at the end of 2019 resulting in a market capitalization of USD 96,726 mil. Over the previous five years, stock price fell by 13.1% or -2.78% a year on average. The closing price put stock at a 12-month trailing EV/EBITDA of 9.34x and price to earnings (PE) of 14.3x as of 2019.

FINANCIALS		2012	2013	2014	2015	2016	2017	2018	2019
Sales	USD mil	123,120	126,761	139,367	153,290	177,546	184,786	194,579	256,776
EBITDA	USD mil	8,963	9,907	10,730	11,567	12,861	12,017	6,739	19,028
Net Profit	USD mil	3,864	4,592	4,644	5,237	5,317	6,622	-594	6,634
Total Assets	USD mil	66,221	71,526	74,187	92,437	94,462	95,131	196,456	222,449
Working Capital	USD mil	12,441	14,226	15,070	18,399	18,978	19,614	19,946	19,762
Net Debt	USD mil	8,448	9,225	10,375	24,917	24,073	25,195	66,848	80,946
Equity	USD mil	37,653	37,938	37,963	37,242	36,834	37,695	58,543	64,170

RATIOS		2012	2013	2014	2015	2016	2017	2018	2019
ROE	%	10.2	12.1	12.2	13.9	14.4	17.8	-1.23	10.8
ROCE	%	6.65	7.72	7.51	7.23	6.48	7.98	-0.466	3.65
EBITDA Margin	%	7.28	7.82	7.70	7.55	7.24	6.50	3.46	7.41
Net Margin	%	3.14	3.62	3.33	3.42	2.99	3.58	-0.305	2.58
Net Debt/EBITDA		0.943	0.931	0.967	2.15	1.87	2.10	9.92	4.25
Net Debt/Equity	%	22.4	24.3	27.3	66.9	65.4	66.8	114	126

VALUATION		2012	2013	2014	2015	2016	2017	2018	2019
Market Capitalisation	USD mil	59,519	84,453	109,793	107,645	83,724	73,515	84,848	96,726
EV/EBITDA		7.58	9.46	11.2	11.5	8.38	8.21	22.5	9.34
Price/Earnings (P/E)		13.5	16.4	21.1	18.6	14.4	10.3	-109	14.3
EV/Sales		0.552	0.739	0.862	0.865	0.607	0.534	0.780	0.692

Source: Company Data, Helgi Analytics

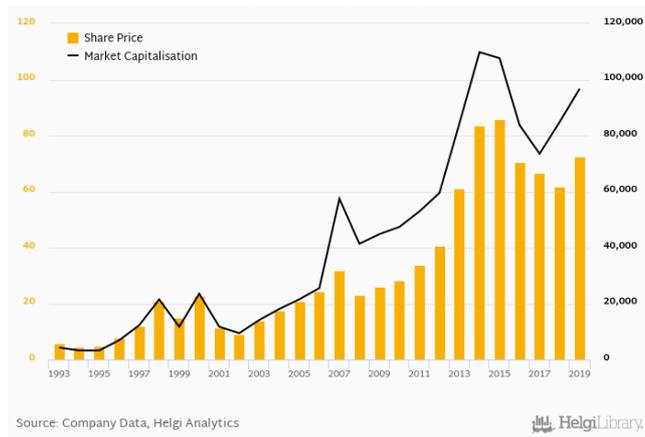


## 2 Valuation

CVS Health stock traded at USD 72.6 per share at the end of 2019 translating into a market capitalization of USD 96,726 mil. Over the previous year, the stock appreciated by 17.3%. Over the previous three years, stock price rose by 2.74% or 0.905% a year on average. That's compared to an average ROE of 9.12% the company generated for its shareholders:

