GEO HOLDINGS (2681)

New games sales fall obscures strong demand for second-hand fashion, smartphones

20 September 2024

Q1 FY3/25 results update

Share price: ¥1,553 **Market cap: ¥61.7bn**

- **Sales and profit fall but the details paint a more positive picture** – Q1 FY3/25 earnings look negative at first glance, with both sales and operating profit falling. However, the details show strong demand for GEO HOLDINGS' core second-hand fashion business and smartphone sales, helping gross profit increase. The key earnings drivers were a fall in sales (-6.2% YoY to ¥100.15bn) due to difficult annual comps from new games sales. However, GEO HOLDINGS' core second-hand fashion business and smartphones enjoyed robust demand, thanks to new store openings at home and overseas. Gross profit rose +6.1% YoY to ¥41.69bn. However, higher SG&A from the company's investments for growth – namely hiring and rent – ate into profits. As a result, operating profit fell 24.6% YoY to ¥4.37bn and EPS dropped -26.9% YoY to ¥89.34. The company maintained its full-year earnings forecasts.



Source: Bloomberg

Strategic growth scenario

- **Refocusing original rental business on smartphone sales** – as the rental market shrinks, GEO has been reconfiguring its eponymous brand stores to focus on the growing used smartphone market.
- **Medium-term management targets** – while the company hasn't published a medium-term management plan, it aims for a PBR over 1x and a sustainable ROE of 8%.
- **ESG** – We score the company as '**Amber'** under our Astris-Sustainability model scorecard, scoring 52.86 under our 'Social' category.
- **Valuations** – The shares are trading on an estimated PER FY3/25 of 7.3x (on -23.2% EPS growth YoY) and an FCF yield of 8.3%. Our FCF definition is cash flow from operating activities less expenditures for acquisitions of tangible and intangible fixed assets. Although GEO's priority is strategic investments, the company did increase DPS to ¥29 in FY3/24 and plans to raise it again to ¥34 in FY3/25.

Year-end	3/23	3/24	3/25E	3/26E	3/27E
Sales (¥bn)	377.30	433.85	455.52	498.81	545.55
OP (¥bn)	10.62	16.81	14.12	17.96	21.82
NP (¥bn)	5.68	10.90	8.38	10.65	12.98
EPS (¥)	135.93	275.31	211.56	268.90	327.85
DPS (¥)	24.00	29.00	34.00	43.02	52.46
Sales growth YoY (%)	+12.7	+15.0	+5.0	+9.5	+9.4
OP growth YoY (%)	+29.9	+58.3	-16.0	+27.2	+21.5
NP growth YoY (%)	-5.1	+91.9	-23.2	+27.1	+21.9
EPS growth YoY (%)	-3.7	+102.5	-23.2	+27.1	+21.9
PER (x)	11.4	5.6	7.3	5.8	4.7
EV/EBITDA (x)	5.7	4.2	4.6	3.8	3.3
EV/Sales (x)	0.3	0.2	0.2	0.2	0.2
PBR (x)	0.8	0.7	0.6	0.6	0.5
ROE (%)	7.4	13.3	9.1	10.4	11.1
ROCE (%)	7.0	9.2	7.3	8.7	9.9
FCF yield (%)	(5.5)	0.2	8.3	5.2	9.0
Dividend yield (%)	1.5	1.9	2.2	2.8	3.4
Total shareholder yield (%)	1.5	1.9	2.2	2.8	3.4

Source: Company. Astris Advisory (estimates)

Price Performance	YTD	1M	3M	12M
Abs (%)	-26.8	-0.9	-4.2	-37.1
Rel (%)	-34.5	+0.2	-1.2	-42.7

Company sector
General Consumer Goods and Services
Specialty Retail

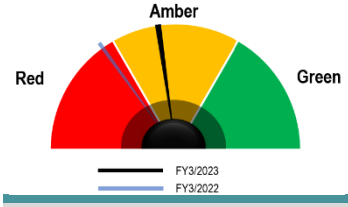
Stock data	
Price (¥)	1,553
Mkt cap (¥bn)	61.7
Mkt cap ($m)	430.8
52-week range (¥)	1,271-2,525
Shares O/S (m)	39.7
Average daily value ($m)	3.0
Free float (%)	58.4
Foreign shareholding (%)	13.5
Ticker	2681
Exchange	Tokyo Prime
Net Debt/Equity (x)	0.2
FFO leverage (x)	4.8
BBG BUY | HOLD | SELL	0 | 1 | 0

Source: Bloomberg

Business Overview

GEO HOLDINGS operates several chains of second-hand stores offering items including clothing. smartphones. household appliances. and games. It also rents movies and music.

