

January 6th, 2022

Europe | Hungary | Mobility

Comprehensive Update

BUY

Target price: 230 HUF (12 months)

Industry:	Mobility
Country:	Hungary
ISIN:	HU0000164504
Reuters:	AUTW.BU
Bloomberg:	AUTOWALL.HB
Website:	autowallis.hu

Last price:	120.00
	High Low
Price 52 W.:	130.50 84.00
Market cap. (HUF)	51,022,051,800.00
Number of shares '000)	425,183,765.00

Shareholders	
Wallis Asset Management Zrt.	57.55%
KÁRPÁT-MEDENCEI V.-F.	7.05%
Freefloat	35.4%

Performance	
4 weeks	-0.82%
12 weeks	-4.75%
52 weeks	39.95%

Dividend		
	in EUR	in %
2016	0.00	0.00%
2017	0.00	0.00%
2018	0.00	0.00%
2019	0.00	0.00%
2020	0.00	0.00%

Chart: 12 months (Source: Hung. Stockex.)



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AutoWallis Plc.

Strong recovery and growth in Q1-Q3 2021

- In Q1-Q3 21 revenue of AutoWallis Group surpassed HUF 145.4 billion: Growth of over 132% in comparison to previous period of 2020.
- Despite restrictions introduced and maintained from time to time due to successive waves of the COVID-19 pandemic Autowallis was able to improve its gross margin by 10 per cent from 12.3% to 13.4%.
- Successful Strategic Progress in Q1-Q3 2021: Autowallis' net profit surpassed HUF 2.2 billion in Q1-Q3 2021 compared approx. HUF - 0.4 billion yoy.
- In Future Company likes to become the most prominent automotive and mobility service provider in Central and Eastern European market by the end of the decade.
- Automotive industry in transition: Changing customer needs and behavior: Autowallis is observing the needs and price sensitivity of the market.
- Unchanged Rating: Based on our DCF-Model our target price is HUF 230 on a 12-month view.

Key Figures

in '000 HUF	2019	2020	2021E	2022E	2023E	2024E	2025E
Net sales	75,272,908	88,412,726	207,769,907	278,411,675	321,565,485	364,976,826	399,649,624
EBITDA	4,871,133	2,139,482	6,094,515	9,218,989	15,233,488	13,308,694	14,626,520
EBIT	1,804,357	655,266	4,016,816	6,434,872	12,660,965	11,118,833	11,828,972
Net income	916,611	-679,331	3,009,799	4,926,135	10,503,702	9,200,595	10,076,189
EPS	0.00	0.00	1.87	3.05	6.51	5.70	6.24
BVPS	3.72	6.69	2.75	4.00	7.51	6.76	7.35
RoE	17.95%	-7.40%	79.87%	89.70%	101.96%	99.28%	99.89%
EBIT margin	4.90%	0.74%	1.93%	2.31%	3.94%	3.05%	2.96%
P/E	0.00	#DIV/0!	94.10	57.50	26.97	30.78	28.11
P/BVPS	47.16x	26.23x	63.89x	43.84x	23.37x	25.98x	23.87x
EV/EBITDA	19.29x	54.56x	23.46x	17.59x	11.10x	13.74x	13.19x

Source: Dr. Kalliwoda Research GmbH © 2022 & AutoWallis

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1. Q1 to Q3 2021 Report

In the first nine months of 2021 sales revenue of AutoWallis Group surpassed HUF 145.4 billion. It is a growth of over 132% in comparison to previous period of 2020. Despite restrictions introduced and maintained from time to time due to successive waves of the COVID-19 pandemic, the decline in automotive production and supply levels due to the chip shortage and the slow recovery in tourism Autowallis was able to improve its gross margin by 10 per cent from 12.3% to 13.4% by the end of Q3 2021.

Efficient implementation of effective pricing policy in terms of purchasing and sales are the reasons for improving gross margins.

Due to organic volume growth and growth through acquisitions the EBITDA increased by 201% and exceeded HUF 5.7 billion, also EBITDA margin increased to 3.9% from the 3.0% reached yoy-period.

Autowallis' net profit surpassed HUF 2.2 billion in Q1-Q3 2021 compared approx. HUF - 0.4 billion yoy.

Vehicle sales

Total new Vehicle sales showed extremely improved growth of 271.2% yoy despite the challenging external environment caused by the prolonged COVID-19 pandemic and the chip shortage.

Effect of acquisitions contributed by 231% and organic growth by 40.2% to this strong recovery.

Automotive services

Number of service hours grew by 128.1% to 95,191 in Q1-Q3 2021. Organic growth represented 19,488 hours or 46.7%, while transactions contributed an additional 81.4% in growth.