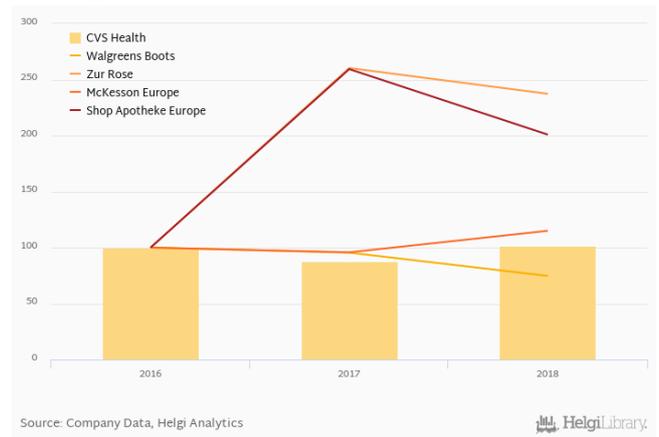
### Stock Price & Market Capitalization

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



### Market Capitalization Peers Comparison

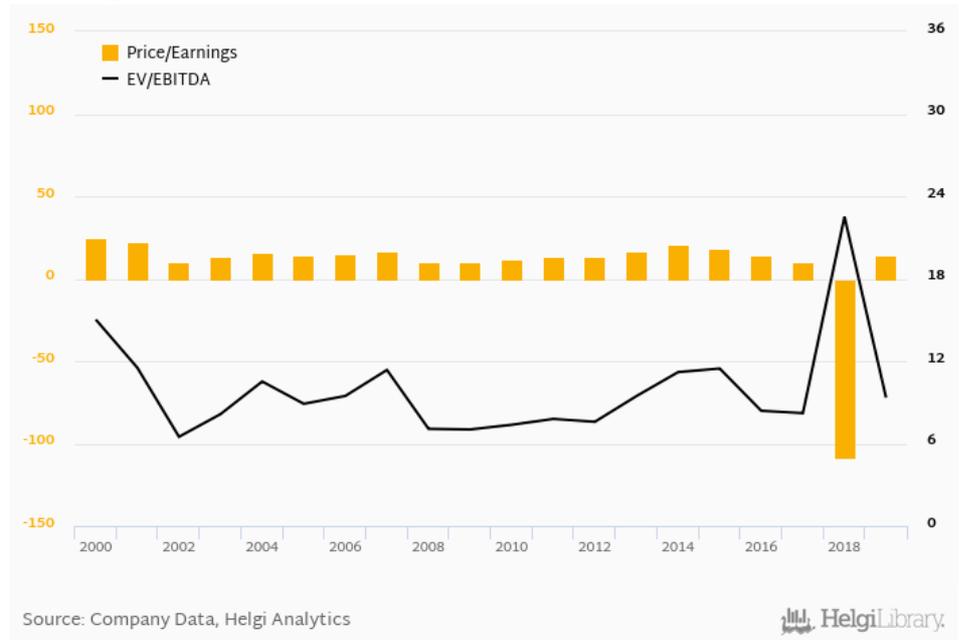
Market Capitalization (Rebased to 100)



The last price puts the company at the 12-month trailing price to earnings (PE) of 14.3x and enterprise value to EBITDA (EV/EBITDA) of 9.34x 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 18.6x in 2015 and a low of -109x in 2018 with an average of -10.2x.

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
Walgreens Boots	USA	45,835	9.72	12.3	16.1	26.5	19.2	19.1	19.9	12.8	11.6
CVS Health	USA	96,726	13.2	13.5	16.4	21.1	18.6	14.4	10.3	-109	14.3
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

CVS HEALTH'S PREMIUM/DISCOUNT TO:											
Weighted Average			-70.0%	-3.47%	3.22%	-16.5%	6.20%	-12.5%	-28.0%	-114%	3.39%
Median			0	9.31%	1.71%	0	0	11.3%	281%	-674%	23.7%

Source: Company Data, Helgi Analytics

In terms of EV/EBITDA, CVS Health was trading at 9.34 at the end of 2019. Over the last five years, the multiple reached a high of 22.5x in 2018 and a low of 8.21x in 2017 with an average of 12.0x.

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
Walgreens Boots	USA	45,835	6.02	8.58	9.98	12.0	15.6	10.8	13.5	10.0	11.9
CVS Health	USA	96,726	7.79	7.58	9.46	11.2	11.5	8.38	8.21	22.5	9.34
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 CVS Health'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
Walgreens Boots	USA	45,835	13.6	20.1	14.6	19.9	12.8	11.6	13.5	10.0	11.9
CVS Health	USA	96,726	17.8	-1.23	10.8	10.3	-109	14.3	8.21	22.5	9.34
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



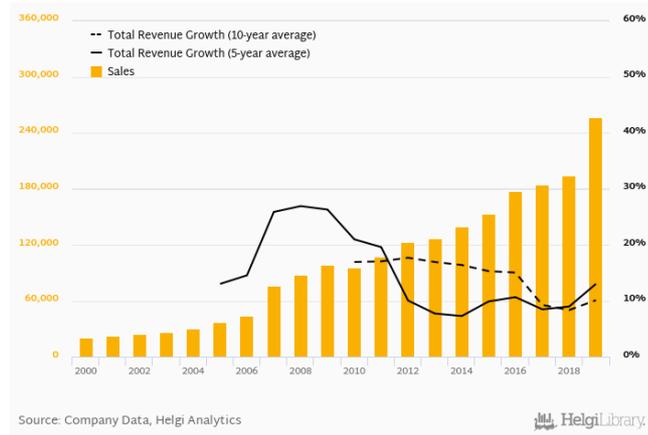
### 3 Sales, Production & Margins

#### 3.1 Sales & Production

CVS Health reached total sales of USD 256,776 mil in 2019, up 32% when compared to the previous year. In the last five years sales have increased by 84.2%, or 13.0% a year.

##### Sales Momentum

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



#### 3.2 Margins

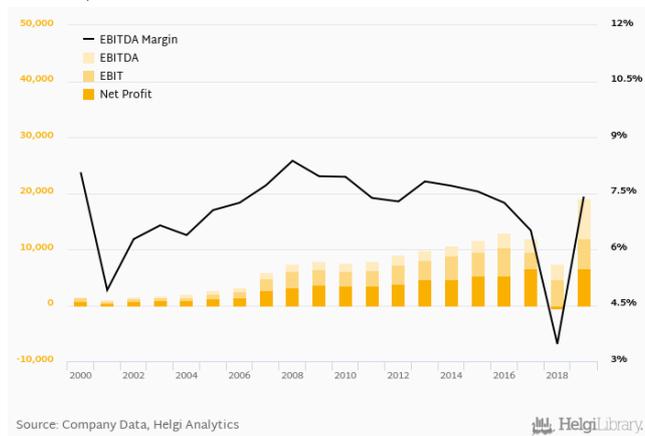
The company made a net profit of USD 6,634 mil under revenues of USD 256,776 mil in 2019, what translates into a net margin of 2.58%.

