Degroof Petercam

Belgium | Shipping | www.euronav.com | 19 April 2022

HOLD (vs. UNDER REVIEW)

Share price (18/04/2022)	EUR 11.60
Target price	12.00
Risk	High
Reuters	EURN.BR
Bloomberg	EURN BB
Shares number (m)	201.68
Market cap. (m)	2,339
Net debt 12/21 ($ m)	1,537
Net debt/EBITDA 12/21	24.24
1 year price perf.	66.4%
Diff. with Euro Stoxx	69.6%
Volume (sh./day)	715,103
H/L 1 year	11.93 - 6.47
Free Float	65.0%
C.K. Limited	9.0%
M&G	4.4%
Saverys	13.2%
Treasury shares	8.3%

Euronav

Teaming up with Frontline is the best way forward

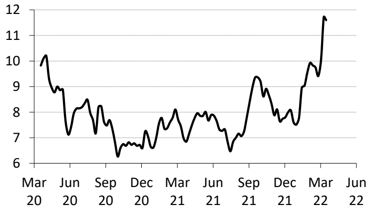
Becoming a leading tanker operator is better than CMB alternative

- **Teaming up with Frontline offers opportunities.** The proposed merger with Frontline will make Euronav a clear leader in the global tanker market with a very young fleet. After the merger, Frontline (which currently outsources most of its operations) will be able to benefit from Euronav' tanker operator skills. Together they have better data on vessel operations and market demand, which should allow them to operate more efficiently. This is especially important in view of the increasing need to lower emissions.
- **No merit in the alternative CMB plan.** Euronav shareholder CMB (14.4%) opposes the merger and proposes an alternative plan under which Euronav will phase out its tanker business and reinvest the cash flows in hydrogen and ammonia technology and vessels. We see very little merit in this plan. The tanker market should offer attractive opportunities in the coming decades, while the synergies with hydrogen and ammonia are minimal. CMB may make it more difficult to complete the deal, but we do not expect that it can block it.
- **Improving outlook tanker market.** Given the recovery in demand, low inflow of new tankers, and an expected increase in scrapping, tanker fundamentals are improving. An Iran deal could be a trigger for an accelerated recovery in rates.

EUR 12 target price, Hold (from Under Review)

- **EUR 12 target price based on value with Frontline.** According to our calculations, the deal with Frontline will have a positive impact on Euronav's NAV. These calculations include the vessels on order, as well as the capex required to complete them. We base our target price on the NAV including Frontline. We use the 10-year average values rather than current levels because we expect the market to rebalance. We believe the 10-year averages better reflect the asset values under normal market conditions. This points to a value of EUR 12 per share.
- **Hold (from Under Review).** After the recent rally, the upside to our new target price is limited. As a result, we rate the shares a Hold (from Under Review). There could be further upside if the market indeed enters a powerful recovery, driven by a recovery in demand, possibly in combination with a catchup in the scrapping of old vessels. On the downside, there is still a risk that CMB is able to prevent the deal, which would be negative for valuation. The war in Ukraine is also a risk factor, as it may depress demand for oil if it would escalate further.

Company description
Euronav is a leading tanker company active in the sea transportation and storage of crude oil. The fleet consists of 76 modern vessels: 2 ULCC, 2 FSO, 48 VLCC and 30 Suezmax including vessels on order. VLCC are traded in the TI-pool.



USD	12/18	12/19	12/20	12/21	12/22e	12/23e	12/24e
Sales	600.0	932.4	1,231	419.8	667.2	1,045	1,126
EBITDA	196	533	854	63.4	328	666	736
Adj. profit	-126	112	451	-339	2.3	338	418
EPS	-0.66	0.52	2.14	-1.68	0.01	1.67	2.07
Div. (EUR)	0.11	0.32	1.28	0.11	0.44	1.23	1.52
EV/EBITDA	15.7	7.4	3.0	50.5	12.0	5.9	5.0
FCF Yield	-129.2%	17.2%	52.6%	-23.1%	2.6%	11.4%	22.7%
P/E	nm	23.7	3.8	nm	nm	7.5	6.0
Div. Yield	1.5%	2.6%	15.9%	1.2%	3.5%	9.8%	12.2%

Source: Euronav/Degroof Petercam estimates

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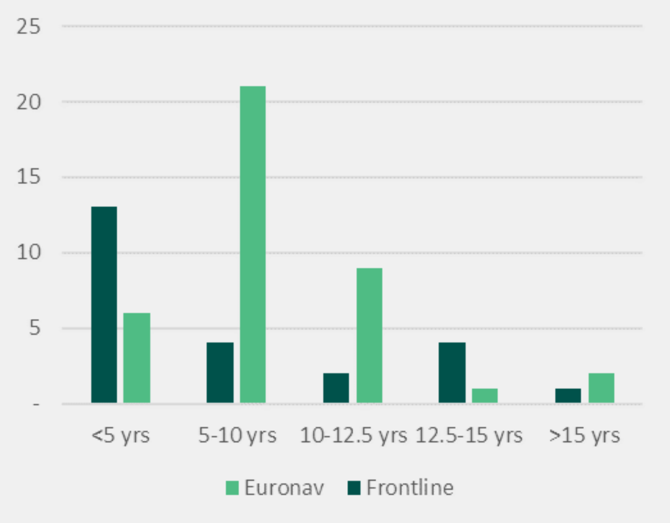
Becoming a tanker leader with Frontline