Despite reduced level of tourism and the subsequent waves of the pandemic, the number of rental days grew by 100.9% (123,016 compared to 61,228). It is to consider that AutoWallis Group achieved that growth with a fleet size which was only 29.4% larger yoy.

Generally it depends on further Covid-19 development but we think the services segment should furtheron expand due to economic recovery and the expected boost in business and leisure tourism.

See details in following table:

Key sales - AutoWallis Plc.				
Item	Q1-Q3 21	Q1-Q3 20	Absolute change	Relative change
Distribution Business Unit				
Number of vehicles sold	12,386	2,915	9,471	325%
Retail & Services Business Unit				
Number of new vehicles sold	5,201	1,823	3,378	185%
Number of used vehicles sold	1,205	778	427	55%
Total vehicles sales	6,406	2,601	3,805	146%
Automotive services				
Number of service hours	95,191	41,733	53,458	128%
Fleet soze for car rental	566	437	129	30%
Number of rental transactions	10,550	6,976	3,574	51%
Number of rental days (units)	123,016	61,228	61,788	101%

Source: Dr. Kalliwoda Research GmbH, AutoWallis Plc. 2021

Margins for Q1 to Q3 2021 increased because material expenses were up only by 47% whereas revenues grew by 132%.

Due to rising logistics costs in Hungary, Croatia, Slovenia and Bosnia and Herzegovina in connection with the import of Opel vehicles the value of services rose by 173% to HUF 6.7 billion yoy. The gross margin of AutoWallis Group improved from 12.2% to 13.4% yoy because COGS (HUF 70.8 billion or 129%) was lower than the growth in revenue. An effective pricing policy during the period was the main reason for the margin improvement.

Personnel expenses increased by 181% due to acquisitions completed in 2020 and the wage rise resulting from changes in the labour market. The number of staff increased from 556 to 706 (+27%). 123 new team members result from acquisitions. Personal expenses seems high but the company liked to achieve further growth based on necessary staff and expertise.

Depreciation and amortization grew by 121% based on new asset transactions.

Based on organic growth and fitting acquisitions operating profit (EBIT) increased by 356% to HUF 3.3 billion in Q1 to Q3 2021 yoy. The EBITDA increased by 201% to HUF 5,735 million from the comparative period. In other words, that's an increase of HUF 3,830 million from Q1-3/21 to Q1-3/20 for the EBITDA.

The position of Financial income in Q1 to Q3 2021 showed a loss of HUF 355.4 million, due to financial expenses (interest and leases). In following table the detailed consolidated IFRS income statement is shown on a yoy comparison is shown:

Consolidated IFRS income statement in Q1 to Q3 2021 - AutoWallis Plc.				
Value in HUF 1,000	9M 2021	9M 2020	Absolute change	Relative change
Revenue	145,404,235	62,630,613	82,773,622	+132%
<i>Distribution Business Unit</i>	86,170,407	29,534,442	56,635,965	+192%
<i>Retail & Services Business Unit</i>	59,233,828	33,096,171	26,137,657	+79%
Material expense	-2,736,093	-1,865,107	-870,986	+47%
Services	-6,681,871	-2,447,233	-4,234,638	+173%
Cost of goods sold	125,850,065	55,006,283	70,843,782	+129%
Personnel expenses	-4,865,131	-1,730,610	-3,134,521	+181%
Depreciation	-2,308,781	-1,046,498	-1,262,283	+121%
Profit from sales	2,973,945	534,882	2,439,063	+456%
Other income and expenses	333,299	189,808	143,491	+76%
OPERATING PROFIT - EBIT	3,307,244	724,691	2,582,553	356%
Financial gains or losses	-355,360	-938,834	583,474	-62%
PROFIT BEFORE TAX	2,951,883	-213,343	3,165,226	-1484%
Tax expense	-739,360	-145,035	-594,325	+410%
NET PROFIT	2,212,523	-358,378	2,570,901	-717%
Retranslation of subsidiaries	-13,388	13,578	-26,966	-199%
Total comprehensive income	2,199,135	-344,800	2,543,935	-738%
EPS (HUF/ share)	6.43	-1.30	7.73	-595%
EBITDA	5,735,365	1,904,824	3,830,541	+201%

Source: Dr. Kalliwoda Research GmbH, AutoWallis Plc. 2021

2. Outlook

The company plans to acquire further acquisitions and to grow organically. Acquisitions could mean to acquire more exclusive wholesale distribution rights, and the expansion of retail activities and leasing activities.

The last 5 acquisitions show the knowledge of the group to find interesting targets. The largest Opel dealerships in Hungary and the acquisition of the distribution rights for Jaguar and Land Rover models in Hungary, acquisition of the largest BMW dealership in Slovenia are examples for that.

