

**Buy** (old: Buy)

10.06.2024

**EUR 29.00** (old: EUR 29.00)

## Operating turnaround intact thanks to several structural trends

**LNG remains a material mid-term growth opportunity.** R. Stahl is the globally leading provider of explosion protection for LNG tankers, terminals and liquification/regassification plants (25-75% market shares). Independence from Russian energy imports lead to a **rising demand for LNG in Europe**. Of the nine planned LNG terminals in Germany, five floating terminals are already running, and another terminal (Wilhelmshaven II) is set to become operational in H2 2024. Germany is next to China and the Netherlands one of the most important LNG importers in the world and is expected to further expand its import capacity in the coming years. LNG accounts currently for c. 10% of R. Stahl's revenue (eNuW) and is seen to be one of the key growth drivers in the mid-term.

**Lighting in the German chemical industry.** After seven quarters of declining production volumes, the chemical industry returned to yoy growth in Q1 (5.4%). At the end of 2023, the German Chemical Association (VCI) expected a slight yoy decline of production volumes for 2024. This has now changed to a 3.5% increase due to the **good start into 2024**. Nevertheless, according to VCI president Markus Steilemann the situation remains tense as Germany is still too expensive for chemical production which can only be changed by politics. Higher production volumes could lead to increasing investments in the chemical industry and with that to a higher demand for R. Stahl's explosion protection products. We estimate the chemical industry to be responsible for c. 1/3 of R. Stahl's revenues.

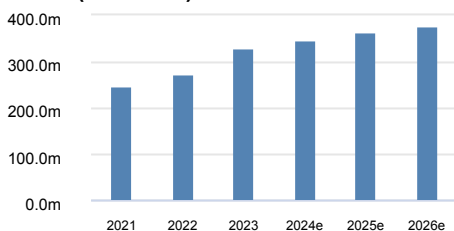
**Nuclear shows positive momentum.** R. Stahl is supplying lighting technology worth c. € 10-12m (eNuW) for the two reactors currently being built at the Hinkley Point C nuclear power plant in the UK. Even more important, the UK project is partially owned by the French utility company EDF, which also manages France's 56 power reactors. C. 54 of these need to be refurbished within the next 20 years and at least 6 new reactors are planned by 2050. With an estimated revenue of € 5m per refurbished reactor and € 10m for the new ones, this implies a **€ 330m revenue opportunity** for R. Stahl (eNuW).

**Demand for R. Stahl's products remains high.** Order intake in Q1 FY24 came in at € 92.3m, a 24% increase qoq and only slightly below the extraordinarily strong Q1 FY23 (€ 96.7m). Hence, we expect to see mid-single-digit sales growth for FY24e in combination with low double-digit EBITDA margins. **Reiterate BUY with an unchanged PT of € 29.00 based on DCF.**

| Y/E 31.12 (EUR m)        | 2021  | 2022  | 2023  | 2024e | 2025e | 2026e |
|--------------------------|-------|-------|-------|-------|-------|-------|
| Sales                    | 248.1 | 274.3 | 330.6 | 347.4 | 364.8 | 379.4 |
| Sales growth             | 0.7%  | 10.6% | 20.5% | 5.1%  | 5.0%  | 4.0%  |
| EBITDA                   | 16.8  | 20.6  | 36.6  | 38.9  | 41.3  | 43.4  |
| Net debt (if net cash=0) | 18.3  | 29.2  | 38.8  | 33.2  | 17.5  | -3.2  |
| FCF                      | -3.1  | -7.9  | 0.3   | 5.6   | 15.7  | 20.7  |
| Net Debt/EBITDA          | 1.1   | 1.4   | 1.1   | 0.9   | 0.4   | 0.0   |
| EPS pro forma            | -0.77 | 0.30  | 1.37  | 1.53  | 1.72  | 1.99  |
| EBITDA margin            | 6.8%  | 7.5%  | 11.1% | 11.2% | 11.3% | 11.4% |
| ROCE                     | -0.0% | 2.0%  | 9.7%  | 9.7%  | 10.1% | 10.6% |
| EV/sales                 | 0.9   | 0.8   | 0.7   | 0.7   | 0.6   | 0.5   |
| EV/EBITDA                | 13.4  | 10.1  | 6.4   | 5.9   | 5.2   | 4.5   |
| PER                      | -26.7 | 67.6  | 673.7 | 13.3  | 11.9  | 10.3  |
| Adjusted FCF yield       | 1.4%  | 5.0%  | 10.1% | 9.6%  | 11.1% | 12.9% |