Between 2000 and 2019, the net margin has reached a high of 3.76% in 2009 and a low of -0.305% in 2018 with an average at 2.92% seen in the last decade.

On the operating level, the company produced EBITDA of USD 19,028 mil, up 182% yoy. Over the last five years, company's EBITDA has grown 12.1% a year on average.

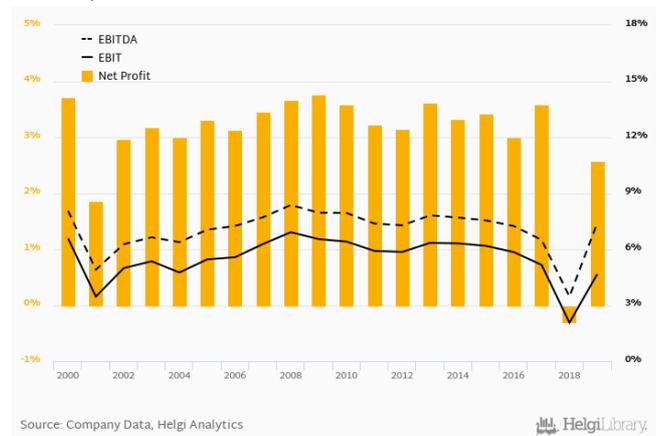
##### From EBITDA to Net Profit

Net Profit, EBIT & EBITDA (USD mil)



##### Profit Margins

Net Profit, EBIT & EBITDA as % of Sales





When compared to a few selected peers, CVS Health has been operating with 9.66% higher 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
Walgreens Boots	USA	7.42	6.31	6.79	6.37	6.01	7.66	5.87	5.94	5.32
CVS Health	USA	7.37	7.28	7.82	7.70	7.55	7.24	6.50	3.46	7.41
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

CVS HEALTH'S PREMIUM/DISCOUNT TO:										
Weighted Average		35.0%	28.6%	-29.9%	11.8%	16.5%	7.94%	8.63%	-32.6%	3.36%
Median		268%	193%	53.6%	170%	103%	121%	75.1%	57.3%	245%

Source: Company Data, Helgi Analytics



## 4 Indebtedness & Investments

### 4.1 Balance Sheet & Indebtedness

CVS Health's total assets reached USD 222,449 mil at 2019, up 13.2% when compared to the previous year. Current assets amounted to USD 50,302 mil, or 22.6% of total assets while cash reached USD 8,056 mil at the end of 2019.

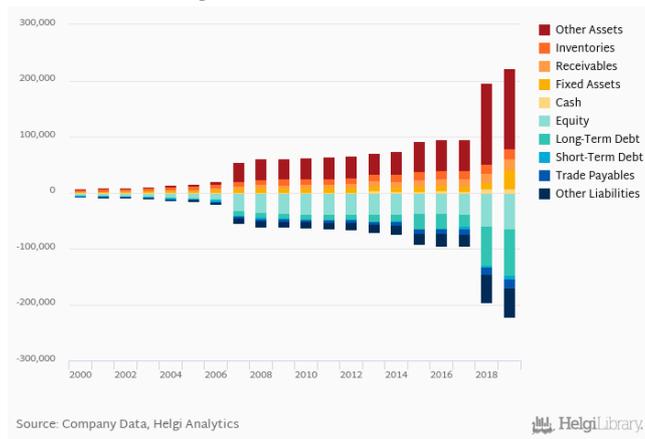
On the other hand, total debt reached USD 89,002 mil at the end of 2019, or 40.0% of total assets while firm's equity amounted to USD 64,170 mil. As a result, net debt reached USD 80,946 mil in 2019 and accounted for 126% of equity.

Historically, between 2000 and 2019, the firm's net debt to equity reached a high of 126% in 2019 and a low of 3.87% in 2003.

When compared to EBITDA, net debt amounted to 4.25x at the end of 2019. The ratio reached a high of 9.92x in 2018 and a low of 0.132x in 2003 in the period of 2000 - 2019.

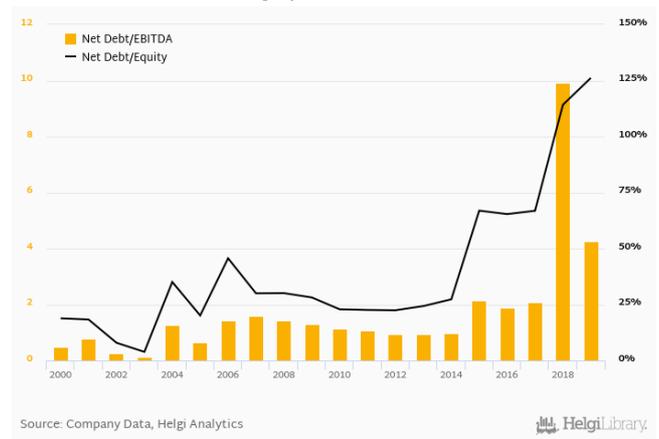
#### Balance Sheet

Assets and their Funding (USD mil)



