

Waberer's

BUY

Target price : HUF 1,910 (prev. HUF 1,785)

Share price: HUF 834

EUR million	2019	2020F	2021F
Revenue	696	595	654
EBITDA	40	56	73
EBIT	-29	-8	14
Net profit	-42	-17	6
Profit margin	-6%	-3%	1%
Truck number	4 094	3 617	3 214
P/E	n.a	n.a	7.4x
EV/EBITDA	6.2x	4.1x	3.0x
EBITDA/truck [ths EUR]	9.8	15.6	22.7



Share price close as of 16/06/2020	HUF 834	Bloomberg	WABERERS HB
Number of shares [million]	17.7	Reuters	WABE.HU
Market capitalization [HUF bn/EUR mn]	14.7/43	Free float	28%
Daily turnover 12M [HUF million]	8	52 week range	HUF 562 – 1,480

Beats on the cards

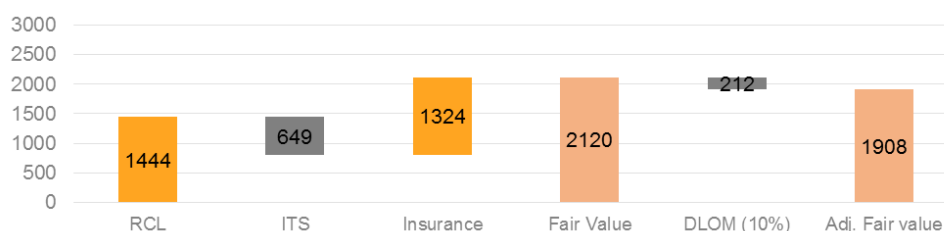
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- With a compelling 130% upside potential to our new TP of 1,910 HUF/sh (vs. our prev. estimate of 1,785 HUF/sh) based on our earnings estimates, we **keep our positive stance on Waberer's** and maintain our **BUY** rating on the stock. We hold our view that Waberer's is deeply undervalued and we see asymmetric risk/reward at this point. We believe that this time is perfect for any strategic investors to make an offer for Waberer's' Regional Contractual Logistics (RCL) business and its non-core insurance unit. Especially insurance business looks in a very attractive to buy, but RCL might be also an exciting investment in light of its expanding activity across the region.
- Consistent with our previous view, we stress that Waberer's has valuable assets including RCL and non-core insurance business, but recovery in its International Transportation segment (ITS) seems very slow, as it is hit severely by the COVID-19 pandemic. That said, the Polish Link (which is part of ITS) has already recuperated, achieving positive profit margins in recent quarters. This points to the relative weakness of the Budapest-based ITS.

Waberer's - Fair Value per share [HUF]