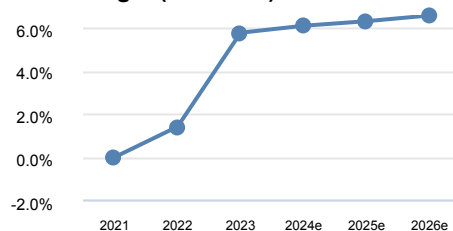
Source: Company data, NuWays, Close price as of 07.06.2024

### Sales (2021-26e)



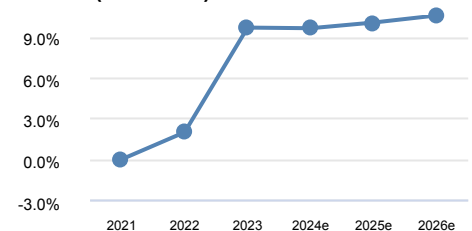
Source: NuWays Research

### EBIT margin (2021-26e)



Source: NuWays Research

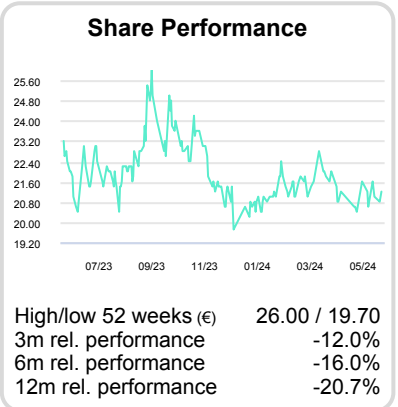
### ROCE (2021-26e)



Source: NuWays Research

## Company description

R. STAHL is a globally leading producer of components for electrical explosion protection, mainly for the oil & gas, chemical and pharma industry. The company offers >10k products, ranging from standard components to complete systems and individually engineered solutions for large projects



### Market data

|                             |       |
|-----------------------------|-------|
| Share price (in €)          | 21.20 |
| Market cap (in € m)         | 131.4 |
| Number of shares (in m pcs) | 6.4   |
| Enterprise value (in € m)   | 229.6 |
| Ø trading volume (6 months) | 848   |

### Identifier

|           |              |
|-----------|--------------|
| Bloomberg | RSL2 GR      |
| Reuters   | RSLG         |
| WKN       | A1PHBB       |
| ISIN      | DE000A1PHBB5 |

### Key shareholders

|                          |       |
|--------------------------|-------|
| Founding Families        | 46.0% |
| RSBG                     | 14.0% |
| Langfrist-Investoren TGV | 10.0% |
| BWVA                     | 10.0% |
| Free Float               | 20.0% |

### Estimates changes

|       | 2024e | 2025e | 2026e |
|-------|-------|-------|-------|
| Sales | 0%    | 0%    | 0%    |
| EBIT  | 0%    | 0%    | 0%    |
| EPS   | 0%    | 0%    | 0%    |