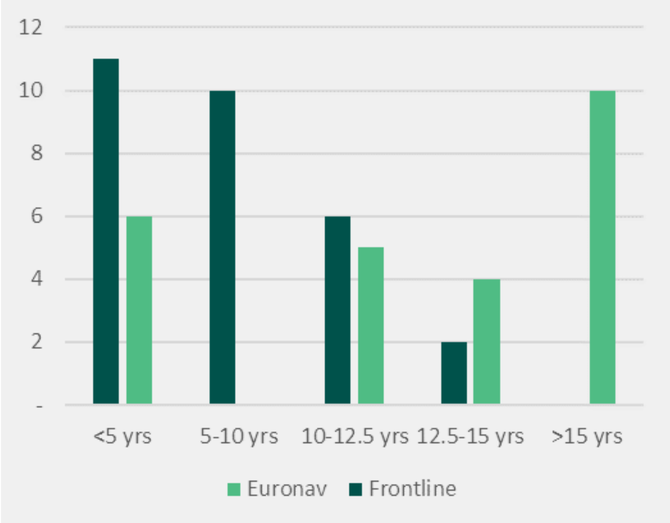
We expect Euronav to become a clear leader in the global tanker market after the proposed merger with Frontline. The combination will create the world's largest tanker operator with 69 VLCCs (8% market share) and 57 Suezmax tankers (9% market share). Frontline will also bring in 20 LR2/Aframax tankers. Both companies have a very young VLCC fleet, Frontline also has a very young Suezmax fleet, while Euronav's Suezmax fleet is older (Exhibits 1-4). A young fleet is an important advantage considering the current high fuel prices, as newer vessels are more fuel efficient. Frontline also has many scrubber-fitted vessels (75% of its VLCCs and 66% of its Suezmax tankers). These vessels can use high sulphur bunker fuel, which is significantly cheaper than low sulphur fuel (Exhibit 5).

Exhibit 1 **VLCC fleet by age** (number of vessels)



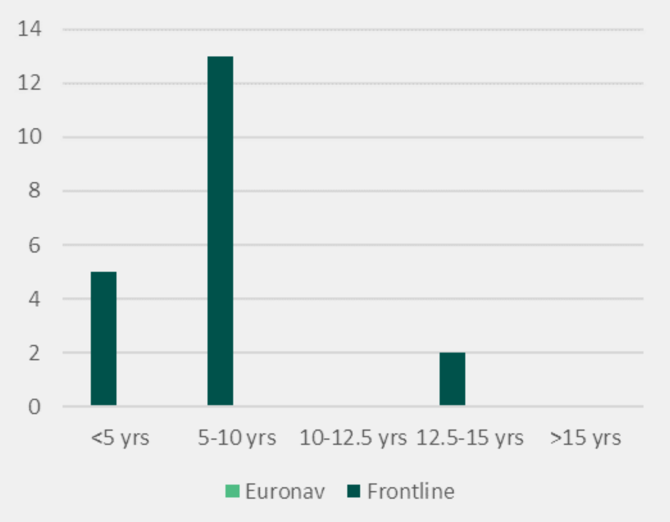
Source: Degroof Petercam estimates

Exhibit 2 **Suezmax fleet by age** (number of vessels)



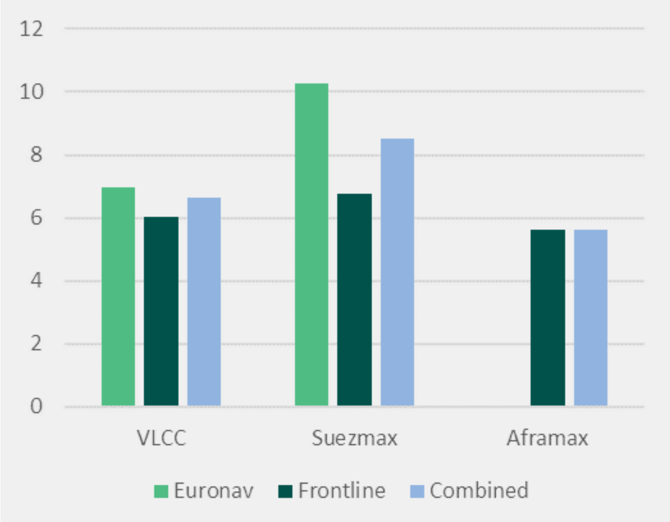
Source: Degroof Petercam estimates

Exhibit 3 **Aframax fleet by age** (number of vessels)