Source: Concorde estimate

- When valuing Waberer's we continue to use a sum-of-the-parts valuation approach. We think business segments can be well distinguished, as they have negligible direct influence on each other.
- ✓ We cut our EV estimate for ITS to -650 HUF/sh (vs. our prev. est. of -400 HUF/sh) in light of the COVID-19 pandemic. Waberer's ITS arm is currently destroying the shareholder value, but measures announced recently are expected to lead to materially higher margins in the mid-term. In addition to this, Waberer's reached minor improvements in the last few quarters at operational levels by increasing order numbers per truck, but the haulier has yet to prove and deliver significantly better results permanently to make us change our assessment on ITS. We are pleased with the fact that Waberer's has started deleveraging its balance sheet, which with debt moratorium currently in place in Hungary may enable Waberer's to fix its liquidity position by the end of 2020. We believe that short-term pain will result in long-term gain, but even so we feel it appropriate to cut our ITS earnings estimate for 2020 by EUR 13mn to net loss of EUR 28mn due to plunging order numbers caused by the coronavirus pandemic.
- ✓ We raise our target EV for RCL to 1,445 HUF/sh (vs. our previous est. of 1,370 HUF/sh). Net profit was broadly in line with our estimate in 2019. On the back of the Audi contract, RCL is in a good position to strengthen its core business in Hungary and deliver pre-2018 profit levels over the coming years. We expect ITS net income to arrive at EUR 3mn in 2020.
- ✓ We raise or target EV for Insurance unit to HUF 1,325 HUF/sh (vs. our previous est. of 1,010 HUF/sh). We set our EV using an industry average P/E multiple of 8,7x for 2020. Insurance business (Other segment) reached a net profit of EUR 7.7mn (+49% YoY) in 2019. We think that it is sustainable in light of increasing MTPL market in Hungary. Damages are expected to be lower in 2020 vs. 2019 considering the lower traffic due to travel restrictions. We forecast a net profit of about EUR 7.7mn in 2020, broadly flat compared to previous year.
- ✓ We also feel it reasonable to apply a 10% liquidity discount for equity valuation because of very low daily stock trading volumes.
- We admit that Waberer's is one of the riskiest plays in our coverage universe, but when things look black, there's always a silver lining. We highlighted several times previously that there are numerous risks to the carrier's future activity. We stress that, if occurs, any proceeds from divestments may differ to a great degree from our segmental EV estimates. We deep-dive into the details on it on Page 4.
- After having six loss-making quarters, Waberer's achieved positive EBIT in Q1/20. However, headline profit numbers are somewhat misleading given huge differences when it comes to segment breakdown. RCL remained relatively strong compared to ITS, while the Insurance unit delivered an outstanding 35% growth in the first quarter at operating level thanks to the expanding activity of the business.
- CEO Mr. Erdélyi said that results for the first quarter were in line with their expectations, with utilization showing better rates as a result of transformation initiatives and successful client acquisitions. Despite improving operations, COVID-19 has a significant impact on Waberer's' profitability as demand for international transportation plunged 40-50% in mid-March. In contrast, the coronavirus pandemic had a short-term positive impact on regional segment as volumes grew, but it can change rapidly as stockpiling effect runs out. However, in light of the current weakness of the global automotive industry, order flows are likely to be subdued going forward. Financial stability in terms of indebtedness and financing daily operation remained secured mostly as a result of debt moratorium in Hungary.
- Waberer's is in the midst of a difficult period. Transportation has been negatively affected by several factors over the recent quarters. Tightening labour markets, higher wages and

the changing cost structure weighed on over the last two years, and Waberer's lost its competitive advantage. Utilization of the fleet had also deteriorated until last summer as the average run of trucks disappointingly dropped below 10,000km/month in the International Transportation Segment due to lower magnitude of order number. It was attributable to the appearance of Balkan hauliers, making the market highly competitive as customers are generally price sensitive and those rivals could offer lower prices. In early 2019, Mgmt. addressed cost saving measures to slash its cost base significantly. However, it wasn't effective enough. **Waberer's failed to deliver a massive turnaround what management had been dreaming of for the end of 2019.**

- **The year of 2020 started with hopes that Waberer's is on track to improve its operations and achieve better results.** Thanks to a significant fleet reduction program, which has led to an avg. 15% YoY cut in ITS fleet size, utilization rates have begun to improve gradually. **We highlighted several times earlier that the ITS segment is highly dependent on orders coming from the European automotive industry, which makes up almost 25% of segmental revenue. Besides that, the spot market, which accounts for 50% of total ITS sales, is currently under pressure from low shipping prices caused by overcapacity and fierce competition in European transportation markets.**

ITS

- **ITS is stumbling on a bumpy road. In our opinion, the recovery in this segment will take a longer period than earlier expected due to the COVID-19 pandemic, whereas debt moratorium in Hungary clearly helps to address liquidity issues by allowing for c30mn euros credit deferral.** Customer portfolio has been optimized along with scaling down loss-making capacities, which has led to better utilization rates from Q2/19 levels. Management succeeded to retain its more profitable blue chip customer base.
- **Waberer's aims to increasingly focus on contracted clients and major trade lines in its ITS.** Accordingly, Waberer's plans to reduce its fleet size further, while also restructuring the business model. **Coronavirus is expected to have a long-lasting impact on the European logistics market and the so-called "taxi" model what Waberer's applied in the past seems no longer viable.** Instead, Waberer's intends to concentrate on its contracted clients, enabling it to achieve higher unit revenue, and better quality and profitability. Implementation will take about 6 months according to management.
- **ITS is deteriorating the Group's EV by 650 HUF/sh, with shareholder's value hurting deeper than we earlier anticipated. Margins are expected to remain depressed this year in light of coronavirus pandemic, but we look forward a rebound in H2 on the back of effective transformation.**
- **We cut our earnings forecasts in light of recent developments.** We significantly cut our sales forecast by 30/25% to EUR 363/404mn, EBITDA forecast by 54/26% to EUR 22/35mn for 2020/2021F, respectively, vs. our previous estimate. ITS is expected to reach a net loss of EUR 28mn in 2020, followed by a net loss of 8mn in 2021.