#### Indebtedness

Net Debt/EBITDA & Net Debt/Equity





When compared to the selected peers, CVS Health has been operating with 0.082 pp lower 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
Walgreens Boots	USA	0.241	1.02	0.826	0.337	1.73	1.04	1.72	1.88	5.64
CVS Health	USA	1.09	0.943	0.931	0.967	2.15	1.87	2.10	9.92	4.25
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

CVS HEALTH'S PREMIUM/DISCOUNT TO:										
Weighted Average		-15.1%	-65.7%	16.0%	22.8%	23.8%	32.4%	35.4%	62.0%	11.5%
Median		0	-7.59%	6.01%	10.8%	33.7%	-6.40%	4.13%	428%	1,726%

Source: Company Data, Helgi Analytics

## 4.2 Cash Flow & Investments

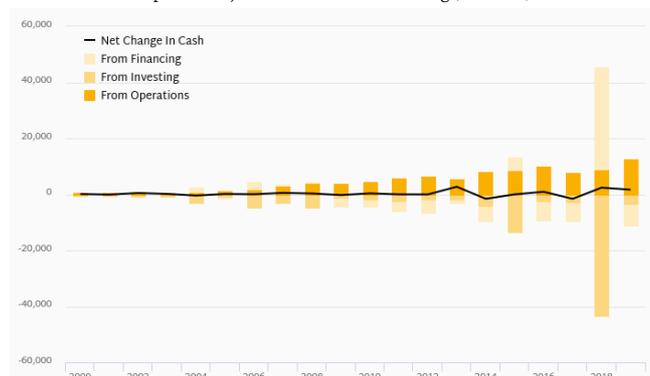
CVS Health's operating cash flow reached USD 12,848 mil in 2019, up 44.9% when compared to the previous year. Historically, between 2000 and 2019, the firm's operating cash flow reached a high of USD 12,848 mil in 2019 and a low of USD 681 mil in 2001.

CVS Health's total investments reached USD -3,339 mil and accounted for 0.957% of sales in 2019. This is compared to 1.16% seen on average in the last five years.

Since cash from financing amounted to USD -7,850 mil, net cash the company generated in 2019 reached USD 8,056 mil.

### Cash Flow

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

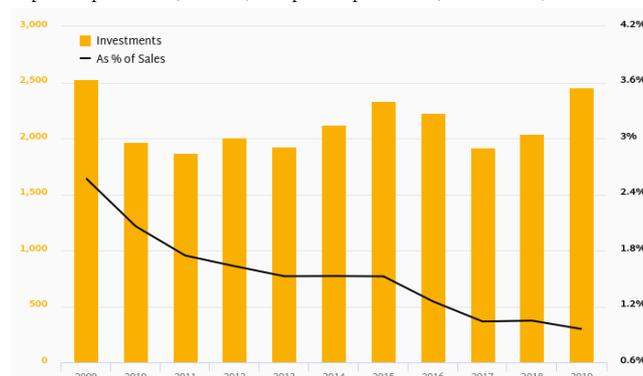


Source: Company Data, Helgi Analytics



### How Much Does CVS Health Invests?

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



Source: Company Data, Helgi Analytics





## 5 Profitability

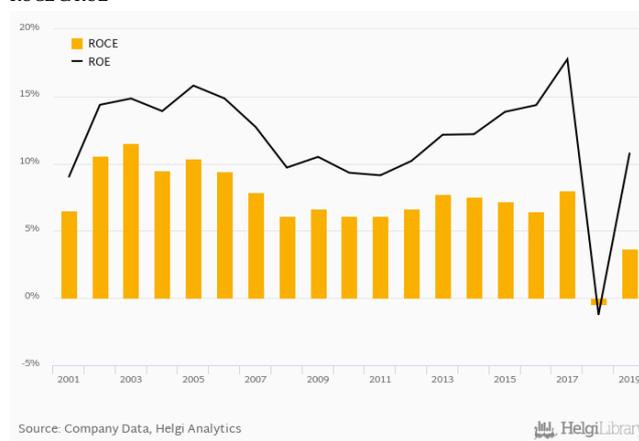
CVS Health made a net profit of USD 6,634 mil in 2019, up 1% when compared to the previous year. Historically, between 2000 and 2019, company's net profit reached a high of USD 6,634 mil in 2019 and a low of USD -594 mil in 2018

The profit implies the company generated a return on equity of 10.8% and return on invested capital of 3.65% in 2019. That is compared to 11.1% and 4.98% average seen in the last five years.

Since 2014, net profit of the firm increased by 42.9% or 7.39% a year on average.