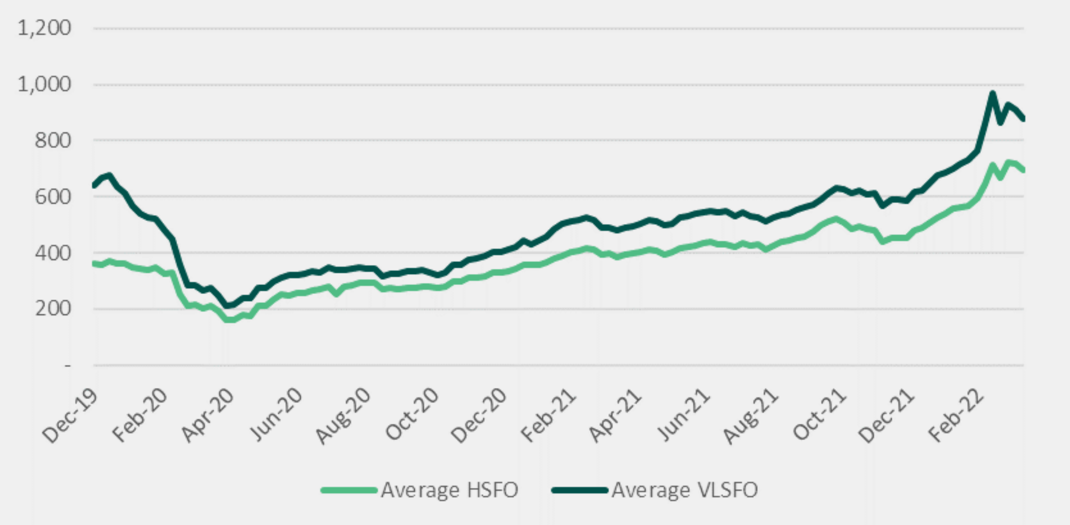
Source: Degroof Petercam estimates

Exhibit 4 **Average age by vessel type**



Source: Degroof Petercam estimates

Exhibit 5 **Bunker fuel prices** (USD/tonne)



Source: Clarksons

Both companies have a very different approach to their operations. Frontline has a small head office and outsources most of its operations. Euronav on the other hand is vertically integrated and manages its crew and vessels directly. We expect that the new company will employ Euronav's model as that would create the largest economies of scale. By directly operating the vessels, Euronav can get better data on e.g. operational engine performance, allowing it to reduce emissions. This is increasingly important in view of the ambitious targets to lower the environmental impact of its business.

We also expect Frontline to join the TI pool again, which can bring commercial benefits. With its extended fleet, the new company can have better market intelligence, allowing it to operate smarter in distributing its fleet over the various routes, and setting its prices when bidding for new cargos.

Alternative plan from CMB unattractive, but may hinder deal

A potential obstacle to the proposed combination is the opposition from CMB (controlled by the Saverys family), which is the largest shareholder in Euronav with a 14.4% stake. CMB proposes that Euronav phases out its tanker business and reinvests the cash flows in vessels and applications for green hydrogen and ammonia, and in new vessel types that can transport the fuels of the future. CMB itself is already active in these fields through its subsidiary CMB Tech.

Within the tanker sector, Euronav is already a frontrunner in the energy transition, with a detailed plan to reduce CO_e emissions by 40% by 2030. It has already ordered 8 new eco-vessels with LNG and ammonia readiness that are more energy efficient and allow it to switch to a more environmentally friendly fuel in the future. We agree with management that marine oil transport will be required for decades to come, and that even if the energy transition leads to a decline in demand, there should be opportunities for the leading players to make a good return. In its efforts to minimize its environmental footprint, it is key that Euronav continues to invest in a young fleet, equipped with the most recent emission-reduction technology. Its shipping knowledge, may also be applied to different types of vessels like CMB proposes, but its competitive advantage will be much smaller there, at least initially. Companies that are already active in the transport of gasses and chemicals are likely to be much better positioned in the transport of the fuels of the future, like hydrogen and ammonia.

We therefore do not see much merit to the strategic direction that CMB proposes. As a compromise, Euronav could agree to invest part of its free cash flow in CMB Tech, which would provide it with technology for hydrogen-powered vessels. However, we would consider this a diversification with very limited synergies with its core business. CMB Tech currently operates a small fleet of smaller vessels (ferries, crew transfer vessels), which are very different from Euronav's vessel regarding size and sailing time. We do not expect CMB Tech's technology to be useable in large oceangoing tankers in the near future.

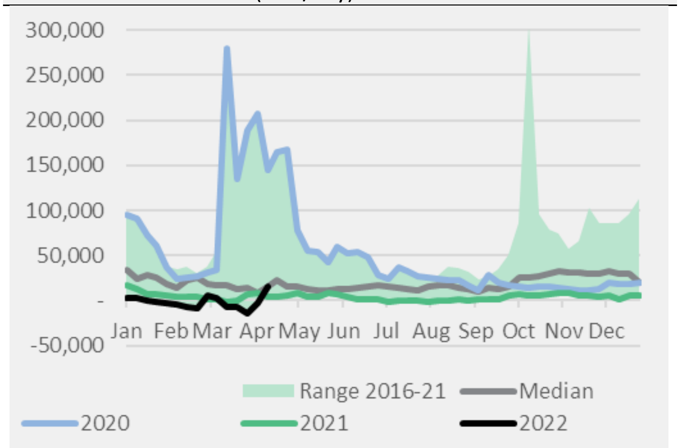
A complication to reaching a fruitful cooperation between CMB and Euronav is that CMB seeks to oust Euronav CEO Hugo de Stoop. It states: "It is CMB's ambition to reinstate the spirit of entrepreneurship, family values, and a long-term horizon to a company that is today led by people that have a different view." In our view, Hugo de Stoop has managed Euronav well in recent years, taking into account the interests of all stakeholders. We therefore do not expect that the supervisory board or the majority of shareholders are willing to replace him by a CEO coming from a minority shareholder.

We do not expect that CMB will be able to block the combination of Euronav and Frontline, although it could make it more difficult to complete, especially if it finds other shareholders that support its view. Euronav could perhaps offer a compromise by making some limited changes to its strategy, as described above.