RCL

- **RCL has benefitted from expanding activity at Audi's Hungarian factory.** A 3-year contract was signed in AUG/19 with Audi's Hungarian subsidiary present in Győr (Western Hungary), but the service period started just in DEC/19. Accordingly, Waberer's provides in-house logistics services in the engine production plant and operates an external logistic centre. Recent expansion had a meaningful impact on financial performance, resulting in a 33% YoY increase in revenues and a 54% YoY jump in EBITDA in Q1/20.
- **We raise our target EV for RCL to 1,445 HUF/sh.**
- **Operating margins shrunk in 2019 predominantly due to higher wages, transit and fuel costs, but we expect a significant jump in top and bottom line for 2020.** Waberer's opted to restructure this segment, and **new client acquisitions seem to have a meaningful impact on its earnings, with regional presence expected to remain strong.**

- **We raise our earnings forecast for RCL.** We raise our sales forecast by 4/6% to EUR 170/186mn, EBIT forecast by 3/7% to EUR 7mn & EUR 9mn and net profit forecast by 20/39% to EUR 3/6mn for 2020/2021F, respectively. **We are concerned that first-quarter growth rates cannot be sustained in Q2-Q3/20 as Audi halted production for weeks due to COVID-19. We expect production to ramp-up by Q4/20, which should contribute to higher margins.**

Other segment (Insurance)

- **Insurance segment remained strong, with delivering a 44% YoY increase in 2019 and a 35% YoY increase at the company-defined EBITDA level in Q1/20.** WHB expanded its activities in the MTPL segment and retained its 3rd position on the Hungarian MTPL market.
- **We anticipate another outstanding year for the Insurance segment, and raise or target EV for the Insurance unit to HUF 1,325 HUF/sh.**
- Insurance business (Other segment) reached a net profit of EUR 7.7mn (+49% YoY) in 2019. We think that it is sustainable in light of increasing MTPL market in Hungary, but COVID-19 will cause a slight deterioration in profitability. On the other hand, claims for damages are expected to be materially lower in 2020 vs. 2019 as a consequence of lower traffic due to travel restrictions. **We forecast a net profit of EUR 7.7mn for 2020.**

Different scenarios imply different outcomes

- **We deem that Waberer's is deeply undervalued compared to its estimated intrinsic value. However, there are numerous risks to the carrier's future activity as we highlighted several times earlier.**
- Since its listing on the BSE, share price has been steadily declining, which can be attributed to a significant loss in investor confidence following a number of loss-making quarters. Of the three segments, ITS, which is by far the largest revenue-generating segment, is massively loss-making, while RCL and Insurance (Other) segments are sustainably profitable activities. Recognizing this, Waberer's have allegedly carried out a comprehensive review of its two profitable segments recently but no decision has been taken yet on what to do with them. Valuation metrics have been hit hard worldwide in recent months, and M&A markets have all but dried up following the economic downturn caused by the pandemic. **We believe that the sale of the non-core segments could only take place at a price that would imply a significant discount of up to 20-30 percent to what we think should otherwise be a fair value of RCL, which however would hardly be unacceptable by the principal shareholder, Mid Europa Partners.**
- **Low risk - Scenario 1: Spin-off:** Examining the regional market, Waberer Hungaria, the Waberer's' non-core other segment, operates with outstanding profitability. Its value is estimated at nearly HUF 23 billion (which is 36% higher than the market capitalization of its listed Hungarian peer CIG Pannonia). **From the proceeds of the sale, Waberer's could not only stabilize its liquidity position, but could even pay dividends to shareholders, which should be honoured by a positive share price reaction.** To distribute these stable positive cash flows to shareholders would be a value-accretive step only in case its core activities, including ITS and RCL segments, became profitable on a consolidated basis in a very short period of time, in our view.
- **Moderate risk - Scenario 2: Selling RCL segment** could be a hot topic in the coming months. The coronavirus pandemic shed light on the fact that Waberer's is a strategically important company in Hungary. Because of this, it cannot be ruled out that **strategic investors can come to make a takeover bid for RCL business. We don't think that ITS could be the subject of any imminent deal especially if Hungarian-investors were interested in it.** The sale of RCL business certainly involves risks. In our view, against the backdrop of the current economic environment, **Waberer's will only be able to sell its RCL business at a deep discount compared to BV, which would harm the interests of minority shareholders.**