### Comment on changes

## Guidance

- FY24 sales: € 335-350m
- FY24 adj. EBITDA: € 35-45m

## Financials

| Profit and loss (EUR m)                                   | 2021         | 2022         | 2023         | 2024e        | 2025e        | 2026e        |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Net sales</b>  | <b>248.1</b> | <b>274.3</b> | <b>330.6</b> | <b>347.4</b> | <b>364.8</b> | <b>379.4</b> |
| <i>Sales growth</i>                                       | 0.7%         | 10.6%        | 20.5%        | 5.1%         | 5.0%         | 4.0%         |
| Increase/decrease in finished goods and work-in-process   | 3.9          | 7.6          | 9.9          | 8.0          | 7.2          | 7.1          |
| <b>Total sales</b>  | <b>252.0</b> | <b>282.0</b> | <b>340.4</b> | <b>355.4</b> | <b>372.0</b> | <b>386.5</b> |
| Other operating income                                    | 10.2         | 13.6         | 9.9          | 13.8         | 15.0         | 15.6         |
| Material expenses   | 85.3         | 100.5        | 116.2        | 123.9        | 128.0        | 132.6        |
| Personnel expenses  | 116.2        | 122.0        | 134.5        | 144.0        | 149.9        | 155.5        |
| Other operating expenses                                  | 43.9         | 52.5         | 63.0         | 62.4         | 67.9         | 70.6         |
| <b>Total operating expenses</b>                           | <b>235.2</b> | <b>261.4</b> | <b>303.8</b> | <b>316.5</b> | <b>330.7</b> | <b>343.1</b> |
| <b>EBITDA</b>   | <b>16.8</b>  | <b>20.6</b>  | <b>36.6</b>  | <b>38.9</b>  | <b>41.3</b>  | <b>43.4</b>  |
| Depreciation  | 11.6         | 10.8         | 10.7         | 11.2         | 11.7         | 11.9         |
| <b>EBITA</b>  | <b>5.2</b>   | <b>9.8</b>   | <b>26.0</b>  | <b>27.7</b>  | <b>29.6</b>  | <b>31.5</b>  |
| Amortisation of goodwill                                  | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| Amortisation of intangible assets                         | 5.3          | 6.0          | 6.9          | 6.5          | 6.5          | 6.5          |
| Impairment charges  | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| <b>EBIT (inc revaluation net)</b>                         | <b>-0.1</b>  | <b>3.8</b>   | <b>19.1</b>  | <b>21.2</b>  | <b>23.1</b>  | <b>25.0</b>  |
| Interest income   | 0.1          | 0.1          | 0.1          | 0.2          | 0.2          | 0.2          |
| Interest expenses   | 2.9          | 3.6          | 7.0          | 7.9          | 7.4          | 6.9          |
| Investment income   | 1.4          | 3.6          | 0.1          | 0.0          | 0.0          | 0.0          |
| Financial result  | -1.5         | -0.0         | -17.1        | -7.8         | -7.2         | -6.7         |
| <b>Recurring pretax income from continuing operations</b> | <b>-1.5</b>  | <b>3.8</b>   | <b>2.0</b>   | <b>13.4</b>  | <b>15.9</b>  | <b>18.3</b>  |
| Extraordinary income/loss                                 | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| <b>Earnings before taxes</b>                              | <b>-1.5</b>  | <b>3.8</b>   | <b>2.0</b>   | <b>13.4</b>  | <b>15.9</b>  | <b>18.3</b>  |
| Income tax expense  | 3.4          | 1.9          | 1.8          | 3.5          | 4.8          | 5.5          |
| <b>Net income from continuing operations</b>              | <b>-4.9</b>  | <b>1.9</b>   | <b>0.2</b>   | <b>9.9</b>   | <b>11.1</b>  | <b>12.8</b>  |
| Income from discontinued operations (net of tax)          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| <b>Net income</b>   | <b>-4.9</b>  | <b>1.9</b>   | <b>0.2</b>   | <b>9.9</b>   | <b>11.1</b>  | <b>12.8</b>  |
| Minority interest   | 0.0          | -0.0         | -0.0         | 0.0          | 0.0          | 0.0          |
| <b>Net profit (reported)</b>                              | <b>-4.9</b>  | <b>1.9</b>   | <b>0.2</b>   | <b>9.9</b>   | <b>11.1</b>  | <b>12.8</b>  |
| Average number of shares                                  | 6.4          | 6.4          | 6.4          | 6.4          | 6.4          | 6.4          |
| <b>EPS reported</b>                                       | <b>-0.77</b> | <b>0.30</b>  | <b>0.03</b>  | <b>1.53</b>  | <b>1.72</b>  | <b>1.99</b>  |