VLCC market remains challenging, but improvements on the horizon

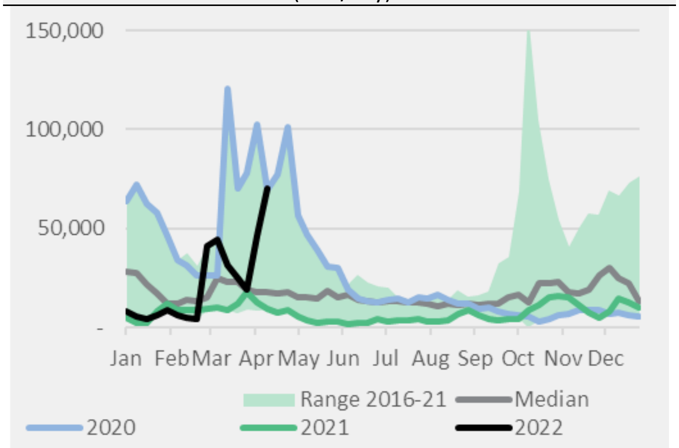
VLCC rates have been very low year-to-date (Exhibit 6). Suezmax rates (Exhibit 7) started the year very poorly, but recovered recently, mainly because they benefit from the shift in Russian exports following the war in Ukraine. Exports from Russia to Europe (short distance) are shifting to Asia Pacific (long distance), while Europe is now importing oil from sources farther away. This mainly affects Suezmax and Aframax tankers.

Exhibit 6 **VLCC rates** (USD/day)



Source: Clarksons

Exhibit 7 **Suezmax rates** (USD/day)



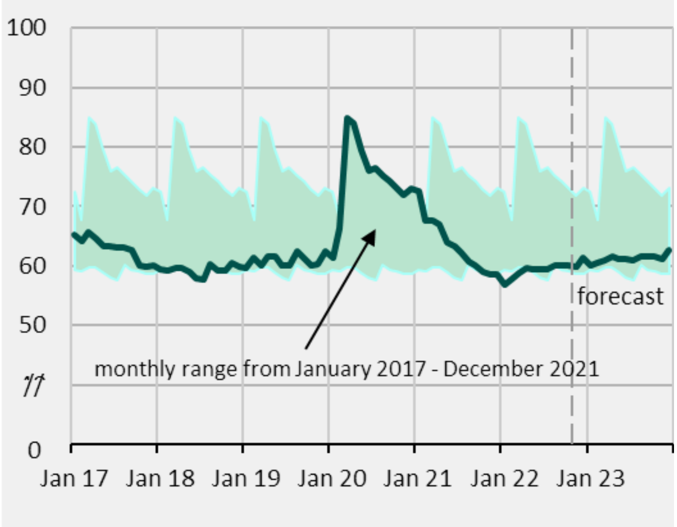
Source: Clarkson

The general market outlook is gradually improving, with rising demand and increasing OPEC production. An additional positive is that global inventories have declined to very low levels (Exhibit 8). This means that any recovery in demand will translate directly into higher demand for transport, while restocking may give an additional boost.

However, there is still some way to go before the oversupply of tankers has been absorbed. This process could be accelerated if a deal is reached on ending the ban on Iranian oil exports.

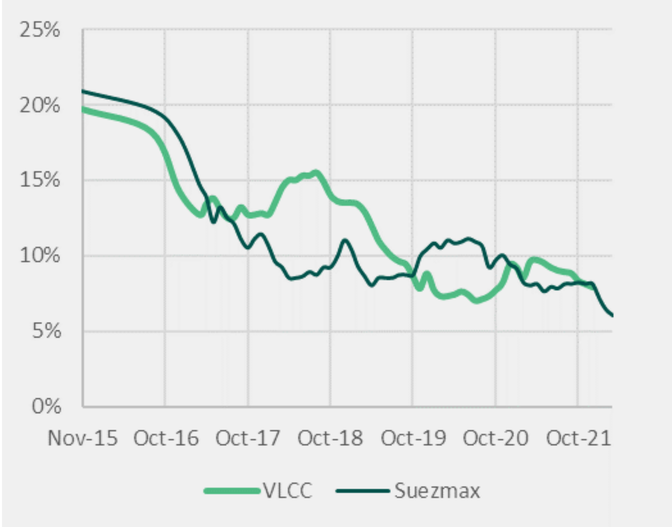
Such a deal could add 1m barrels/day in oil production to the market, while it would also make an end to the illegal export of 1-1.5m barrels/day that is currently done on old tankers. Those tankers are 20 years old on average. As a result, they can no longer be used on regular legal export routes, while they have a high recycling value (USD 28m) thanks to the current high steel prices. We therefore expect them to be scrapped if a deal is reached. Given the current high oil prices, and the need to find sources that can replace Russian oil, we believe there is political momentum to reach a deal with Iran.