- High risk - Scenario 3: Additional goodwill write-offs, delisting, divestment.** There were several goodwill write offs in recent quarters, which has also reduced the value of shareholder equity. **If the majority shareholder sees a significant potential to delist the shares and then sell the business segments separately, we think the buyout offer price will be determined on the basis of an equity-based valuation approach.** Book value was nearly EUR 94 million at the end of Q1/20, i.e. more than HUF 1,800 per share, but we expect further reduction over this quarter in light of COVID-19. **In the case of further write-offs, the value of equity could deteriorate further, which would push any buyout offer price down to a lower level.** However, we also note that the current amount of goodwill on B/S of EUR 31.7mn predominantly relates to the acquisition of Link, which operated well pre-covid.

Sensitivity tables, valuation

RCL segment

		RCL NOPLAT TV growth				
		0.2%	0.4%	0.6%	0.8%	1.0%
Risk-Free	0.0%	1469	1522	1578	1640	1707
	0.5%	1348	1394	1444	1498	1557
	1.0%	1234	1276	1320	1368	1419
	1.5%	1129	1165	1204	1247	1292
	2.0%	1030	1062	1097	1134	1174

Source: Concorde estimate

Transportation

Valuation Summary - Transportation	EUR mn
ITS	-33
RCL	73
Equity Value	40
Number of shares (mln)	17.5
Fair price (EUR)	2.3
EURHUF	345
Fair value (HUF)	796

