



Nexi SpA (NEXI)

BUY: € 20,06 (+39,6%)

Equity Research Division 10th December 2021

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(€m)	FY18A	FY19A	FY20A	FY21E
Gross Profit	559,6	813,9	927,8	2584
EBITDA	168,5	248,5	495,1	1478
EBIT	84,1	97,0	321,1	969,0
Net Income	36,5	136,9	130,0	489,3

Key Executives

Paolo Bertoluzzo Chief Executive Officer

Bernardo Mingrone Chief Financial Officer

2021 interim results Highlights

- Acquisition of Nets
- Final agreement on incorporation of SIA
- Approval of the PNRR for digital transition

Summary

.Through the acquisitions of Nets and SIA, the company was able to improve its geographical diversification and to become Europe's biggest player in the industry.

Nexi has three main business units: Merchant Services & Solutions, Cards and Digital Payments and Digital Banking Solutions. The company will benefit from the decision by the Italian government of allocating 27% of the PNRR for the digital transition. The PNRR could accelerate the digital payments volumes of Nexi and could also create more work for SIA.

Our recommendation is "buy". Our analysis made through the DCF method and multiples market analysis resulted in a target price of €20,06 which suggests that the company is underpriced by the market. Through the financial analysis made by comparing a pre-acquisitions scenario of 2020 and a post-acquisition scenario of 2021, we also noticed that the company has benefited a lot of the acquisition given that all the performance ratios improved.

Basic Information

Last Closed Price	€ 14,37
Target Price	€ 20,06
+/- Potential	39,6%
Bloomberg Ticker	NEXI:IM
GICS Sector	Technology
GICS Sub-Industry	Software and Tech Services

12 Month Price Performance (Yahoo Finance)



Company Description

Nexi is an Italian based company and a leading player in Europe in the digital payment industry. The company is expanding its business in Europe through its recent acquisitions of SIA and Nets. Italy has decided to allocate 27% of the PNRR, which amounts to 235 billion Euros, to the digital transition and Nexi could be one of the companies that could benefit the most from it.

Key Financials

Market Cap	€14.15B
Basic Shares O/S	€1.03B
52-Wk High	€19.41
52-Wk Low	€13,23
Fiscal Year End	31-Dec-2020

Company Overview

NEXI is one of the largest digital payment service providers in Europe. Its main area of activity is the Italian market. However, with the recent acquisitions of SIA and Nets, the NEXI Group has extended its regional presence that now comprehends Italy, DACH area, Poland, Northern Europe and South-Eastern Europe. The Group's three main business areas are Merchant Services & Solutions, Cards & Digital Payments, Digital Banking Solutions.

The Merchant Services & Solutions unit provides merchants with both payment acceptance services and POS management services. Payment acceptance services consist of solutions that allow merchants to accept payments made by cards or other digital payment instruments. POS management services comprehend activation, configuration, maintenance of POS terminals and their integration within merchant account software. In 2020, this business unit generated operating revenues for € 550 million (53% of the Group revenues).

In collaboration with NEXI partner banks, the Cards & Digital Payments unit provides services related to the issuance of payment cards with anti-fraud systems for customer authentication and payments. Most part of payment cards is issued indirectly in partnership with banks. This limits the Group's credit risk because the risk of customer insolvency is borne by the partner banks. In 2020, the Cards & Digital Payments unit generated operating revenues for € 380 million (36% of the Group revenues).

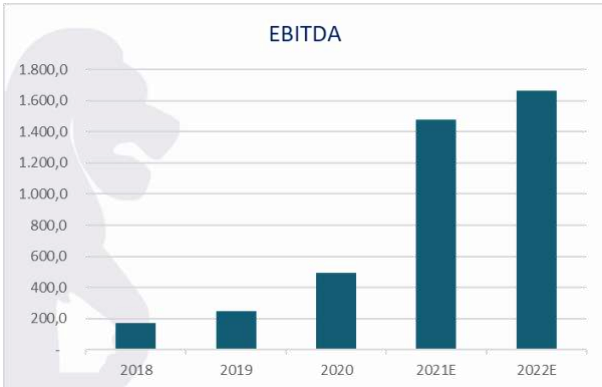
The Digital Banking Solutions unit provides three different services: ATM Management, Clearing and Digital Corporate Banking. The first one consists of installation and management of ATMs on behalf of partner banks. Regarding the second service, NEXI operates as an Automated Clearing House (ACH) for domestic and international payments in the Italian market and it provides also ACH Instant Payment services, which are faster than the traditional ones. The third service, the Digital Corporate Banking service, provides digital banking services for the management of current accounts and payments to partner banks' corporate customers. These services comprehend dedicated e-banking platforms on behalf of banks or corporate clients, payment platforms for group accounts and for payment management, software applications for invoice management and storage, prepaid card reloading, bill payments, postal payments. In 2020, the Digital Banking Solutions unit generated operating revenues for € 114 million (11% of the Group revenues).