Astris-Sustainability ESG rating



Reference Ratings	
MSCI	N/A
Sustainalytics	24.0
Refinitiv	N/A
S&P Global	50.0
Bloomberg	2.05

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Q2 FY3/25 results November 2024

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Q1 FY3/25 results

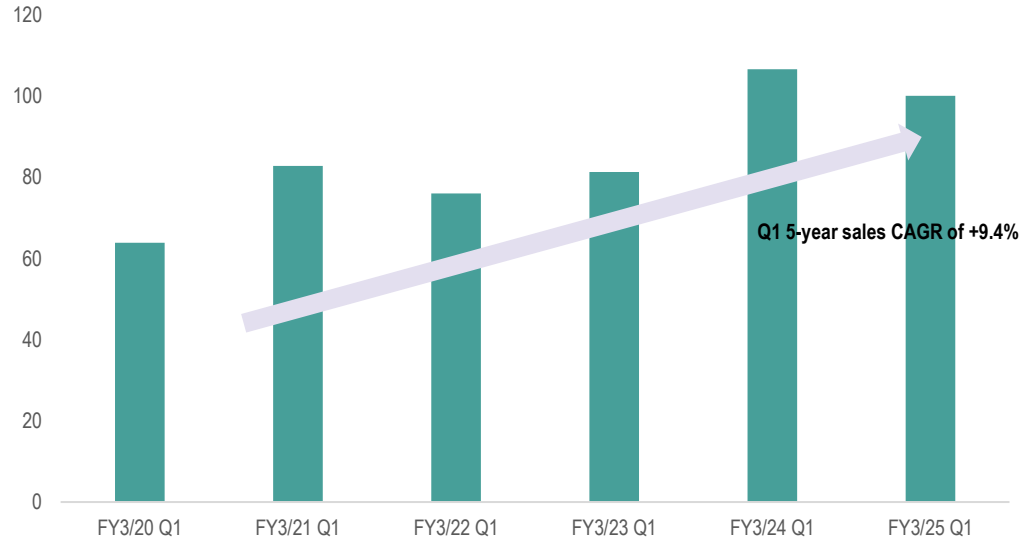
Recent results

Key financials

(¥bn)	Q1 FY3/24	Q1 FY3/25	Growth YoY (%)
Sales	106.73	100.15	-6.2
Gross profit/(loss)	39.29	41.69	+6.1
Gross margin (%)	***36.8***	***41.6***	
SG&A expenses (¥bn)	33.50	37.33	+11.4
SG&A/Sales ratio (%)	***31.4***	***37.3***	
Operating profit/(loss)	5.79	4.37	-24.6
Operating margin (%)	***5.4***	***4.4***	
Recurring profit/(loss)	7.07	5.48	-22.5
Net income attributable to the parent	4.83	3.55	-26.5

Source: Company

Although GEO HOLDINGS' Q1 FY3/25 sales fell YoY, they grew at a 5-year CAGR of 9.4% (¥bn)
GEO HOLDINGS' 5-year sales CAGR is 9.4%, despite a YoY fall in Q1 FY3/25



Source: Company

Sales: GEO HOLDINGS' Q1 FY3/25 top line (¥100.15bn -6.2% YoY) was significantly impacted by the volatility in new games and console sales, underlined by the decline in Brand New merchandise sales (-42.6% YoY to ¥21.26bn). New games are a particularly volatile contribution to sales, as demand is dependent on the launch of new titles, something that GEO HOLDINGS has no control over. Moreover, in recent years, the impact of the semiconductor shortage on console production has also contributed to that volatility. Q1 FY3/24 was a particularly strong quarter for the company thanks to a rebound from the previous year's slump. That meant Q1 FY3/25 was up against some extremely difficult comps.

Excluding new products and rental, the latter of which is impacted by the rise of streaming, almost all other product categories increased sales. Second-hand clothing and devices (smartphones and tablets) enjoyed particularly strong growth as GEO HOLDINGS continued to implement its double-pronged strategy of opening new 2nd STREET stores both at home and overseas, and reconfiguring GEO brand stores to prioritize the sale of used smartphones and tablets.