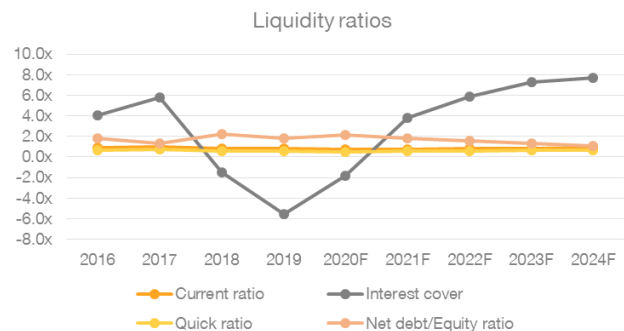
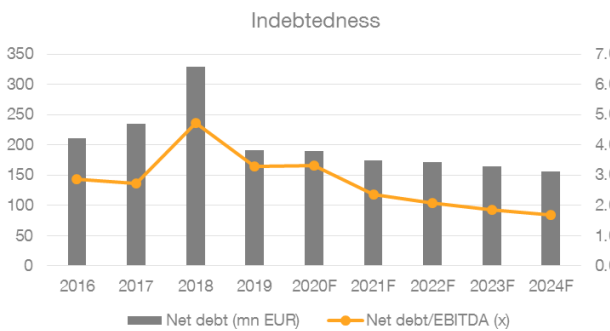
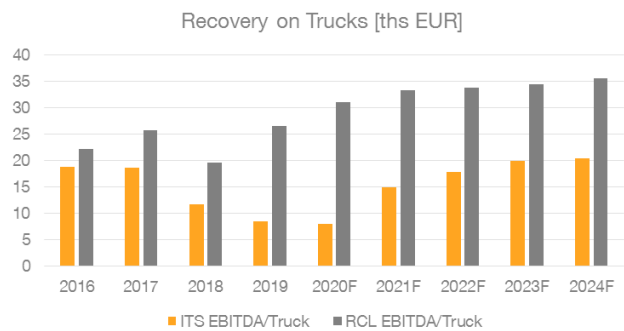
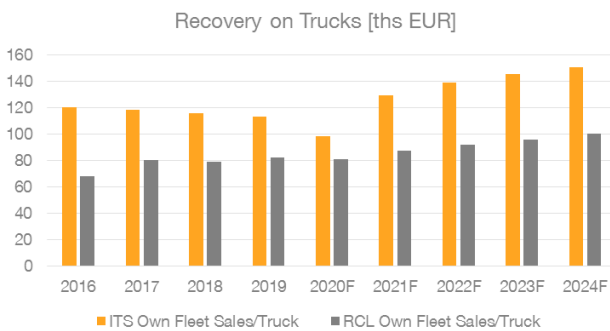
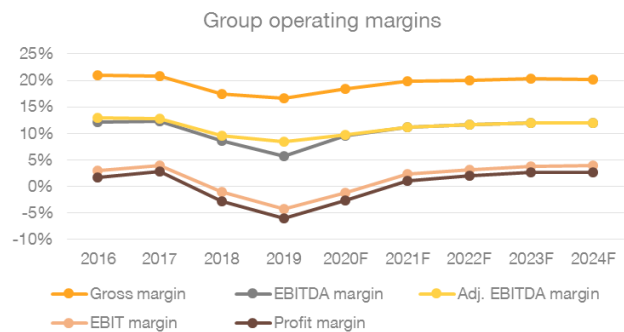
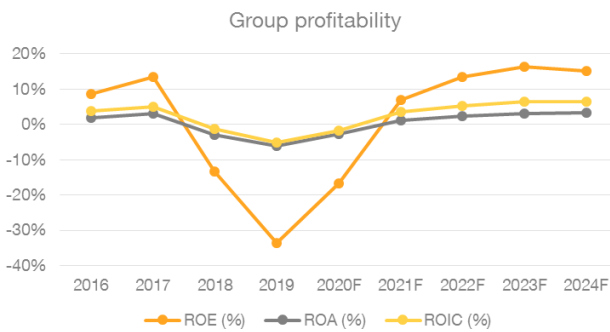
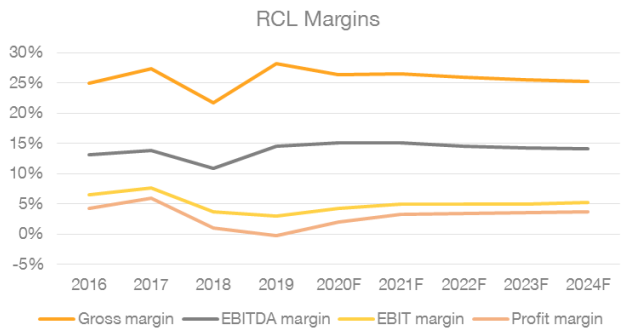
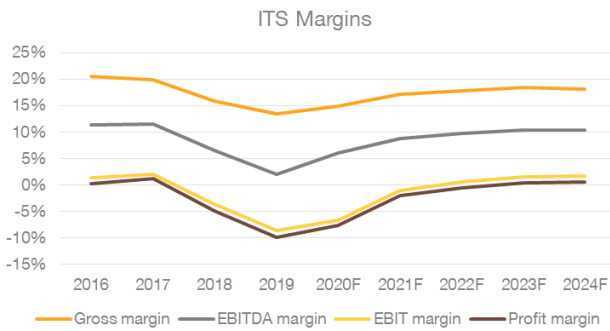
Other segment

Waberer Hungaria 2020F	EUR	HUF
Revenue [EUR mn/HUF bn]	71.9	24.8
Profit [EUR mn/HUF bn]	7.7	2.7
EPS	0.4	152
Profit margin	11%	11%
Peer group median P/E FY0	8.7x	8.7x
Fair value [EUR/sh]	3.8	1324