| Profit and loss (common size)                             | 2021          | 2022          | 2023          | 2024e         | 2025e         | 2026e         |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Net sales</b>  | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |
| <i>Sales growth</i>                                       | 0.7%          | 10.6%         | 20.5%         | 5.1%          | 5.0%          | 4.0%          |
| Increase/decrease in finished goods and work-in-process   | 1.6%          | 2.8%          | 3.0%          | 2.3%          | 2.0%          | 1.9%          |
| <b>Total sales</b>  | <b>101.6%</b> | <b>102.8%</b> | <b>103.0%</b> | <b>102.3%</b> | <b>102.0%</b> | <b>101.9%</b> |
| Other operating income                                    | 4.1%          | 5.0%          | 3.0%          | 4.0%          | 4.1%          | 4.1%          |
| Material expenses   | 34.4%         | 36.6%         | 35.2%         | 35.7%         | 35.1%         | 34.9%         |
| Personnel expenses  | 46.8%         | 44.5%         | 40.7%         | 41.4%         | 41.1%         | 41.0%         |
| Other operating expenses                                  | 17.7%         | 19.1%         | 19.1%         | 18.0%         | 18.6%         | 18.6%         |
| <b>Total operating expenses</b>                           | <b>94.8%</b>  | <b>95.3%</b>  | <b>91.9%</b>  | <b>91.1%</b>  | <b>90.7%</b>  | <b>90.4%</b>  |
| <b>EBITDA</b>   | <b>6.8%</b>   | <b>7.5%</b>   | <b>11.1%</b>  | <b>11.2%</b>  | <b>11.3%</b>  | <b>11.4%</b>  |
| Depreciation  | 4.7%          | 3.9%          | 3.2%          | 3.2%          | 3.2%          | 3.1%          |
| <b>EBITA</b>  | <b>2.1%</b>   | <b>3.6%</b>   | <b>7.9%</b>   | <b>8.0%</b>   | <b>8.1%</b>   | <b>8.3%</b>   |
| Amortisation of goodwill                                  | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          |
| Amortisation of intangible assets                         | 2.1%          | 2.2%          | 2.1%          | 1.9%          | 1.8%          | 1.7%          |
| Impairment charges  | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          |
| <b>EBIT (inc revaluation net)</b>                         | <b>-0.0%</b>  | <b>1.4%</b>   | <b>5.8%</b>   | <b>6.1%</b>   | <b>6.3%</b>   | <b>6.6%</b>   |
| Interest income   | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.1%          | 0.1%          |
| Interest expenses   | 1.2%          | 1.3%          | 2.1%          | 2.3%          | 2.0%          | 1.8%          |
| Investment income   | 0.6%          | 1.3%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          |
| Financial result  | neg.          | neg.          | neg.          | neg.          | neg.          | neg.          |
| <b>Recurring pretax income from continuing operations</b> | <b>-0.6%</b>  | <b>1.4%</b>   | <b>0.6%</b>   | <b>3.9%</b>   | <b>4.3%</b>   | <b>4.8%</b>   |
| Extraordinary income/loss                                 | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          |
| <b>Earnings before taxes</b>                              | <b>-0.6%</b>  | <b>1.4%</b>   | <b>0.6%</b>   | <b>3.9%</b>   | <b>4.3%</b>   | <b>4.8%</b>   |
| Tax rate  | -223.1%       | 50.0%         | 90.9%         | 26.3%         | 30.0%         | 30.0%         |
| <b>Net income from continuing operations</b>              | <b>-2.0%</b>  | <b>0.7%</b>   | <b>0.1%</b>   | <b>2.9%</b>   | <b>3.0%</b>   | <b>3.4%</b>   |
| Income from discontinued operations (net of tax)          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          |
| <b>Net income</b>   | <b>-2.0%</b>  | <b>0.7%</b>   | <b>0.1%</b>   | <b>2.9%</b>   | <b>3.0%</b>   | <b>3.4%</b>   |
| Minority interest   | 0.0%          | -0.0%         | -0.0%         | 0.0%          | 0.0%          | 0.0%          |
| <b>Net profit (reported)</b>                              | <b>-2.0%</b>  | <b>0.7%</b>   | <b>0.1%</b>   | <b>2.8%</b>   | <b>3.0%</b>   | <b>3.4%</b>   |