Exhibit 8 **OECD commercial crude oil stocks** (days of supply)



Source: IEA

Exhibit 9 **Tanker orderbook** (percentage of global fleet)



Source: Clarkson

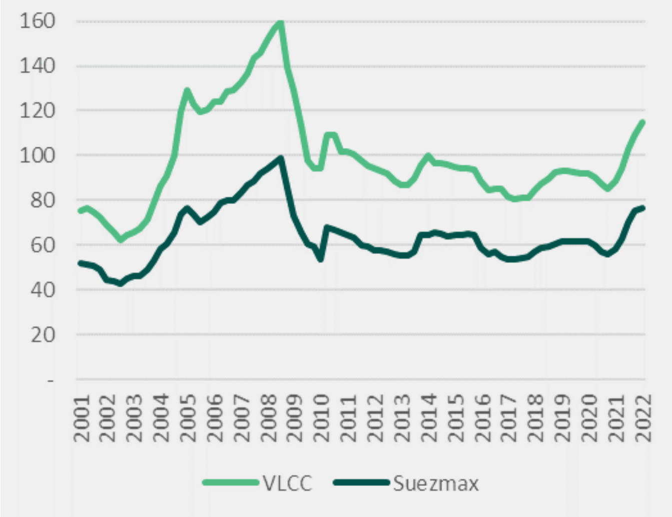
In general, the global fleet is very old with 25% of the VLCC fleet older than 15 years. This should lead to increased scrapping in the coming years. At the same time, the order book for new vessels is near record lows (Exhibit 9**Error! Reference source not found.**), while lead times for new orders have risen to three years. This means that until 2025, the inflow of new vessels will remain limited, while a large number of vessels should leave the fleet due to scrapping.

Based on these factors we expect the market to rebalance in the coming year, with a clear potential to enter a multi-year period of tightness and high rates.

Tanker rates support valuation

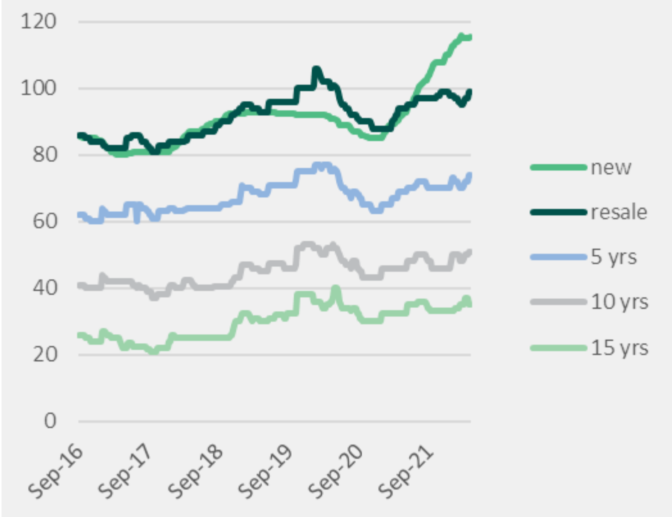
Despite low tanker rates, tanker values are at good levels (Exhibit 10 and Exhibit 11). The values of new tankers are supported by scarcity of shipbuilding capacity, as yards are benefiting from record demand for a.o. container vessels. Prices for older vessels are supported by high steel prices, which lead to high scrap values.

Exhibit 10 Value new built tankers (m USD)



Source: Clarksons

Exhibit 11 VLCC values by age (m USD)



Source: Clarkson

Target price raised to EUR 12 based on Frontline deal

The intended combination involves a stock-for-stock combination, with an exchange ratio of 1.45 Frontline share for every Euronav share. After the transaction, the Euronav shareholders will have 59% of the combination while the Frontline shareholders will hold 41%. The proposed exchange ratio implies a 20% premium to the undisturbed Euronav share price (prior to the announcement) and is therefore positive for Euronav shareholders.

According to our calculations, the deal will have a positive impact on Euronav's NAV of about 20% based on current tanker values, or 13% based on 10-year average values (Exhibit 12 and Exhibit 13). These calculations include the value of the vessels on order, as well as the capex required to complete them.

As we expect the deal to proceed, we base our target price on the NAV including Frontline. We use the 10-year average values rather than the current levels because we expect the market to rebalance. We believe the 10-year averages better reflect asset values in a normal market environment. This leads to a value of EUR 12 per share. After the recent rally, the upside to our new target price is limited. As a result, we rate the shares a Hold (from Under Review).

There could be further upside if the market indeed enters a powerful recovery, driven by a recovery in demand, possibly in combination with a catchup in the scrapping of old vessels. On the downside, there is still a risk that CMB is able to prevent the deal, which would be negative for valuation. The war in Ukraine is also a risk factor, as it may depress demand for oil if it escalates further.

Exhibit 12 **NAV Euronav standalone**

	2022		10 yr avg		20 yr 3rd quartile	
	m USD	euro/ps	m USD	euro/ps	m USD	euro/ps
VLCCs	2,716	12.3	2,713	12.3	2,993	13.6
VLCC+	84	0.4	95	0.4	104	0.5
Suezmax	524	2.4	1,035	4.7	1,721	7.8
FSO	153	0.7	205	0.9	205	0.9
Other assets	128	0.6	128	0.6	128	0.6
Value Assets	**3,701**	**16.8**	**4,176**	**18.9**	**5,151**	**23.3**
Net Debt (exc lea	-1,831	-8.3	-1,831	-8.3	-1,831	-8.3
NAV	**1,870**	**8.5**	**2,345**	**10.6**	**3,320**	**15.0**
Dividend		0.1		0.1		0.14
NAV incl. div.		**8.6**		**10.8**		**15.2**
Upside		**-27%**		**-9%**		**+29%**