Industry Outlook

Italy and Europe are experiencing an expansion in card payments and digital transactions

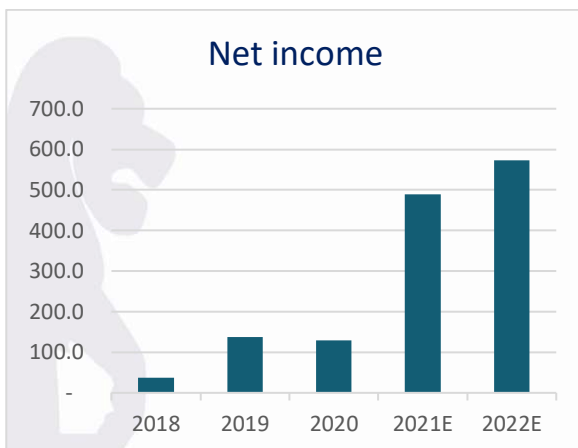
With respect to other noncash payment solutions, such as checks and credit transfers, a strong growth trend in Italy in terms of number of transactions executed with debit cards on POS is clear. Considering the year on year growth in number of transaction, from 2017 to 2018 it was 13.7%, in 2019 11.9% and in 2020 the trend slowed down to only 1.1%, as reported by the Bank of Italy. This dynamic was likely due to the decrease in consumption volumes and of merchant payments, attributable to the general slow down of the economy following the measures to contain the spread of the Covid-19. The peculiar market conditions have also produced a positive effect for the spread of digital payment technologies, with a strong expansion in the use of payment cards also in the central and southern regions of the peninsula. This trend was propelled by the "cashback measures" enacted by the Italian Government.

Figure 1. Annual EBITDA



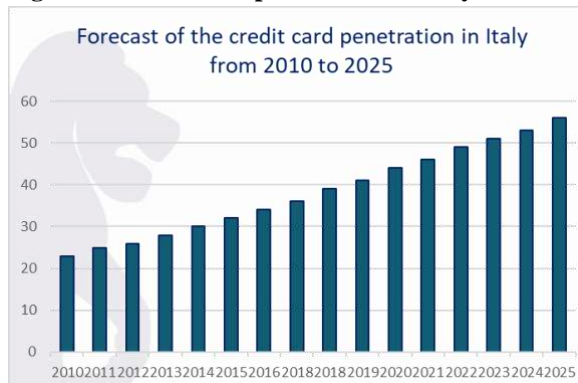
Source: Minerva Investment Management Society

Figure 2. Annual Net income



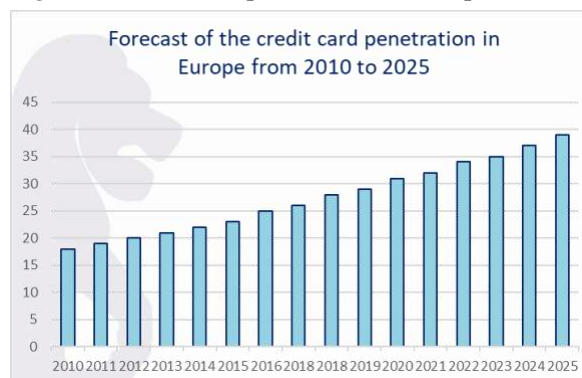
Source: Minerva Investment Management Society