### Profitability

#### ROCE & ROE



When compared to its peers, CVS Health's profitability is 0.558 pp below 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
Walgreens Boots	USA	13.1	7.99	9.29	6.81	10.6	7.88	7.67	10.3	5.83
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
CVS Health	USA	6.09	6.65	7.72	7.51	7.23	6.48	7.98	-0.466	3.65
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

Source: Company Data, Helgi Analytics

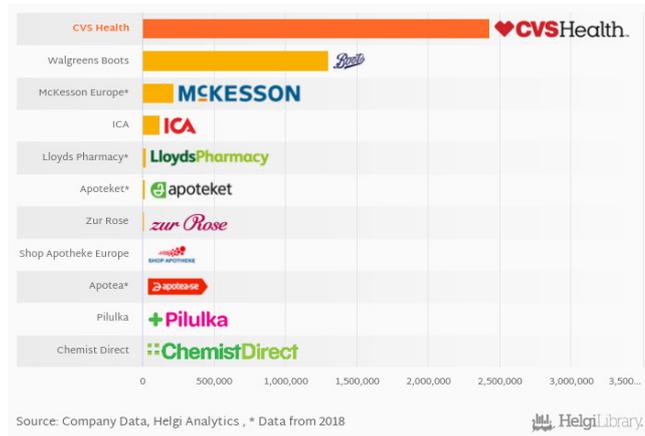


## 6 Relative Performance Compared to Peers

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

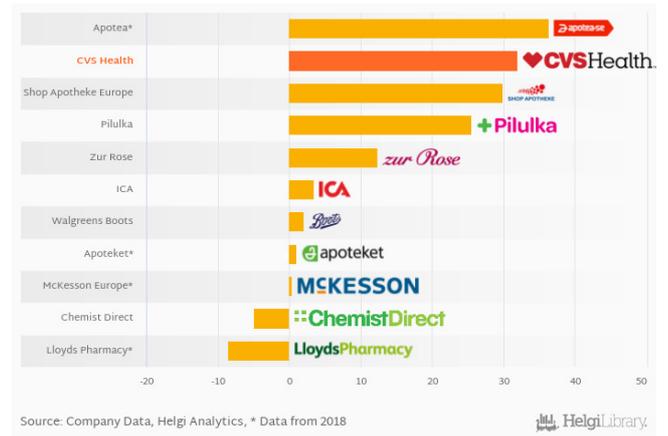
### Who Was the Largest by Sales?

Top Companies by Sales (SEK mil), 2019



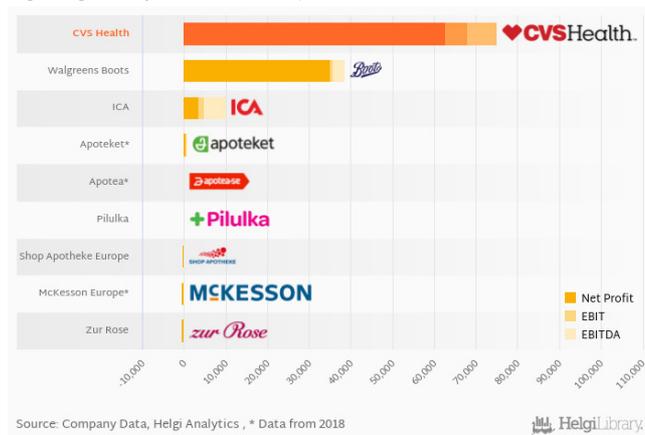
### Who Has Grown the Most in Sales?

Total Revenue Growth (%), 2019



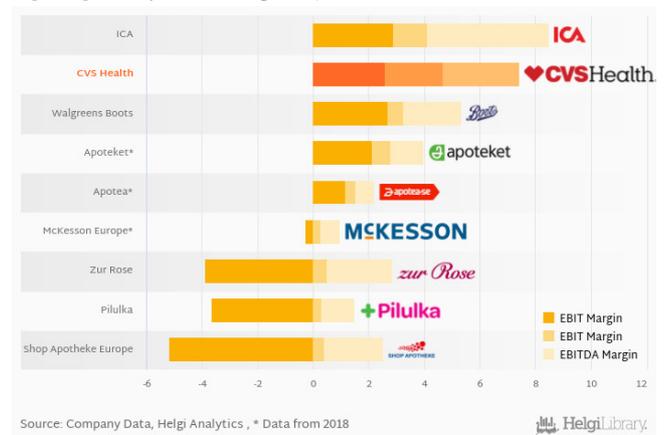
### Who Created the Largest EBITDA?

Top Companies by EBITDA (SEK mil), 2019



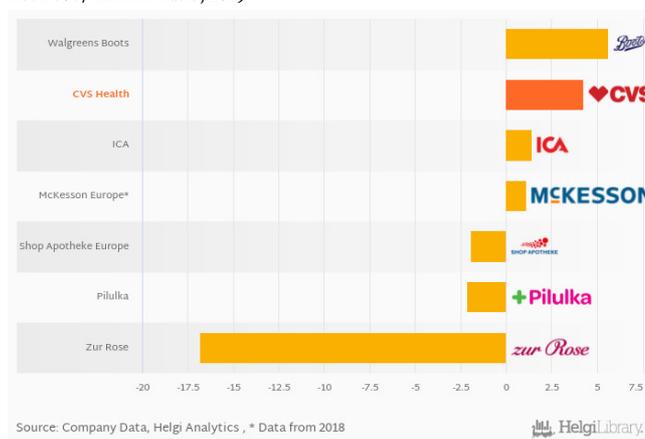
### Who Operated with the Highest Margins?