Source: Degroof Petercam estimates

Exhibit 13 **NAV including Frontline**

	2022		10 yr avg		20 yr 3rd quartile	
	m USD	euro/ps	m USD	euro/ps	m USD	euro/ps
VLCCs	4,411	11.8	4,558	12.2	5,021	13.4
VLCC+	84	0.2	95	0.3	104	0.3
Suezmax	2,159	5.8	2,501	6.7	4,094	11.0
Aframax/LR2	971	2.6	1,121	3.0	1,254	3.4
FSO	153	0.4	205	0.5	205	0.5
Other assets	128	0.3	128	0.3	128	0.3
Value Assets	**7,905**	**21.1**	**8,608**	**23.0**	**10,805**	**28.9**
Net Debt (exc lea	-4,131	-11.1	-4,131	-11.1	-4,131	-11.1
NAV	**3,774**	**10.1**	**4,477**	**12.0**	**6,674**	**17.9**
Dividend		0.1		0.1		0.14
NAV incl. div.		**10.2**		**12.1**		**18.0**
Upside		**-13%**		**+3%**		**+53%**

Source: Degroof Petercam estimates

Profit & Loss (USD m)	12/18	12/19	12/20	12/21	12/22e	12/23e	12/24e
Revenues	**623.9**	**957.4**	**1,263.6**	**445.1**	**692.7**	**1,057.0**	**1,138.4**
(Y/Y - %)	*12%*	*53%*	*32%*	*-65%*	*56%*	*53%*	*8%*
EBITDA	**196.1**	**533.3**	**854.1**	**63.4**	**327.8**	**665.7**	**735.9**
EBITA	-74.6	195.6	534.3	-281.6	72.3	395.7	456.4
(Ebita margin - %)	*-12.4%*	*21.0%*	*43.4%*	*-67.1%*	*10.8%*	*37.9%*	*40.5%*
Amortization	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Other gains / expenses	-	-	-	-	-	-	-
EBIT	-74.6	195.6	534.3	-281.6	72.3	395.7	456.4
Net interest charges	-74.4	-99.2	-70.1	-80.6	-93.6	-81.6	-61.6
Other financial results	23.1	0.0	0.0	0.0	0.0	0.0	0.0
Except. / Discont. operations	-	-	-	-	-	-	-
Pre-tax result	-125.9	96.4	464.3	-362.2	-21.3	314.1	394.8
Taxes	-0.2	-0.6	-1.9	0.4	0.0	0.0	0.0
Associates	16.1	16.5	10.9	23.0	23.6	23.6	23.6
Minorities	-	-	-	-	-	-	-
Net declared earnings	-110.0	112.2	473.2	-338.8	2.3	337.7	418.4
Net adjusted earnings	**-125.9**	**112.2**	**450.5**	**-338.8**	**2.3**	**337.7**	**418.4**

Cash Flow (USD m)	12/18	12/19	12/20	12/21	12/22e	12/23e	12/24e
EBIT	-74.6	195.6	534.3	-281.6	72.3	395.7	456.4
Depreciation	270.7	337.7	319.8	345.0	255.5	270.0	279.5
Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Impairment	-36.3	0.0	0.0	0.0	0.0	0.0	0.0
Changes in provision	0.0	0.4	-1.4	0.4	0.0	0.0	0.0
Changes in working capital	166.8	-165.4	180.6	-47.7	8.0	8.0	8.0
Others	-24.1	0.0	0.0	-23.8	0.0	0.0	0.0
Operational Cash Flow	**302.5**	**368.3**	**1,033.2**	**-7.7**	**335.8**	**673.7**	**743.9**
Tax expenses	-0.1	-1.0	0.1	0.0	0.0	0.0	0.0
Dividends from associates	0.0	12.6	7.5	4.6	2.0	2.0	2.0
Net interest charges	-63.8	-92.3	-63.8	-57.6	-93.6	-81.6	-61.6
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CF from operating activities	**238.7**	**287.7**	**977.1**	**-60.6**	**244.1**	**594.1**	**684.3**
CAPEX	-237.5	-7.8	-224.9	-413.2	-177.8	-305.4	-112.1
Investments in intangibles	0.0	0.0	-0.3	-0.1	0.0	0.0	0.0
Acquisitions	-1,078.1	0.0	0.0	0.0	0.0	0.0	0.0
Divestments	26.8	210.7	78.1	55.8	0.0	0.0	0.0
Others	120.0	-34.5	30.2	4.2	0.0	0.0	0.0
CF from investing activities	**-1,168.8**	**168.4**	**-116.9**	**-353.2**	**-177.8**	**-305.4**	**-112.1**
Dividend payment	-22.6	-26.0	-352.0	-24.2	-31.2	-219.8	-317.8
Minor. & pref. dividends	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity financing	476.4	-31.0	-118.5	0.0	0.0	0.0	0.0
Others	-3.8	-40.6	-54.3	-82.0	-28.8	-28.8	-28.8
CF from financing activities	**449.9**	**-97.6**	**-524.8**	**-106.2**	**-60.0**	**-248.6**	**-346.6**
Changes in consolidation scope	0.0	-234.1	0.0	0.0	0.0	0.0	0.0
Exchange rate impact	-1.2	-0.7	11.5	-4.3	0.0	0.0	0.0
Net debt/cash change	**481.4**	**-123.6**	**-346.9**	**524.4**	**-6.4**	**-40.1**	**-225.6**
FCF to Enterprise	-785.9	378.9	1,040.0	-3.2	274.0	604.7	699.6
FCF to Equity	-2,008.1	456.0	860.2	-413.9	66.4	288.7	572.2

Notes Source: company statements, 'e' indicates Degroof Petercam estimates, based on IFRS 16 from 2019 on, net debt includes leases