Figure 3. Credit card penetration in Italy



Source: Statista

Figure 4. Credit card penetration in Europe



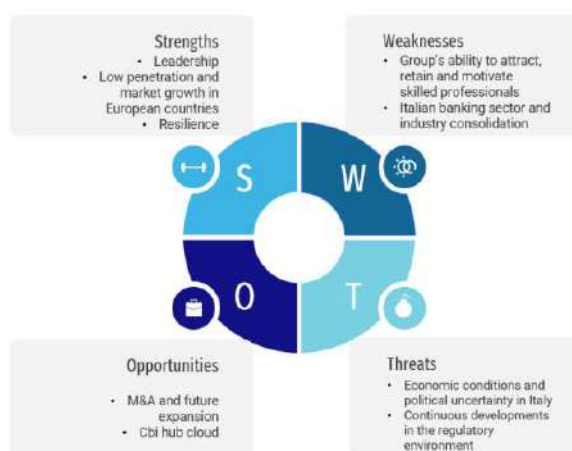
Source: Statista

With the share of total noncash merchant transactions executed with payment cards on POS having reached 46.1% in 2020 and the recovery of consumption after the lockdowns, the sector is estimated to return to the previous high levels of growth necessary to complete the digital transition and the marginalization of cash payments. Recent official reports by specialized institutions also suggest a general growth of digital payments in Europe, with a forecasted growth as high as 70% between 2020 and 2025. If this trend will turn out to be true, it will allow card payments to overtake the predominance of cash transactions in Eastern Europe and of bank transfer payments in Western Europe.

Cards’ diffusion is poised to grow in Italy.

In 2020 debit card exceeded 59 million units, with 42 average yearly transactions and 54 Euros of average amount transacted, while total credit cards totaled more than 27 million units. Even more important is the fact that in the country payment cards are increasingly being used for purchases of medium to low value, which constitute the bulk of the total number of transactions. From this perspective, the recent pandemic has accelerated the development and use of contactless and mobile systems, thus accelerating the cashless transition: in particular, the ease-of-use and convenience of the contactless technology has allowed it to process an amount of about € 81.5 billions in payments in 2020 alone. However, the payment instrument with the highest levels of growth in the last years, both in terms of units available to the public and in number of transactions, has been the prepaid card. In 2020, its diffusion in Italy grew by 10.4% with respect to the previous year and the yearly change in previous periods is also significative: 26.5% in 2017, 31.2% in 2019 and 19.5% in 2020, accompanied also by a double digit increase in the value of the transactions.

SWOT Analysis



Strengths

Leadership – Nexi’s leadership in the Italian card payment market and its strong market share in the European countries where it operates will help the company in taking full advantage of the industry growth, given general low penetration cards in consumer spending.

The merger between Nexi and Nets will allow the newly formed group to create the largest pan-European platform, whose extent can generate an absolute leadership in terms of products and efficiency, with estimated revenues of about €2.9 billion and EBITDA about €1.5 billion, on a pro-forma basis, for 2020, including fully running synergies and the closing of the SIA merger

Low penetration and market growth in European countries - The Italian, German, Poland and CSEE markets are very attractive given low penetration of card payments. Italian cards volumes recorded growth in all sectors. The trend further confirms the signs of acceleration of digital payments in Italy, started last year and now clearly visible across sectors. On an international footing, Italy is still lagging in terms of transactions with instruments other than cash: 125 per capita transactions were made in Italy, versus a European average of 272. Such a figure, however, still shows an increase compared with the 111 transactions of 2018.

Resilience - Even during the recessionary years of the financial crisis, card payments penetration continued to rise.

Nexi even recorded a 140% increase in smartphone payments in shops in 2020, driving the growth of a sector in Italy with a value close to €3.5 billion. Of this amount, almost €3 billion was generated by purchases made with apps that virtualize the card in the smartphone. Payments via smartphone using Nexi cards recorded a very strong increase during the first half of 2020 (+177%), with peaks of over +230% during the first phase of the pandemic, showing how these solutions are also preferred to maintain social distance at the checkout.

The increasing preference of Italians for contactless solutions has led to the overall growth of these forms of payment of 29% in terms of number of transactions: in fact, contactless transactions made with Nexi cards at the end of 2020 accounted for 45% of total transactions.

Weaknesses

Group's ability to attract, retain and motivate skilled professionals - Performance and future success of businesses are significantly dependent on ability to attract, retain and motivate certain very specific skills sets in middle and senior management, namely individuals with significant levels of specialization and technical knowhow.

The Group's performance and the prospects of its business are also dependent on its ability to advantageously adapt to rapidly unfolding technological, social, economic, and regulatory changes.

The high-skills labour market is highly competitive, and the Group may not be able to hire additional staff or may not be able to replace outgoing staff with equally skilled staff and/or may not be able to retain personnel that is key to the success of the SIA and Nets mergers.