The inflationary environment is providing a tailwind for the company, as shoppers endeavor to use their disposable income more wisely, while inbound tourists helped lift luxury sales in particular, and to a lesser extent, second-hand clothing and accessories.

In sum, the decline in sales was not reflective of GEO HOLDINGS' long-term trajectory. We estimate that as the company's 2nd STREET store expansion gathers pace, the volatility of new game sales could gradually have a diminishing impact on overall sales.

Almost all sales by merchandise type rose in Q1 FY3/25

Merchandise type	Chainstore	Sales (¥bn)	YoY	Sales Ratio (%)
Second Hand		**65.67**	**+17.7%**	**65.6**
- **General**		**46.44**	**+17.7%**	**46.4**
Clothing & Accessories	2nd STREET	24.07	+21.4%	24.0
Furniture & Appliances	2nd STREET	3.02	+18.0%	3.0
Luxury	OKURA	14.61	+12.6%	14.6
Others	2nd STREET	4.74	+15.8%	1.7
- **Media**		**19.23**	**+17.8%**	**19.2**
Games	GEO	7.81	-0.3%	7.8
Smartphones & Tablets	GEO & GEO mobile	10.35	+41.6%	10.3
Others	GEO	1.07	-9.9%	1.1
Brand New	GEO	**21.26**	**-42.6%**	**21.2**
Others		**13.22**	**-4.9%**	13.2
- Digital Content	viviON	3.73	-1.1%	3.7
- Rental	GEO	7.40	-10.3%	7.4
- Others		2.10	+10.9%	2.1
Total		**100.15**	**-6.2%**	**100.0**

Source: Company

Gross Profit: Although sales fell, encouragingly, gross profit rose, as demand for second-hand clothes and accessories, and smartphones outpaced the cost of sales, more than covering for the decline in gross profit from Brand New product sales (-32.3% YoY to ¥3.89bn). Total gross profit was ¥41.69bn (+6.1% YoY), generating a gross profit margin of 41.6%, representing a substantial improvement from 36.8% in Q1 FY3/24.

Although the company's luxury sales increased by 12.6% YoY to ¥14.61bn, gross profit in this merchandise segment declined by 6.2% YoY to ¥1.67bn. This was due to an increase in purchase prices as inbound tourists bought luxury items in Japan to take advantage of the weak yen. The merchandise segment gross profit margin fell YoY but rose QoQ. Despite the downward trend in the overall market, rising retail prices contributed to the margin increase.

Q1 FY3/25 Used clothing and smartphones demand helped gross profit rise

Item	GP (¥bn)	YoY (%)	GPM (%)
Reuse	**28.90**	**+14.8**	**44.0**
General	**22.69**	**+17.2**	**48.9**
Clothing & Accessories	15.88	+20.4	66.0
Furniture & appliances	1.87	+18.8	61.8
Luxury	1.67	-6.2	11.4
Others	3.27	+16.1	69.0
Media	**6.21**	**+6.9**	**32.3**
Games	2.49	+0.8	31.8
Smartphones & tablets	2.53	+19.4	24.4
Others	1.20	-2.6	112.2
Brand new	**3.89**	**-22.3**	**18.3**
Others	**8.91**	**-2.3**	**67.4**
Digital content	3.35	+0.4	89.8
Rental	4.71	-6.9	63.7
Others	0.85	+18.3	40.6
Total	**41.69**	**+6.1**	**41.6**

Source: Company

Operating Profit: Higher costs, particularly those related to GEO HOLDINGS' store expansion including April hiring, hurt operating profit alongside the drop in sales. This reflects the company's strategy that more store staff will help increase purchases of second-hand items and their subsequent resale.

OP was ¥4.37bn (-24.6% YoY), as SG&A increased by 11.4% YoY to ¥37.33bn. This meant that the SG&A ratio to sales climbed to 37.3% from 31.4%. The reason for this increase in costs lay mainly in rising personnel costs as the company increased hiring and wages as it opened a net total of nine stores globally during the quarter, compared with five in the previous year's Q1. As a result, at the end of the quarter, the company had a total of 2,117 stores across all brands including franchise outlets.

