

RINGMETALL AG

HP3 GY | 07 November 2019

OUTPERFORM

Price Target: EUR 3.80

FLASH: Conference call sheds light on two bolt-ons

Ringmetall's management just finished the 9M key numbers conference call. While no material information was added, we like that the company executes on its M&A strategy. Please find below our key takeaways from the conference call.

1. There are potentially two smaller bolt-on acquisitions coming in the next two to three months, in the ring and accessories business
2. The Industrial Handling business potentially won't see any material recovery before H2 2020, as a main forklift customer has delayed orders and might cancel some of it
3. Start in Q4 was good so far, and might offer further improvements in profitability in the Industrial Packaging business
4. More concrete confirmation of upper guidance: Revenues EUR 120-125m and EBITDA EUR 9.75-11m

LAST CLOSE (EUR)	2.75
MKTCAP (EUR m)	78
UPSIDE (%)	38.2
DAILY T/O (EUR m)	0.04

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	19.4	10.8	9.25
EV/EBITDA (adj.)	11.9	9.91	6.18	5.32
Free CF yield (%)	2.8	0.9	6.4	8.6

ANALYSTS

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

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