Italian banking sector and industry consolidation - Nexi Group products are delivered as part of commercial agreements with several leading Italian banks, whose performance stands to significantly influence Group activities.

Italy's leading banks, many of which are Nexi Group customers, have had to shoulder a high burden of cost and have met with significant difficulties in meeting financial stability regulatory requirements set forth by EU policymakers.

Should a partner bank be the subject of forced liquidation or of crisis resolution measures, said bank may be unable to provide for the execution of contracts entered with Nexi Payments S.p.A. and, therefore, to fulfil obligations. Should partner banks merge or be acquired by parties that either lie outside partnerships or are less reliant on the Group's services, significant losses are probable.

Lastly, the extent of Nexi Group's dependence on partner banks increases with the latter's size, such that the loss of even one partner bank stands to breed a substantial impact on revenue, profitability, and cash flow.

Opportunities

M&A and future expansion - According to Reuters, Eurobank, one of Greece's top four banks, is finalizing the auction process for the sale of its merchant acquiring business.

Both Worldline and Nexi have submitted bids to acquire the business. The Greek market is experiencing strong consolidation since early 2021. In August, Alpha Bank agreed to partner with Nexi by spinning off its payments

business into a newco of which Nexi will buy 51% for €157 million. The size of Eurobank's payment business could potentially generate greater incremental synergies for Nexi, considering that SIA, since 2018, has been working to get a leading processing position in the country through the acquisition of First Data CEE's business.

Nexi group is also interested in the Portuguese market, where the auction for Sibs could reopen, and in Eastern Europe, in particular Serbia and Croatia, where it already has a presence through Nets.

Cbi hub cloud - CBI, a company owned by around 400 banks and other non-banking intermediaries, which acts as a hub for technological innovation and the digitalization of the financial industry, has entrusted Nexi and SIA with the task of redesigning the technological architecture of the interconnection between all the banks and Payment Service Providers (PSPs) that are CBI customers, with the aim of developing the range of digital transaction banking services. The CBI HUB Cloud will be developed with the API technology that Nexi has already used for the development of CBI Globe, the platform for Italian Open Banking.

This contract can help Nexi's smallest division Digital Banking & Corporate solutions (18% of pro-forma sales) which is linked to non-card-based digital payment solutions for financial institutions and corporates.

Threats

Economic conditions and political uncertainty in Italy - The Nexi Group operates and derives a big part of its revenues from the Italian market and is therefore vulnerable to risks related to the weakness of the Italian economy. Revenues from commissions depend on the number and volume of transactions. Any macroeconomic event that negatively impacts Italy's economic growth may have an impact on Nexi Group's revenues. In fact, a worsening of the macroeconomic scenario could have a negative impact not only on transaction volumes, but also on the number of cards issued or the number of ATM terminals.

The uncertainty linked to Italy's economic policies could generate further tensions in the yield spreads of the Italian government bonds and the institutional liquidity market and, therefore, of the financial sector's financial sector, triggering a general decline in ratings.

Continuous developments in the regulatory environment - The industry's regulatory environment is subject to ongoing change on several fronts. Adaptation in such a scenario requires concerted effort and can also be time-constrained and may thus directly impinge on profitability and compliance costs.

Within the context of commercial ties to international card schemes, among which Visa and Mastercard, and as part of its acquiring and issuing activities, Nexi Group operates under specific licensing agreements. Such agreements require that Nexi Group comply with binding rules (i.e. mandates, which are periodically updated by the international scheme operators themselves), and that it secure certification under the Payment Card Industry Data Security Standard issued by the Payment Card Industry Security Standards Council.

Figure 5. Profitability



Source: Minerva Investment Management Society Estimates

Figure 6. Income margins



Source: Minerva Investment Management Society Estimates

Figure 7. Liquidity



Source: Minerva Investment Management Society Estimates

Figure 8. Solvency



Source: Minerva Investment Management Society Estimates

Financial Analysis

The financial analysis has been conducted with a focus on the comparison between the pre-acquisitions scenario and post-acquisitions scenario. We have considered liquidity, profitability, solvency, and income margins of 2020 and 2021.

Profitability:

To assess the profitability of NEXI, we have considered ROE, ROA and ROS ratios.

In 2020, Nexi's ROE was low with a value of 3,9%, while, in 2021 it has registered a strong rise reaching 14,9% which is a really positive result mainly addressable to the increase of the net profit given by the acquisitions.