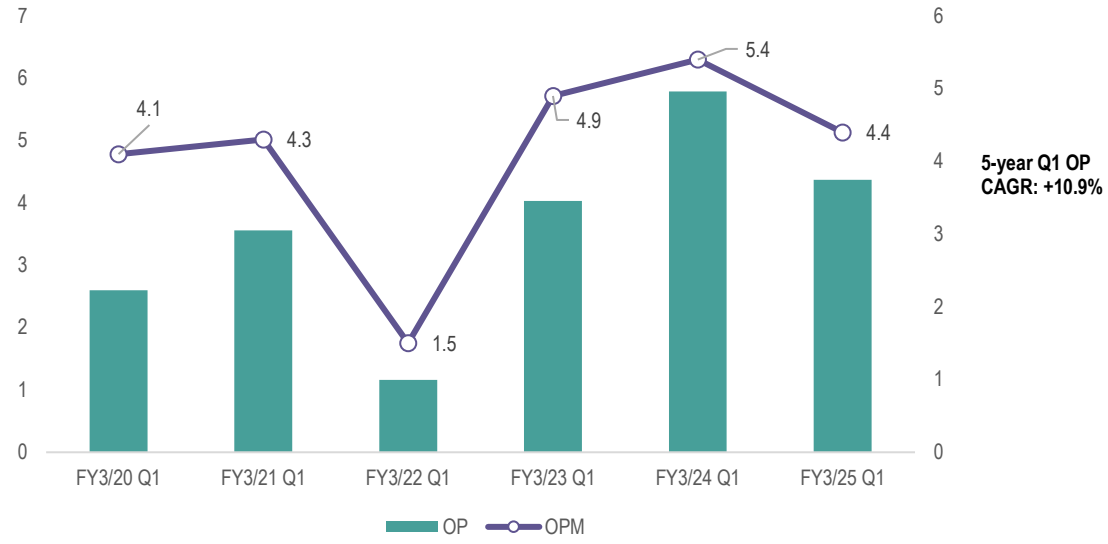
Quarterly net store openings nearly doubled in Q1 FY3/25 YoY

Store Brand Net Openings	Q1 FY3/24	Q1 FY3/25
GEO	-10	-6
2nd STREET (Japan)	4	4
2nd STREET (overseas)	6	6
Others*	5	5
Total net openings	**5**	**9**

Source: Company. Includes both directly managed and franchise stores. Others = subsidiaries including Luck Rack, OKURA, amusement facilities, and Rock.

Personnel costs rose +14.6% YoY to ¥17.77bn, representing 17.7% of sales vs 14.5% in Q1 FY3/24. Aware of the importance of controlling rising outlays, the company is making efforts to improve efficiency and productivity, aiming to keep the ratio of personnel costs to sales as close as 15-17% as possible. Other cost increases related to investments for growth included increased rents, an inevitability of opening new stores, with the total figure for the quarter rising 8.1% to ¥7.37bn; and depreciation, which increased by 18.2% YoY to ¥1.27bn. Finally, the rising use of cashless payment methods is increasing fees for GEO HOLDINGS while electricity costs also increased.

Q1 FY3/25 OP CAGR grew to +10.9%, despite a YoY OP decline in the quarter (rhs = ¥bn, lhs = %)



Source: Company

The company kept its full-year forecasts of sales of ¥436bn (+0.5% YoY) and OP of ¥12bn (-28.6% YoY) and plans to open 153 new stores globally (unchanged).

Medium-term targets

Targets

GEO has not disclosed a medium-term plan but does have targets to highlight. They are:

- Raising PBR to over the 1x threshold. It tends to be either at 1x or just below.
- Reaching ROE of 8%. This metric can be quite volatile, coming in at 13.8% in FY3/24, the first year it was above 8% since at least FY3/19. It is estimated to decline to 9.1% in FY3/25 before recovering again as earnings improve.
- Reaching 1,000 2nd STREET stores in Japan by FY3/29, 100 US stores by FY3/28 and 100 Taiwan stores by FY3/30.

Shareholder returns

GEO HOLDINGS recognizes the importance of shareholder returns and aims to pay out dividends based on its profitability; though it has not disclosed targets. The company believes that investing in a foundation first to sustainably increase profits is the most appropriate method of raising shareholder returns over the long term. Therefore, patience from shareholders is required for the time being. GEO HOLDINGS did raise its FY3/24 dividend forecast to ¥29 from its original forecast of ¥24 at its Q2 results announcement, a level that had been unchanged since FY3/22. Moreover, it is forecasting a dividend of ¥34 for FY3/25.

