

ANY Security printing

BUY

Target price (12M ex-div): HUF 2,000 (unch.)

HUF million	Q2/21	Q2/22	Chg. (y-o-y)
Revenues	12,782	11,691	-9%
EBITDA	2,694	1,731	-36%
EBIT	2,270	993	-56%
Net profit	1,722	549	-68%
EPS (HUF)	120	38	-68%
Export ratio	28.0%	37.5%	9.5%pt
EBITDA marg.	21.1%	14.8%	-6.3%pt
EBIT marg.	17.8%	8.5%	-9.3%pt



Share price close as of 17/08/2022	1,550	Bloomberg	ANY HB
Number of shares [million]	14.8	Reuters	ANYH.BU
Market capitalization [HUF bn/EUR mn]	23.1/57.2	Free float	58%
Daily turnover 12M [EUR th]	40.0	52-week range	HUF 1,460-1,805

Another strong set of quarterly results

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- Summary:** ANY Security Printing Co. reported a solid set of results for Q2 as it achieved a net income of HUF 549mn on net sales of HUF 11.7bn. As a result, the Company reached a net profit of HUF 1.6bn in H1/22 driven by the strong export sales, election ballots and the steady demand for personal documents in Hungary.
- Key positives:** (1) the Company is well ahead of our full year forecast as EPS was HUF 114 in H1 vs. our FY22 estimate of HUF 120. (2) “Neither the worldwide chip shortage, nor the paper shortage, nor the dramatic increase in the price of all these, were insurmountable obstacles” – CEO said. (3) After the change in the shareholder’s structure, sales activity of the Romanian subsidiary looks very pretty as it added significant value to the ANY’s net income.
- Key negatives:** (1) CEO said that it had become more difficult to pass exchange rate fluctuations, rising energy and labour costs onto the customers.
- We are confident that ANY remained a great asset in the CEE region even if a global economic slowdown threatens.** Though the rising yield environment is not favourable for dividend stocks like ANY, the Company’s business model looks bulletproof. Taking into consideration that ANY earned an EPS of HUF 114 in the first half of this year, the Company may offer a dividend yield of over 10% at current share price levels, which is considered remarkable by us. Our 12m ex-div TP is 2,000 HUF/sh adjusted for our modest dividend expectation of 120 HUF/sh, implies a 36% upside potential to the current share price.

PROFIT AND LOSS [HUF MILLION]

[HUF mn]	2021			2022		Q2 chg.	
	Q2	Q3	Q4	Q1	Q2	Y-o-Y	Q-o-Q
P&L							
Revenue	12,782	9,189	9,076	11,574	11,691	-9%	1%
Gross profit	6,120	2,141	2,184	4,431	3,018	-51%	-32%
EBITDA	2,694	1,658	1,016	2,044	1,731	-36%	-15%
EBIT	2,270	1,262	527	1,485	993	-56%	-33%
Net financials, tax, minority	-548	-306	-66	-398	-444	-19%	11%
Net profit / (loss)	1,722	956	461	1,086	549	-68%	-49%
EPS	120	67	32	76	38	-68%	-49%
Total Sales							
Security products	2,850	2,494	2,612	4,338	3,311	16%	-24%
Card production	6,338	3,517	3,056	3,389	3,852	-39%	14%
Form production	2,768	2,525	2,407	3,243	3,723	35%	15%
Traditional printing products	511	496	501	392	536	5%	37%
Other	316	157	499	212	269	-15%	27%
o/w export sales							
Security products	593	321	420	381	236	-60%	-38%
Card production	295	70	384	278	450	53%	62%
Form production	2,517	2,252	2,188	2,950	3,407	35%	15%
Traditional printing products	18	13	42	51	61	239%	20%
Other	154	116	587	139	229	49%	65%
Export ratio	28.0%	30.2%	39.9%	32.8%	37.5%	9.5%pt	4.7%pt
Margins							
Gross margin	47.9%	23.3%	24.1%	38.3%	25.8%	-22.1%pt	-12.5%pt
EBIT margin	17.8%	13.7%	5.8%	12.8%	8.5%	-9.3%pt	-4.3%pt
EBITDA margin	21.1%	18.0%	11.2%	17.7%	14.8%	-6.3%pt	-2.9%pt
Net profit margin	13.5%	10.4%	5.1%	9.4%	4.7%	-8.8%pt	-4.7%pt

Source: ANY Security Printing, Concorde Research

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Rating	Trigger
Buy	Total return is expected to exceed 20% in the next 12 months
Accumulate	Total return is expected to be in the range of 10-20%
Neutral	Total return is expected to be in the range of 10%-(-10%)
Reduce	Total return is expected to be in the range of -10-(-20%)
Sell	Total return is expected to be lower than -20%
Under Revision	The stock is put Under Revision if the covering analyst considers new information may change the valuation materially and if this may take more time.
Coverage in transition	Coverage in transition rating is assigned to a stock if there is a change in analyst.

Securities prices:

Prices are taken as of the previous day's close on the home market unless otherwise stated.

Valuations and risks:

Analysis of specific risks to set stock target prices highlighted in our investment case(s) are outlined throughout the report. For details of methodologies used to determine our price targets and risks related to the achievement of the targets referred to in the main body of the report or at [Rating Methodology](#) on our website, visit (https://www.con.hu/wp-content/uploads/2016/04/Methodology_concorde_research.pdf?tstamp=201710021038)

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