Top Companies by EBITDA Margin (%), 2019



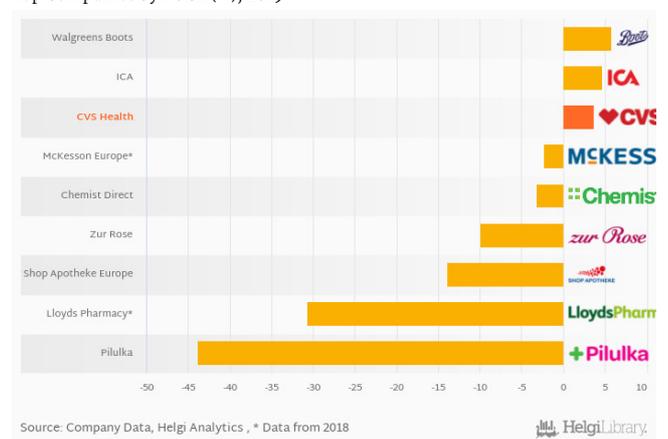
### Who Was the Most Indebted to EBITDA?

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	123,120	126,761	139,367	153,290	177,546	184,786	194,579	256,776
Cost of Goods & Services	USD mil	100,632	102,978	114,000	126,762	148,712	156,258	163,041	211,248
Gross Profit	USD mil	22,488	23,783	25,367	26,528	28,834	28,528	31,538	45,528
Selling, General & Admin	USD mil	...	...	...	...	...	...	...	...
Research & Development	USD mil	0	0	0	0	0	0	0	0
Other Operating Expense	USD mil	15,278	15,746	16,568	17,053	18,448	18,760	27,153	33,145
Other Operating Cost (Income)	USD mil	0	0	0	0	0	0	0	0
EBITDA	USD mil	8,963	9,907	10,730	11,567	12,861	12,017	6,739	19,028
Depreciation	USD mil	1,300	1,400	1,400	1,481	1,700	1,700	1,700	1,900
EBIT	USD mil	7,210	8,037	8,799	9,475	10,386	9,538	4,021	11,987
Net Financing Cost	USD mil	557	509	600	838	1,078	1,062	2,619	3,035
Financing Cost	USD mil	561	517	615	859	1,078	1,062	2,619	3,035
Financing Income	USD mil	4.00	8.00	15.0	21.0	0	0	0	0
FX (Gain) Loss	USD mil	0	0	0	0	0	0	0	0
Extraordinary Cost	USD mil	7.00	8.00	1.00	-9.00	1.00	8.00	0	0
Pre-Tax Profit	USD mil	6,305	7,528	7,678	8,616	8,637	8,268	1,406	8,997
Tax	USD mil	2,436	2,928	3,033	3,386	3,317	1,637	2,002	2,366
Minorities	USD mil	-2.00	0	0	2.00	2.00	1.00	-2.00	-3.00
Net Profit	USD mil	3,864	4,592	4,644	5,237	5,317	6,622	-594	6,634
Net Profit Avail. to Common	USD mil	3,864	4,592	4,625	5,210	5,317	6,622	-594	6,634
Dividends	USD mil	826	1,095	1,277	1,565	1,824	2,040	2,088	2,602

Source: Company Data, Helgi Analytics

### Growth Rates – Annual

GROWTH RATES		2012	2013	2014	2015	2016	2017	2018	2019
Total Revenue Growth	%	15.0	2.96	9.94	9.99	15.8	4.08	5.30	32.0
EBITDA Growth	%	13.5	10.5	8.31	7.80	11.2	-6.56	-43.9	182
EBIT Growth	%	13.9	11.5	9.48	7.68	9.61	-8.16	-57.8	198
Pre-Tax Profit Growth	%	9.73	19.4	1.99	12.2	0.244	-4.27	-83.0	540
Net Profit Growth	%	11.6	18.8	0.719	12.6	2.05	24.5	-109	-1,217

Source: Company Data, Helgi Analytics

### Ratios – Annual

RATIOS		2012	2013	2014	2015	2016	2017	2018	2019
ROE	%	10.2	12.1	12.2	13.9	14.4	17.8	-1.23	10.8
ROA	%	5.91	6.67	6.37	6.29	5.69	6.99	-0.407	3.17
ROCE	%	6.65	7.72	7.51	7.23	6.48	7.98	-0.466	3.65
Gross Margin	%	18.3	18.8	18.2	17.3	16.2	15.4	16.2	17.7
EBITDA Margin	%	7.28	7.82	7.70	7.55	7.24	6.50	3.46	7.41
EBIT Margin	%	5.86	6.34	6.31	6.18	5.85	5.16	2.07	4.67
Net Margin	%	3.14	3.62	3.33	3.42	2.99	3.58	-0.305	2.58
Payout Ratio	%	21.4	23.9	27.5	29.9	34.3	30.8	-352	39.2