The strategy to add midsize car brands is offering to complement premium vehicles. A full wide range of customers can be serviced now.

AutoWallis Group aims to develop and diversify the business by taking over one or two transactions per year for expanding into new countries with its existing portfolio of brands. The Company will finance acquisitions through public share offering and the company will draw on several loans.

By the end of the decade AutoWallis Group aspires to become the most prominent automotive and mobility service provider in the Central and Eastern European market.

3. Company Profile

AutoWallis Nyrt. is one of the leading companies in the automotive sector in Hungary. The Company was formerly called ALTERA Assed Management Public Limited Company. Currently its shares are listed in the Premium category of the Budapest Stock Exchange and are included in the BUX and BUMIX indices. The BUX index is a stock market index of blue-chip shares consisting up to 25 major Hungarian companies. The BUMIX (Budapest Stock Exchange Mid and Small Cap Share Index) is a stock market index consisting between 12 and 25 small and medium-sized companies listed on stock exchange in Budapest.

The aim of **AutoWallis Nyrt.** is to become the leading mobility service provider in Central and Eastern Europe at the end of the decade. The next objective of **AutoWallis Nyrt.** is to expand its investment portfolio, which is focused on automotive investments through acquisitions. The Company operates as a traditional asset management company with conservative business policy. In 2020 **AutoWallis** has received an award at the Legek 2020 (Budapest Stock Exchange event) for capital increase of the year. The list of well-established automotive brands represented by the **AutoWallis Group** is long and comprise of: BMW, Dacia, Isuzu, Jaguar, Land Rover, MINI, Nissan, Opel, Peugeot, Renault, SsangYong, Suzuki, Toyota, Saab, KIA, and Maserati.

Presently the **AutoWallis Group** is active in 14 countries in the Central and Eastern Europe, precisely in: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Hungary, Kosovo, Montenegro, North Macedonia, Poland, Romania, Serbia, Slovakia, Slovenia, and the Czech Republic. The Company deals with: short-term and long-term car rental, servicing activities, distribution of vehicles and parts, as well as retail of motor vehicles and components. Currently, the **AutoWallis Group** is a market leader in the Hungarian market for premium and luxury cars, it comprises the largest and the oldest dealerships in for BMW and MINI cars. Those dealerships, in terms of the numbers of cars sold and the floor space, are the largest in Hungary.

Currently, the network of the **AutoWallis Group** consist of nearly 60 partners and co-operators, but there are six main members of this sizeable company - **AutoWallis Group** includes following components: Wallis Automotive Europe, Wallis Autókölcsozó, Wallis Kerepesi, Wallis Motor Ljubljana, Wallis Motor Pest with Wallis Motor Duna, and Inicial Autóház.

Wallis Automotive Europe (WAE) has the largest revenue among the members of the **Wallis Group**. It represents brands such as: Isuzu, Jaguar, Land Rover, Opel, and SsangYong. In Hungary it has a track record of more than 20 years as an independent vehicle distributor. In 2012 **WAE** has introduced the South Korean brand SsangYong in Romania, and since 2018 SsangYong is available in the Czech Republic and Slovakia as well. Additionally, **WAE** acts as an exclusive distributor of Jaguar and Land Rover vehicles and components in countries such as: Albania, Bosnia and Herzegovina, Croatia, Hungary, Kosovo, Macedonia, Montenegro, Serbia, and Slovenia.

The second member of the **AutoWallis Group**, **Wallis Autókölcsozó** operates in Hungary, where it offers complex mobility services as the franchise partner of *Sixt Rent-a-car*. The *Sixt Rent-a-car*, widely renowned international firm, is present 20 years at the Hungarian automotive market, while it has over 100 years of history worldwide. The *Sixt Rent-a-car* has grown to become one of the leading mobility services over the world. When the company has entered the Hungarian automotive market in 1999 it owned 30 cars initially, but today the fleet is approximately 1000 cars, which is a considerable rise and an attainment.

The next member of the group, **Wallis Kerepesi**, distributes Opel-branded and KIA-branded vehicles since 1990 and 2015 respectively. It acts as the provider of servicing for Opel, KIA and Isuzu vehicles. Most importantly, based on market data for the past 5 to 10 years, **Wallis Kerepesi** is one of the most successful dealerships in Hungary. In 2019 **Wallis Kerepesi** had the biggest share of the market for Opel models (at 6-7%) and the third biggest market share for KIA models (at 10-12%).