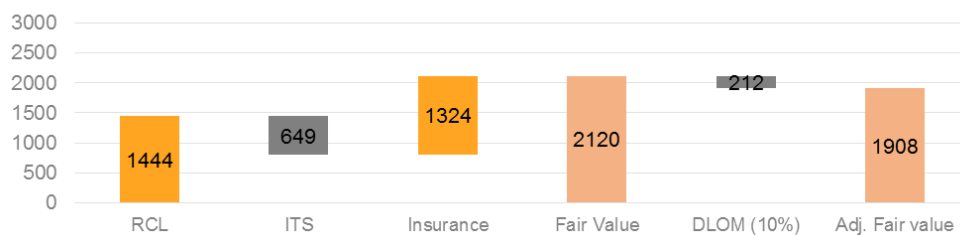
*EURHUF=345

Source: Concorde estimate

WABERER'S IN CHARTS



Waberer's - Fair Value per share [HUF]



Source: Waberer's, Concorde estimate

APPENDIX

PROFIT AND LOSS [EUR MILLION]

	2019	2020 old	2020 new	2021 old	2021 new	2022 old	2022 new
Revenue	696	737	595	768	654	812	703
OPEX	-580	-597	-487	-618	-525	-650	-563
Gross profit	116	139	109	150	129	163	140
EBITDA	40	73	56	82	73	92	81
Non-recurring items	18	0	1	0	0	0	0
Recurring EBITDA	58	73	57	82	73	92	81
Depreciation and amortization	-69	-69	-64	-69	-58	-70	-60
EBIT	-29	4	-8	13	14	21	22
Net financial result	-6	-7	-4	-7	-4	-7	-4
EBT	-35	-3	-12	6	10	14	18
Tax	-6	-5	-4	-6	-5	-6	-5
Net Income	-42	-8	-17	1	6	9	13
Recurring Net Income	-23	-8	-16	1	6	9	13

BALANCE SHEET [EUR MILLION]

	2016	2017	2018	2019	2020F	2021F	2022F
Property	20	21	69	69	80	84	94
Vehicles	233	294	322	154	130	117	119
Total property, plant and equipment	262	324	399	228	217	208	220
Intangible assets	23	62	61	50	50	50	50
TOTAL NON-CURRENT ASSETS	344	453	543	389	378	369	380
Inventories	3	4	4	4	3	4	4
Trade receivables	88	119	114	112	95	105	113
Cash and cash equivalents	32	59	58	51	37	40	43
TOTAL CURRENT ASSETS	169	229	231	217	186	199	211
TOTAL ASSETS	513	681	774	606	564	568	591
Share capital	5	6	6	6	6	6	6
Reserves and retained earnings	102	163	139	98	82	88	100
Non-controlling interest	8	8	0	0	0	0	0
TOTAL SHAREHOLDERS' EQUITY	114	175	145	104	87	93	106
Long-term portion of leasing	162	207	261	129	119	110	112
TOTAL LONG-TERM LIABILITIES	211	278	342	237	227	218	220
Short-term loans and borrowings	15	5	18	49	49	49	49
Short-term portion of leasing	66	81	106	65	60	55	56
Trade payables	84	114	133	118	107	118	127
TOTAL CURRENT LIABILITIES	188	228	286	266	250	256	266
TOTAL EQUITY AND LIABILITIES	513	681	774	606	564	568	591

CASH-FLOW STATEMENT [EUR MILLION]

Simplified Cash Flow	2016	2017	2018	2019	2020F	2021F	2022F
Profit/loss before tax	14	23	-16	-35	-12	10	18
D&A (excl. Impairment)	52	56	66	62	64	58	60
Working cap	8	2	18	-6	6	1	1
Others	-3	3	13	31	0	-1	-1
Operating Cash-Flow	71	84	81	51	58	69	77
CAPEX (incl. Lease payment)	-40	-59	-61	-65	-58	-53	-54
Investing Cash-Flow	-38	-59	-76	-84	-68	-62	-69
Financing Cash-Flow	-12	1	-7	26	-4	-4	-4
Changes in cash	21	27	-1	-7	-14	3	4
Cash and cash equivalents at the	32	59	58	51	37	40	43