Source: Company Data, Helgi Analytics



## Balance Sheet – Annual

BALANCE SHEET		2012	2013	2014	2015	2016	2017	2018	2019
Cash & Cash Equivalents	USD mil	1,380	4,177	2,515	2,547	3,458	1,807	6,581	8,056
Receivables	USD mil	6,479	8,729	9,687	11,888	12,164	13,181	17,631	19,617
Inventories	USD mil	11,032	11,045	11,930	14,001	14,760	15,296	16,450	17,516
Other ST Assets	USD mil	1,270	1,374	1,851	722	660	945	4,581	5,113
Current Assets	USD mil	20,161	25,325	25,983	29,158	31,042	31,229	45,243	50,302
Property, Plant & Equipment	USD mil	8,632	8,615	8,843	9,855	10,175	10,292	11,349	32,904
LT Investments & Receivables	USD mil	0	0	0	0	0	0	15,732	17,314
Intangible Assets	USD mil	36,148	36,071	37,916	51,984	51,760	52,081	115,202	112,870
Goodwill	USD mil	26,395	26,542	28,142	38,106	38,249	38,451	78,678	79,749
Non-Current Assets	USD mil	46,060	46,201	48,204	63,279	63,420	63,902	151,213	172,147
Total Assets	USD mil	66,221	71,526	74,187	92,437	94,462	95,131	196,456	222,449
Trade Payables	USD mil	5,070	5,548	6,547	7,490	7,946	8,863	14,135	17,371
Short-Term Debt	USD mil	695	561	1,260	1,197	1,916	4,821	1,985	5,377
Other ST Liabilities	USD mil	0	0	0	0	0	23.0	4,876	4,821
Current Liabilities	USD mil	14,150	15,425	19,027	23,169	26,250	30,648	44,009	53,303
Long-Term Debt	USD mil	9,133	12,841	11,630	26,267	25,615	22,181	71,444	83,625
Other LT Liabilities	USD mil	5,285	5,322	5,567	5,759	5,763	4,607	22,460	21,351
Non-Current Liabilities	USD mil	...	...	...	...	...	...	...	104,976
Liabilities	USD mil	28,568	33,588	36,224	55,195	57,628	57,436	137,913	158,279
Preferred Equity and Hybrid Capital	USD mil	0	0	0	0	0	0	0	0
Share Capital	USD mil	29,137	29,794	30,435	30,965	31,635	32,096	45,440	45,972
Treasury Stock	USD mil	16,270	20,169	24,078	28,886	33,452	37,765	28,228	28,235
Equity Before Minority Interest	USD mil	37,653	37,938	37,958	37,196	36,830	37,691	58,225	63,864
Minority Interest	USD mil	0	0	5.00	46.0	4.00	4.00	318	306
Equity	USD mil	37,653	37,938	37,963	37,242	36,834	37,695	58,543	64,170

Source: Company Data, Helgi Analytics

## Growth Rates – Annual

GROWTH RATES		2012	2013	2014	2015	2016	2017	2018	2019
Total Asset Growth	%	2.60	8.01	3.72	24.6	2.19	0.708	107	13.2
Shareholders' Equity Growth	%	-1.12	0.757	0.066	-1.90	-1.10	2.34	55.3	9.61
Net Debt Growth	%	-1.72	9.20	12.5	140	-3.39	4.66	165	21.1
Total Debt Growth	%	-1.86	36.4	-3.82	113	0.244	-1.92	172	21.2

Source: Company Data, Helgi Analytics

## Ratios – Annual

RATIOS		2012	2013	2014	2015	2016	2017	2018	2019
Total Debt	USD mil	9,828	13,402	12,890	27,464	27,531	27,002	73,429	89,002
Net Debt	USD mil	8,448	9,225	10,375	24,917	24,073	25,195	66,848	80,946
Working Capital	USD mil	12,441	14,226	15,070	18,399	18,978	19,614	19,946	19,762
Capital Employed	USD mil	58,501	60,427	63,274	81,678	82,398	83,516	171,159	191,909
Net Debt/Equity	%	22.4	24.3	27.3	66.9	65.4	66.8	114	126
Net Debt/EBITDA		0.943	0.931	0.967	2.15	1.87	2.10	9.92	4.25
Cost of Financing	%	5.65	4.45	4.68	4.26	3.92	3.89	5.22	3.74
Current Ratio		1.42	1.64	1.37	1.26	1.18	1.02	1.03	0.944
Quick Ratio		0.555	0.837	0.641	0.623	0.595	0.489	0.550	0.519

Source: Company Data, Helgi Analytics



## Cash Flow – Annual

CASH FLOW		2012	2013	2014	2015	2016	2017	2018	2019
Net Profit	USD mil	3,864	4,592	4,644	5,237	5,317	6,622	-594	6,634
Depreciation	USD mil	1,300	1,400	1,400	1,481	1,700	1,700	1,700	1,900
Non-Cash Items	USD mil	378	-81.0	650	-136	1,164	-1,349	7,015	1,206
Change in Working Capital	USD mil	676	-598	912	1,346	1,185	255	-274	637
Total Cash From Operations	USD mil	6,671	5,783	8,137	8,539	10,141	8,007	8,865	12,848
Capital Expenditures	USD mil	-2,007	-1,930	-2,125	-2,332	-2,224	-1,918	-2,037	-2,457
Net Change in LT Investment	USD mil	529	600	515	411	230	265	0	5.00
Net Cash From Acquisitions	USD mil	-378	-415	-2,439	-11,475	-524	-1,181	-41,394	-444
Other Investing Activities	USD mil	7.00	-90.0	4.00	-24.0	48.0	-43.0	146	-443
Total Cash From Investing	USD mil	-1,849	-1,835	-4,045	-13,420	-2,470	-2,877	-43,285	-3,339
Dividends Paid	USD mil	-829	-1,097	-1,288	-1,576	-1,840	-2,049	-2,038	-2,603
Issuance Of Shares	USD mil	-3,466	-3,414	-3,474	-4,639	-4,165	-4,032	242	210
Issuance Of Debt	USD mil	-539	3,274	-932	11,218	-614	-598	38,265	-5,320
Other Financing Activities	USD mil	-26.0	0	0	-124	-142	-72.0	350	-137
Total Cash From Financing	USD mil	-4,860	-1,237	-5,694	4,879	-6,761	-6,751	36,819	-7,850
Effect of FX Rates	USD mil	0	3.00	-6.00	-20.0	2.00	1.00	-4.00	0
Net Change In Cash	USD mil	-38.0	2,714	-1,608	-22.0	912	-1,620	2,395	1,659