Source: Company data, NuWays

| Balance sheet (EUR m)                        | 2021         | 2022         | 2023         | 2024e        | 2025e        | 2026e        |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| Intangible assets                            | 46.5         | 48.8         | 48.6         | 49.4         | 50.4         | 51.4         |
| Property, plant and equipment                | 78.0         | 75.0         | 77.0         | 75.1         | 72.8         | 70.4         |
| Financial assets                             | 19.0         | 15.8         | 4.2          | 4.2          | 4.2          | 4.2          |
| <b>FIXED ASSETS</b>                          | <b>143.5</b> | <b>139.6</b> | <b>129.8</b> | <b>128.7</b> | <b>127.3</b> | <b>126.0</b> |
| Inventories                                  | 39.6         | 48.9         | 63.8         | 67.0         | 61.7         | 61.3         |
| Accounts receivable                          | 35.9         | 37.4         | 43.4         | 46.3         | 50.0         | 54.2         |
| Other assets and short-term financial assets | 11.2         | 14.7         | 18.1         | 17.5         | 17.3         | 15.7         |
| Liquid assets                                | 6.3          | 16.1         | 11.5         | 20.7         | 28.9         | 46.6         |
| Deferred taxes                               | 9.4          | 3.1          | 4.7          | 11.5         | 12.7         | 6.0          |
| Deferred charges and prepaid expenses        | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| <b>CURRENT ASSETS</b>                        | <b>102.5</b> | <b>120.1</b> | <b>141.5</b> | <b>163.0</b> | <b>170.6</b> | <b>183.8</b> |
| <b>TOTAL ASSETS</b>                          | <b>246.0</b> | <b>259.7</b> | <b>271.4</b> | <b>291.6</b> | <b>297.9</b> | <b>309.8</b> |

|   |              |              |              |              |              |              |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>SHAREHOLDERS EQUITY</b>                                | <b>49.6</b>  | <b>71.1</b>  | <b>67.6</b>  | <b>77.4</b>  | <b>88.5</b>  | <b>101.3</b> |
| MINORITY INTEREST   | 0.2          | 0.2          | 0.2          | 0.2          | 0.2          | 0.2          |
| Provisions for pensions and similar obligations           | 95.5         | 64.2         | 69.2         | 69.2         | 69.2         | 69.2         |
| Other provisions and accrued liabilities                  | 18.4         | 19.7         | 23.9         | 24.2         | 24.8         | 24.8         |
| Short-term liabilities to banks                           | 22.2         | 44.1         | 46.9         | 50.5         | 43.0         | 40.0         |
| Accounts payable  | 18.9         | 19.1         | 19.5         | 19.7         | 20.8         | 21.6         |
| Advance payments received on orders                       | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| Other liabilities (incl. from lease and rental contracts) | 35.6         | 33.5         | 34.6         | 38.9         | 39.5         | 40.6         |
| Deferred taxes  | 2.6          | 5.9          | 4.6          | 6.4          | 6.8          | 7.0          |
| Deferred income   | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| <b>CURRENT LIABILITIES</b>                                | <b>54.5</b>  | <b>52.6</b>  | <b>54.0</b>  | <b>58.6</b>  | <b>60.3</b>  | <b>62.2</b>  |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>          | <b>246.0</b> | <b>259.7</b> | <b>271.4</b> | <b>291.6</b> | <b>297.9</b> | <b>309.8</b> |

