

20 August 2021

ANY PLC

HOLD

ANY PLC: 2Q21 results review – on track to beat our 2021E

BBG Ticker	ANY HB
Market Cap (USD mil)	74.4
Price	1,510
Price target	1,562
Upside	3.4%

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ANY reported its results yesterday (19 August), with record net income of HUF 1.7bn, EBITDA of HUF 2.7bn and (+450% yoy) and revenues of HUF 12.8bn, more than double yoy. While we expected the results to be strong, they surprised us to the upside, due especially to the 2Q21 net income being at the level of our 2021E estimate already. We see the results as very strong and we expect a positive market reaction. On our numbers, ANY trades currently at P/E's of 11.1-14.1x and EV/EBITDA's of 7.6-8.8x for 2021-23E.

The strong revenue growth was supported mostly by the domestic sales of personal documents, as the orders returned after the pandemic in 2020, and the expiry dates of these documents were extended by the government. Exports thus accounted only for 28% of total sales, down from 45% in 1Q21. While we expect this to continue over the course of the year, the effect is likely to be lower from now on, in our view, and should normalise by next year already as the expiry dates are not likely to be extended further.

The strong revenue growth supported the margins, with the EBITDA margin reaching as much as 21.1%, vs. the long term average of c.11%. The net income margin landed at 13.5% for the quarter.

The net income of HUF 1,722m in 2Q21 is close to our 2021E estimate of HUF 1,798m. In 1H21, the company generated c.122% of our 2021E net income estimate. This should be reflected positively in the next dividend payment, we believe, as the company is likely to return to 100% payouts as of next year. Therefore, the dividend could be higher than we expect currently.

On the negative side, we would highlight the higher operating expenses, which increased mostly on the back of higher personnel costs. On the other hand, this is explained by higher overtime costs, not only salary increases.

We note that the company sold its Bulgarian subsidiary recently, and is likely to be seeking opportunities in the digital space.

ANY Security Printing Company: 2Q21 summary financials

(HUF m)	2Q20	3Q20	4Q20	1Q21	2Q21	yoy	qoq
Revenues	5,991	7,144	7,303	9,610	12,782	113%	33%
Security Products	1,368	1,857	2,089	2,623	2,850	108%	9%
Card Production	1,728	2,266	1,628	3,316	6,338	267%	91%
Form Production	2,344	2,483	2,894	3,158	2,768	18%	-12%
Traditional Printing	392	354	462	308	511	30%	66%
Other	159	184	230	205	316	99%	54%
Materials expenses	-4,175	-4,794	-4,888	-5,889	-5,854	40%	-1%
Personnel expenses	-1,727	-1,676	-1,709	-2,373	-2,739	59%	15%
Other expenses	401	190	150	-53	-1,495	n.m.	>1,000%
EBITDA	490	864	856	1,296	2,694	450%	108%
D&A	-362	-380	-399	-403	-424	17%	5%
EBIT	128	484	457	893	2,270	>1,000%	154%
Financial result	-37	-41	-51	-21	-21	-41%	0%
Pre-tax profit	92	443	407	872	2,248	>1,000%	158%
Tax	-20	-209	-18	-189	-422	>1,000%	123%
Net income	72	234	389	682	1,826	>1,000%	168%
Minorities	64	28	110	214	104	63%	-52%
Net income for shareholders	9	205	279	468	1,722	>1,000%	268%

Source: Company data, WOOD Research

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ANY: operational data summary

	2Q20	3Q20	4Q20	1Q21	2Q21	yoy	qoq
Materials expenses % of revenues	69.7%	67.1%	66.9%	61.3%	45.8%	-23.9pp.	-15.5pp.
Personnel expenses % of revenues	28.8%	23.5%	23.4%	24.7%	21.4%	-7.4pp.	-3.3pp.
EBITDA margin	8.2%	12.1%	11.7%	13.5%	21.1%	12.9pp.	7.6pp.
EBIT margin	2.1%	6.8%	6.3%	9.3%	17.8%	15.6pp.	8.5pp.
Net income margin	1.2%	3.3%	5.3%	7.1%	14.3%	13.1pp.	7.2pp.
Net Income for shareholders margin	0.1%	2.9%	3.8%	4.9%	13.5%	13.3pp.	8.6pp.
Business lines as % of revenues							
Security Products	23%	26%	29%	27%	22%	-0.5pp.	-5.0pp.
Card Production	29%	32%	22%	35%	50%	20.7pp.	15.1pp.
Form Production	39%	35%	40%	33%	22%	-17.5pp.	-11.2pp.
Traditional Printing	7%	5%	6%	3%	4%	-2.5pp.	0.8pp.
Other	3%	3%	3%	2%	2%	-0.2pp.	0.3pp.
Export revenues							
	2,659	2,713	3,237	4,304	3,577	35%	-17%
Security Products	166	243	296	1,160	593	257%	-49%
Card Production	261	85	118	110	295	13%	168%
Form Production	2,079	2,242	2,603	2,884	2,517	21%	-13%
Traditional Printing	4	4	1	4	18	350%	350%
Other	149	139	219	146	154	3%	5%
Export as % of total revenues							
	44%	38%	44%	45%	28%	-16.4pp.	-16.8pp.
Security Products	12%	13%	14%	44%	21%	8.7pp.	-23.4pp.
Card Production	15%	4%	7%	3%	5%	-10.4pp.	1.3pp.
Form Production	89%	90%	90%	91%	91%	2.2pp.	-0.4pp.
Traditional Printing	1%	1%	0%	1%	4%	2.5pp.	2.2pp.
Other	94%	76%	95%	71%	49%	-45.0pp.	-22.5pp.

Source: Company data, WOOD Research

Year	Sales (HUF m)	EBITDA (HUF m)	EBIT (HUF m)	Net Income (HUF m)	EPS (HUF)	P/E (x)	EV/EBITDA (x)	DPS (HUF)	Dividend Yield
2019	34,131	3,372	2,083	1,273	102.9	13.5	8.1	78.5	5.6%
2020	27,424	2,995	1,497	785	72.2	19.5	10.3	0.5	0.0%
2021E	34,385	4,011	2,639	1,798	135.6	11.1	7.6	83.0	5.5%
2022E	35,729	3,621	2,240	1,500	113.9	13.3	8.5	121.6	8.1%
2023E	36,598	3,526	2,135	1,400	107.3	14.1	8.8	101.4	6.7%

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