Another important part of the group, **Wallis Motor Ljubljana** (it was previously called A-Cosmos d.d.) is the largest dealership of BMW in Slovenia. The dealership is well located in the central part of Ljubljana and it is engaged in the sale and servicing BMW vehicles (this includes servicing of MINI vehicles). Another old and well established dealership in Hungary called **Wallis Motor Pest and Wallis Motor Duna** is engaged in distribution and servicing of BMW cars and motorcycles as well as MINI vehicles. This firm was separated from the main Wallis Motor dealership and has become independent as a company in 2001. Recently, Maserati, luxurious Italian brand has been added to the range of products. Those elegant, premium vehicles are now exhibited in the new exclusive showroom. The last member of the AutoWallis Group, **Inicial Autóház** is based in Western Hungary (in four cities: Győr, Mosonmagyaróvár, Sopron, Szombathely), where it is a leading car dealership. The firm is involved in servicing and distribution of several well-known car brands such as: Dacia, Nissan, Opel, Peugeot, Renault, Suzuki, and Toyota.

4. SWOT-Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Growing industry: The automotive sector is highly growing industry. Vehicles allow clients to work, travel, and are recognizable symbols of financial and social status. The demand for good quality vehicles, as well as cars from luxury segment will increase in the future in the Central and Eastern Europe alongside the growth and changes of all European countries. • Innovative industry: The industry is very innovative and keeps up with technological advancement. All the new models of hybrid cars are on offer at the retail outlets of AutoWallis Group, which means that the company recognizes the trend, which leads us towards alternative fuels, renewable sources of energy and technologically advanced e-vehicles. • Exclusive retailer of luxury brands: The AutoWallis is exclusive dealer of many luxury brands such as: Jaguar, Land Rover (in several countries) BMW, MINI, Maserati (in Hungary). • Recognized car rental provider: Strong cooperation with The Sixt Rent-a-car firm, well established, widely renowned international car rental entity, may enable AutoWallis Group to gain control over the car rental market in Central and Eastern Europe and become one of the leading players in the car rental field. • Rapid, visible growth: In 2021 AutoWallis has received an award at the Legek, which is special event organized by Budapest Stock Exchange, for capital increase of the year. AutoWallis has a chance to become the leading mobility service provider in Central and Eastern Europe. AutoWallis Group is presently active in 14 countries in Central and Eastern Europe. 	<ul style="list-style-type: none"> • Influence of fuel prices: Fluctuations in fuel prices, so difficult to predict at times, are among the most important factors determining growth of automotive industry. Additionally, related to fuel issues, some new ecological regulations imposed by international entities may influence the cost of usage of vehicles for customers and therefore affect the whole sector. • Sluggish market: Uncertainty among customers related to Covid-19, accompanied by recession and unemployment are those economic factors which may disrupt growth of automotive companies such as AutoWallis Group for an extended period of time.

Opportunities

- **Manufacturing facilities in Hungary:** Having several, sizeable manufacturing facilities in Hungary (Mercedes-Benz is currently building its second factory, four Original Equipment Manufacturers (OEM) of Opel, Suzuki, Audi, Mercedes are based there, presence of companies from the field of artificial intelligence and autonomous driving such as: Valeo, AVL, Ibiden, TDK, NNG and many more) AutoWallis Group has more control over the cost of their vehicles and may offer lower prices for their clients. These are ideal conditions for companies like AutoWallis Group to sustain constant growth.
- **Development of e-mobility:** Hungary has adopted e-mobility concept and increased the number of charging station to 447 in 2018, which was the highest number of stations in Central and Eastern Europe. There are plans to upgrade the public transport and government fleets to electric vehicles (EV) to 30% and 25% respectively by 2030. The AutoWallis Group has significant part of the market of luxury, hybrid cars, therefore the increase of charging stations may be seen as positive factor for this retailer.
- **Excellent transport network in Hungary:** The transportation network is well developed in Hungary and with three important corridors of TEN-T (the Trans-European Transport Network), extensive road and railway network, as well as advanced logistics and telecommunication infrastructure the country seems to be a good place to offer specialized automotive services.

Threats

- **New lifestyle and new customers:** There are predictions that advancements in technology and digitalization will change drastically the automotive industry. New types of engines, new types of fuels, as well as fuel-efficient cars will force increase of investments in automotive industry. At the same time, younger generation of clients, which expect fully digitalized services, may use vehicles differently than previous generations; hence the expected shift in consumer demand may be seen either as threat or as opportunity for the players in this sector.
- **Negative influence of changes in the travel industry:** Covid-19 has impacted travel and tourism industry globally. The AutoWallis Group claims that significant part of turnover of rent cars is generated by tourist travelling to Liszt Ferenc International Airport. In the situation of pandemic car rental sector may not be as profitable as before the lockdowns. Generally, the outbreak of Covid-19 has severely affected this segment of automotive industry.

5. Valuation

Our calculations are unchanged compared to our initiating coverage: For the valuation of AutoWallis Nyrt., we use a traditional DCF model, from which a 12-month price target for the share of HUF **230.12** is derived. Compared to the current market level, this corresponds to **an upside of around 92%**.