| Balance sheet (common size)                  | 2021          | 2022          | 2023          | 2024e         | 2025e         | 2026e         |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| Intangible assets                            | 18.9%         | 18.8%         | 17.9%         | 16.9%         | 16.9%         | 16.6%         |
| Property, plant and equipment                | 31.7%         | 28.9%         | 28.4%         | 25.7%         | 24.4%         | 22.7%         |
| Financial assets                             | 7.7%          | 6.1%          | 1.5%          | 1.4%          | 1.4%          | 1.3%          |
| <b>FIXED ASSETS</b>                          | <b>58.3%</b>  | <b>53.8%</b>  | <b>47.9%</b>  | <b>44.1%</b>  | <b>42.7%</b>  | <b>40.7%</b>  |
| Inventories                                  | 16.1%         | 18.8%         | 23.5%         | 23.0%         | 20.7%         | 19.8%         |
| Accounts receivable                          | 14.6%         | 14.4%         | 16.0%         | 15.9%         | 16.8%         | 17.5%         |
| Other assets and short-term financial assets | 4.6%          | 5.6%          | 6.7%          | 6.0%          | 5.8%          | 5.1%          |
| Liquid assets                                | 2.6%          | 6.2%          | 4.2%          | 7.1%          | 9.7%          | 15.1%         |
| Deferred taxes                               | 3.8%          | 1.2%          | 1.7%          | 3.9%          | 4.3%          | 1.9%          |
| Deferred charges and prepaid expenses        | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          |
| <b>CURRENT ASSETS</b>                        | <b>41.7%</b>  | <b>46.2%</b>  | <b>52.1%</b>  | <b>55.9%</b>  | <b>57.3%</b>  | <b>59.3%</b>  |
| <b>TOTAL ASSETS</b>                          | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |

|   |               |               |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>SHAREHOLDERS EQUITY</b>                                | <b>20.2%</b>  | <b>27.4%</b>  | <b>24.9%</b>  | <b>26.6%</b>  | <b>29.7%</b>  | <b>32.7%</b>  |
| MINORITY INTEREST   | 0.1%          | 0.1%          | 0.1%          | 0.1%          | 0.1%          | 0.1%          |
| Provisions for pensions and similar obligations           | 38.8%         | 24.7%         | 25.5%         | 23.7%         | 23.2%         | 22.3%         |
| Other provisions and accrued liabilities                  | 7.5%          | 7.6%          | 8.8%          | 8.3%          | 8.3%          | 8.0%          |
| Short-term liabilities to banks                           | 9.0%          | 17.0%         | 17.3%         | 17.3%         | 14.4%         | 12.9%         |
| Accounts payable  | 7.7%          | 7.3%          | 7.2%          | 6.8%          | 7.0%          | 7.0%          |
| Advance payments received on orders                       | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          |
| Other liabilities (incl. from lease and rental contracts) | 14.5%         | 12.9%         | 12.7%         | 13.3%         | 13.3%         | 13.1%         |
| Deferred taxes  | 1.1%          | 2.3%          | 1.7%          | 2.2%          | 2.3%          | 2.3%          |
| Deferred income   | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          |
| <b>CURRENT LIABILITIES</b>                                | <b>22.1%</b>  | <b>20.3%</b>  | <b>19.9%</b>  | <b>20.1%</b>  | <b>20.2%</b>  | <b>20.1%</b>  |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>          | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |

Source: Company data, NuWays

| Cash flow statement (EUR m)                          | 2021         | 2022         | 2023         | 2024e        | 2025e        | 2026e        |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| Net profit/loss                                      | -4.9         | 1.9          | 0.2          | 9.9          | 11.1         | 12.8         |
| Depreciation of fixed assets (incl. leases)          | 11.6         | 10.8         | 10.7         | 11.2         | 11.7         | 11.9         |
| Amortisation of goodwill & intangible assets         | 5.3          | 6.0          | 6.9          | 6.5          | 6.5          | 6.5          |
| Other costs affecting income / expenses              | 4.3          | 2.2          | 14.5         | 0.3          | 0.6          | 0.0          |
| Cash flow from operating activities                  | 1.5          | -2.3         | 3.1          | 8.9          | 19.9         | 25.1         |
| Increase/decrease in inventory                       | -2.7         | -9.3         | -14.8        | -3.2         | 5.2          | 0.4          |
| Increase/decrease in accounts receivable             | 0.8          | -1.5         | -6.0         | -2.9         | -3.7         | -4.2         |
| Increase/decrease in accounts payable                | 5.1          | 0.2          | 0.4          | 0.2          | 1.1          | 0.8          |
| Increase/decrease in other working capital positions | 0.0          | 3.0          | -2.5         | 0.0          | 0.0          | 9.8          |
| Increase/decrease in working capital                 | 3.2          | -7.6         | -23.0        | -5.9         | 2.7          | 6.8          |
| <b>Cash flow from operating activities</b>           | <b>11.9</b>  | <b>6.0</b>   | <b>14.2</b>  | <b>22.1</b>  | <b>32.6</b>  | <b>38.0</b>  |
| CAPEX  | 15.0         | 13.9         | 13.9         | 16.5         | 16.8         | 17.2         |
| Payments for acquisitions                            | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| Financial investments                                | 3.2          | -3.5         | 0.1          | 0.0          | 0.0          | 0.0          |
| Income from asset disposals                          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| <b>Cash flow from investing activities</b>           | <b>-18.1</b> | <b>-10.4</b> | <b>-13.9</b> | <b>-16.5</b> | <b>-16.8</b> | <b>-17.2</b> |
| Cash flow before financing                           | -6.3         | -4.4         | 0.3          | 5.6          | 15.7         | 20.7         |
| Increase/decrease in debt position                   | -7.6         | 14.3         | -4.4         | 3.6          | -7.5         | -3.0         |
| Purchase of own shares                               | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| Capital measures                                     | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| Dividends paid                                       | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| Others   | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| Effects of exchange rate changes on cash             | 0.4          | -0.2         | -0.4         | 0.0          | 0.0          | 0.0          |
| <b>Cash flow from financing activities</b>           | <b>-7.6</b>  | <b>14.3</b>  | <b>-4.4</b>  | <b>3.6</b>   | <b>-7.5</b>  | <b>-3.0</b>  |
| Increase/decrease in liquid assets                   | -13.5        | 9.7          | -4.5         | 9.2          | 8.2          | 17.7         |
| <b>Liquid assets at end of period</b>                | <b>6.3</b>   | <b>16.1</b>  | <b>11.5</b>  | <b>20.7</b>  | <b>28.9</b>  | <b>46.6</b>  |