Balance Sheet (USD m)	12/18	12/19	12/20	12/21	12/22e	12/23e	12/24e
Fixed assets	**3,606.2**	**3,362.6**	**3,235.4**	**3,309.1**	**3,260.2**	**3,324.4**	**3,185.7**
Tangible fixed assets	3,522.0	3,179.5	3,074.1	3,150.3	3,101.3	3,165.5	3,026.9
Goodwill	-	-	-	-	-	-	-
Other intang. assets	0.1	0.0	0.2	0.2	0.2	0.2	0.2
Financial fixed assets	81.8	121.4	106.8	128.1	128.1	128.1	128.1
Other fixed assets	2.3	61.6	54.3	30.5	30.5	30.5	30.5
Current assets	**521.1**	**802.2**	**451.9**	**459.4**	**387.9**	**430.0**	**397.5**
Inventories	0.0	183.4	75.8	69.0	69.0	69.0	69.0
Trade receivables	305.7	309.0	214.5	237.7	229.7	221.7	213.7
Other current assets	0.3	0.2	0.1	0.1	0.1	0.1	0.1
Cash & Equivalents	173.1	297.0	161.5	152.5	89.0	139.1	114.7
Discontinued assets	42.0	12.7	0.0	0.0	0.0	0.0	0.0
Total assets	**4,127.4**	**4,164.8**	**3,687.2**	**3,768.5**	**3,648.0**	**3,754.3**	**3,583.3**
Total Equity	**2,260.5**	**2,311.9**	**2,311.8**	**1,960.6**	**1,910.0**	**2,006.3**	**2,085.2**
Equity	2,260.5	2,311.9	2,311.8	1,960.6	1,910.0	2,006.3	2,085.2
Minorities & preferred	-	-	-	-	-	-	-
Provisions	8.6	9.5	9.1	7.7	7.7	7.7	7.7
Provisions for pensions	4.3	8.1	8.0	6.8	6.8	6.8	6.8
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	4.3	1.4	1.2	0.9	0.9	0.9	0.9
Other LT liabilities	1.5	3.8	6.9	3.5	3.5	3.5	3.5
LT interest bearing debt	1,569.6	1,523.7	1,155.8	1,475.7	1,400.0	1,350.0	1,100.0
Current liabilities	**287.1**	**316.1**	**203.6**	**321.0**	**326.8**	**386.8**	**386.8**
ST interest bearing debt	198.9	188.7	71.8	214.2	220.0	280.0	280.0
Accounts payables	87.2	94.4	85.1	83.9	83.9	83.9	83.9
Other ST liabilities	1.0	32.9	46.6	22.9	22.9	22.9	22.9
Discontinued liabilities	-	-	-	-	-	-	-
Total liabilities	**4,127.4**	**4,164.8**	**3,687.2**	**3,768.5**	**3,648.0**	**3,754.3**	**3,583.3**

EV and CE details (USD m)	12/18	12/19	12/20	12/21	12/22e	12/23e	12/24e
Market cap.	**1,553.8**	**2,652.8**	**1,634.4**	**1,788.9**	**2,525.1**	**2,525.1**	**2,525.1**
+ Net financial debt	1,595.4	1,415.4	1,066.2	1,537.4	1,531.0	1,490.9	1,265.3
(of which LT debt)	1,569.6	1,523.7	1,155.8	1,475.7	1,400.0	1,350.0	1,100.0
(of which ST debt)	198.9	188.7	71.8	214.2	220.0	280.0	280.0
(of which Cash position)	173.1	297.0	161.5	152.5	89.0	139.1	114.7
+ Provisions (pension)	4.3	8.1	8.0	6.8	6.8	6.8	6.8
+ Minorities (MV)	-	-	-	-	-	-	-
- Peripheral assets (MV)	-81.8	-121.4	-106.8	-128.1	-128.1	-128.1	-128.1
+ Others	-	-	-	-	-	-	-
Enterprise Value	**3,071.7**	**3,954.9**	**2,601.9**	**3,205.0**	**3,934.9**	**3,894.8**	**3,669.2**
Equity (group share)	**2,260.5**	**2,311.9**	**2,311.8**	**1,960.6**	**1,910.0**	**2,006.3**	**2,085.2**
+ Net financial debt	1,595.4	1,415.4	1,066.2	1,537.4	1,531.0	1,490.9	1,265.3
+ Provisions (pension)	4.3	8.1	8.0	6.8	6.8	6.8	6.8
+ Minorities	-	-	-	-	-	-	-
- Peripheral assets	-81.8	-121.4	-106.8	-128.1	-128.1	-128.1	-128.1
+ Others	-	-	-	-	-	-	-
Capital employed (for ROCE)	**3,778.4**	**3,614.0**	**3,279.2**	**3,376.7**	**3,319.7**	**3,375.9**	**3,229.3**
+ Accumulated goodwill amortiz.	-	-	-	-	-	-	-
CE (for ROCE grossed gdwll)	**3,778.4**	**3,614.0**	**3,279.2**	**3,376.7**	**3,319.7**	**3,375.9**	**3,229.3**

Notes Source: company statements, 'e' indicates Degroof Petercam estimates, based on IFRS 16 from 2019 on, net debt includes leases