WACC assumptions	
Growth assumptions	
Long-term growth rate	0.5%
Equity	
Risk-free rate	3.49%
Market risk premium	10.9%
Beta	1.60
Equity costs	20.86%
Debt costs	
Debt costs (before tax)	1.90%
Tax rate on interest	16.03%
Debt costs (after tax)	1.60%
Equity	16%
Debt	84%
WACC	11.22%

Source: Dr. Kalliwoda Research GmbH © 2021

Discounted Cash Flow Model (2021), calculated on the 23th of December 2021

in EUR '000	2021E	2022E	2023E	2024E	2025E
Net sales	207,769,907.04	278,411,675.43	321,565,485.13	364,976,825.62	399,649,624.05
(y-o-y change)	135.0%	34.0%	15.5%	13.5%	9.5%
EBIT	4,016,815.93	6,434,872.16	12,660,964.63	11,118,833.33	11,828,972.43
EBIT margin	1.9%	2.3%	3.9%	3.0%	3.0%
NOPLAT	3,372,770.44	5,403,122.02	10,630,939.53	9,336,069.43	9,932,346.73
+ Depreciation	2,077,699.07	2,784,116.75	2,572,523.88	2,189,860.95	2,797,547.37
= Net operating cash flow	5,450,469.51	8,187,238.78	13,203,463.41	11,525,930.38	12,729,894.10
- Total investments (Capex and WC)	466,916.64	5,350,473.90	6,822,288.95	1,042,282.11	2,386,405.44
Capital expenditure	608,054.56	574,611.56	439,167.41	461,125.78	484,182.07
change of Working capital	-	141,137.92	4,775,862.34	581,156.33	1,902,223.37
= Free Cash Flow (FCF)	4,983,552.87	2,836,764.87	6,381,174.46	10,483,648.27	10,343,488.66
PV of FCFs	4,983,552.87	2,549,937.40	5,156,000.80	7,614,317.43	6,752,922.37
Terminal Value					102,487,476.00

Source: Dr. Kalliwoda Research GmbH © 2021

PV of FCFs in explicit period	27,056,730.87
PV of terminal period	66,910,690.61
Implied Enterprise value (EV)	93,967,421.48
- Net debt	26,881,602.00
+ Investments / - Minorities	-121.40
Shareholder value	67,085,698.08

Number of shares outstanding (thousands) **324,313.68**

WACC	11.25%	
Equity costs	21.0%	
Debt costs before tax	1.9%	
Tax rate	16.0%	
Debt costs after tax	1.6%	
Equity ratio	15.9%	
Debt ratio	84.1%	
Fair value per share in HUF today	206.85	Upside
Fair value per share in HUF in 12 months	230.12	92%