| Key ratios (EUR m)                   | 2021    | 2022     | 2023   | 2024e   | 2025e  | 2026e  |
|--------------------------------------|---------|----------|--------|---------|--------|--------|
| <b>P&amp;L growth analysis</b>       |         |          |        |         |        |        |
| Sales growth                         | 0.7%    | 10.6%    | 20.5%  | 5.1%    | 5.0%   | 4.0%   |
| EBITDA growth                        | -2.1%   | 22.5%    | 78.0%  | 6.2%    | 6.0%   | 5.2%   |
| EBIT growth                          | -112.6% | -6309.7% | 396.5% | 11.0%   | 8.7%   | 8.4%   |
| EPS growth                           | 40.7%   | -139.4%  | -90.0% | 4963.5% | 12.0%  | 15.8%  |
| <b>Efficiency</b>                    |         |          |        |         |        |        |
| Sales per employee                   | 148.2   | 164.7    | 193.7  | 199.5   | 205.4  | 211.5  |
| EBITDA per employee                  | 10.0    | 12.4     | 21.5   | 22.3    | 23.2   | 24.2   |
| No. employees (average)              | 1,674   | 1,666    | 1,707  | 1,741   | 1,776  | 1,794  |
| <b>Balance sheet analysis</b>        |         |          |        |         |        |        |
| Avg. working capital / sales         | 23.5%   | 22.6%    | 23.4%  | 26.1%   | 25.3%  | 24.4%  |
| Inventory turnover (sales/inventory) | 5.3     | 5.0      | 4.5    | 4.0     | 4.5    | 4.7    |
| Accounts receivable turnover         | 6.8     | 7.5      | 8.2    | 7.5     | 7.3    | 7.0    |
| Accounts payable turnover            | 34.2    | 31.3     | 28.3   | 26.8    | 27.3   | 27.3   |
| <b>Cash flow analysis</b>            |         |          |        |         |        |        |
| Free cash flow                       | -3.1    | -7.9     | 0.3    | 5.6     | 15.7   | 20.7   |
| Free cash flow/sales                 | -1.3%   | -2.9%    | 0.1%   | 1.6%    | 4.3%   | 5.5%   |
| FCF / net profit                     | 63.1%   | neg.     | 187.4% | 56.1%   | 141.5% | 162.0% |
| Capex / sales                        | 7.3%    | 3.8%     | 4.2%   | 4.7%    | 4.6%   | 4.5%   |
| <b>Solvency</b>                      |         |          |        |         |        |        |
| Net debt                             | 18.3    | 29.2     | 38.8   | 33.2    | 17.5   | -3.2   |
| Net Debt/EBITDA                      | 1.1     | 1.4      | 1.1    | 0.9     | 0.4    | 0.0    |
| Dividend payout ratio                | 0.0%    | 0.0%     | 0.0%   | 0.0%    | 0.0%   | 0.0%   |
| Interest paid / avg. debt            | 11.6%   | 10.4%    | 14.7%  | 15.2%   | 14.7%  | 15.4%  |
| <b>Returns</b>                       |         |          |        |         |        |        |
| ROCE                                 | -0.0%   | 2.0%     | 9.7%   | 9.7%    | 10.1%  | 10.6%  |
| ROE                                  | -9.9%   | 2.7%     | 0.3%   | 12.8%   | 12.5%  | 12.6%  |
| Adjusted FCF yield                   | 1.4%    | 5.0%     | 10.1%  | 9.6%    | 11.1%  | 12.9%  |
| Dividend yield                       | 0.0%    | 0.0%     | 0.0%   | 0.0%    | 0.0%   | 0.0%   |
| DPS                                  | 0.0     | 0.0      | 0.0    | 0.0     | 0.0    | 0.0    |
| EPS reported                         | -0.77   | 0.30     | 0.03   | 1.53    | 1.72   | 1.99   |
| Average number of shares             | 6.4     | 6.4      | 6.4    | 6.4     | 6.4    | 6.4    |
| <b>Valuation ratios</b>              |         |          |        |         |        |        |
| P/BV                                 | 2.6     | 1.8      | 1.9    | 1.7     | 1.5    | 1.3    |
| EV/sales                             | 0.9     | 0.8      | 0.7    | 0.7     | 0.6    | 0.5    |
| EV/EBITDA                            | 13.4    | 10.1     | 6.4    | 5.9     | 5.2    | 4.5    |
| EV/EBIT                              | -3647.3 | 54.3     | 12.3   | 10.8    | 9.3    | 7.7    |

Source: Company data, NuWays

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| Company     | Disclosures |
|-------------|-------------|
| R. STAHL AG | 2           |

### Historical target price and rating changes for R. STAHL AG

| Company     | Date       | Analyst             | Rating | Target Price | Close     |
|-------------|------------|---------------------|--------|--------------|-----------|
| R. STAHL AG | 18.04.2024 | Sandherr, Christian | Buy    | EUR 29.00    | EUR 21.40 |
|             | 15.02.2024 | Sandherr, Christian | Buy    | EUR 31.00    | EUR 22.40 |
|             | 09.02.2024 | Sandherr, Christian | Buy    | EUR 23.00    | EUR 21.00 |
|             | 09.08.2023 | Sandherr, Christian | Buy    | EUR 31.00    | EUR 21.40 |

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The adj. FCF method is based on the assumption that investors purchase assets only at a price (enterprise value) at which the operating cash flow return after taxes on this investment exceeds their opportunity costs in the form of a hurdle rate of 7.5%. The operating cash flow is calculated as EBITDA less maintenance capex and taxes.

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## Contacts

### NuWays AG

Mittelweg 16-17  
20148 Hamburg  
Germany

+49 170 119 8648  
info@nuways-ag.com  
www.nuways-ag.com



**Christian Sandherr**

Co-CEO/Analyst

christian.sandherr@nuways-ag.com



**Frederik Jarchow**

Co-CEO/Analyst

frederik.jarchow@nuways-ag.com



**Philipp Sennewald**

Analyst

philipp.sennewald@nuways-ag.com



**Henry Wendisch**

Analyst

henry.wendisch@nuways-ag.com



**Mark Schüssler**

Analyst

mark-hendrik.schuessler@nuways-ag.com



**Konstantin Völk**

Analyst

konstantin.voelk@nuways-ag.com

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