The ROA increased from 5,1% to 6,7% which means that with the acquisitions the company is more able to use its assets in order to create a surplus.

The ROS has incredible values of 31,6% in 2020 and 32,6% in 2021. These results are attributable to its business model that allows them to have great margins without discounting the expenses in non-recurring income.

Liquidity:

To analyze NEXI liquidity, we examined both cash ratio and quick ratio since the company has no inventory due to its business model.

Regarding the cash ratio, it can be noticed that it has medium-high value for 2020 with cash that amount for 0,75 times the current liabilities. The 2021 cash ratio shows a high value of 1,94, which can be explained by the acquisition activity that the company was involved in 2021.

The quick ratio indicates high values for both the years taken in consideration, we have a 2,36 value for 2020 and an increase to 2,81 for 2021. This means that the company is more than able to cover its current liabilities with its current assets.

Both the ratios analyzed suggests that through the acquisitions, the company improved its liquidity situation.

Income margins:

We can observe a very wide difference between EBITDA margin and Profit margin in both the years which highlights the significance of non-recurring expenses in the company's net profitability. In fact, we can see very high values of EBITDA margin for 2020 and 2021 which amount respectively to 48,8% and 46,6%. Instead, the profit margin in 2020 and 2021 has lower values to 12,8% and 16,5%.

Solvency:

To examine Nexi's solvency we have considered the Debt to Equity and Debt to Assets ratios.

From the Debt to Equity point of view we can see a huge raise in its value after the acquisitions with the 2020 value amounting to 1,28 and the 2021 to 2,39. This spread is given by the issuing of new bonds with the aim of facing the acquisition process.

The Debt to Asset ratio has kept a solid value with an improvement from 0,67 to 0,54 given by the increase in total assets provided by the acquisition process. This value tells us that the company has a good coverage of the debt with respect to the assets.

Figure 9. Computed Results

Cumulative PV FCFF	34.938
-NFV	-6.967
MV Equity	27.792
n.shares ('000)	1.305
DCF Price Target	21,44
Price Target	20,06
Price 08.12.2021	14,37

Cost of equity	11,1%
Cost of debt	1,69%
Weights Equity	0.44
Weights Net Debt	0.56
WACC	5,58%
Tv growth rate	2,00%
data in € millions	
TV	41448
PV TV	29924
Enterprise Value	34938
Net Financial Value	-6967
Equity Value	27792
N° of shares (in millions)	1305
DCF Share Price Target	21,44
Share Price Target	20,06

Source: Minerva Investment Management Society Estimates

Figure 10. Sensitivity Analysis

		WACC		
		5,08%	5,58%	6,08%
g	1,50%	22,05	18,53	15,79
	2,00%	25,99	21,44	18,01
	2,50%	31,47	25,30	20,86

Source: Minerva Investment Management Society Estimates

Valuation

Valuation Price Target:

Our analysis followed two main approaches:

- intrinsic valuation regarding the DCF model (FCFF)
- relative valuation with market multiples of comparable companies

For deriving the price target we computed a weight average of the values obtained from the two analysis, attributing an higher weight to the DCF result because of its stronger accuracy

Free Cash Flow to Firm Approach

For the revenue forecast, it was decided to adopt different assumptions based on the different core businesses in order to avoid over- and underestimates. The growth rate of the Merchant Services and Solutions division is given by the average growth of digital payments and POS expected over the next 5 years as reported by the Bank of Italy. Card and Digital Payments, on the other hand, follows the growth rate of the use of digital payment cards, which was assumed to cautiously decrease due to its current diffusion. Finally, Digital Banking Solutions was assumed to grow, also in light of the clearing platform promoted in the PNRR and future strategic acquisitions in this area.

The Cost of Operating Revenues following the analysis of the historical trend was assumed to be constant and equal to 13%. The Other Operating Costs and Revenues, directly deriving from Nexi and not from the acquired company, have been set as a decrease, given the nature that appears more extraordinary and non-systematic on the expected FCF.

With regard to the cost of the business, the WACC was estimated.

For the cost of debt, the average cost of debt was used, derived from the debt instruments issued by the company, also in light of recent issues to finance acquisitions.

For the cost of equity, the CAPM model was used, where the risk free is given by the 10y BTP yield and the country risk premium considered is the one for the Italian market provided by Damodaran.