Astris earnings estimates and key assumptions

Astris' key earnings forecasts are as follows and have not changed from the initiation report:

Astris Advisory earnings estimates

Year-end	FY3/25 guidance	FY3/25E	FY3/26E	FY3/27E
Sales	**436.00**	**455.52**	**498.81**	**545.55**
Growth YoY (%)	+0.5	+5.0	+9.5	+9.4
OP (¥bn)	**12.00**	**14.12**	**17.96**	**21.82**
OPM (%)	2.8	3.1	3.6	4.0
EBITDA (¥bn)	**-**	**23.23**	**27.93**	**32.73**
EBITDA margin (%)	-			
FCF (¥bn)	**-**	**5.12**	**3.19**	**5.57**
FCF margin (%)	-	1.1	0.6	1.0
FCF conversion (%)	-	36.5	17.9	25.7
FCF yield (%)	**-**	**8.3**	**5.2**	**9.0**

Source: Astris Advisory
Note: FCF conversion is FCF/Pre-tax Profit

The core assumptions of our estimates are as follows:

- **Sales growth** – Although GEO HOLDINGS' Q1 FY3/25 was up against difficult annual comps from new games sales, we anticipate that the expected full-year impact will have already been incorporated into the company's forecasts. In light of the strength of second-hand clothes and smartphone sales, we maintain our sales estimate for FY3/25 at this stage of the year. We base our +5% YoY sales growth estimate on the assumption that even if the economy deteriorates and inflationary pressures persist, second-hand retailers like GEO HOLDINGS should benefit from cost-conscious Japanese and foreigners, as well as from the opening of more new stores. If the yen continues to weaken that could enhance foreign sales. For FY3/26 and FY3/27, our estimates assume compounding benefits from the opening of new stores at home and overseas as well as improvements made to bolster sales at existing stores.

- **Profitability** – Management highlighted the possibility of higher costs in FY3/25 on the back of higher wages and labor shortages, as well as higher utility bills. Such pressures played out in Q1. We believe that although these costs will increase, inflationary pressures could send more consumers to its stores in search of bargains. Therefore, a sales increase should feed through to OP, which we estimate to fall at a slower -16% YoY pace than the company forecast. As with sales, we estimate OP to gain momentum in FY3/26 and FY3/27 amid growing demand, new store openings, and incremental productivity gains.

- **Sustainable free cash flow generation** – GEO HOLDINGS produced positive free cash flow for the first time in three years in FY3/24. We expect this metric to improve as newly opened stores gain sales momentum. Our FCF definition is cash flow from operating activities less expenditures for acquisitions of tangible and intangible fixed assets.

Summary

GEO HOLDINGS has transformed from being a video rental store operator to Japan's largest second-hand retailer, operating four chains totaling 2,117 stores across Japan and overseas as of the end of June 2024, as well as several digital content sites via its viviON subsidiary. Its physical stores, predominantly operated by its 2nd STREET, GEO, OKURA, and Luck Brack brands, combined with its expanding online presence, generated annual sales of more than ¥430bn (+15% YoY) in FY3/24. That is faster growth than the 5.3% pace of the broader market, as estimated in the Reuse Business Journal's Second-Hand Market Databook.
The company has not disclosed a medium-term plan. However, its growth strategy focuses on:

- Rapidly opening stores in Japan to build on its leading market share.
- Reconfiguring its GEO rental DVD and CD stores to focus on the growing used smartphone market.
- Building on its 2018 foray overseas into the US by opening stores in Taiwan, Malaysia, Thailand, Hong Kong, and Singapore.
- Expanding its digital content and luxury businesses.

The key strategic and financial targets are:

- **To sustain ROE of 8% or more.**
- **Raising PBR over the 1x threshold.**
- Open its 1,000th domestic 2nd STREET store by FY3/29, its 100th US store by FY3/28, and its 100th Taiwan store by FY3/30.

Astris Advisory estimates GEO HOLDINGS will drive medium-term growth via the following:

- Raising the number of 2nd STREET stores in areas of high footfall, whilst ensuring that existing stores continue to increase annual sales, all while reconfiguring the layout of GEO stores away from rental and towards smartphone sales.
- Utilizing its strategy of directly operating stores to incrementally improve productivity, centrally control inventory, and monitor store and merchandise quality.
- Standing out from the competition by striking a balance between attracting sellers with better prices for used items than peers, and encouraging customers into stores by selling these items at reasonable prices vs the competition.