Source: Dr. Kalliwoda Research GmbH © 2021

6. Profit and Loss Statement

Profit and Loss Statement - AutoWallis Plc.							
<i>all figures in '000 HUF unless otherwise indicated</i>	2019	2020	2021E	Fiscal Year 2022E	2023E	2024E	2025E
Revenue	75,272,908	88,412,726	229,873,089	262,055,321	294,812,236	322,819,399	353,487,241
Materials used	-2,519,905	-2,675,705	-18,389,847	-20,964,426	-23,584,979	-25,825,552	-28,278,979
Services	-3,704,672	-4,231,452	-11,493,654	-11,792,489	-14,445,800	-15,172,512	-16,260,413
Cost of goods sold	-64,439,124	-77,236,279	-185,047,836	-209,382,202	-236,734,226	-260,192,435	-285,617,691
Personal type expenses							
Gross Profit	4,609,208	4,269,292	14,941,751	19,916,204	20,047,232	21,628,900	23,330,158
Personal type expenses	-1,758,630	-2,681,180	-9,194,924	-10,482,213	-9,194,924	-9,194,924	-9,194,924
Other Income	948,404	1,881,811	1,505,449	1,204,359	2,360,544	4,626,666	9,068,265
Impairment and write off of non-financial assets	-143,566	-102,115	-249,529	-609,752	-1,489,995	-3,640,966	-8,897,099
Other expenses	-673,876	-1,228,326	-1,289,742	-1,380,024	-690,012	-345,006	-172,503
Other operating income and expenses	130,963	551,371	-33,822	-785,416	-628,333	-502,667	-402,133
Income from the sale of subsidiaries	0	0	0	0	0	0	0
EBITDA	4,871,133	2,690,853	5,679,183	7,863,159	10,404,512	12,572,003	13,731,764
Depreciation, Amortization and Impairment	-1,177,184	-1,484,216	-2,298,731	-2,620,553	-2,358,498	-2,259,736	-3,534,872
Operating Profit (ca. EBIT)	1,804,357	655,266	3,380,452	5,242,605	8,046,014	10,312,267	10,196,891
Interest income	16,910	5,447	27,912	30,847	33,732	36,291	39,165
Interest expenses	-105,289	-252,028	-351,766	-388,761	-425,114	-457,367	-493,589
lease expenses, Other Financial income (expense)	-202,402	-170,875	455,479	361,040	601,360	658,490	1,068,720
Net gain or loss on currency translations	-101,234	-691,377	-421,347	-505,915	-221,906	-242,988	-310,417
Gain or loss on disposal of equity items	3,965	3,531	10,645	11,300	13,182	14,435	15,806
Impairment and expected credit loss of financial assets	-160,015	-29,691	-282,931	-205,273	-296,895	-325,100	-355,985
Revaluation gain or loss of financial instruments	3,655	69,230	95,580	157,080	149,649	163,865	179,432
Profit and Loss Attributable to Associates	0	0	-3,832	523	705	773	-582
Profit on financial items	-544,410	-1,065,764	-470,260	-539,159	-145,286	-151,602	142,552
EBT	1,259,947	-410,497	2,910,192	4,703,447	7,900,728	10,160,665	10,339,443
Income Tax	-343,336	-268,833	-466,612	-754,138	-1,266,781	-1,629,134	-1,657,798
Net Income	916,611	-679,331	2,443,580	3,949,309	6,633,946	8,531,532	8,681,644
Other comprehensive gain or loss on translating subsidi	34,661	21,196	80,480	77,286	95,081	104,114	114,004
Profit Attr. to Parent Company Shareholders	951,272	-658,135	2,077,043	3,356,912	5,638,854	7,251,802	7,379,398
<i>Profit Attr. to Non-Controlling Interests</i>	<i>-34,661</i>	<i>-21,196</i>	<i>366,537</i>	<i>592,396</i>	<i>995,092</i>	<i>1,279,730</i>	<i>1,302,247</i>
<i>Earnings per Share</i>	<i>0.91</i>	<i>0.63</i>	<i>1.99</i>	<i>3.21</i>	<i>5.39</i>	<i>6.93</i>	<i>7.05</i>
<i>Diluted Earnings per Share</i>	<i>0.91</i>	<i>0.63</i>	<i>1.99</i>	<i>3.21</i>	<i>5.39</i>	<i>6.93</i>	<i>7.05</i>
Price/Earnings (X)		-369	116.97	72.38	43.09	33.50	32.92
Net interest coverage	20	3	10.44	14.65	20.56	24.49	22.44