In the case of Beta, a double estimate was developed, one through historical estimation and the other through the comparables. The first estimate, based on the definition of Beta and its expression as the ratio between the Covariance between the security and the market, weighted for the market variance, leads to Beta of 0.932 and KE of 7,1%. The calculation through competitor analysis involves selecting a suitable pool of companies, estimating the unlevered betas of these, averaging the above values and relevering to take account of Nexi's capital structure. Beta in this case of 1.48 and KE of 11,1% with a pool of 17 competitors.

Given the recent phase of acquisitions and the future consolidation needed to develop synergies, it was decided to adopt the estimate through comparables, which seems to better take into account the dynamics of the sector and the inherent risks.

Capex: Considering an average capex on EBITDA of 0.18, a cash out for investments of 0.25 on EBITDA has been projected, taking into account future expansion operations through acquisitions. The overall capex over the five years tends to the EBITDA of the fifth year, with investments reasonably equal in the various periods.

Working capital is essentially neutral as Payables, Receivables and Inventories don't have a significant impact on Nexi business model; it has been projected keeping the historical WC constant at EBITDA.

Terminal value. Given the uncertainty on exit multiples, an estimate has been assumed using a constant growth Gordon model, with a growth factor of 2.0% considering the historical average GDP growth rate for Italy has been 2.25% from 1961 to 2021.

The Net Financial Position that is subtracted from the Enterprise Value provided by the DCF to obtain the Equity Value is the sum of the NFP of Nexi, SIA and Nets in 2021, taking into account 9Q and making a constant projection, as there is no reason for significant changes in the last quarter of the year.

The number of outstanding shares takes into account Nexi's current shares (1035) and the shares that will be generated to complete the acquisition of SIA (300 million) for a total of 1335 billion.

Figure 11. Comparables' Multiples-2021

Comparables	EV/SALES	EV/EBITDA	EV/EBIT	P/E
Worldline	3,80	15,20	19,90	19,30
WEX	4,10	9,90	16,60	12,20
FleetCor	6,70	12,20	14,60	13,60
Euronet	1,50	8,10	11,30	15,00
Afterpay	15,20	144,70	315,50	539,80
Jack Henry	5,80	17,40	24,10	31,40
Western Union	1,70	6,50	7,70	7,70
Nuvei	14,70	33,70	52,50	47,80
Marathon Digital Holdings	7,80	10,10	9,40	14,70
GMO Payment Gateway	20,40	55,90	61,10	102,20
Nexi	11,76	23,63	36,05	57,17

Source: Minerva Investment Management Society Estimates

Market Multiples Approach

We decided to compare the results obtained through the DCF valuation with a market multiple analysis based on forecasted 2021 ratios. The data of comparables collected are shown in figure 11. These comparables have been selected according to the relevance of their industry, business model and market capitalization. All the comparables are listed and they have a market capitalization between €4 and 18 billion. We used both equity side multiples and asset side multiples, with more attention to the last ones firstly because they were closer to our fundamental analysis and secondly because of their relative lower dependent on market sentiment. Since the comparables show significant outliers, we derived an adjusted average of the ratios considered: by adopting a commonly used method, we excluded from the mean the two extremes, that are the minimum and maximum value for each ratio. Even though we derived also the median, we decided not to consider it since we observed that the values of the multiples were not evenly distributed in the range.

Regarding the equity sides multiples, we mainly considered the P/E ratio. As shown in figure 11, from our forecasts we obtained an implied ratio of 57,17 for 2021, which is higher than the P/E ratio obtained from the comparables analysis. This can be justified by the fact that, while the P/E multiple reflects the general trend of the sector, the DCF analysis has highlighted Nexi's significant expectations regarding its profitability given by the recent acquisitions and thanks to the investments that will be provided by the PNRR in Italy.

For what concerns the assets side multiples, we derived the EV/Sales, EV/EBITDA and EV/EBIT trading multiples from the same set of comparable companies. While the EV/EBIT tends to yield target price levels similar to the current market quotes, the EV/Sales and EV/EBITDA ratios have antithetic results. Indeed, compared to the same multiples implicitly derived from the DCF analysis, the comparable EV/Sales underestimates the company's stock price, but on the other hand the market EV/EBITDA is more in line with the bullish outlook resulting from the fundamental valuation. In a sector such as Nexi's digital payments industry, where margins are an extremely important characteristic of the business model and its viability, the multiple EV/Sales which does not take into account the company's profitability can be misleading: for this reason, it is excluded from the calculation of the final target price.