Source: Company Data, Helgi Analytics

## Ratios – Annual

RATIOS		2012	2013	2014	2015	2016	2017	2018	2019
Days Sales Outstanding	days	19.2	25.1	25.4	28.3	25.0	26.0	33.1	27.9
Days Sales Of Inventory	days	40.0	39.1	38.2	40.3	36.2	35.7	36.8	30.3
Days Payable Outstanding	days	18.4	19.7	21.0	21.6	19.5	20.7	31.6	30.0
Cash Conversion Cycle	days	40.8	44.6	42.6	47.1	41.7	41.1	38.3	28.1
Cash Earnings	USD mil	5,164	5,992	6,044	6,718	7,017	8,322	1,106	8,534
Free Cash Flow	USD mil	4,822	3,948	4,092	-4,881	7,671	5,130	-34,420	9,509
Capital Expenditures (As % of Sales)	%	1.63	1.52	1.52	1.52	1.25	1.04	1.05	0.957

Source: Company Data, Helgi Analytics

## Other Ratios – Annual

OTHER RATIOS		2012	2013	2014	2015	2016	2017	2018	2019
Employees		203,000	...	137,800	155,000	158,000	160,000	295,000	290,000
Women (As % of Workforce)	%	67.0	67.0	67.0	68.0	68.0	68.0	69.0	70.0
Women (As % of Management)	%	35.0	...	...	...	...	...	34.0	36.0
Operating Cost (As % of Sales)	%	12.4	12.4	11.9	11.1	10.4	10.3	14.1	13.1
Research & Development (As % of Sales)	%	0	0	0	0	0	0	0	0
Effective Tax Rate	%	38.6	38.9	39.5	39.3	38.4	19.8	142	26.3
Total Revenue Growth (5-year average)	%	10.0	7.70	7.25	9.86	10.6	8.46	8.95	13.0
Total Revenue Growth (10-year average)	%	17.7	16.9	16.4	15.3	15.0	9.24	8.32	10.1

Source: Company Data, Helgi Analytics



## Valuation - Annual

VALUATION		2012	2013	2014	2015	2016	2017	2018	2019
Market Capitalisation	USD mil	59,519	84,453	109,793	107,645	83,724	73,515	84,848	96,726
Enterprise Value (EV)	USD mil	67,967	93,678	120,168	132,562	107,797	98,710	151,696	177,672
Number Of Shares	mil	1,280	1,226	1,169	1,126	1,079	1,024	1,044	1,305
Share Price	USD	40.7	61.2	83.6	86.0	70.7	66.6	61.9	72.6
EV/EBITDA		7.58	9.46	11.2	11.5	8.38	8.21	22.5	9.34
Price/Earnings (P/E)		13.5	16.4	21.1	18.6	14.4	10.3	-109	14.3
Price/Free Cash Flow (P/FCF)		10.8	19.0	23.9	-19.8	9.94	13.3	-1.88	9.97
Price/Book Value (P/BV)		1.38	1.98	2.57	2.60	2.07	1.81	1.10	1.48
Dividend Yield	%	1.60	1.47	1.32	1.63	2.41	3.00	3.23	2.75
Free Cash Flow Yield	%	8.10	4.67	3.73	-4.53	9.16	6.98	-40.6	9.83
Earnings Per Share (EPS)	USD	3.02	3.74	3.96	4.63	4.90	6.44	-0.570	5.08
Cash Earnings Per Share	USD	4.03	4.89	5.17	5.97	6.50	8.13	1.06	6.54
Free Cash Flow Per Share	USD	3.77	3.22	3.50	-4.33	7.11	5.01	-33.0	7.29
Book Value Per Share	USD	29.4	30.9	32.5	33.1	34.1	36.8	56.1	49.2
Dividend Per Share	USD	0.650	0.900	1.10	1.40	1.70	2.00	2.00	2.00
EV/Sales		0.552	0.739	0.862	0.865	0.607	0.534	0.780	0.692
EV/EBIT		9.43	11.7	13.7	14.0	10.4	10.3	37.7	14.8
EV/Free Cash Flow		14.1	23.7	29.4	-27.2	14.1	19.2	-4.41	18.7
EV/Capital Employed		1.16	1.55	1.90	1.62	1.31	1.18	0.886	0.926
Earnings Per Share Growth	%	17.5	23.8	5.88	16.9	5.83	31.4	-109	-991
Cash Earnings Per Share	USD	4.03	4.89	5.17	5.97	6.50	8.13	1.06	6.54
Book Value Per Share Growth	%	4.05	5.19	4.95	1.85	3.21	7.83	52.3	-12.3

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.