



# RINGMETALL AG

HP3 GY | 20 August 2019

Industrials

Germany

\*\*\* SPONSORED RESEARCH \*\*\*

## OUTPERFORM

Price Target: EUR 3.80

### FLASH: H1 prelims: profitability better than expected

Ringmetall today announced preliminary H1 results. Revenues were acquisition-driven up by 7% to EUR 61.8m, as Nittel is consolidated since 1<sup>st</sup> January 2019. EBITDA however declined by 10.3% to EUR 5.7m, driven by uncertainties in order intake and following that difficulties to adjust temporary workers accordingly. Especially the EBITDA margin is 150bps better than we expected, 9.3% actual vs 7.8% MFe.

Industrial Packaging was hit severely by the development in the chemical industry, however saw a recovery in July, as the company indicates. Revenues increased, due to Nittel, by 9.7% to EUR 55.6m, organically however, the decline stood at 5.2%, while EBITDA declined by 1% to EUR 6.2m.

Industrial Handling was affected by the unfortunate performance of its forklift manufacturing customers. Revenues went down 12.9% to EUR 6.1m, while EBITDA declined by 20.8% yoy.

The results are better than we expected in [our last report](#). Looking at the full year consensus, we would expect some minor upward corrections, however, taking into account the ongoing uncertainties.

LAST CLOSE (EUR)	2.78
MKTCAP (EUR m)	78
UPSIDE (%)	36.7
DAILY T/O (EUR m)	0.03

YEAR TO DEC (EUR M)	2018	2019E	2020E	2021E
Group revenue	111	121	130	135
EBITDA (adj.)	10	10	15	17
EBIT (adj.)	8	8	12	14
EPS (adj.) (EUR)	0.17	0.14	0.25	0.30
DPS (EUR)	0.06	0.06	0.07	0.07
FCF	3	1	5	7
Net debt (cash)	11	20	17	12
RoIC (%)	12.4	10.0	14.9	15.7
P/E (adj.)	23.0	19.6	10.9	9.36
EV/EBITDA (adj.)	11.9	9.99	6.23	5.37
Free CF yield (%)	2.8	0.9	6.3	8.5

#### ANALYSTS

**Florian Pfeilschifter**  
Equity Research  
+49 (69) 78808 236  
florian.pfeilschifter@mainfirst.com

Figure 1:

	Q2 2019A	Q2 2019 MFe	Q2 2018A	Delta MFe	yoy
<b>Group</b>					
Revenues	61.8	61.0	57.7	1.3%	6.9%
Growth	6.9%	5.6%	9.1%	1.3pp	-2.2pp
EBITDA	5.7	4.8	6.4	20.4%	-10.3%
Growth	-10.3%	-25.5%	-9.6%	15.2pp	-0.7pp
Margin	9.3%	7.8%	11.0%	1.5pp	-1.8pp
<b>Industrial Packaging</b>					
Revenues	55.6	54.5	50.7	2.1%	9.7%
Growth	9.7%	7.4%	11.9%	2.3pp	-2.2pp
Organic	-5.2%	-1.2%	0.0%	-4.0pp	-5.2pp
M&A	12.7%	11.5%	0.0%	1.2pp	12.7pp
Steel	2.2%	-2.9%	0.0%	5.1pp	2.2pp
EBITDA	6.2	5.0	6.3	24.8%	-1.0%
Growth	-1.0%	-20.7%	-5.6%	19.7pp	4.6pp
Margin	11.2%	9.2%	12.4%	2.0pp	-1.2pp
<b>Industrial Handling</b>					
Revenues	6.1	6.5	7.0	-5.8%	-12.9%
Growth	-12.9%	-7.5%	-7.2%	-5.4pp	-5.7pp
EBITDA	0.7	0.5	0.9	23.8%	-20.8%
Growth	-20.8%	-36.0%	12.2%	15.3pp	-33.0pp
Margin	11.0%	8.4%	12.1%	2.6pp	-1.1pp

Source: MainFirst Research

Flash formats do not involve any estimate, price target or rating changes.