Source: Dr. Kalliwoda Research GmbH © 2021

7. Balance Sheet

Balance Sheet - Autowallis							
<i>all figures in '000 HUF unless otherwise indicated</i>							
	2019	2020	2021E	2022E	2023E	2024E	2025E
Non Current Assets							
Property, plant and equipment	1,940,274	7,600,682	8,208,737	8,783,348	9,222,516	9,683,641	10,167,823
Assets held for operating leases	2,072,060	1,833,469	2,545,393	2,723,570	2,859,749	3,002,736	3,152,873
Right-of-use assets	3,797,811	7,657,595	6,521,697	6,978,216	7,327,127	7,693,483	8,078,157
Goodwill	515,034	898,738	824,218	881,913	926,009	972,309	1,020,925
Rights and similar assets	50,038	3,752,964					
Deferred tax assets	6,160	13,241					
Equity instruments	0	2,200					
Investments in debt instruments	865	0					
Total Non-Current Assets	8,382,242	21,758,889	18,100,044	19,367,048	20,335,400	21,352,170	22,419,778
Current Assets							
Goods	14,137,468	22,245,246	44,206,363	49,444,400	54,093,988	58,694,436	64,270,408
Other inventories	413	70,628	121,856	138,916	156,281	171,127	187,384
Account receivables	3,812,609	4,477,784	11,643,251	13,273,306	14,932,469	16,351,054	17,904,404
Income tax receivables	85,501	155,374	356,404	406,301	457,088	500,512	548,060
Other receivables	3,674,346	3,906,080	10,510,605	11,982,090	13,479,851	14,760,437	16,162,678
Loan receivables	0	35	-785	5,580	5,859	6,152	6,460
Other financial assets	3,655	72,885					
Cash and cash equivalents	1,890,714	5,076,070	5,076,070	5,685,198	6,367,422	7,131,513	7,987,294
Total Current Assets	23,604,706	36,004,101	66,837,694	75,250,593	83,125,536	90,483,717	99,079,394
Total Assets	31,986,948	57,762,990	84,937,739	94,617,640	103,460,936	111,835,887	121,499,172
Equity							
Issued capital	3,383,268	4,053,921	5,504	5,504	5,504	5,504	5,504
Share Premium	0	3,810,598					
Treasury shares		-798,700					
Retained earnings	1,702,971	1,006,112					
Accumulated translation difference	19,107	40,303	56,514	62,955	68,839	74,411	80,841
Redeemed Treasury Shares		0	-65	-67	-68	-69	-71
Parent Company's Share of the Profit or Loss	0	0	2,077,043	3,356,912	5,638,854	7,251,802	7,379,398
Proprietary transactions	0	0					
Accumulated exchange difference	0	0					
Equity Attributable to Parent Company's Shareholders	5,105,346	8,112,233	2,138,996	3,425,305	5,713,122	7,331,648	7,465,672
Non-Controlling Interests		1,065,678	1,152,445	1,233,116	1,294,772	1,359,511	1,427,486
Total Equity	5,105,346	9,177,911	3,291,441	4,658,421	7,007,902	8,691,159	8,893,158
Long-Term Liabilities							
Long-Term Loans	309,593	1,534,354	2,255,146	2,512,153	2,746,947	2,969,307	3,225,873
3% debentures	0	3,041,552	2,767,812	2,712,456	2,658,207	2,605,043	2,552,942
Deferred Tax Liabilities	36,798	116,494	146,771	163,498	178,779	193,251	209,949
Provisions	8,856	86,023	8,603,301	9,788,383	11,011,931	12,058,064	13,203,580
Other Long-Term Liabilities	12,961	3,223,145	4,740,975	5,284,620	5,778,540	6,246,301	6,786,018
Lease Liabilities	3,999,961	7,536,663					
Total Non-Current Liabilities	4,368,169	15,538,231	18,514,005	20,461,110	22,374,403	24,071,965	25,978,362
Current Liabilities							
Short-Term Loans	6,998,855	10,000,568	53,592,909	58,738,611	62,205,140	66,183,954	72,552,924
Account Payables	11,230,619	15,625,306	2,166,475	2,498,500	2,778,504	3,021,236	3,370,235
Short Term Financial Leasing Liabilities	1,739,838	2,131,859	3,629,785	4,043,452	4,421,368	4,779,268	5,192,226
Advance payment received from customers	1,337,947	2,536,615					
Other Current Financial Liabilities	0	0	1,324	1,475	1,613	1,744	1,894
Taxes Payable	20,216	59,438	65,320	105,571	177,335	228,060	232,073
Current Part of Deferred Income	0	0	-267	-304	-342	-375	-410
Provisions	9,704	43,438	51,231	57,069	62,403	67,455	73,283
Other Current Liabilities	1,176,254	2,649,624	3,625,515	4,053,734	4,432,610	4,791,421	5,205,428
Total Current Liabilities	22,513,433	33,046,848	63,132,293	69,498,109	74,078,631	79,072,763	86,627,652
Total Liabilities	26,881,602	48,585,079	81,646,298	89,959,219	96,453,034	103,144,728	112,606,014
Equity and Liabilities	31,986,948	57,762,990	84,937,739	94,617,640	103,460,936	111,835,887	121,499,172

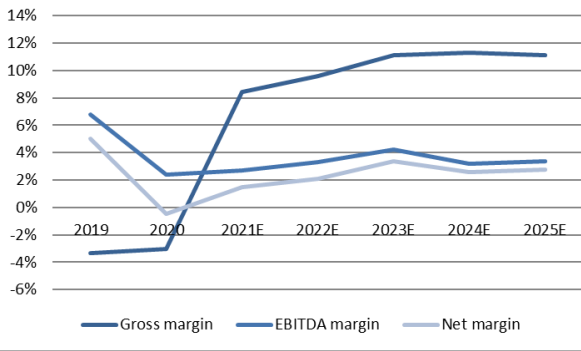
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8. Financial Ratios