KPIS

	2016	2017	2018	2019	2020F	2021F	2022F
Price (HUF) (year-end)	5 100	4 700	2 300	1 080	834	834	834
EURHUF (year-end)	311	309	319	330	345	345	345
EPS (HUF)	162	322	-377	-784	-322	112	252
EPS growth (%)		99%	-217%	108%	-59%	-135%	124%
EPS (EUR)	0.5	1.0	-1.2	-2.4	-0.9	0.3	0.7
EPS growth (%)		100%	-214%	101%	-60%	-135%	124%
DPS (HUF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DPS (EUR)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BVPS (HUF)	1 872	2 923	2 612	1 941	1 696	1 809	2 061
BVPS growth (%)		56%	-11%	-26%	-12%	7%	14%
BVPS (EUR)	6.0	9.5	8.2	5.9	4.9	5.2	6.0
BVPS growth (%)		57%	-13%	-28%	-16%	7%	14%
TBVP (HUF)	1 475	1 833	1 508	1 012	730	842	1 094
TBVP growth (%)		24%	-18%	-33%	-27%	15%	30%
TBVP (EUR)	4.7	5.9	4.7	3.1	2.1	2.4	3.2
TBVP growth (%)		25%	-20%	-35%	-31%	15%	30%
Total no. of shares (mln)	17.7	17.7	17.7	17.6	17.7	17.7	17.7
Total no. of shares w/o Treasury	17.4	17.4	17.4	17.4	17.5	17.5	17.5
Book Value	106	167	145	104	87	93	106
Tangible Book Value	84	105	84	54	37	43	56
Market capitalization (EUR)	290	269	128	58	43	43	43
-Cash & Equivalents	-32	-59	-58	-51	-37	-40	-43
+Minority	8	8	0	0	0	0	0
+Total debt	243	293	385	242	227	214	216
Enterprise value	509	512	455	249	233	218	216
Invested Capital	391	535	594	405	374	367	382

Source: Concorde's estimate

BREAKDOWNS

REVENUE BREAKDOWN	2016	2017	2018	2019	2020F	2021F	2022F
ITS	78%	74%	74%	69%	60%	61%	61%
RCL	17%	18%	18%	21%	28%	28%	28%
Insurance	5%	7%	8%	10%	12%	11%	11%
EBITDA BREAKDOWN	2016	2017	2018	2019	2020F	2021F	2022F
ITS	77%	72%	67%	48%	39%	49%	52%
RCL	18%	20%	23%	37%	45%	38%	36%
Profit margin	6%	8%	10%	15%	16%	13%	12%
EBIT BREAKDOWN	2016	2017	2018	2019	2020F	2021F	2022F
ITS	36%	39%	n.a	n.a	n.a	n.a	11%
RCL	39%	35%	n.a	n.a	n.a	n.a	45%
Insurance	24%	25%	n.a	n.a	n.a	n.a	44%
COST BREAKDOWN	2016	2017	2018	2019F	2020F	2021F	2022F
Direct wages	16%	16%	16%	17%	15%	15%	16%
Indirect wages	5%	5%	5%	5%	4%	4%	4%
Fuel	19%	18%	18%	16%	13%	13%	14%
Toll & transit	17%	17%	17%	16%	16%	17%	17%
Subcontractors & reinsurance	20%	22%	22%	17%	23%	24%	24%
Depreciation	9%	9%	9%	10%	11%	9%	9%
Others	14%	12%	13%	19%	18%	17%	16%