The shares are trading on our estimated PER FY3/25 of 7.3x (on -23.2% EPS growth YoY) and an FCF yield of 8.3%.

Contact details

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Source: Company

JGAAP Financial Summary

Income statement (¥bn)	FY 3/23	FY 3/24	FY 3/25E	FY 3/26E	FY 3/27E
Sales	**377.30**	**433.85**	**455.52**	**498.81**	**545.55**
COGS	234.82	274.05	286.82	313.56	341.88
Gross profit	**142.48**	**159.80**	**168.70**	**185.25**	**203.67**
Gross profit margin (%)	37.8	36.8	37.0	37.1	37.3
Operating profit	**10.62**	**16.81**	**14.12**	**17.96**	**21.82**
OP margin (%)	2.8	3.9	3.1	3.6	4.0
Non-operating income	2.28	3.12	1.00	1.00	1.00
Non-operating expense	(0.98)	(1.18)	(1.08)	(1.13)	(1.10)
Recurring profit	**11.93**	**18.75**	**14.04**	**17.83**	**21.72**
Extraordinary gains	-	0.35	-	-	-
Extraordinary losses	(1.25)	(1.79)	-	-	-
Pre-tax profit	**10.68**	**17.31**	**14.04**	**17.83**	**21.72**
Tax	(4.99)	(6.36)	(5.62)	(7.13)	(8.69)
Effective tax rate (%)	46.8	36.7	40.0	40.0	40.0
Net income	**5.68**	**10.95**	**8.43**	**10.70**	**13.03**
Non-controlling NI	-	0.05	0.05	0.05	0.05
Parent attributable NI	**5.68**	**10.90**	**8.38**	**10.65**	**12.98**
Sales growth YoY (%)	+12.7	+15.0	+5.0	+9.5	+9.4
OP growth YoY (%)	+29.9	+58.3	-16.0	+27.2	+21.5
Pre-tax profit YoY (%)	+31.8	+62.1	-18.9	+27.0	+21.8
NI growth YoY (%)	-5.1	+91.9	-23.2	+27.1	+21.9

Cash flow statement (¥bn)	FY 3/23	FY 3/24	FY 3/25E	FY 3/26E	FY 3/27E
Profit before tax	**10.68**	**17.31**	**14.04**	**17.83**	**21.72**
Depreciation/amortization	8.23	8.69	9.11	9.98	10.91
Changes in working capital	(10.79)	(9.53)	(0.82)	(5.16)	(4.97)
Other non-cash items	(1.91)	(2.65)	(2.48)	(2.34)	(2.49)
Tax paid	(1.93)	(4.52)	(5.62)	(7.13)	(8.69)
Cash from Operating Activities	**4.28**	**9.30**	**14.23**	**13.17**	**16.48**
Capex	(7.67)	(9.15)	(9.11)	(9.98)	(10.91)
Acquisitions/increased stakes	-	0.10	-	-	-
Other investing cash flow	(1.92)	(1.26)	(1.59)	(1.42)	(1.51)
Cash from Investing Activities	**(9.59)**	**(10.30)**	**(10.70)**	**(11.40)**	**(12.42)**
Total cash dividends paid	(1.02)	(0.95)	(1.15)	(1.35)	(1.70)
Debt issuance/(retirement)	10.01	13.64	-	-	-
Equity financing	(4.80)	-	-	-	-
Other	(0.25)	(0.30)	(0.30)	(0.30)	(0.30)
Cash from Financing Activities	**3.94**	**12.40**	**(1.44)**	**(1.64)**	**(2.00)**
FX impact	0.08	0.31	0.19	0.25	0.22
Net cash flow	**(1.29)**	**11.70**	**2.28**	**0.38**	**2.29**
Free cash flow	**(3.38)**	**0.15**	**5.12**	**3.19**	**5.57**
EBITDA	**18.85**	**25.50**	**23.23**	**27.93**	**32.73**
EBITDA margins (%)	5.0	5.9	5.1	5.6	6.0
Free cash flow margin (%)	-0.9	0.0	1.1	0.6	1.0
Free cash flow conversion (%)	N/A	0.9	36.5	17.9	25.7
Capex/sales (%)	2.0	2.1	2.0	2.0	2.0
Capex/depreciation (%)	93.1	105.3	100.0	100.0	100.0
CFO margin (%)	1.1	2.1	3.1	2.6	3.0