Investment Risks

Country over-exposure risk - Even if it expanded a lot its operations in Europe through its mergers and acquisitions, 52% of Nexi's revenues are still made in Italy. This makes its results linked to the Italian economy. A negative event that impacts the macroeconomic situation in Italy could impact really bad the Operations of Nexi, comprehending the transaction volumes, number of cards issued, and POS terminal distributed.

Credit risk - Nexi's growth and acquisition are mostly financed by debt. Right now, it has a rating of BB-, but it could get lower in case the weighted-average debt to EBITDA got bigger. The Nexi's leverage is high and could be bad for the company in case it will not be able to sustain its growth and penetration in the Italian digital payments industry. The Nets and Sia acquisitions made the debt-situation better especially in a long-term point of view but it's still important pay attention to the company's debt.

Interest rate risk - Changes in interest rates can impact the market value of the company's financial assets and liabilities and the level of interest expenses, as some of the loans subscribed are variable rate. The cost of refinancing would also increase with an increase in interest rates.

Regulatory risk - The electronic payment industry is a fast-growing sector in Italy and Nexi is its leader in this country and one of the leaders in Europe. We could see some regulatory forces in the future in case Nexi kept growing and got a bigger slice of the market. Nexi operates under some licensing agreements, and they change periodically, so, if Nexi acquired too much power they could change and give some restrictions to the company.

Exchange rate risk - Nexi now making business in non-Euro countries, exposing to other currencies.

Income statement

<i>Millions of €</i>	2016	2017	2018	2019	2020	2021E	2022E	2023E	2024E	2025E	2026E
Operating revenue	543,6	858,7	639,3	996,1	1.014,8	2.970,0	3.172,1	3.404,2	3.667,3	3.967,2	4.311,1
Operating cost of sale	-31,7	-37,7	-79,7	-182,2	-87,0	-386,1	-412,4	-446,4	-480,9	-520,2	-565,3
Gross profit	511,8	821,0	559,6	813,9	927,8	2.583,9	2.759,7	2.957,8	3.186,4	3.446,9	3.745,7
Operating costs	-336,1	-469,8	-391,0	-565,4	-432,7	-1.105,4	-1.095,0	-1.098,9	-1.120,1	-1.142,7	-1.166,9
EBITDA	175,7	351,2	168,5	248,5	495,1	1.478,5	1.664,7	1.858,9	2.066,3	2.304,2	2.578,9
Depreciation, amortisation, impairments and write-downs	-26,7	-88,3	-84,4	-151,4	-174,1	-509,4	-544,1	-583,9	-629,0	-680,5	-739,5
EBIT	149,0	262,9	84,1	97,0	321,1	969,0	1.120,6	1.275,0	1.437,3	1.623,7	1.839,4
Net Extraordinary items	-55,0	-144,5	0,1	-55,5	-110,6	-325,3	-366,2	-409,0	-454,6	-506,9	-567,4
EBT	94,0	118,4	84,2	41,5	210,5	643,8	754,4	866,0	982,7	1.116,8	1.272,1
Taxation on profit/(loss)	-33,6	-46,5	-40,3	-4,2	-79,7	-154,5	-181,1	-207,9	-235,8	-268,0	-305,3
Profit after taxes	60,5	71,9	44,0	37,3	130,8	489,3	573,3	658,2	746,8	848,8	966,8
Profit (loss) form discontinued operations	2,2	0,2	-7,4	99,6	-0,7						
Net Income	62,7	72,1	36,5	136,9	130,0	489,3	573,3	658,2	746,8	848,8	966,8

Valuation

<i>€ Millions</i>	2022E	2023E	2024E	2025E	2026E	
EBITDA	1.665	1859	2066	2304	2579	
-D&A	-544	-584	-629	-680	-739	
EBIT	1.121	1275	1437	1624	1839	
-Taxes on EBIT	-269	-306	-345	-390	-441	
NOPAT	852	969	1.092	1.234	1.398	
+ D&A	544	584	629	680	739	
-Capex	-416	-465	-517	-576	-645	
- ΔWC	-26	-27	-29	-33	-38	TV
FCFF	954	1061	1176	1306	1455	41448
discount factor	1,06	1,11	1,18	1,24	1,31	1,39
PV FCFF	903	952	999	1.051	1.109	29.924

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