Source: Concorde's estimate

MARGINS, MULTIPLES, RATIOS

GROUP margins	2016	2017	2018	2019	2020F	2021F	2022F
Gross margin	21%	21%	17%	17%	18%	20%	20%
EBITDA margin	12%	12%	8%	6%	9%	11%	12%
Adj. EBITDA margin	13%	13%	9%	8%	10%	11%	12%
EBIT margin	3%	4%	-1%	-4%	-1%	2%	3%
Profit margin	2%	3%	-3%	-6%	-3%	1%	2%
ITS margins	2016	2017	2018	2019	2020F	2021F	2022F
Gross margin	20%	20%	16%	13%	15%	17%	18%
EBITDA margin	11%	11%	7%	2%	6%	9%	10%
Adj. EBITDA margin	12%	12%	8%	6%	6%	9%	10%
EBIT margin	1%	2%	-4%	-9%	-7%	-1%	1%
Profit margin	0%	1%	-5%	-10%	-8%	-2%	-1%
RCL margins	2016	2017	2018	2019	2020F	2021F	2022F
Gross margin	25%	27%	22%	28%	26%	26%	26%
EBITDA margin	13%	14%	11%	14%	15%	15%	15%
EBIT margin	6%	8%	4%	3%	4%	5%	5%
Profit margin	4%	6%	1%	0%	2%	3%	3%
Insurance margins	2016	2017	2018	2019	2020F	2021F	2022F
Gross margin	16%	14%	13%	15%	14%	14%	14%
EBITDA margin	13%	14%	11%	13%	13%	13%	13%
EBIT margin	12%	13%	11%	13%	12%	12%	12%
Profit margin	9%	10%	9%	11%	11%	11%	11%
Multiples	2016	2017	2018	2019F	2020F	2021F	2022F
P/E	31.6x	14.6x	n.a	n.a	n.a	7.4x	3.3x
P/BV	2.7x	1.6x	0.9x	0.6x	0.5x	0.5x	0.4x
P/TBV	3.5x	2.6x	1.5x	1.1x	1.1x	1.0x	0.8x
EV/CF	0.9x	1.1x	4.6x	n.a	n.a	1.6x	1.4x
EV/sales	0.9x	0.8x	0.6x	0.4x	0.4x	0.3x	0.3x
EV/EBITDA	7.4x	6.2x	8.0x	6.2x	4.1x	3.0x	2.6x
Dividend yield (%)	0%	0%	0%	0%	0%	0%	0%
FCF yield (%)	12%	10%	4%	-57%	-23%	16%	18%
Ratios	2016	2017	2018	2019F	2020F	2021F	2022F
Sales growth (%)		18%	9%	-5%	-15%	10%	8%
ROE (%)	9%	13%	-13%	-34%	-17%	6%	13%
ROA (%)	2%	3%	-3%	-6%	-3%	1%	2%
ROIC (%)	4%	5%	-1%	-5%	-2%	3%	5%
Net debt/EBITDA (x)	2.9x	2.7x	5.1x	3.3x	3.3x	2.4x	2.1x
Net debt (mn EUR)	211	234	327	191	191	175	173
CAPEX/Depreciation (x)	0.9x	1.2x	1.3x	1.5x	1.1x	1.1x	1.2x
Depreciation/Sales (%)	9%	8%	9%	10%	11%	9%	8%
Liquidity	2016	2017	2018	2019F	2020F	2021F	2022F
Current ratio	0.9x	1.0x	0.8x	0.8x	0.7x	0.8x	0.8x
Interest cover	4.1x	5.8x	-1.9x	-5.5x	-1.9x	3.7x	5.7x
Quick ratio	0.6x	0.8x	0.6x	0.6x	0.5x	0.6x	0.6x
Net debt/Equity ratio	1.9x	1.3x	2.3x	1.8x	2.2x	1.9x	1.6x
Working Cap turnover days	2016	2017	2018	2019F	2020F	2021F	2022F
Receivables	2	2	2	2	2	2	2
Inventories	56	65	57	59	59	59	59
Payables	61	71	72	66	66	66	66
Recovery [in EUR ths]	2016	2017	2018	2019F	2020F	2021F	2022F
ITS EBITDA/Truck	19	19	12	8	8	15	18
RCL EBITDA/Truck	22	26	20	27	31	33	34
ITS Own Fleet Sales/Truck	120	118	116	113	99	129	139
RCL Own Fleet Sales/Truck	68	80	79	82	81	88	92

Source: Concorde's estimate

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Sell	Total return is expected to be lower than -20%
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