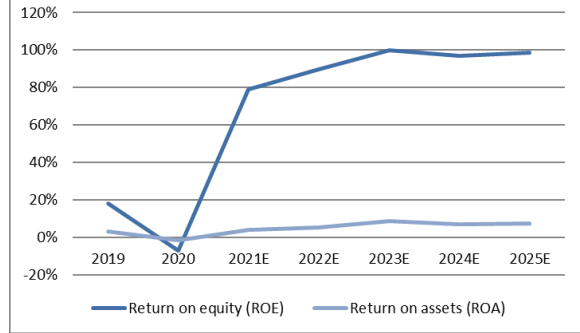
Fiscal year	2019	2020	2021E	2022E	2023E	2024E	2025E
Gross margin	-3%	-3%	8%	10%	11%	11%	11%
EBITDA margin	7%	2%	3%	3%	4%	3%	3%
EBIT margin	5%	1%	2%	2%	3%	3%	3%
Net margin	5%	0%	1%	2%	3%	3%	3%
Return on equity (ROE)	18%	-7%	79%	90%	100%	97%	98%
Return on assets (ROA)	3%	-2%	4%	5%	9%	7%	7%
Return on capital employed (ROCE)	19.05%	2.65%	17.62%	23.86%	33.41%	27.44%	28.28%
Net debt (HUF '000)	26,881,602.00	48,585,044.00	32,387,342.52	35,643,596.30	36,491,694.62	42,060,622.69	44,492,361.22
Net gearing	527%	529%	875%	649%	397%	516%	476%
Equity ratio	16%	16%	4%	6%	8%	7%	7%
Current ratio	1.05	1.09	1.07	1.11	1.17	1.15	1.16
Quick ratio	0.42	0.42	0.36	0.38	0.41	0.40	0.41
Net interest cover	-	2.66	12.06	17.13	26.40	20.48	21.41
Net debt/EBITDA	5.52	22.71	5.14	3.86	2.67	3.58	3.27
Tangible BVPS	2.90	7.02	1.11	2.65	6.05	4.92	5.92
Capex/Sales	3%	8%	1%	1%	1%	1%	1%
Working capital/Sales	1%	3%	2%	3%	4%	4%	4%
EV/Sales	0.88	0.56	0.14	0.13	0.12	0.12	0.11
EV/EBITDA	12.82	23.25	5.33	4.01	2.77	3.70	3.38
EV/EBIT	17.92	75.91	8.49	5.74	3.41	4.55	4.26
Price/Tangible BVPS	34.42	14.22	90.18	37.69	16.50	20.28	16.85
P/E	-	-	2.38	4.00	7.47	6.41	7.48
Revenue	75,272,908.00	88,412,726.40	234,293,724.96	278,809,532.70	322,025,010.27	365,498,386.66	400,220,733.39
Revenue Growth (%)	10%	17%	165%	19%	16%	14%	10%

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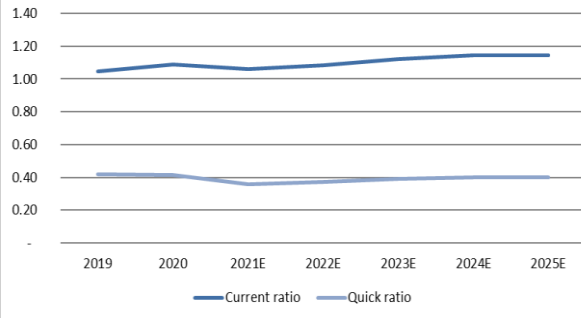
Margin Development



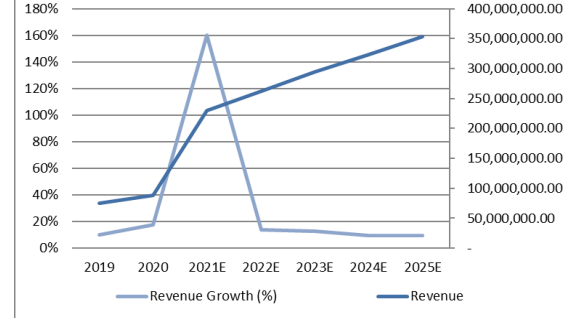
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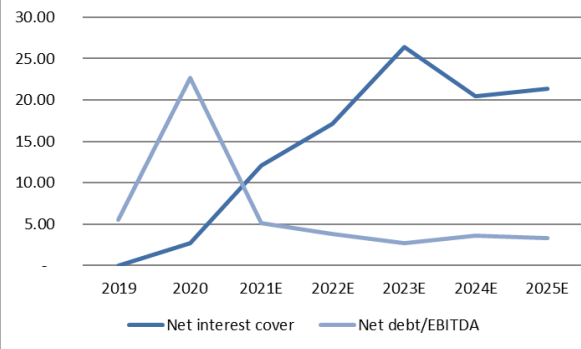
Liquidity



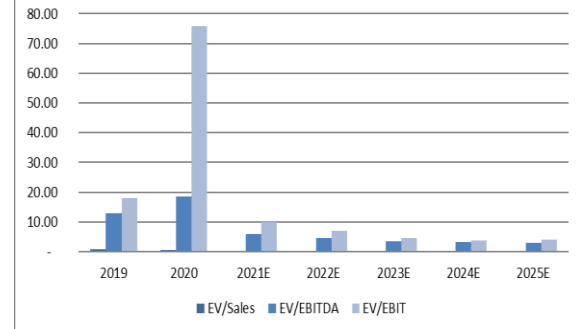
Revenue Development



Coverage




Multiples



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Date of first publication of this document: 6th January 2022.

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