Per Common Share (USD)	12/18	12/19	12/20	12/21	12/22e	12/23e	12/24e
Adjusted EPS (*)	**-0.66**	**0.52**	**2.14**	**-1.68**	**0.01**	**1.67**	**2.07**
Adjusted EPS (fully diluted)	-0.66	0.52	2.13	-1.68	0.01	1.67	2.06
Declared EPS	-0.57	0.52	2.25	-1.68	0.01	1.67	2.07
CFS	1.99	0.41	1.99	1.99	1.99	1.99	1.99
FCF (to Equity)	-10.46	2.11	4.09	-2.05	0.33	1.43	2.84
Dividend (EUR)	0.11	0.32	1.28	0.11	0.44	1.23	1.52
Book Value	10.34	10.74	11.42	9.72	9.47	9.95	10.34
Shares (m)							
At the end of F.Y.	218.525	215.237	202.397	201.678	201.678	201.678	201.678
Average number	191.994	216.029	210.194	201.678	201.678	201.678	201.678
Fully diluted Average number	191.994	216.029	211.788	201.773	202.678	202.678	202.678

(*) Adjusted EPS : pre-goodwill amortisation earnings, adjusted for post-tax non-recurrent items

Ratios	12/18	12/19	12/20	12/21	12/22e	12/23e	12/24e
Valuation analysis							
P/E	nm	23.7	3.8	nm	nm	7.5	6.0
P/CF	3.6	30.1	4.1	4.5	6.3	6.3	6.3
P/BV	0.7	1.1	0.7	0.9	1.3	1.3	1.2
EV/Sales	5.1	4.2	2.1	7.6	5.9	3.7	3.3
EV/EBITDA	15.7	7.4	3.0	50.5	12.0	5.9	5.0
EV/EBITA	-41.2	20.2	4.9	-11.4	54.5	9.8	8.0
EV/EBIT	-41.2	20.2	4.9	-11.4	54.5	9.8	8.0
EV/CE	0.8	1.1	0.8	0.9	1.2	1.2	1.1
EV/CE (grossed goodwill)	0.8	1.1	0.8	0.9	1.2	1.2	1.1
EV/FCF (1)	-3.9	10.4	2.5	-1010.1	14.4	6.4	5.2
FCF yield (2)	-129.2%	17.2%	52.6%	-23.1%	2.6%	11.4%	22.7%
Dividend yield	1.5%	2.6%	15.9%	1.2%	3.5%	9.8%	12.2%
Financial ratios							
Interest cover	-1.0	2.0	7.6	-3.5	0.8	4.8	7.4
Net Debt/EBITDA	8.1	2.7	1.2	24.2	4.7	2.2	1.7
Net Debt/Equity	70.6%	61.2%	46.1%	78.4%	80.2%	74.3%	60.7%
Net Debt/FCF (2)	-0.8	3.1	1.2	-3.7	23.1	5.2	2.2
Capital turnover	0.2	0.3	0.4	0.1	0.2	0.3	0.3
ROCE pre-tax	-2.0%	5.4%	16.3%	-8.3%	2.2%	11.7%	14.1%
ROCE post-tax	-2.0%	5.4%	16.3%	-8.3%	2.2%	11.7%	14.1%
ROCE pre-tax (grossed goodwill)	-2.0%	5.4%	16.3%	-8.3%	2.2%	11.7%	14.1%
ROCE post-tax (grossed gdwll)	-2.0%	5.4%	16.3%	-8.3%	2.2%	11.7%	14.1%
ROE	-5.4%	4.9%	20.5%	-15.9%	0.1%	17.2%	20.5%
Working capital (in % of sales)	36.4%	42.7%	16.7%	53.1%	32.2%	19.8%	17.7%
Payout	-16.8%	61.8%	59.9%	-6.6%	3930.4%	73.4%	73.4%
Margin analysis and tax rate							
Gross margin	-	-	-	-	-	-	-
EBITDA margin	32.7%	57.2%	69.4%	15.1%	49.1%	63.7%	65.3%
EBITA margin	-12.4%	21.0%	43.4%	-67.1%	10.8%	37.9%	40.5%
Adjusted profit margin	-21.0%	12.0%	36.6%	-80.7%	0.3%	32.3%	37.1%
Tax rate	-0.1%	0.6%	0.4%	0.1%	0.0%	0.0%	0.0%
Growth analysis							
Sales	17%	55%	32%	-66%	59%	57%	8%
EBITDA	-19%	172%	60%	-93%	417%	103%	11%
EBITA	-chg	+chg	173%	-chg	+chg	448%	15%
Adjusted profit	-chg	+chg	301%	-chg	+chg	14907%	24%
Adjusted EPS	-chg	+chg	313%	-chg	+chg	14906%	24%
Dividend	10%	192%	300%	-91%	299%	180%	24%

(1) Based on FCF to Enterprise - (2) Based on FCF to Equity

Notes Source: company statements, 'e' indicates Degroof Petercam estimates, based on IFRS 16 from 2019 on, net debt includes leases

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	REDUCE	HOLD	BUY
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Medium 0.9 < Beta > 1.3	RP<-4%	-4%<=RP<+10%	RP>=10%
Low Beta <= 0.9	RP<-2%	-2%<=RP<+6%	RP>=6%

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Report completion and updates

This report was first disseminated by Degroof Petercam on 19 April 2022 07:43 CET

Valuations are continuously reviewed by the analyst and will be updated and/or refreshed regularly. The rationale behind a change in target valuation will be explained in such a refresher/update.
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This report has not been reviewed by the company prior to publication.
The report has been reviewed by Michael Roeg, Senior Equity Analyst.

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