Balance sheet (¥bn)	FY 3/23	FY 3/24	FY 3/25E	FY 3/26E	FY 3/27E
Cash & equivalents	44.29	54.98	57.26	57.64	59.93
Inventory	64.24	70.97	74.28	81.20	88.54
Accounts receivables	11.49	15.00	15.75	17.25	18.87
Other	11.30	13.36	14.03	15.36	16.80
Current assets	**131.31**	**154.31**	**161.32**	**171.45**	**184.13**
Tangible assets	40.85	46.84	49.57	52.57	55.84
Goodwill	-	-	-	-	-
Intangible assets	3.26	4.34	7.07	10.07	13.34
LT Investments	-	-	-	-	-
Other	26.38	25.64	25.64	25.64	25.64
Fixed assets	**70.49**	**76.82**	**82.28**	**88.27**	**94.82**
Total assets	**201.80**	**231.13**	**243.60**	**259.71**	**278.94**
Short term borrowing	14.34	12.00	12.00	12.00	12.00
Trade payables	16.03	14.69	15.77	17.24	18.79
Other	18.85	20.80	22.96	24.75	27.18
Current liabilities	**49.23**	**47.49**	**50.72**	**53.98**	**57.97**
Long term borrowing	66.72	88.05	88.05	88.05	88.05
Other LT liabilities	8.64	8.24	8.24	8.24	8.24
Long term liabilities	**75.37**	**96.29**	**96.29**	**96.29**	**96.29**
Shareholder's equity	**76.90**	**87.13**	**96.37**	**109.23**	**124.47**
Share acquisitions rights	0.32	0.18	0.18	0.18	0.18
Non-controlling interests	-	0.04	0.04	0.04	0.04
Total net assets	**77.21**	**87.35**	**96.59**	**109.45**	**124.69**
Total liabilities & net assets	**201.80**	**231.13**	**243.60**	**259.71**	**278.94**

Key metrics	FY 3/23	FY 3/24	FY 3/25E	FY 3/26E	FY 3/27E
Profitability					
Gross margin (%)	37.8	36.8	37.0	37.1	37.3
Operating margin (%)	2.8	3.9	3.1	3.6	4.0
Net margin (%)	1.5	2.5	1.8	2.1	2.4
ROA (%)	3.0	5.0	3.5	4.2	4.8
ROE (%)	7.4	13.3	9.1	10.4	11.1
ROCE (%)	7.0	9.2	7.3	8.7	9.9
ROIC (%)	3.8	6.2	4.4	5.3	6.0
Liquidity					
Current ratio (x)	2.7	3.2	3.2	3.2	3.2
Quick ratio (x)	1.4	1.8	1.7	1.7	1.6
Leverage					
Debt/Equity ratio (x)	1.1	1.1	1.0	0.9	0.8
Net Debt/Equity ratio (x)	0.5	0.5	0.4	0.4	0.3
Equity ratio (x)	0.4	0.4	0.4	0.4	0.4
Interest cover (x)	44.4	58.8	35.3	44.9	54.5
Net Debt/EBITDA (x)	2.0	1.8	1.8	1.5	1.2
Valuation					
EPS reported (¥)	135.9	275.3	211.6	268.9	327.8
PER (x)	**11.4**	**5.6**	**7.3**	**5.8**	**4.7**
Diluted PER (x)	**11.8**	**5.8**	**7.6**	**6.0**	**4.9**
DPS (¥)	24.0	29.0	34.0	43.0	52.5
Dividend payout ratio (%)	17.7	10.5	16.1	16.0	16.0
Dividend yield (%)	**1.5**	**1.9**	**2.2**	**2.8**	**3.4**
Free cash flow yield (%)	**(5.5)**	**0.2**	**8.3**	**5.2**	**9.0**
Diluted free cash flow yield (%)	**(5.3)**	**0.2**	**8.1**	**5.0**	**8.8**
PBR (x)	**0.8**	**0.7**	**0.6**	**0.6**	**0.5**
EV/sales (x)	0.3	0.2	0.2	0.2	0.2
EV/EBITDA (x)	5.7	4.2	4.6	3.8	3.3
EV/EBIT (x)	10.1	6.4	7.6	5.9	4.9
EV/FCF (x)	N/A	707.1	20.8	33.5	19.2

Source: Company. Astris Advisory (estimates)

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